

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

BEFORE THE
 PENNSYLVANIA GAMING CONTROL BOARD
 * * * * *
 IN RE: APPLICATION OF ENDEKA ENTERTAINMENT, LP, D/B/a
 LAWRENCE DOWNS CASINO AND RACING RESORT,
 CATEGORY 1 SLOT MACHINE LICENSE
 PUBLIC INPUT HEARING
 * * * * *

BEFORE: LINDA LLOYD, Presiding Officer
 William H. Ryan, Chairman
 AnnMarie Kaiser, David W. Woods, Anthony C.
 Moscato, John J. McNally, III, Gregory C.
 Fajt, Keith R. McCall, Members

LOCATION: Mahoning Township Community Center
 4512 West State Street
 Hillsville, PA 16132

HEARING: Thursday, May 8, 2014
 10:00 a.m.

Reporter: Wendy Blair

Any reproduction of this transcript
 is prohibited without authorization
 by the certifying agency.

1 SPEAKERS: Eric Schippers, B.J. Fair, Charles Long,
2 Senator Elder Vogel, Junior, Representative Chris
3 Sainato, Representative Jaret Gibbons, Daniel J.
4 Vogler, Joshua Lamancusa, Esquire, Vito J. Yeropoli,
5 David C. Gettings, James L. Ferrante, Gary Pezzuolo,
6 John Todorich, Mark Sackin, Edward Weber, Mayor Anthony
7 J. Mastrangelo, James B. Morris, Junior, John N.
8 Lechner, Louis M. Perrotta, Esquire, David Richards,
9 Diana L. Ireys Vaughan, Janet E. Falotico, Linda D.
10 Nitch, Frank E. Telesz, Junior, Dewitt M. Peart, Samuel
11 J. Angelucci, Samuel J. Giannetti, Bill O'Brien, Thomas
12 F. McCosby, Robert L. McCracken, Lawrence Corvi, David
13 C. Copper, Scott Rondeau, Peg Wilson, J.R. Shaw, Juli
14 Cole, Richard K. Craig, Pete Montini, James A. Downs,
15 John M. Donnelly, Esquire, Ronald A. Rizzo, Gary
16 Cangey, Sean A. Sullivan, Kathleen Kwolek, Kevin
17 Decker, Fred Branovan, Tom Diehl, Kevin P. Brogan,
18 Evelyn P. Ward, Craig A. Clark, Jeffrey Favre

19
20
21
22
23
24
25

A P P E A R A N C E S

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

JAMES A. DOHERTY, III, ESQUIRE

Doherty Hayes, LLC

1000 Bank Towers

321 Spruce Street

Scranton, PA 18503

Counsel for Endeka Entertainment, LP

CHRISTOPHER B. ROGERS, ESQUIRE,

Penn National Gaming, Inc.

825 Berkshire Boulevard

Wyomissing, PA 19610

Senior Corporate Counsel For Penn National Gaming,

Inc.

I N D E X

1		
2		
3	OPENING REMARKS	
4	By Presiding Officer	8 - 12
5	PRESENTATION	
6	By Attorney Doherty	12 - 19
7	By Mr. Schippers	19 - 24
8	By Attorney Doherty	24 - 26
9	By Mr. Fair	26 - 30
10	By Mr. Long	30 - 32
11	PUBLIC COMMENT	
12	By Senator Vogel	33 - 35
13	By Representative Sainato	35 - 45
14	By Representative Gibbons	45 - 51
15	By Mr. Vogler	51 - 57
16	By Attorney Lamancusa	57 - 59
17	By Mr. Yeropoli	59 - 60
18	By Mr. Gettings	60 - 63
19	By Mr. Ferrante	63 - 64
20	By Mr. Pezzuolo	64 - 65
21	By Mr. Todorich	66 - 68
22	By Mr. Sackin	68
23	By Mr. Weber	69 - 70
24	By Mayor Mastrangelo	70 - 72
25	By Mr. Morris	72 - 73

I N D E X (cont'd.)

1		
2		
3	PRESENTATION	
4	By Mr. Lechner	73 - 81
5	By Attorney Perrotta	81 - 82
6	By Mr. Richards	82 - 83
7	PUBLIC COMMENT READ BY PRESIDING OFFICER	83 - 85
8	PRESENTATION	
9	By Ms. Irey Vaughan	85 - 88
10	By Ms. Cole	89 - 91
11	By Ms. Falotico	92 - 95
12	By Ms. Nitch	96 - 100
13	By Mr. Craig	100 - 101
14	By Mr. Telesz	101 - 104
15	By Mr. Peart	104 - 106
16	By Mr. Angelucci	106 - 109
17	By Mr. Giannetti	109 - 112
18	By Mr. O'Brien	112 - 114
19	By Mr. McCosby	114 - 117
20	By Mr. McCracken	117 - 119
21	By Mr. Corvi	119 - 123
22	By Mr. Copper	123 - 124
23	By Mr. Rondeau	124 - 125
24	By Mr. Montini	125 - 126
25	By Attorney Donnelly	127 - 131

I N D E X (cont'd.)

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

PRESENTATION

By Mr. Downs	131 - 134
By Mr. Rizzo	134 - 137
By Mr. Cangey	137 - 139
By Mr. Sullivan	139 - 143
By Ms. Wilson	143 - 147
By Ms. Shaw	147 - 149
By Ms. Kwolek	149 - 151
By Mr. Decker	152 - 156
By Mr. Branovan	156 - 157
By Mr. Diehl	157 - 160
By Mr. Brogan	160 - 163
By Ms. Ward	163 - 166
By Mr. Clark	166 - 169
By Mr. Favre	169 - 171

CLOSING REMARKS

By Presiding Officer	171 - 172
----------------------	-----------

E X H I B I T S

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

		Page
<u>Number</u>	<u>Description</u>	<u>Offered</u>

NONE OFFERED

P R O C E E D I N G S

PRESIDING OFFICER:

Good morning, everyone. If can settle down and take a seat or lean against the wall or whatever makes you comfortable. We're going to begin.

My name is Linda Lloyd, and I'm the Presiding Officer for this Public Input Hearing conducted by the Gaming Control Board, addressing the Application of Endeka Entertainment, LP, doing business as Lawrence Downs Casino and Racing Resort, for a Category 1 Slot Machine License.

Before we begin, if we could all please turn off, or set at least to vibrate, our cell phones and other electronic devices so we don't disturb the speakers today.

As a Presiding Officer, I call to order this Public Input Hearing for Category 1 Applicant, Endeka Entertainment, LP. The date is May 8th, 2014. The time is ten o'clock. And the location is Mahoning Township Community Center at 4512 West State Street Hillsville, PA, 16132.

This Public Input Hearing is convened by the Pennsylvania Gaming Control Board, pursuant to and required by Section 1205(b) of the Gaming Act and the

1 Board's regulations at 58 PA Code 440(a) --- 441(a).6.
2 This public hearing is advertised on the Board's
3 website, announced at previous public Board meetings
4 and advertised in local newspapers.

5 All Board members are present today. To
6 my immediate right is Chairman Bill Ryan. And making
7 our way down the table is Commissioner John McNally,
8 Commissioner Greg Fajt, Commissioner Keith McCall. To
9 my immediate left, Commissioner AnnMarie Kaiser,
10 Commissioner Tony Moscato and Commissioner Dave Woods.

11 The staff and the Board would like to
12 thank Mahoning Township and its staff for their help
13 organizing the hearing today. They've been a great
14 help. And this Public Input Hearing is being conducted
15 to give Endeka Entertainment the opportunity to give a
16 presentation to the public about its proposed project
17 and then to allow elected officials, community groups
18 and the public to express their thoughts, opinions and
19 concerns with the Board about this proposed Category 1
20 Casino.

21 Endeka Entertainment will make its
22 presentation first and then we will hear from any
23 legislators, local government representatives,
24 community leaders representatives and individual
25 members of the public who have registered to speak.

1 Again, I remind you there are sign-in
2 sheets in the back. If you have registered to speak,
3 please sign in before we get to that portion of the
4 day. We will take about a ten-minute break after the
5 presentation from Endeka to break down tables, so
6 you'll have an opportunity to sign in the back as well.

7 Endeka Entertainment will have
8 approximately 45 minutes to make their presentation,
9 public officials will have 15 minutes, community groups
10 representatives will have 10 and individual members of
11 the public will have 5. Each speaker should begin
12 their remarks by stating his or her name and, if
13 appropriate, the municipality where he or she resides
14 and if you're speaking on behalf of an entity, the name
15 of that entity. And if you could also spell your name
16 for the court reporter who is sitting down here at the
17 end of our table, she would appreciate that.

18 To assist all speakers in adhering to the
19 time limits permitted, we have an electric stoplight
20 timer that's right in front of me. The light will show
21 green, yellow and red. When the light turns green,
22 you're on and your time has started. When the light
23 turns yellow, your --- you will have a minute left for
24 your remarks. And when the light turns red and beeps,
25 we would appreciate it if you would wrap up your

1 comments.

2 If anyone has any questions about the
3 hearing and the process, we have some staff members
4 roaming around in the back you can ask them anything
5 you would like to see if they have an answer.

6 I would also like to remind everyone, if
7 you choose, you may submit written comments. That
8 would be included as part of the evidentiary record of
9 this Public Input Hearing. These written comments may
10 be an alternative to live testimony today or in
11 addition to and may be submitted at this hearing to
12 one of our staff members or you may also continue to
13 submit public comment through our --- the link on our
14 website www.gamingcontrolboard.pa.gov or you may mail
15 the written comments to our Board Secretary. We will
16 be accepting, at this point, written comments until the
17 close of business July 7, 2014, so another 60 days
18 after the hearing today.

19 If you are a speaker today and you have
20 written notes of testimony which you'll read from
21 during this hearing, if you could give a copy to the
22 court stenographer, if you would like, she would
23 appreciate that. There is a copy of the Code of
24 Conduct in the back. I expect everybody will behave
25 today, and --- as we would if we were in a court

1 proceeding or otherwise and be respectful of those
2 people that are speaking even though their opinions may
3 not be yours. We'd like to hear everybody's opinions
4 and thoughts today.

5 So we will begin, if all of those from
6 Endeka who are going to be speaking today would stand
7 up, raise your right hand and have the court reporter
8 swear you in?

9 -----

10 WITNESSES SWORN EN MASSE

11 -----

12 ATTORNEY DOHERTY:

13 Good morning, Chairman Ryan, members of
14 the Board, Presiding Officer Lloyd. My name is Jim
15 Doherty of the law firm of Doherty Hayes. And I'm
16 pleased to be here today representing Endeka
17 Entertainment, LP, the Applicant for the sole remaining
18 Category 1 License under Section 1302 of the
19 Pennsylvania Race Horse Development and Gaming Act. On
20 behalf of Endeka, I want to welcome you to Mahoning
21 Township, Lawrence County.

22 I thank you for the opportunity to present
23 to you and to the public, a tremendous economic
24 development project for this region of the
25 Commonwealth, as well as for the Pennsylvania Gaming

1 and Horse Racing Industries. We fully appreciate the
2 Board's key interest assuring that this last remaining
3 license is issued for a project that will have the
4 greatest positive impact on the host community, the
5 racing industry and the taxpayers of the Commonwealth.

6 I would also like to take a moment today
7 to express our sincere gratitude to Mahoning Township's
8 Board of Supervisors and the Lawrence County
9 Commissioners for their support of our project and for
10 agreeing to host this public hearing today.

11 The principals of this project intend on
12 placing a fully integrated racetrack casino on an
13 undeveloped parcel of land, which is conveniently
14 located along State Route 422, also known as the
15 Benjamin Franklin Parkway in Mahoning Township,
16 Lawrence County. Endeka will present evidence today to
17 this Board and the public which confirms our belief
18 that this project has the potential to have a
19 transformative impact on an area of our Commonwealth in
20 critical need of new jobs and economic development.
21 Next slide, please.

22 So I'd like now to take a moment to
23 introduce our team. The members of our team who are
24 here today are comprised of accomplished business
25 executives, entrepreneurs and professionals who come

1 from diverse backgrounds, but all share a record of
2 creating and maintaining successful and efficient
3 business operations in their respective fields, as well
4 as bringing complex projects to fruition.

5 Unfortunately, not all of our members of
6 the ownership team are here with us today. However, on
7 behalf of ownership --- our ownership team is Charles
8 Long. Also with us today are professionals who are
9 experts in their respective areas and will offer
10 testimony, and are available for any questions from
11 this Board. Specifically Lee Huang of Econsult, who
12 prepared the Local Impact Analysis for Endeka is here
13 with us. In addition, we have Edward Patton and
14 Anthony Castellone, who are responsible for drafting
15 Endeka's traffic study. Lastly, from Penn National
16 Gaming, this project's operational consultant is B.J.
17 Fair, Chief Development Officer; Eric Schippers, Senior
18 Vice President of Public Affairs; Chris McErlean, Vice
19 President Racing Operations; and Chris Rogers, Vice
20 President and Senior Corporate Counsel.

21 So who is Endeka Entertainment? As I'm
22 sure everyone in this room is aware, the concept of
23 bringing a first class racing and gaming facility to
24 Lawrence County has been in the works for nearly ten
25 years. During the past decade, this local community

1 had remained steadfast in its support for this type of
2 transformative project. This commitment has been
3 chaired by Endeka's ownership, which from the beginning
4 has been driven by a group of local investors led by
5 Chuck Long, and known collectively as American Harness
6 Track, LLC, or AHT. AHT's principals have roots in
7 this community and a history of developing successful
8 businesses here that not only generate taxable revenue
9 for Lawrence County, but also provide employment
10 opportunities for their neighbors.

11 Chuck Long is a well-established and
12 successful local businessman who currently operates
13 three of the most prestigious golf courses in the
14 region, two of which are located in Lawrence County.

15 In addition to his business acumen, Mr.
16 Long brings great knowledge to the local market and
17 extensive relationships with this community and its
18 public officials. His guidance and insight have been
19 and will continue to be an invaluable asset to this
20 project. In order to strengthen this ownership team,
21 AHT sought out a first group of successful
22 Pennsylvanians with the financial wherewithal and
23 developmental experience to make this project a
24 reality.

25 AHT was fortunate to identify a group of

1 Philadelphia-based investors who have been tremendously
2 successful and are widely recognized as pioneers in
3 their respective deals. This group of
4 Philadelphia-based investors who have partnered with
5 AHT to form Endeka Entertainment includes Manny
6 Stamatakis, Ed Snider, Peter DePaul and Tom Leonard.

7 Manny Stamatakis is the founder and CEO of
8 Capital Management Enterprises, a financial services
9 and employee benefits consulting company headquartered
10 in Valley Forge. Mr. Stamatakis has been appointed to
11 several key governmental positions, including Chairman
12 of the Delaware River Port Authority, the Philadelphia
13 Shipyard and Development Corporation, the PATCO Transit
14 Authority and the Pennsylvania Supreme Court Investment
15 Advisory Board. In addition, Mr. Stamatakis has served
16 as Chairman of Drexel University College of Medicine.

17 As you may already know, Ed Snider is an
18 iconic entrepreneur and true visionary for the field of
19 professional sports and entertainment. His emergence
20 as a leader in Philadelphia sports --- in the
21 Philadelphia sports market began in 1966, when he
22 brought a National Hockey League franchise to the city
23 as the founder of the Philadelphia Flyers. He became a
24 driving force behind the construction of the Spectrum
25 and assumed control of the building in 1971.

1 In 1974, Mr. Snider created Spectacor as
2 the management company to oversee the Flyers and the
3 Spectrum. In 1996, Mr. Snider merged Spectacor with
4 Comcast Corporation to form Comcast-Spectacor. The new
5 venture initially consisted of the Philadelphia Flyers,
6 Philadelphia 76ers, Wells Fargo Center, the Spectrum
7 and the Philadelphia Phantoms. Comcast-Spectacor then
8 joined with the Philadelphia Phillies to form Comcast
9 SportsNet, one of the highest rated regional sports
10 cable networks in the country.

11 Most recently, Comcast-Spectacor developed
12 a Global Spectrum, an international facilities
13 management company, Ovations Food Services, an
14 international concessions company, New Era Tickets and
15 the Flyers Skate Zone.

16 Peter DePaul is the president of the
17 DePaul Group, which is a diversified business
18 organization with six divisions generating over \$300
19 million in annual revenues. These divisions include
20 home building, construction, materials, healthcare and
21 assisted living facilities and hospitality. Mr. DePaul
22 was also the president of Eagle Downs Racing
23 Association, which operated the Keystone Race Track.
24 The Association, which was sold in 1984, had annual
25 revenues of \$100 million.

1 Finally, Tom Leonard was a partner with
2 the Pennsylvania law firm of Obermayer, Rebmann,
3 Maxwell & Hippel. He is chairman of the litigation
4 department and a permanent member of the firm's
5 management committee. Mr. Leonard previously served as
6 the controller of the City of Philadelphia and is
7 chairman of the Disciplinary Board of the Supreme Court
8 of Pennsylvania. Mr. Leonard currently serves as
9 chairman of the Delaware Valley Real Estate Investment
10 Fund and Chairman of the Board of Directors of
11 Permalith Plastics. He also serves on the Board of
12 Directors for Independence Blue Cross, U.S. Facilities,
13 Pennsylvania Business Bank, Hahnemann Hospital, the
14 World Trade Center of Greater Philadelphia, the World
15 Affairs Council and CORA Services, Incorporated.

16 AHT was drawn to these individual
17 investors not only because of their obvious success in
18 creating and operating Pennsylvania-based businesses,
19 but because each of these investors share AHT's
20 commitment to ensuring that the host communities share
21 in the success of each of their businesses.

22 Similarly, these Pennsylvania-based
23 investors were drawn to this project because of the
24 opportunity to create a project which will have a
25 long-lasting and a transformative effect on the local

1 community. This Philadelphia-based group of investors
2 formed SDSSL Tuxepo Investors, and partnered with AHT
3 to form Endeka Entertainment, LP, with a singular
4 objective of developing a first class gaming and racing
5 facility in Lawrence County.

6 The final piece of the puzzle was to
7 secure the best operating consultant to ensure that the
8 project would be an overwhelming success. In searching
9 for an operator, Endeka wanted a company that had
10 experience in operating first class racing and gaming
11 facilities in the east coast gaming market and a
12 company with a history of regulatory compliance in a
13 heavy-regulated jurisdiction. Endeka found an operator
14 that possessed all of these qualities in Penn National
15 Gaming.

16 I would now like to turn the presentation
17 over to Eric Schippers, who will provide you with some
18 additional insight into Penn National Gaming.

19 MR. SCHIPPERS:

20 Thank you, Jim. And I apologize that my
21 back is turned to the audience. We really appreciate
22 you all being here today and taking part in this
23 presentation. We know for many of you in the room this
24 has been a process that has unfolded over a decade.
25 And we have greatly enjoyed getting to know Chairman

1 Dan Vogler and others who have shared with us the
2 trials and tribulations of this project. And we're
3 honored and excited to be here with you today to talk
4 about our role, which is the --- as Jim said, the
5 operations consultant developer on this project. And
6 to the Commissioner, thank you for the opportunity to
7 be here.

8 I am Eric Schippers, Senior Vice President
9 of Public Affairs. For the record, I am from
10 Wyomissing, Pennsylvania, which is where our company is
11 headquartered. Notably, we are the only
12 publicly-traded Pennsylvania-based gaming company that
13 does business here in the Commonwealth --- actually in
14 the world.

15 For those of you on this side of the room,
16 I apologize if you can't see a screen. It is a map of
17 the United States with a bunch of dots that --- those
18 dots each represent some of the facilities that we have
19 developed and currently operate. We are now in 27 ---
20 we have 27 facilities in 18 different jurisdictions
21 across the United States, but we began as the owner and
22 operator of a single race track outside of Harrisburg,
23 Pennsylvania, in East Hanover Township. That is the
24 Hollywood Casino at Penn National Race Course, the
25 namesake for our company. And we're very proud of

1 that. Our company was founded in 1972 by the current
2 chairman's father, Peter D. Carlino, who was a pioneer
3 of the early racing legislation in Pennsylvania. We
4 are, at our core, a racing company.

5 The chairman's son, Peter Carlino, Peter
6 M. Carlino, came back in 1994 and took the company
7 public on the strength of what, at that point, was that
8 single race track and several offtrack wagering
9 facilities. And so we have now grown from one facility
10 to what is today the largest operator of regional
11 casinos and racing facilities in the country, the
12 largest owner as well, of parimutuel wagering
13 facilities or race tracks in the country. And one of
14 the things we're very proud of is the level of
15 integration that we achieve in these types of racing
16 and gaming projects like we're proposing here today.

17 I remember well, Chairman Fitz Dixon of
18 the Racing Commission, who said to us, as we were
19 proposing our integrated facility of Penn National, Mr.
20 Schippers, never forget that slot machines rode into
21 Pennsylvania on the back of a horse. And I think what
22 you're going to hear today is a reflexion and a
23 reinforcement of that position.

24 Now important for the folks in this room,
25 those of you who maybe are local businessowners, those

1 of you who are a concerned resident, those of you who
2 are local officials, how does Penn National come into a
3 community and how do we operate when we are there.
4 Well, it's important that you know that we are
5 committed to the community both in terms of hiring
6 locally, the fact that many of our last six major
7 development projects we were able to achieve nearly a
8 90 percent record of hiring local from that area and we
9 certainly are going to be collaborating with local
10 community colleges on things like training programs,
11 things like job fairs and other groups that can help us
12 identify local workers. And also proud to be working
13 with Labor and appreciate you being here in the back of
14 the room as well. And we buy local.

15 Part of that track record we spoke of
16 before, you're only as good as the last project you
17 developed. And you're only as good as the commitments
18 you were able to fulfill on those projects. Well,
19 diversity is a big one for us. And we make sure that
20 we're maximizing opportunities for member of ---
21 members of the diverse community, whether you be an NBD
22 or a WBD or a DBD. And what that means is, we don't
23 just seed this issue to our general contractor, we stay
24 involved, we set aggressive goals. We're able to
25 actually meet and exceed our diversity goals in our

1 last six openings. And that is by really being
2 aggressive, and reaching out and trying to identify
3 vendors, trying to set up mentoring programs.

4 As you see on this slide, one of the best
5 examples of that, in Toledo, Ohio we were developing a
6 facility there and there was a small steel worker who
7 had developed steel for the automotive industry. We
8 all know the automotive industry has fallen on hard
9 times, and this small vendor who happened to be an NBD
10 and a WBD came to us and said, well, how can I get
11 involved in the opportunity that you're creating there.

12 Well, we hooked her up with our
13 construction company and she was able to modify the
14 type of steel she produced, the company is called New
15 Tech Steel, to where now she is a supplier of the
16 casino industry not just in Toledo, but in other parts
17 of the country. And so those are the types of
18 relationships we build. Those are the types of
19 relationships we bridge with our contractors to make
20 sure that we are spreading the opportunities as far and
21 as wide as we can. That also includes even --- not in
22 the diversity realm, but just the general business
23 community, cross-marketing promotions, opportunities so
24 that we don't become an island unto ourselves. So that
25 when people come into this area, they can be offered an

1 opportunity to spend some of their money at some of the
2 other wonderful places to visit. With that, I will
3 turn it back over to Jim. Thank you.

4 ATTORNEY DOHERTY:

5 I'd like to now take a minute just to
6 discuss our ownership structure. Put this ownership
7 structure into prospective, I'd like to direct your
8 attention to the current slide.

9 Again, Endeka Entertainment is a
10 partnership that was created out of the desire of the
11 local investor AHT to align themselves with a group of
12 successful Pennsylvania entrepreneurs, who I just
13 identified, and collectively comprise SDSSL Tuxepo
14 Investors. Out of this desire, AHT secured a
15 partnership with SDSSL Tuxepo Investors, wherein it
16 currently maintains an 89.99 percent ownership interest
17 in Endeka Entertainment with AHT retaining a 10 percent
18 interest.

19 Lastly, Penn National was engaged as our
20 operational consultant for the entire project as
21 reflected on the table of ownership before you. As you
22 can see in the slide before you, this project is
23 designed to be a first class gaming in a fully
24 integrated racing facility. Phase 1 of the project
25 will consist of a \$210 million investment, 110,000

1 square-foot facility offering a thousand slot machines,
2 36 table games and 8 poker tables for its patrons. It
3 features a dining restaurant, entertainment lounge and
4 a four vending food court. And of course, a one-mile
5 Harness Racing Track and simulcast theatre. Phase 2
6 will see the construction of 15,000 square-foot
7 expansion to the existing casino space and an addition
8 --- an additional 500 new slot machines.

9 And furtherance of the stated objective of
10 the Gaming Act, Endeke retained Econsult to perform an
11 economic impact report to ensure that our proposed
12 facility would have a positive effect on the local
13 communities and stimulate further economic growth.
14 These figures are preliminary in nature as Endeke is
15 currently working to finalize the exact parameters of
16 the project which will soon be submitted as a
17 supplement to its application and will provide further
18 refined projections. That aside, we believe Econsult's
19 current analysis provides a demonstrative scope of the
20 potential benefits of our proposed facility.

21 Further, Lee Huang, the author of the
22 Economic Impact Report and Senior Vice President and
23 principal of Econsult is with us today to address any
24 questions you may have regarding the local impact
25 analysis.

1 Specifically, Endeka's proposed facility
2 will create over 600 new permanent jobs, approximately
3 1,000 construction jobs and nearly \$100 million in
4 direct construction expenditures and an additional \$92
5 million indirect and induced expenditures.

6 Now, I'd like to take this opportunity to
7 turn the presentation over to our operational
8 consultant, Penn Natural Gaming, and BJ Fair to discuss
9 the specific details of the project.

10 MR. FAIR:

11 Thank you, Jim. Good morning, Chairman
12 Ryan and members of the Board. My name is BJ Fair.
13 I'm the Chief Developing Officer for the Penn National
14 Gaming. I get to do the fun part. I get to talk about
15 the design of the actual facility and what we're
16 proposing here. And I'm going to say that I apologize,
17 we're going to be going through this --- the screen,
18 and I'll try to articulate exactly what's on the screen
19 to the extent --- for those of you that aren't able to
20 actually see the drawings themselves.

21 The rendering, which is up, you'll see is
22 also on the board. This is the proposed architecture
23 of the facility. This is a view of the southwest ---
24 if you're on the southwest portion side looking back in
25 as you go into the project. To give you an assessment

1 of exactly where the property is located --- let me get
2 the pointer here. Along Baird Road walking up here to
3 the right, we've got 422, Ben Franklin Parkway, coming
4 down and then also Elkingen (phonetic) Road, or 551, in
5 this area through here. So it's --- the property
6 located at --- again, immediately south of Baird Road.
7 We did perform a traffic impact analysis for the
8 project and all of the offsite or the improvement ---
9 traffic improvements that are necessary to mitigate any
10 of the impacts, are actually located within the site
11 boundary area.

12 We'll be doing basically a reworking of
13 the Baird Road and 422 Intersection to really provide
14 an access to the site, basically south of that
15 intersection on 422 to be right along ---
16 approximately, 500 feet south of that is actual
17 existing intersection. We will have to put a stoplight
18 --- a three-way stoplight at the intersection itself.
19 We will have a westbound left turn lane and an
20 eastbound right turn lane. So we'll be widening,
21 actually --- we'll be widening 422 through the entire
22 frontage of the site. We'll be running a secured
23 secondary access and primary access back off of Baird
24 Road. And the actual Lawrence Township Roadway --- or
25 Lawrence Downs Parkway coming off of this site will

1 have two entry lanes coming through, as well as two
2 exit turn lanes going westbound and one exit turn lane
3 going rightbound.

4 As you can see, the actual --- we'll go
5 through the actual detail with the site plans in this
6 area. As Eric was talking about, we do have the
7 integration of the actual casino facility --- or the
8 casino facility here (indicating), as well as the
9 mile-long track facility for the harness racing and the
10 paddock regions, which we'll go through in a moment.

11 On the exact site plan, as you come up the
12 actual Lawrence Downs Boulevard, go into the
13 porte-cochere, and we'll have the casino area through
14 here, the track and the grandstand portions back
15 through here, to the racing paddock building and
16 administration areas over on the left side, maintenance
17 facilities.

18 We also have --- as we mentioned, this a
19 phase project, so we'll have a small area for the
20 expansion of the existing casino in this area, as well
21 as incremental parking that surrounds the actual
22 parking lot itself for additional parking spaces. The
23 site itself will have approximately 1,765 parking space
24 --- individual parking spaces plus spaces for buses, as
25 well as trailers and others for the actual racing

1 operations.

2 On the facility, as I mentioned, coming in
3 the porte-cochere being over here on the right-hand
4 side of the photo. As you enter, you'll be entering
5 in, you'll be --- the main focal point will be the
6 casino bar and entertainment area. That entertainment
7 area is surrounded by the gaming floor all through
8 here. Over in this area, as we talked before, we want
9 to truly integrate the racing operations and the casino
10 floor. We have --- although separated from the casino
11 floor, we have the simulcast theatre, which will have
12 views both into the actual racing area, as well as the
13 theater itself. We'll have a sports bar, again
14 separated but nonetheless have sight lines going back
15 between the casino and the actual race facility. The
16 racing grandstands being over in this area here, food
17 court coming through. We'll have administration and
18 back of house in areas over here with a secured loading
19 dock. And also we have in this area, which is what we
20 talked about, to the extent we going in for a Phase 2,
21 that will be where the incremental space the building
22 will need to be expanded and the additional slot
23 machines placed out in that area.

24 Talking about what the next steps are. We
25 are in the process right now and have been working with

1 the Gaming Control Board of identifying and working
2 through the financing for suitability purposes. We
3 will need to come back and modify the existing
4 application to reflect the phasing we're talking about.
5 The original application had identified 1,250 slots.
6 We will be starting up with a thousand and then moving
7 up to the statutory minimum requirement. We will then
8 continue going through the PGCB suitability hearings.
9 We will go through the regulatory approvals between the
10 local and --- the local Mahoning Township, as well as
11 the other agencies we need to get the final approvals
12 from. And then subsequent with all that, then we'll
13 have approximately maybe 15 to 18-month construction
14 phase on top of that.

15 So with that, I'd like to turn it over for
16 some final comments to Chuck Long.

17 MR. LONG:

18 Thank you, BJ. And good morning. The
19 project will stimulate needed economic development in
20 our local and regional market, provide over 1,000
21 living wage employment opportunities. Something that's
22 desperately needed in this community that currently
23 suffers from an unemployment rate of 8.1 percent, which
24 is significantly higher than the national average
25 unemployment rate of 6.7 percent. Clearly new jobs are

1 needed in this area.

2 You know, there is not a person in this
3 room who doesn't realize that the statics are accurate
4 and that the jobs are needed. I am not a statistician,
5 I know this because I look around the room and I see
6 friends and familiar faces whose kids and grandkids
7 live elsewhere. In many cases, they left to pursue
8 better opportunities to support their families. This
9 community has given me and my family so much. I've
10 been fortunate enough to start several businesses in
11 Lawrence County that continue to employ and flourish in
12 this market. The people that I have worked with over
13 the years are the cornerstone of their success.

14 I felt the need to get involved during
15 some pretty dark days for the project along with a few
16 other locals because we truly believe in and have seen
17 this community and workforce come together. Simply
18 put, Lawrence County deserves their chance. And I've
19 seen what can happen when given that chance.

20 This project can be the jump-start for the
21 economy that Lawrence County and the surrounding area
22 needs. It can't move down the road because new
23 management moved in and decided they don't like the
24 weather here. It can be the catalyst for additional
25 development. If you don't see the possibilities, drive

1 down to Washington, PA and go to the top of any hill
2 and look around, the light will go off.

3 You know, on a personal note, I'd like to
4 take a moment to thank Dr. Stamatakis and Penn Gaming.
5 They have championed our cause and believed in this
6 project. I appreciate their commitment and I'm sure
7 you all will learn to appreciate them as well.

8 One of the main reasons I committed to
9 this project was the unwavering support of the Lawrence
10 County Commissioners and their team, the Mohawk School
11 District and the Mahoning Township Supervisors and
12 their team. During this process, they took a lot of
13 publicly --- public heat over the progress that could
14 not be discussed. Their professionalism and innovative
15 approach is truly a testament to how government should
16 work. We would not be here today without their
17 support. Thank you.

18 ATTORNEY DOHERTY:

19 Again, I'd like to thank the Board for
20 this opportunity and appear before you today on behalf
21 of Endeka Entertainment. I also thank the members of
22 the public who are here today for their interest in the
23 project. With that, our presentation is now concluded
24 and I would respectfully move that the presentation and
25 its exhibits be admitted into the record. Thank you

1 very much.

2 PRESIDING OFFICER:

3 Thank you. We are going to take a very
4 short break, maybe five minutes or so and break down
5 the tables in the front to give us a little bit more
6 room here, so don't go far. Coffee and donuts in the
7 back. And please, if you're registered to vote (sic)
8 and haven't signed the sheet, please do so. Thank you.

9 SHORT BREAK TAKEN

10 PRESIDING OFFICER:

11 We are now going to begin. We have quite
12 a few people who are registered to speak today. So I
13 know there's a lot of excitement about the project and
14 --- but we have to --- if you could try to not be
15 repetitive. And don't feel obligated to use your
16 entire allotted amount of time, because that's what
17 we issue. Please speak into the microphone so
18 everybody can hear you. And again, I can remind you to
19 state your name, your municipality, who you are here to
20 represent, if you are here on behalf of a community
21 group and spell your name for the court reporter.

22 And please be reminded to sign in in the
23 back if you have not done so. Our first speaker today
24 is Senator Elder Vogel, Junior.

25 SENATOR VOGEL:

1 Thank you. Good morning, Chairman,
2 members of the Board. State Senator Elder Vogel,
3 District 47. E-L-D-E-R V-O-G-E-L. And what I'm going
4 to say has already sort have been said by Endeka, but
5 also you're going to hear this repeated over and over.
6 She said not to repeat, but it's going to be repeated,
7 I'm sure many times. Because we here in Beaver and
8 Lawrence Counties have needed jobs for many years since
9 the steel mills went away back in the late '80s --- or
10 early '80s, late '70s, that time frame. We have really
11 been strapped here with high employment. And this is a
12 beacon, a real light that we've been looking for for
13 many years. Ten years ago they said this project
14 started and I was in a rally when I was first running
15 for office about six years ago. We had the rally with
16 all the County Commissioners and all the labor unions
17 and everybody thinking the project was going to start
18 then.

19 And since then, some management teams have
20 changed due to the economy and the way the economy
21 tanked, unfortunately, and things. And so it's really
22 been a long struggle with a lot of ups and downs here,
23 a lot of highs and a lot of lows. And we've had people
24 get real high because they think it's going to happen
25 today and get new management team. Then that new

1 management team can't get the project done, so we're
2 down again, we're up again. And now I think this is
3 the time we have and this is the project that's going
4 to happen with the Endeka team. This is really going
5 to be the one that's pushing forward with --- joining
6 up with Penn National to do the job and everything. I
7 want to thank everyone with the labor unions, the
8 County Commissioners, the County Commissioners of the
9 surrounding counties, all municipal employees and
10 everyone else you're going to hear from after me today.
11 They're all going to tell you they're highly supportive
12 of this project and believe it's much needed, the jobs,
13 the construction jobs, the good paying jobs, the family
14 sustaining wage jobs that are going to come with this,
15 and the surrounding development that's going to happen
16 around the property that other people own next to where
17 the casino and the race track are going to be is going
18 to be a huge boom for this area in Lawrence County in
19 western Pennsylvania. And I want to thank you all for
20 your time and consideration. Thank you very much.

21 PRESIDING OFFICER:

22 Thank you. Representative Chris Sainato.

23 REPRESENTATIVE SAINATO:

24 I'm Representative Chris Sainato. That's
25 S-A-I-N-A-T-O. I represent the 9th Legislative

1 District. I would like to welcome the Gaming Control
2 Board to the 9th Legislative District. My district is
3 where you are right now. I've been in legislature,
4 this is my 20th year. And I remember the day, July the
5 4th, 2004, that is the day we legalized slots in
6 Pennsylvania. It was an 18-hour debate. That started
7 at 10:00 in the morning and we did it about three
8 o'clock in the morning that day.

9 And I bring that up because you're going
10 to be hearing a lot of speeches today. You're going to
11 hear speeches from the community of Lawrence County and
12 you're going to have some of those who aren't from
13 Lawrence County speaking. We need to know the history
14 of this for those that are here and the Gaming Board.
15 You do know and you guys have done in-depth research,
16 but on that day, July the 4th, 2008 (sic), when slots
17 were passed, signed shortly after by the governor, the
18 rule was 12 casinos, or 7 race tracks, 5 stand-alone
19 casinos and two resort licenses. Everybody understood
20 that. Everybody knew that.

21 Geographically --- and I must commend
22 Pennsylvania. We did it right. The Gaming Board did
23 it right. Strategically, when they placed where these
24 casinos would go, we didn't become number two in the
25 nation because it was not haphazardly. Sometimes

1 people get very frustrated about how long it takes for
2 this to happen. There's a reason for it. When we
3 legalized this, we did not want corruption. We want it
4 to be done right and we wanted in-depth research. I
5 know some people in Lawrence get a little upset because
6 it's taken a long time. But we understand that in the
7 legislature, because we want it to be done right. And
8 it has when you look at the numbers. When we say about
9 how much and where the strategic locations go, western
10 Pennsylvania, we have race tracks in Erie, originally,
11 we have the Meadows, one for Pittsburgh, two for
12 Philadelphia, the stand-alones and the two tracks
13 surrounding that. And originally it was a location
14 between Beaver and Lawrence County. Unfortunately, it
15 took a little while to get that resolved. But that's
16 where the applicants were, that's where the push was.
17 This project here goes back to 2004, a dream, Carmen
18 Shick, in his dream, and Lawrence --- and Mahoning,
19 Lawrence County, to locate a race track where this site
20 is going to be. That was the dream. Ten years ago,
21 right after --- even before it was legalized, it was
22 always a dream. And after that bill passed, I remember
23 Carmen coming to Harrisburg and showing the plans.
24 Okay.

25 So this is where we are, strategically.

1 This is probably one of the first sites that was chosen
2 as far as plans and dreams here in Lawrence County in
3 Mahoning Township. You may hear speakers come on and
4 talk about, there's too many. No. Here's what the
5 rules were. Seven race tracks, five stand-alone
6 casinos and two resort licenses. And as you know,
7 especially for the stand-alones, you have a lot of
8 competition for these licenses. That competition
9 wasn't because you're going to lose money. Maybe, you
10 know, --- so now you have some that are not real happy
11 because we finally are reaching this epitome where it's
12 time to award the final two licenses. And I know
13 you've heard it in Philadelphia. I was there when you
14 guys were having the meeting, and I was listening to
15 the news over there. And I commend you for the ---
16 what you had to put up there for, what, three days, so
17 ---.

18 But I'm saying this, because when you look
19 at it, competition is what it's about. There's going
20 to be a casino in Ohio. Can we compete? Absolutely.
21 First of all, we did it right in Pennsylvania. In
22 Ohio, they're not going to have the real slots.
23 They're not going to have table games. And for those
24 patrons who partake in tobacco products, they're coming
25 to Pennsylvania. And as you well know in the studies

1 of gaming, that's probably 25 to 40 percent of your
2 customer base, as Atlantic City learned. Pennsylvania
3 has 46,000 square miles. We're going to have 12
4 casinos with the race tracks and two resort licenses.
5 Atlantic City within a five-mile span has 11 casinos.
6 They know how to compete.

7 And I bring that up because I think it's
8 very important. You may hear arguments about we're
9 saturating. We're not saturating. We have a lot more
10 than which we once had. But you have to learn how to
11 compete. When you get into this, there's no guarantee
12 that you're going to make all the money that you once
13 dreamed of, okay, but you're not losing money. You
14 compete. You get your customers to come through
15 special promotions. You don't worry about your
16 competitor. You do a better job than your competitor.
17 Penn National Gaming, the job they do out near
18 Harrisburg, outstanding facility. They're one of the
19 top notch in the country. We're very happy to have
20 them as a partner in Lawrence County, to be part of
21 this project. And you saw the plans.

22 But there's more than that, it's the
23 perimeter and all the things that surround Lawrence
24 County. Those are just the beginning of jobs and
25 opportunities. You're going to see a potential water

1 park, more shops and everything. We are three miles
2 --- down this road is Ohio. Where this facility is you
3 are three or four miles down there. Okay. That's the
4 customer base. We need Ohio residents to come here.
5 They are going to West Virginia and some to Pittsburgh.
6 But that's the casino that really will potentially get
7 hurt is West Virginia. So we bring those customers
8 here. We need Ohio residents to come to Pennsylvania
9 and spend money, that's always been the goal. It's not
10 New Castle and Lawrence County. It's Youngstown and
11 the market that they have there which will drive the
12 success here. So that's where it's at. Competition is
13 good. I understand, you know, not everyone likes
14 competition. But when McDonald's opens there's usually
15 a Burger King or Wendy's to pull in next door. Do they
16 want them to go there? No. But you have to learn to
17 coexist and you have to watch the customer base.

18 And being in this business, if you're not
19 treating your customers right, I don't care if you're
20 three miles away, they're going to drive an hour or two
21 hours. Gaming players do that. They want the best
22 opportunity and the best chance of winning. And
23 competition is fair to the players as well because that
24 gives them a better chance to do that. So I bring that
25 up. I think it's important that we look at the

1 history. And where Lawrence County is, it's an
2 opportunity.

3 As the presentation, you're going to hear
4 from many of our community leaders here in Lawrence
5 County. And I will say this, this has been a group
6 effort for the last ten years working with business,
7 labor, our County Commissioners, the Township
8 Supervisors in Mahoning Township who always have been
9 on target, focused. We've had ups and downs over the
10 years. The greatest recession 2008 --- the greatest
11 downturn in 2008 since the Great Recession. We were
12 ready. Six years ago I stood in this same spot, and we
13 were ready to go. It wasn't about us. It happened to
14 the whole country. Las Vegas, Atlantic City, we saw
15 what happened. But we're starting to come back.

16 And I thank the Gaming Board for your
17 patience, because there were times when things, you
18 know, weren't looking that good here. And you were
19 patient. And the Harness Commission, their patience.
20 But we have the right mix right now. You have people
21 that have the financial resources and the commitment
22 for this project. That's what it's about. That was
23 lacking for a few years. It was lacking for a few
24 years. And people asked, why isn't the casino being
25 built? Because we have to follow the rules. We have

1 to follow the procedure. We have to follow the law.
2 And I stand by that. That's what the law is about.
3 You guys know. You do it. It may not always be
4 popular what you have to do, but you do it and you
5 follow the rules. These people follow the rules.
6 They've done everything we're supposed to do.

7 A side note, last Saturday, the Kentucky
8 Derby. The Meadows has a small facility, at one time
9 the best OTB in the state. Five miles down the road
10 from here. I went over Saturday, I looked. Most of
11 the cars, it was filled, were from Ohio. They were
12 from Ohio. And that's great to see them spending money
13 here. And that's why I'm so confident and feel so
14 good. The facility out here is going to draw those
15 customers. You don't want just the customers that come
16 here. You need outside money to create those 600
17 permanent jobs plus the spinoff effect, which will be
18 another thousand jobs, and the construction --- not
19 even counting the construction part. That puts money
20 in people's pockets. They're spending money. And it's
21 a win-win for everyone around.

22 We've gone through economic downturns.
23 The late '70s, we lost half of our steel and those type
24 of plants. And the late '80s/early '90s was the second
25 phase. And I'm sure its happened in other parts. But

1 we never fully recovered. And this just isn't just
2 about Lawrence County. This is about Mercer County,
3 Beaver County and Butler County, and even our friends
4 in Mahoning County. You put the circle around, it
5 benefits all of us. We've been a cohesive unit as far
6 as support for this project.

7 And you will see as the speakers come
8 one-by-one, with our many fine organizations in
9 Lawrence County, our public officials you will see in
10 Lawrence County will tell you and they will give you
11 more of the economic stuff. They're going to give you
12 from their different perspectives, but they all
13 represent different aspects of the community. But on
14 this one project it's brought a community together,
15 Democrat, Republicans, Independents, business labor,
16 we're all one. Our legislative delegation has always
17 worked together when it comes to progress. They're
18 working together. And what it's supposed to be about.

19 Our goal isn't who takes credit, it's get
20 it done, make sure that we get this opportunity for
21 Lawrence County. Because once it happens and the
22 revenues start coming in, it's going to be positive for
23 everybody. Property tax reduction, that was one of the
24 main focuses of gaming and saving the racing industry,
25 which it has done. But as soon as this track gets

1 online and other facility --- other sites take its
2 side, there's the revenues that are coming into the
3 state for property tax reduction. With some of the
4 other houses, their revenue may go down a little bit,
5 this picks it up. The bottom line for the state is,
6 they need to keep generating revenue. Competition does
7 that. Working together does that.

8 So I just wanted to try to still give a
9 little history, let some of our economic development
10 leaders when you hear them, they will give you more of
11 some of the things that's going to happen here. But in
12 the nutshell, this is an opportunity. We've been
13 patient. We've waited a long time. This is a critical
14 day today. It's also my birthday. What a better place
15 to be. What better place to be than to be here to talk
16 about the potential for our region, because that's ---
17 it's so vitally important to us.

18 So in closing, thank you again for being
19 here. You don't know how much it is --- I want to
20 thank your staff. Your staff is excellent as far as
21 working with the legislature. Will and the whole team,
22 whenever there's anything that goes on, they're in
23 constant contact not with just me, with many of us in
24 the legislature, telling us. You're very transparent.
25 You're very open. We appreciate that, because that's

1 how we have to be able to operate.

2 So in closing, thank you again and look
3 forward as we move this project forward, because every
4 day we wait, potentially we lose revenue for the State
5 of Pennsylvania. Thank you very much.

6 PRESIDING OFFICER:

7 Thank you. And happy birthday.
8 Representative Jaret Gibbons.

9 REPRESENTATIVE GIBBONS:

10 Thank you. I'm Representative Jaret
11 Gibbons, J-A-R-E-T G-I-B-B-O-N-S. I know Jaret is kind
12 of hard to spell at times. And I represent the 10th
13 Legislative District, which include about a dozen
14 communities here in Lawrence County, as well as
15 portions of Beaver and Butler Counties. And I want to
16 thank you all for coming out here today. And like
17 Representative Sainato, I remember when we were here
18 the last time talking about this. And I'm glad that we
19 are back again. And although, I would have liked to
20 see it go through the first time, but glad we're back
21 again and it's still continuing, because we've been
22 through some difficult times with this process. And
23 truthfully, this community has been through difficult
24 times, just like really the rest of our country in the
25 last several years.

1 And as we've dealt through the Great
2 Recession, we've seen unemployment in this area raging
3 up over ten percent. We heard earlier that it's still
4 higher than the national average. And truthfully,
5 that's nothing new for the Lawrence County and even the
6 southwestern Pennsylvania area. Over the last, really,
7 three to four decades we have struggled, as industry
8 has slowly moved out of this community and out of this
9 region. We've struggled to get back to where we once
10 were. And we need opportunities.

11 And we have a couple of great
12 opportunities, this being one of them. You know,
13 another great opportunity that we have in this region
14 is Shell gas. You know, that has brought a lot of
15 other opportunities. If we can bring these
16 opportunities together I think, you know, the Beaver,
17 Lawrence, Butler, you know, really this western
18 Pennsylvania region can grow and thrive once again.

19 And I mentioned the Shell gas because I
20 think it's --- it is important to think about that and
21 the opportunities that are coming with that, new money
22 that's coming into the region, the workers that are
23 coming, the other jobs that are coming in, people who
24 are going to have --- now have resources. The farmers
25 who are leasing their land --- and many of them

1 investing that back into their --- into their
2 operations, who will be ready when the time comes to
3 fulfil the needs of this track, you know.

4 So really, one of the biggest things, the
5 Shell cracker plant in Beaver County, which is a game
6 changer for the entire western Pennsylvania region.
7 And when it comes, it will bring tens --- you know,
8 more than tens of thousands of jobs, and is
9 conveniently located just down the recently
10 redesignated I-376 corridor. The road that used to be
11 State Route 60 is now the 376 corridor. That was
12 redesignated just a few years ago to give us
13 opportunities to create a new commerce area, a new
14 region of economic growth, a development corridor
15 spanning through Beaver, Lawrence and up into Mercer
16 County. And these projects are both located right
17 along that area. A lot of many other things that we
18 can do to develop that area into a key industrial,
19 commercial and entertainment region if we can bring
20 this project, that Shell cracker and the many other
21 projects that will come along with the two of them.
22 Now, all of those downstream, upstream and related
23 entities that will come.

24 There is, as you've heard, great community
25 support. And I think you're going to hear that

1 throughout the day. And I hear it all the time. Over
2 the last several years, and I get asked time after
3 time, where's the race track, when's it coming. And
4 we've said it's moving along, it's moving forward. And
5 I think this hearing today is the next step to show it
6 is moving forward. And you know, we are looking
7 forward to it happening. All of the people here,
8 whether it be those farmers I spoke about who are
9 getting ready to be there to supply the needs for the
10 bedding and the feed, whether it be the workers in the
11 labor unions who are ready to go out and fill those
12 thousand plus construction jobs here, you know, as they
13 hopefully get ready to fill the tens of thousands of
14 construction jobs with the --- with all the other
15 entities with the cracker and all the other properties
16 that will be related to both this and that.

17 And that eight percent-plus unemployed,
18 they're ready to go back to work. Now, whether that be
19 as dealers, attendants, you know, maintenance staff,
20 they want to go back to work. These are people who are
21 proud of themselves, proud of what they've done, proud
22 of their community, and they want to work.
23 Unfortunately, the opportunities have not been there.
24 But in the next, now, five, you know, plus years if we
25 can make these things, these opportunities, a reality,

1 we can put all of those people, hopefully, back to work
2 in this community and make it back to what it was
3 three, four decades ago.

4 I also want to talk about one other group
5 that has been big supporters, and that's our local
6 officials. Certainly as myself, Representative Sainato
7 and Senator Vogel have fought repeatedly up in
8 Harrisburg to make sure that this track opportunity
9 stayed in Lawrence County. And the biggest fighter
10 back here in the local area are our County
11 Commissioners who have worked with Endeka, with
12 American Harness to make sure that this --- it was able
13 to go forward. Some people may criticize some of the
14 opportunities and some of the decisions they made and
15 say that those were not made in the best interest ---
16 or they do not show the best interest for the project.
17 But I will say what they did was creative, it was
18 innovative and was something that more local officials
19 need to do, to take those extraordinary steps to make
20 sure that their communities can grow and thrive.

21 Now, I think that --- you know, that this
22 Committee --- that this Commission should look at it as
23 a positive, what they did, because they want to make
24 sure that we have something in this community to be
25 proud of. And they're willing to invest. I know at

1 the state level and when we're looking at projects,
2 they know --- some of you I know served in other
3 capacities. When we look at projects, we look at what
4 is the local investment. You know, as we decide where
5 we should make our investments, what is the local
6 investment. And this community has chosen to invest.
7 Lawrence County has chosen to invest. And I think
8 that's a positive thing.

9 And I'm not going to touch as much on what
10 Representative Sainato talked about, but I do want to
11 mention the competition aspect as well. Some people
12 will talk about saturation. But as he said, this is
13 about competition. You know, competition is a good
14 thing. And we are not certainly just competing in
15 Lawrence --- competing with other facilities in
16 Pennsylvania. We're competing, you know, because we're
17 on the border with those and other states, and
18 particularly West Virginia, we want to keep those
19 going. One of the key aspects, even going back ten
20 years ago why we located a facility here, was to keep
21 those dollars from leaving Pennsylvania and leaving,
22 you know, --- and even the ones nearby in Youngstown,
23 Ohio and surrounding areas from going down into places
24 like West Virginia.

25 You know what, we want to compete with

1 them. We want to keep our people here. You know, I
2 think that Endeka will offer them --- all of these
3 people throughout this --- this Ohio, western
4 Pennsylvania region a great opportunity. I think their
5 project is fantastic. The location is great. And
6 you're going to see this thrive and probably be one of
7 the jewels of our gaming system here in Pennsylvania.

8 So I'm just go to close by asking you to
9 continue to look at this thoroughly and quickly as
10 possible so that we can get this project moving, take
11 advantage of the local opportunities and put
12 Pennsylvanians here in Lawrence County and the
13 surrounding region back to work. So thank you.

14 PRESIDING OFFICER:

15 Thank you. Daniel Vogler, a Lawrence
16 County Commissioner. And that is probably the last
17 name on the list I have that I'm going to pronounce
18 correctly. So from here on out, please excuse me if I
19 mangle your name.

20 COMMISSIONER VOGLER:

21 Actually, ma'am, you pronounced it
22 correctly, and I thank you for that. Good morning,
23 Chairman Ryan, members of the Board, Ms. Wood (sic).
24 My name is Dan Vogler. It's V as in Victor, O-G-L-E-R.
25 And I serve as Chairman of the Lawrence County Board of

1 Commissioners. I'm speaking today on behalf of my two
2 colleagues, Robert Del Signore and Steve Craig, both of
3 whom are present in the room with me this morning.

4 I take great pleasure in welcoming you and
5 your staff to Lawrence County. As you can see, we have
6 assembled a small welcoming committee to have you here
7 today. And while I recognize that your being here
8 today is a requirement of the licensing project and
9 process, I want you to know that our community is very
10 grateful for your presence. The prospect of a harness
11 race track and casino to be located in Lawrence County
12 has existed for ten years now, and actually predates
13 each and every one of you as members of the Gaming
14 Control Board, and through the ups and downs of the
15 licensing process over the past decade, we have waited
16 patiently for this day to arrive. And now that you
17 have traveled to our county and have assembled here
18 with us, let me be abundantly clear, the vast majority
19 of the residents of our community strongly support this
20 application and we respectfully urge you to be as
21 thorough and as expeditious as you can be relative to
22 the license application before you.

23 Today you've heard from, and you will
24 continue to hear from, a cross-section of people from
25 Lawrence County and the region, most of whom will be

1 far more articulate than me and most of whom will equal
2 my passion for this important proposal. Many of these
3 people scheduled to testify, including representatives
4 from the business community, organized labor, the
5 agriculture community, education, elected officials and
6 private citizens will focus on the economic advantages
7 of the project. So in order to avoid redundancy, let
8 me briefly note the following.

9 The Pennsylvania Harness Racing
10 Commission, particularly under the leadership of former
11 Chairman Roy Wilt in my judgment, is to be given credit
12 for the foresight that they have shown in determining
13 that the race track should be located here in Mahoning
14 Township, Lawrence County. As you know, there are
15 currently harness tracks up and running in northeast,
16 southeast and southwest Pennsylvania. By locating the
17 fourth and final harness track in northwest
18 Pennsylvania, the Harness Commission has created a
19 strategic balance as it relates to the siting of this
20 proposed facility.

21 Now, today you may perhaps hear some
22 concerns from those who seem to have trepidations about
23 potential competition. Let me make clear, that this
24 proposed Lawrence County location is more than one and
25 one half hours from the thoroughbred track in Erie

1 County, and more than one and one-quarter hours from
2 the harness track in Washington County. Competition
3 should not be feared, it should be embraced.

4 Now, I am acutely aware of the fact that
5 Lawrence County would be the smallest county
6 population-wise to host a track and casino. Our
7 current population is approximately 90,000 residents.
8 But I'm quick to note, however, that every county which
9 borders us has a significantly higher population-bas
10 from which to draw. Mercer County to our north has
11 about 120,000 residents. Butler County to our east and
12 Beaver County to our south each have 180,000 people.
13 And to our west in Ohio, Mahoning County's population
14 is 235,000 and Trumbull County's is 207,000. So when
15 you add up these six counties you over one million
16 people.

17 And you'll note that I have not included
18 counties such as Allegheny or Washington in my
19 calculation. The proximity to a number of major
20 interstates is another positive factor as it relates to
21 our location. Interstate 80 is to our immediate north
22 in Mercer County. Interstates 79 and 76, which is the
23 Pennsylvania Turnpike, both run through parts of
24 Lawrence County. And Interstate 376 runs directly
25 through the middle of our county.

1 I will note that the Lawrence County
2 Commissioners in conjunction and cooperation with the
3 Lawrence County Industrial Development Authority have
4 agreed to commit a portion of the anticipated casino
5 revenue that is statutorily earmarked for the county
6 towards this project. By way of a bond issuance, this
7 action clearly demonstrates our solid commitment to the
8 Lawrence Downs proposal.

9 Once again, I anticipate that many of the
10 witnesses to follow me will emphasize the economic
11 benefits that will result from this project, as well as
12 the revenue benefits to the Commonwealth. I think as
13 we move forward today you're going to hear many
14 interesting and informative points of view from each of
15 them.

16 And thanks to the support of my fellow
17 Commissioners, both past and present. I have as you
18 know, been attending many of your regular Board
19 meetings. In fact, it was odd driving ten minutes to
20 get here today instead of four and a half hours. I'm
21 not used to that. Along with your meetings, I've been
22 attending Harness Racing Commission meetings now for
23 quite a few years. And it's been a pleasure for me to
24 become acquainted, and in some instances even better
25 acquainted with each of you.

1 And along with members of the Commission
2 staff, I have seen firsthand the work that you do and
3 the seriousness with which you do it. And again, I
4 trust and I know that you will take into account the
5 many positive remarks that you will hear from the
6 speakers who follow me today.

7 Let me close on this note. I grew up in a
8 small town in the southern end of this county, a little
9 town of Wampum, Pennsylvania. And when I was a kid my
10 parents' backyard bordered our neighbors, Nick and
11 Phyllis Palagallo. And their daughter, Lana, and I
12 went to Mohawk School District all 12 years. And my
13 parents are now gone, but Nick and Phyllis still live
14 in their same home. And Mrs. Palagallo very much
15 enjoys going to casinos.

16 In fact, about every three months she
17 calls me at the courthouse to ask about the status of
18 this application. She is anxious to no longer have to
19 drive to West Virginia for her slot play. She very
20 much wants to be able patronize a facility in her home
21 county. And I can give you every assurance that there
22 are thousands of people in the region just like Mrs.
23 Palagallo who will make Lawrence Downs Casino and Race
24 Track an absolute success. With your eventual positive
25 decision, this success can occur. I thank you so much

1 for your favorable consideration. And I thank you for
2 allowing me the opportunity to address you today.

3 Thank you.

4 PRESIDING OFFICER:

5 Thank you. Josh Lamancusa, Lawrence
6 County District Attorney.

7 ATTORNEY LAMANCUSA:

8 Good afternoon, Chairman and members of
9 the Board. My name is Joshua Lamancusa. It's spelled
10 L-A-M-A-N-C-U-S-A. You did a great job pronouncing it.

11 As district attorney, I was skeptical of
12 the opening of any casino in Lawrence County. You
13 know, my fear was that any financial benefit would be
14 outweighed by any increase in crime. I was concerned
15 that it would affect the reputation of Lawrence County,
16 and it would affect the families and it would cause a
17 far greater harm than any good it could do in Lawrence
18 County.

19 As I stand here today, however, I am
20 pleased to say that I could not have been more wrong.
21 I spent the last several months contacting other
22 district attorneys throughout the Commonwealth of
23 Pennsylvania who have casinos within their
24 jurisdiction, and each of the men and women that I
25 spoke to informed me that there was no discernable

1 increase in crime and no increase in major crime. The
2 only consistent increase of unlawful behavior was that
3 of increased motor vehicle violations. They assured me
4 that that was inevitable. But that is not something
5 that really taxes a municipality or taxes a district
6 attorney's office.

7 I further inquired whether there was any
8 increase at all in narcotic activity, sexual crimes or
9 other violent crimes. I was, again, informed that
10 there was no discernable increase. I was also pleased
11 to learn that the opening of any casino within a
12 jurisdiction allows local agencies, especially police
13 departments, to apply for funding so that we can
14 allocate those resources to address some of our other
15 immediate concerns we have within the county. I've
16 also considered my office's ability to handle and
17 manage increase in caseload if that were to actually
18 occur.

19 And I'm pleased to say that the district
20 attorney's office in Lawrence County is prepared should
21 an increase of any kind occur. I believe that based
22 upon the assertions of the other distinct attorneys who
23 have actually had experience dealing with casinos in
24 their jurisdiction, that any impact to crime in
25 Lawrence County would be negligent.

1 Furthermore, I believe that the financial
2 windfall that our community will experience will
3 benefit a better policing effort. And therefore, as
4 the duly elected distinct attorney, I believe that the
5 opening of this casino would serve the greater interest
6 of the people of Lawrence County.

7 Now, I don't know if this is appropriate
8 or not, but if any member of the Gaming Board has a
9 particular question of the district attorney, I'm more
10 than willing to answer you. And if not, I thank you
11 for your time and attention to this matter. Thank you.

12 PRESIDING OFFICER:

13 Vito Yeropoli? There might be one of my
14 ---.

15 MR. YEROPOLI:

16 You're all right.

17 PRESIDING OFFICER:

18 I get excited when I get a name right.

19 MR. YEROPOLI:

20 Vito Yeropoli, V-I-T-O Y-E-R-O-P-O-L-I.
21 I'm the Mahoning Township Supervisor. First, I want
22 the take the opportunity to thank you for allowing us
23 to speak today. I've been a lifelong resident of
24 Mahoning Township, as well as the supervisor for the
25 past 13 years. And I can tell you that along with my

1 fellow supervisors and past, I have worked long and
2 hard to make this opportunity come through for our
3 citizens. We have supported this project through the
4 inception and we are ready to move forward.

5 We have all the utilities and services in
6 place. We have the water, electric, we have the state
7 of the art wastewater treatment plant and we have a
8 police and a fire department that's very willing. This
9 will be an asset to our township, also to the entire
10 county. This is a desperate shot in the arm that we
11 need here for economic development.

12 And with this in mind, I sincerely ask the
13 Board to make this project a reality by approving this
14 Gaming license. Thank you.

15 PRESIDING OFFICER:

16 Thank you. David Gettings?

17 MR. GETTINGS:

18 Good morning, Chairman Ryan, members of
19 the Board. My name is David C. Gettings, spelled
20 G-E-T-T-I-N-G-S. I'm the elected county controller
21 of Lawrence County, Pennsylvania. I'm going to speak
22 today on a little bit different subject. I was trained
23 as a CPA, as an accountant. You've gone over the
24 numbers enough. That's really not what I'm here about.
25 I was trained in life about attitude. I'm going to

1 give you a couple of facts about financials first.
2 They've talked about 600 jobs. If I take minimum wage,
3 that's \$9 to \$10 million. We know they're not minimum
4 wage. So \$10 or \$20 million is the impact on salaries.
5 Big deal.

6 Second of all, my wife and I were speaking
7 last night and she came up with a very good point. She
8 said, gee, if we're worried about competition, then if
9 we looked at Las Vegas where there are 122 casinos in
10 the same city, if we would have thought like --- oh, if
11 we'd be worried about competition, consequently Las
12 Vegas would never have been built.

13 And I'm here to talk to you today about
14 something that's a little different, especially coming
15 out of a trained account. Because see, I had a
16 life-changing event. In January of 2006 four Marines
17 came up my stairs and informed my wife and I, my son
18 was killed in Iraq that very day. And in that
19 particular point in time my life changed.

20 But I found out something, when you have a
21 good attitude, an attitude determines where your
22 altitude is. See, because I found out that the
23 wonderful, terrific, outstanding spirit of Lawrence
24 County. See, I found out what Lawrence County's about,
25 not about the numbers, not about the design but about

1 who the people are. And see, here we suffer from what
2 Zig Ziglar calls stinkin thinkin. See, we're still
3 back when the mills closed down and things weren't
4 going so well.

5 And I'm here to tell you as the father of
6 a fallen Marine, that what happens is you have two
7 choices. My wife and I and daughter could find a hole
8 and pull it in after us or we could decide to change
9 our attitude. And we decided to change our attitude.
10 Because see, on the day that my son was killed, he
11 saved the lives of Marines and was decorated for it.
12 On that day, one Marine made a difference. See, I
13 think that this Board can make a difference in the life
14 of Lawrence County, because I also look around and I
15 see who else has done some things. If it wasn't for
16 Dan Vogler and it wasn't for the Commissioners, these
17 men made a difference. If it wasn't for some of the
18 other peek people, Chuck Long stepped up when things
19 were not looking so well, that made a difference.
20 Those men made a difference in the lives. What we're
21 looking for is to take that attitude and change it in
22 Lawrence County to show the people, the critics.
23 Because see, I believe that critics are not in such
24 great esteem, because I don't see any statute directed
25 to a critic. So consequently, I have to respectfully

1 ask that you step up and you make a difference in the
2 lives of Lawrence County, because the nine of you have
3 a difference of making a difference in our attitude, in
4 our economy, growing and sending it forward into a
5 place where we know it can be and taking the terrific
6 people of Lawrence County and giving them back their
7 attitude. Thank you, and I ask for your consideration.

8 PRESIDING OFFICER:

9 James Ferrante?

10 MR. FERRANTE:

11 My name is James Ferrante, Jim. I'm from
12 Wampum. My address is 1044 Main Street. And I'm here
13 representing Wampum Borough and I'm on the Wampum
14 Borough Council. We're a small community. It took me
15 21 minutes to drive here today. So that gives you an
16 idea of where we're at geographically. And I think the
17 casino is going to be the best opportunity that has
18 come to this area in my lifetime. I'm actually wearing
19 two hats today. I run a family business. We're 113
20 years old today --- not today, I'm sorry, someone
21 else's birthday. We're 113 years old this year. And
22 when I first started working with my father that's when
23 all the steel mills were closing. And we had a very
24 abrupt change and then a very slow decline. Your Board
25 has the power and the understanding of what can happen

1 with this casino, and you can change the impact of the
2 entire county and the entire region. A lot has been
3 said by people that come up before me, so I don't want
4 to duplicate everything. I just have a few more things
5 to say.

6 The other thing I wanted to mention
7 regarding competition, it isn't something that I
8 thought of until I heard it mentioned earlier. But my
9 father used to tell me in our business, that when you
10 have competition you have to be like a horse in a horse
11 race and you put blinders on. And you have a goal, and
12 a good attitude and you just keep racing and you pay no
13 attention to what the competition is doing. And if you
14 do that, you'll win. And although we're a small
15 company, that's worked well for us. And I believe that
16 this opportunity that was given to us by Mr. Long and
17 the casino project is going to do the same thing for
18 Lawrence County. And thank you. That's all I have to
19 say.

20 PRESIDING OFFICER:

21 Thank you. Gary Pezzuolo?

22 MR. PEZZUOLO:

23 It's Gary Pezzuolo (corrects
24 pronunciation), P-E-Z-Z-U-O-L-O.

25 PRESIDING OFFICER:

1 It's that double Z.

2 MR. PEZZUOLO:

3 I'm a Mahoning Township supervisor and I'm
4 a lifelong resident. I've been involved with this
5 process --- project and the entire project leading up
6 to today from day one. When the process began the
7 infrastructure was not in place for a project of this
8 magnitude. Over the past ten years we invested over
9 \$24 million and countless hours to ensure that our
10 community could sustain this project.

11 For example, in anticipation of this
12 project, we've invested an additional \$13 million to
13 build a sewer system that could handle the waste from
14 the casino. It would create an extreme hardship on the
15 residents now who spent money in reliance on this
16 project in Mahoning Township if it did not get the
17 license. All the pieces of the puzzle have been put in
18 place by us, the last piece of the puzzle is in your
19 hands. We're on a limb. We went out on a limb, the
20 Township. And as they say, we're under water so we've
21 been working and keep blowing bubbles. But we need
22 your help. We got to get it done. So thank you very
23 much.

24 PRESIDING OFFICER:

25 Thank you. John Todorich?

1 MR. TODORICH:

2 You did pretty good with that name. Now
3 I'm going to turn my back on you, because I speak to
4 the people. And I don't need an amplifier, even though
5 I'm a natural baritone. By the way, the name is
6 spelled --- it's three little words, to do and rich.
7 T-O like in to, D like in David, O-R-I-C-H. It's a
8 Croatian word. My ancestors come from the ---
9 actually, the Islands on the Adriatic Sea. And I did
10 bring a little flier to just remind everybody that I'm
11 on the Board of Elwood City Revitalization. And this
12 is all about revitalization for all of Lawrence County.
13 And Elwood City is a part of Lawrence County. And I
14 brought --- we're going to have bands and
15 entertainment, the whole --- every Saturday throughout
16 the summer in Elwood City, so come on down. We have
17 great restaurants. Sound like a salesman, huh? I'm
18 the president of the Council of Governments in Lawrence
19 County. And every one of the townships and boroughs,
20 along with the City of New Castle and Mayor
21 Mastrangelo, we all support this casino.

22 But I don't want to be redundant right
23 now. I want to talk about a couple things. Utica
24 Shale, it was already mentioned. This whole county is
25 rich in Utica Shale. What's Utica Shale? Utica Shale

1 doesn't require as much fracking. It's a little
2 further down in the Marcellus, however we're rich in
3 it. The whole county's loaded with it. We're on the
4 cusp of expansion and boom. I don't want to go back to
5 that negativity in the past. I want my children, and
6 my grandchildren and their children to stay here. I'm
7 fortunate, my children all live close to me. But a lot
8 of these people, their children are gone. They got to
9 take the time out and travel hundreds of miles to go
10 visit their children. Not in my case, I'm lucky,
11 they're here. We have wonderful churches here. We
12 have wonderful schools here, our public school system,
13 and we train our children. Our children are trained.
14 Our Vo-Tech school is second to none, and you all know
15 that. And I want to tell you something, I come from a
16 union background. And when I would go to a union
17 meeting, I'd say what time is it?

18 UNIDENTIFIED PERSON:

19 Casino time.

20 MR. TODORICH:

21 There you go. Did you hear it? My father
22 a long time ago taught me ten little words. And he
23 said to me, he said, Johnny, if it is to be, it is up
24 to me. Well, in this case Commission, if it is to be,
25 it is up to you. So make it happen, here in Lawrence

1 County. Thank you.

2 PRESIDING OFFICER:

3 Okay. Mark Sackin, you want to follow
4 that?

5 MR. SACKIN:

6 That's going to be hard. Good morning,
7 everybody. My name is Mark Sackin, S-A-C-K-I-N. I'm a
8 supervisor here in Mahoning Township. Well, this is
9 going to be short, I can't compete with that one.
10 There's not a day that goes through that there's ---
11 without somebody asking me about the casino. When I'm
12 out working on the roads, they're asking me about the
13 casino, asking me about jobs, asking me what's going
14 on. And I say, we're at it, we're at it, we're at it.
15 It is --- I guess we're all at it. But we're still
16 hopeful we can have some help out here with everything.
17 And I've worked a lot with the people because I'm out
18 there and I get food out to the --- well, from the food
19 bank every month. My mountain has doubled in the five
20 years I've been here. So we really are looking for,
21 well, some kind of help.

22 And just to keep it short, I'd really like
23 to drive 15 minutes to a casino than an hour, hour and
24 a half. So, that's all I got to say. Thank you.

25 PRESIDING OFFICER:

1 Thank you. Edward Weber?

2 MR. WEBER:

3 I promise to be short and I promise to
4 follow code of conduct.

5 PRESIDING OFFICER:

6 Thank you.

7 Mr. WEBER:

8 I generally don't. Let me get all my
9 parts together. My name is Ed Weber, and I'm ---
10 W-E-B-E-R. And I'm the Chairman of the Lawrence County
11 Planning Board, not that it means a lot. I want to
12 thank you ladies and gentlemen for coming up here today
13 and also for letting me speak. Now, I get a little
14 nervous, but I'll get through it. I am here in support
15 of the casino. I realize there are a lot of pros and
16 cons for and against this type of a project, but I
17 think the pros outweigh the cons. That's why I'm here,
18 let's get take straight, first.

19 I think this casino would give us the
20 spark we need in your Lawrence County for economic
21 development. And we certainly need one here. Also, it
22 would bring jobs which we've been talking about here.
23 We certainly can use the jobs. So I think these are
24 the two main issues on this thing. Everything runs on
25 money in the world, it would be a financial gift to the

1 county, if we want to consider this a gift. So I'm
2 looking forward to that part of it.

3 And again, the third thing is, it would
4 bring other businesses in and other businesses would
5 also financially support the county, it would create
6 more jobs, and which, again, that's what we're talking
7 about, jobs and money. So I am --- like I said, I'm
8 for this. Well, basically that's what I want to say.
9 I wanted to be short here. And I want to thank you
10 people for letting me speak. Thank you.

11 PRESIDING OFFICER:

12 You're welcome. Anthony Mastrangelo.
13 Mastrangelo (changes pronunciation)?

14 MAYOR MASTRANGELO:

15 Pretty close. Good morning. My name is
16 Anthony Mastrangelo. That's M-A-S-T-R-A-N-G-E-L-O.
17 And if you don't mind, I have to change glasses. I
18 live at 408 East Garfield Avenue in New Castle.

19 As Mayor of the City of New Castle and on
20 behalf of its citizens, we wholeheartedly support
21 Lawrence Downs and Casino's application for a license
22 to operate a casino with slot machines, table games and
23 to compliment a first class harness racing program.

24 New Castle is an optional third class city
25 with a population of approximately 23,500. In 2007,

1 the City was declared a financially distressed
2 community under the state's Act 47. We, of course,
3 would welcome the development of a race track and
4 casino because of its obvious economic benefit to
5 Lawrence County.

6 New Castle is the largest city in Lawrence
7 County and the seat of Lawrence County's government.
8 We're approximately 4.5 --- four to five miles from the
9 site to the race track and casino. We welcome the
10 potential 1,000 employees, and their families to work
11 and live in our area. It's an excellent place to raise
12 a family, and only 10 to 15 minutes to work.

13 And additionally, besides New Castle being
14 a very friendly oriented city, it features an excellent
15 school system plus a first rate healthcare system. We
16 also have men and woman who are willing to be trained
17 to work at the casino race track in addition to any
18 potential hotels and motels. They are hard working
19 individuals willing to take a new responsibility at all
20 levels.

21 As Mayor, I would like to add that my
22 office is open to all officials of Lawrence Downs, and
23 other potential developers and we will offer whatever
24 assistance necessary to make everyone welcome.

25 Once again, thank you for the opportunity

1 to speak in favor of Lawrence Downs and Casino in our
2 area. Thank you very much.

3 PRESIDING OFFICER:

4 Thank you. James Morris, Junior?

5 MR. MORRIS:

6 That was an easy one; right?

7 PRESIDING OFFICER:

8 Yes, it was.

9 MR. MORRIS:

10 You're welcome.

11 PRESIDING OFFICER:

12 Thank you.

13 MR. MORRIS:

14 My name is James Morris, M-O-R-R-I-S,
15 Chief of Police from Mahoning Township. I'm not a
16 career politician, so my remarks are going to be
17 brief, ---

18 UNIDENTIFIED PERSON:

19 What?

20 MR. MORRIS:

21 --- believe it or not. Believe it or not,
22 in --- I've been in law enforcement for 20 years. And
23 that's not the part that's hard to believe, I know, I
24 lived here. Sixteen (16) of those years as a Police
25 Chief, 10 of those years as Police Chief here in

1 Mahoning Township. And dealing with the public for all
2 the years that I have been, believe it or not there are
3 people out there who do not like the police department.
4 They're the naysayers; right? They're always going to
5 be naysayers. Mahoning Township, we don't pay
6 attention to the naysayers. We know that this project
7 is going to be good for our community. We know it's
8 going to be good for Lawrence County. The police
9 department does stand to benefit from this project
10 coming in out here. I can only tell you that the
11 police department has been ready for the last ten years
12 to accept any and all responsibility for anything that
13 would take place out here. We will grow with the
14 advent of this project coming into play. The plan has
15 been in place, and we will implement it. And we're 100
16 percent in favor of it.

17 And I'd like to thank you very much for
18 allowing me to speak to the Commission. Thank you.

19 PRESIDING OFFICER:

20 John Lechner?

21 MR. LECHNER:

22 And you did get that right. John Lechner,
23 L-E-C-H-N-E-R. I'm the Chairman of the Board of the
24 Mercer County Commissioners. And I'm here to speak in
25 support of this project today on behalf of our entire

1 Board.

2 To start with, I'd like to tell you a
3 little about myself for a specific reason. Right now I
4 am the Chairman of the Board of the Commissioners. I
5 sit on the Council of Government and Regional Planning
6 for our county. Prior to my foray into politics, I
7 spent nine years as an Assistant Dean of Student
8 Affairs and Director of Public Safety at Westminster
9 College here in Lawrence County. Prior to that I spent
10 26 years in the Pennsylvania State Police, had two
11 tours through Lawrence County. The second one was my
12 final one, and I ended my career after five years as
13 the station commander of a local barracks.

14 While I was doing that, I spent a
15 concurrent career in the United States Military through
16 the Army and through the Air Force. I'm a retired Air
17 Force lieutenant colonel, 22 years experience and an
18 activation and deployment overseas in support of the
19 first Gulf War. Currently, also, am a private
20 businessman. I own Diversified Security Solutions,
21 LLC, which is a company that provides armed and unarmed
22 guard service to just about anybody that needs it. And
23 we currently have contracts with hospitals, school
24 districts. We've supported the pipeline and drilling
25 industry and community events.

1 The reason I tell you this, is because I'm
2 sure that you all know that when we evaluate
3 circumstances and situations and we make decisions, we
4 run everything through the filters of our life
5 experiences or our paradigms. And I wanted you to know
6 that I have a wide variety of life experiences and
7 paradigms that I run these things through. And every
8 time I look at this endeavor, this race track, no
9 matter which filter I look at it through, the cost
10 benefit ratio was overwhelmingly positive. I could see
11 absolutely no loss for this region. And when I say
12 region, I specifically mean region because this is
13 truly about much more than Lawrence County, you know.
14 We already have a regional attitude here.

15 Mercer County and Lawrence County share a
16 Director Chamber of Commerce because it tightens our
17 impact. Mr. Bob McCracken is in charge of Shenango
18 Valley and also Lawrence County. Mercer and Lawrence
19 County also share a recycling project because it
20 enables us to deliver more services and more
21 cost-effective by getting together jointly. Our two
22 counties also are the Workforce Investment Board.

23 And I also sit on the Executive Committee
24 of that Investment Board. And what we're doing here
25 today is exactly what that Board is about, which is

1 trying to retrain displaced workers and put them back
2 into the workforce. We also belong to an organization
3 called Oh-Penn, which is a cross state border endeavor
4 to bring economic development to both sides of the
5 state line. We realized that what's good for one is
6 good for all. And so we don't try to lament the fact
7 our neighbor got something and we didn't, because the
8 spinoff benefit is going to be here for all of us,
9 whether it's Butler County or Beaver County or Lawrence
10 County or Mercer County or Mahoning or Trumbull. It
11 doesn't matter. It's going to be good for all of us.

12 We know that this is about economic
13 development, that's a given. But it also has other
14 benefits. We know that when we have development, it
15 changes the assessed value of property. And once
16 property is developed and assessed at a higher rate, it
17 allows the taxing authorities, the school districts,
18 the local government and the county government to hold
19 the line on their millage, which is important because
20 all of the services that have to be delivered by the
21 governments at every level and by the school districts,
22 need the funding.

23 And so in this area, we do have an elderly
24 population. You know that Pennsylvania is always in
25 competition with West Virginia for the number two slot

1 as having the oldest population in the United States.
2 Florida is number one, but they import all their old
3 people. We home-grow everybody here, so ---. But when
4 you have that population, and many of them are on fixed
5 income, it's important to be able to hold the line on
6 that millage rate for them. And this project will help
7 to do that.

8 Now, there are so many other things that
9 are going to help us here in this area, and we've
10 talked about the jobs and everything that's going to
11 come but there's other things. Mercer County has a
12 tremendous tourism business. Right now, you know, we
13 have the outlet malls over near Grove City. Those are
14 the largest and most popular outlet malls in the United
15 States. There's over six million visitors a year that
16 come to the outlet malls, more people than what go to
17 the Grand Canyon. So it's there. They've got the
18 hotels. They've got restaurants. There's ten new
19 projects on the boards right now in that area. The
20 growth is outstripping the infrastructure's ability to
21 support it and they're looking to bring in more water
22 and more sewage capacity because that's the way it's
23 growing. And two of those businesses are going to be
24 motels.

25 Again, this is something that can directly

1 support what is here. When you take those outlet malls
2 and then over here you put a race track, they're
3 mutually supportive. They are going to help one
4 another. This is going to make this area more of a
5 destination. Instead of just coming down for a
6 shopping trip or a day at the track, you may spend two
7 or three days, make it a weekend and do both. And
8 right in between south of Mercer is the junction of
9 I-80 and Route 19, which 20 years ago was identified as
10 the number one economic development spot in the County
11 of Mercer. And we lost a Cabela's up there because we
12 didn't have infrastructure, we didn't have the water,
13 sewer and the things we needed.

14 But I'm here to tell you today that that
15 is becoming a reality. The sewer project is underway.
16 It's going to be run by the Upper Neshannock Watershed
17 Authority. And I sit on that Board as well. And those
18 sewers are going to be up and operational on land that
19 is being donated by Mercer County to that project in
20 order to get that development. So you stretch this out
21 along those interstates, you come down off of 376 to
22 get here and you come down off of I-80 to get to Route
23 19, 79 to get to those outlets. And we have a lot of
24 visitors from Canada that come to this area. And we
25 had over \$293 million in domestic spending and tourism

1 in Mercer County in 2012. And there's an additional
2 \$259 million that was spent throughout the State of
3 Pennsylvania by Canadian visitors. So we had over \$19
4 million in hotel room revenue, and we support 3,900
5 jobs in the tourism industry in our county. And
6 overall, with every form of tax that we government
7 officials have ever thought of imposing on people, it
8 is --- our tourism industry generates \$50 million in
9 taxes to the government.

10 So these are all good things for us. I
11 mean, taxes aren't good, but we need them to drive the
12 services. And when you think of the spinoff things
13 that are going to come with this, I think it is really
14 great because we have a very diverse economy in Mercer
15 County, mixed with technology and manufacturing. But
16 the number one industry in Mercer County is still
17 agriculture, in spite of the fact that we have 116,000
18 people that live there, agriculture is number one.

19 And when I look at this race track and I
20 say they're going to need hay, they're going to need
21 oats, they're going to need straw. And if they get
22 those things off of the local economy, it's going to be
23 wonderful for our farmers. The other thing is, we have
24 mushroom mines in this area, in Butler and Beaver
25 Counties, and mushrooms grow in manure. And I think

1 that we have a nice new source of bedding for the
2 mushroom mines. And after they're done with the
3 mushroom mines, they take that stuff up to landscaping
4 centers and they recycle it back to the people that put
5 it in their local gardens. So I said it's all a great
6 thing.

7 And when you tie this to the growth of the
8 oil industry and the gas industry in this area, we know
9 gas and oil is here to stay. In Lawrence County and
10 over into the eastern part of Ohio and in Mercer County
11 and in select areas, they're finding not only dry gas,
12 they're finding wet gas. And they're not only wet gas,
13 they found oil. It's here, the pipeline are coming,
14 the drilling is going crazy. I see the permits come
15 across my desk every week for this stuff. This means
16 more spendable income for people, more jobs in these
17 industries. And we know that Shell Oil would not be
18 looking at investing in a multibillion dollar project
19 for a cracker plant in Beaver County if the product
20 wasn't here to process.

21 So in closing, I will just tell you that
22 to me, to this region, to all of us, this is a very,
23 very important project and I see nothing but good, and
24 I urge you to support it. Thank you.

25 PRESIDING OFFICER:

1 Do you want them attached?

2 MR. LECHNER:

3 I don't care.

4 PRESIDING OFFICER:

5 Okay.

6 MR. LECHNER:

7 They're going to be hard to decipher,
8 they're just bullet points.

9 PRESIDING OFFICER:

10 Okay. Louis Perrotta?

11 ATTORNEY PERROTTA:

12 Good morning, ladies and gentlemen of the
13 Commission. My name is Lou Perrotta, P-E-R-R-O-T-T-A.
14 And I have the privilege to serve as legal counsel for
15 the Mahoning Township Board of Supervisors and the
16 residents of Mahoning Township. And there's one thing
17 that I can say wholeheartedly with the work that I've
18 done here in Mahoning Township. I've been in contact
19 with a lot of the residents in working on the
20 infrastructure projects that we've commenced here.

21 Two questions I usually get from the
22 residents, if it's pertaining to the sanitation
23 project, how much are my rates going to be per month.
24 And the second question is, when is the track coming.
25 So being optimistic, we're here today, I encourage a

1 favorable vote for this project. The citizens, I don't
2 think I've spoken to one person that has been in
3 opposition of this project. We need the economic
4 development that goes along with it. And I encourage
5 you for a favorable vote on this particular endeavor.
6 Thank you.

7 PRESIDING OFFICER:

8 David Richards?

9 MR. RICHARDS:

10 Hello. David Richard, R-I-C-H-A-R-D-S,
11 from New Castle, PA. I'm the assistant manager of the
12 New Castle Transit Authority. And I have with me
13 Leonard Lastoria, the general manager of the Transit
14 Authority and Frank Sylvester, Chairman of our Board.
15 And we are fully supportive of this project.

16 New Castle Transit Authority services the
17 City of New Castle, Neshannock Township, Shenango
18 Township and Union Township. We also service
19 Pittsburgh, Grove city, Elwood City and other portions
20 of Mercer and Lawrence County. We currently have a
21 fleet of 30 buses and 2 trolleys. New Castle Transit
22 Authority transports over 600,000 passengers each year
23 on a variety of local routes and commuter services to
24 Pittsburgh. Our commuter buses to Pittsburgh include
25 regular stops at the Rivers Casino. We have three

1 large park and ride lots that are well lit and secure
2 through their use of video surveillance equipment. One
3 lot is located on Route 422 in Shenango Township and
4 the other two lots are located in downtown New Castle.
5 These park and ride lots could easily be utilized to
6 assist patrons to the proposed casino. Patrons could
7 park in the lot on 422 or downtown New Castle and
8 receive front-door treatment to the casino by using our
9 service, rain, snow or shine.

10 The New Castle Transit Authority stands
11 ready, willing and able to assist and provide service
12 to the proposed casino and state our full support for
13 this venture in Mahoning Township and Lawrence County.
14 Thank you.

15 PRESIDING OFFICER:

16 Thank you. I have a request for a short
17 bathroom break, so we're going to take about ten
18 minutes and then we'll be back. Thank you.

19 SHORT BREAK TAKEN

20 PRESIDING OFFICER:

21 Please take your seat. We are going to
22 resume the hearing. Okay. We're going to begin again.
23 I have a letter that Senator Timothy Solobay asked to
24 be read into the record because he could not be here
25 today. So I'm going to read this into the record for

1 him.

2 It says the Pennsylvania Gaming Control
3 Board, I am writing to express my strong opposition to
4 the granting of a casino license for the proposed
5 Lawrence Downs Casino and Racing Resort. Three casinos
6 already operate in southwestern Pennsylvania and others
7 are located nearby in Erie to the northwest, and the
8 adjoining section of West Virginia and Ohio.

9 Approval of yet another casino,
10 undoubtedly will drive down business for the existing
11 facilities and do real harm to our communities. The
12 Lawrence County site will cause a long-term decline in
13 revenues at our other casinos, causing job losses,
14 reduced employee hours and benefits and lower tax
15 revenues paid to the communities. It is a bad idea for
16 everyone.

17 Such ramifications already have been
18 demonstrated by business losses suffered at the Meadows
19 Race Track and Casino after Lady Luck Casino Nemacolin
20 opened in a neighboring county. Forcing yet another
21 casino into an already saturated marketplace will
22 create a financial stress on all gaming operations.

23 In addition, please remember that one goal
24 of the casino --- of casino gambling was to create
25 revenues, rescue the horse racing industry in

1 Pennsylvania. Over-concentration of casinos in the
2 western and eastern parts of our state is driving down
3 state revenues generated at each facility.

4 Meanwhile, only one casino exists in all
5 of central Pennsylvania, a situation which limits
6 gaming opportunities and revenues collected in that
7 region.

8 For these reasons, I urge the Gaming
9 Control Board to deny the casino license to the
10 proposed Lawrence County, or Lawrence Downs. Thank you
11 very much for your consideration, sincerely Timothy J.
12 Solobay, State Senator.

13 UNIDENTIFIED SPEAKER:

14 Boo. Boo.

15 PRESIDING OFFICER:

16 I'm only the messenger. Okay.

17 Commissioner Diana Irey Vaughan?

18 MS. IREY VAUGHAN:

19 Good day, and thank you for allowing me
20 the opportunity to offer perspective on the matter at
21 hand. I'm Diana Irey Vaughan, Vice Chairman of the
22 Washington County Board of Commissioners, D-I-A-N-A
23 I-R-E-Y V-A-U-G-H-A-N. My address is 100 West Beau
24 Street, Washington, PA, 15301.

25 I recognize the intentions of my

1 colleagues in Lawrence County who are dedicated public
2 servants, I thank them for their willingness to serve
3 others and to fight for what they believe is in the
4 best interest of their citizens. I'm here today to
5 offer a different perspective on this potential project
6 in the area of economic development and jobs for their
7 citizens. I do not believe that the licensing of the
8 Lawrence Downs Casino and Race Track is in the best
9 interest of this region or Pennsylvania.

10 And I offer to you another thought on how
11 economic prosperity can still be achieved for Lawrence
12 County by other initiatives. Recent legislation, Act
13 71, is a well thought out Act that recognizes the
14 benefit of having the casinos spread out over the
15 Commonwealth so that each would have a substantial base
16 to draw customers, thus avoiding having too many
17 casinos in one area or region, ultimately causing
18 oversaturation of an industry and a higher probability
19 of failure. Act 71 was designed to allow casinos
20 licensed under the Act, the ability to generate
21 adequate revenues from the population they serve.

22 Presently, the saturation point has been
23 reached, as nine casinos are currently located in the
24 tri-state area. And the opening of two new casinos in
25 Ohio will only exacerbate this problem.

1 While, at one time a casino in Lawrence
2 County could have been a very viable component to
3 economic development, it is now at risk because of
4 oversaturation and competition, not only from its
5 fellow Pennsylvania Gaming revenues but also from those
6 in Ohio and West Virginia.

7 In addition, I do not support a
8 Pennsylvania taxpayer subsidy for the project of a
9 casino. The Philadelphia Inquirer recently reported
10 that Penn National Gaming is estimating that \$50
11 million in tax breaks would be given for the
12 construction of the proposed casino in New Castle. The
13 same article also states that the owner of the proposed
14 casino admitted that the only way the casino would be
15 profitable for him was to have it subsidized by tax
16 dollars. So, I must ask, if a project is too risky for
17 private investors, why do we gamble with the hard
18 earned wages of the citizens we represent?

19 As a County Commissioner, it is my duty to
20 safeguard the tax dollars of the citizens I represent,
21 and I cannot in good conscience support the use of
22 taxpayer dollars for this project of the casino with
23 the decrease of gaming revenues and the increase of
24 competition.

25 I offer this idea and pledge to my

1 colleagues on the Board of Commissioners in Lawrence
2 County that for those counties in Pennsylvania that do
3 not have the benefit of gaming, that we stop competing
4 against each other for limited prospects and begin
5 working more together as a region to develop and
6 attract other tourism or economic development projects
7 that will create new jobs and opportunities without
8 saturating existing markets.

9 The time to act is now. I respectfully
10 ask the Pennsylvania Gaming Commission to deny this
11 licensing to the Lawrence Downs Casino and Race Track,
12 or at least delay this request until underutilized
13 areas of the state, such as can be found in central
14 Pennsylvania, can be studied for this license.

15 I appreciate the work of my colleagues in
16 Lawrence County and I wish them growth and prosperity,
17 but I truly believe that the casinos is a deal too
18 risky for their taxpayers. I thank you for your time.

19 PRESIDING OFFICER:

20 Harlan Shober, Junior?

21 UNIDENTIFIED PERSON:

22 He's not here.

23 PRESIDING OFFICER:

24 He's not here?

25 UNIDENTIFIED PERSON:

1 No.

2 PRESIDING OFFICER:

3 Mr. Shober's not here? Okay. William
4 McGowen? Not here? Mr. McGowen? Going once, going
5 twice. Okay. Larry Maggi?

6 UNIDENTIFIED PERSON:

7 Not here.

8 PRESIDING OFFICER:

9 Not here? Okay. I am at the end of my
10 list of local government --- or legislature and local
11 government representatives. Is there anyone,
12 government representative in the room who believe they
13 registered to speak and I have not called your name
14 yet, raise your hands? Anyone? Okay. Moving onto our
15 community groups and individuals that I have
16 registered. We will start with Julia (sic) Cole. Is
17 Julia Cole here?

18 MS. COLE:

19 Yep.

20 PRESIDING OFFICER:

21 And I'll remind community groups you have
22 ten minutes, and individuals will have five minutes.

23 MS. COLE:

24 Hi. My name is Juli Cole, J-U-L-I
25 C-O-L-E. I'm from North Beaver Township, Lawrence

1 County. And I'm an individual speaking in favor of
2 this race track. We've heard today all the
3 distinguished gentlemen and ladies speaking about the
4 potential jobs and what could be created economically.
5 I am such an individual who is positively impacted by
6 the harness racing industry. I am a manager of a small
7 local breeding farm.

8 Our breeding farm, in turn, helps generate
9 economic growth. We use local hay, local straw, all of
10 our equipment, our trucks, mowers, everything that we
11 use is purchased locally. We service all of our
12 equipment locally. We use local gas stations. We use
13 local veterinarians. All these people in turn use
14 local services, again to supply their businesses and
15 their needs, so what you see is a big ripple effect of
16 how the harness racing industry impacts this area. It
17 is an agricultural area. I can see around us, breeding
18 farms such as ours popping up all over the area because
19 of the wonderful Firestick (phonetic) Program and
20 redevelopment funds that are available in Pennsylvania,
21 which are financed by the revenue from slots and
22 casinos.

23 So what I'd like to say is that is a very
24 real opportunity for growth. People like me that use
25 the local businesses not only in my aspect of my work,

1 but I go home and I own a small farm myself where I
2 raise show horses in Lawrence County. I also buy and
3 use everything local. I patronize local shops, the
4 local restaurants. So my money, my income that I
5 receive from this industry goes back into the community
6 and it's all a big circle. We all help each other.
7 It's the ripple effect. I probably have some sort of
8 contact with somebody you know, a friend, a neighbor, a
9 relative in the way that I conduct my business
10 throughout the day in my employment and in my personal
11 life. And this is a very positive, real thing for this
12 county.

13 I don't know what more I can say about it,
14 I'm not a speaker. I can't give you facts, figures,
15 statistics. I'm just a real ordinary everyday citizen
16 of Lawrence County just like many of you standing here
17 or sitting here are. And this is how this track can
18 positively impact us. I know this from my personal
19 experience. I'm not just a --- we can project this, we
20 can project that, I'm a very real person standing in
21 front of you saying that, yes, this type of an industry
22 provides jobs, provides growth and expands throughout
23 every aspect of our community. Thank you.

24 PRESIDING OFFICER:

25 Janet Falotico from Lawrence County

1 Tourist Promotion Agency?

2 MS. FALOTICO:

3 Hello. I think in Italy they say it that
4 way.

5 PRESIDING OFFICER:

6 Good.

7 MS. FALOTICO:

8 Janet Falotico. Doe ray me Falotico.
9 That's one way to remember it. J-A-N-E-T F, as in
10 Frank, A-L-O-T, as in Tom, I-C-O. I live in Union
11 Township here in New Castle. And I am the executive
12 director of Lawrence County Tourism. Tourism is the
13 second largest industry in Lawrence County as well as
14 the State of Pennsylvania. And many visitors and
15 residents come to our office on a daily basis. While
16 there, one of the things we say to them is, welcome to
17 Lawrence County and how may we help you. We go out of
18 our way to be a better person to show --- make you feel
19 at home, that this a place to be, a great place to
20 live. I'm a transplant, I'm not from here. And I am
21 very passionate about where I live, very passionate.

22 So today as I stand before you, I want to
23 offer you that same warm greeting that we give to
24 everyone every day, and help you understand a little
25 bit about who we are and why this impact would be so

1 important to our area. So I say to you, welcome to
2 Lawrence County and how may we help you.

3 Our communities have been preparing for
4 this for ten years, as you've heard from many, many
5 others. We've been waiting and waiting and waiting,
6 sometimes even patiently. But more than anything,
7 we're trying to keep our spirits high and our optimism
8 very high in hopes that we can make a difference, in
9 that this area will finally stop being the redheaded
10 stepchild or at least the feeling of the redheaded
11 stepchild.

12 It's very important to us. We've been ---
13 from my Agency perspective, we've been working with the
14 different groups, Elwood City, New Castle, Wampum,
15 trying to find some way to tell them you've got to be
16 ready for this. So yeah, ten years later I think we
17 are. I think we've been preparing. New Castle has
18 been working with New Visions group and the city in
19 trying to find better ways to increase foot traffic
20 into our downtown and to be prepared that when this
21 casino comes along, that we'll be prepared to handle
22 that as well. Elwood City just underwent a huge
23 revitalization. They've opened this wonderful farmers
24 market and a park where people can come and hear music,
25 as John Todorich told you earlier. I'm surprised he

1 wasn't singing that. Wampum has become the first trail
2 town in Pennsylvania. I think that's huge. It's a
3 great little feather to our cap.

4 Most recently we started seeing inbound
5 tours into our area, something that we haven't had for
6 a long time. Inbound tours, meaning that we have
7 people that are coming in --- normally they take a
8 drive-their-self tour. Well, now we have an operator
9 who does the simple life Amish tour and she'll take you
10 or your family, small groups, and she'll drive you
11 through the Amish countryside and let you see what that
12 simple life is about. First time we've had that in a
13 long time. We're also accepting inbound bus tours to
14 do the same thing.

15 Our Amish is the fifth largest order in
16 the State of Pennsylvania. The bus tours are now
17 covering our historic North Hill in New Castle. That
18 has now become designated as the third largest historic
19 district in the State of Pennsylvania. We have a lot
20 to offer here. We have so much pride in what we do.
21 And I think you see it and hear the passion in everyone
22 who speaks.

23 Just a couple of statistics. I know you
24 heard some of them. We're within 500 miles of more
25 than half of U.S./Canadian population. That's 53

1 percent of the U.S. buying power. Location, location,
2 location; right? We have a good place to be.

3 Our impact is not quite as large as
4 Mercer, as you heard we're a much smaller community,
5 but we're still mighty, we're still loud. We have 118
6 million in our recent 2012 impact. That's \$6 million
7 in taxes in our area. That's a big deal to us. So, as
8 the designated tourism agency for Lawrence County, we
9 take our role very seriously for the tourism impact in
10 this area.

11 Our Board has been known to oppose
12 anything that would be detrimental to our community.
13 So when I say we wholeheartedly get behind this, we
14 mean it. Our Board is so ready to move ahead and
15 hopefully that you can help us in getting tourism
16 development here and granting this gaming license to
17 its developers.

18 And I close in saying, welcome to Lawrence
19 County and how may we help you. Thank you.

20 PRESIDING OFFICER:

21 Edward Donofrio or Donofrio (changes
22 pronunciation), depending on how you ---?

23 UNIDENTIFIED PERSON:

24 Not here.

25 PRESIDING OFFICER:

1 Not here? Okay. Linda Nitch from the
2 Lawrence County Economic Development Corporation.

3 MS. NITCH:

4 Yes, my name is Linda Nitch. Spelled
5 L-I-N-D-A, capital N-I-T-C-H. And I live at 210 East
6 Euclid Avenue in the City Of New Castle. Welcome to
7 Lawrence County. I am the Executive Director of
8 Lawrence County's Economic Development Corporation.
9 Mr. Sam Biasucci, our Board President is here as well
10 as other members of our Board of Directors.

11 It's the Economic Development
12 Corporation's job as a nonprofit here to try to grow
13 our local businesses as well as attract new businesses,
14 such as this casino. We assist our businesses by
15 trying to retain the jobs that are here and hopefully
16 grow new jobs. What we see with the casino is the
17 great opportunities to create new jobs, to be growing.
18 And I will just take five different reasons that I want
19 to give you for saying that you should award this
20 gaming license to Endeka.

21 The number five reason is an increase in
22 agricultural activities. Just as was stated before,
23 this race track proposed by Endeka will be a one-mile
24 harness track. The local horse breeders of trotters
25 and pacers will benefit from the track. It's

1 anticipated that over 200 horses will be regularly
2 housed throughout the county providing income for the
3 owners of the barns. The market will increase for the
4 hay and grain that's needed by the horses, which is
5 estimated to add at least another half of a million
6 dollars annually to our local farmers.

7 Of course, there will be additional
8 employment that will be generated for the horseman and
9 the trainers, as was stated, as well as supporting the
10 structure such as the veterinarians and even the people
11 that have to shoe the horses.

12 The forth reason that I think would come
13 as far as why you should approve this license is the
14 guaranteed funding for economic development. The
15 legislation for this Class 1 license guarantee is \$5
16 million annually to Lawrence County. This is the seed
17 funding that the County Commissioners have identified
18 to build the funding gap for this project.

19 Additionally, there'll be another \$4 to \$5
20 million that will be available for economic development
21 projects. These funds will be held by the Pennsylvania
22 Department of Community Economic Development awaiting
23 decisions by our County Commissioners based on county
24 projects and county applications. These funds I see as
25 a return on investment to the community. In fact, if

1 we invest them wisely they become the catalyst for
2 additional economic development projects which we
3 absolutely need here locally.

4 The number three reason is the improved
5 infrastructure, power, natural gas, water, sanitary
6 sewer and roadways will be improved as a result of this
7 project. The electric demands of the casino will
8 require the building of a substation and an extension
9 of transmission lines. This will be a \$7 million
10 investment by First Energy.

11 Additionally, natural gas is needed to
12 heat the facilities and requires the extension of gas
13 lines to the site. Pennsylvania American Water must
14 install a booster station resulting in an additional
15 investment of at least a half a million dollars into
16 the local infrastructure. Mahoning Township has been
17 proactive in constructing the state-of-the-art sewage
18 treatment plant that was commented about. \$25 million
19 was invested into this facility and lines.

20 And finally, the transportation
21 improvements estimated to be as much as \$15 million
22 that will be invested along Routes 422 and 551.

23 The number two reason that you should
24 consider this is the increased employment. The
25 development of Lawrence Downs with its 1,000 temporary

1 and construction jobs and the estimated permanent staff
2 of about 600, as we were told, is the greatest increase
3 in county employment reported in recent times. This
4 number of employees will nearly equal our county's
5 largest employer, Jameson Hospital. That's quite a
6 feat.

7 Additionally, the 800 --- there should be
8 about 800 new indirect employment opportunities that'll
9 be created. Another boost to our economy. The jobs
10 will offer opportunities for entry level and
11 nonseasonal service jobs, and we could certainly use
12 those. We all recognize that our county has
13 experienced those high levels of unemployment, and
14 these jobs will be a welcome addition to the mix of job
15 opportunities that we need.

16 The number one reason for you to go ahead
17 and award this license is the growth of our local
18 economy. With all of the significant economic activity
19 that's been identified, including the construction
20 expenditures, we're looking at an additional \$200
21 million into the community, as well as the
22 approximately 300 visitors to the facility who are also
23 going to provide us with about \$64 million. We can
24 expect other increased business activity for our local
25 vendors as a result of the sourcing of materials for

1 both the construction of the casino, as well as the
2 24/7/365 day operations of the facilities.

3 Additionally, I'm looking forward to the
4 fact that local vendors will need to increase their
5 activities and sourcing, thus producing a multiplier
6 effect of the business activity. The wages earned by
7 the workers, which they will spend here locally, will
8 also have a positive impact.

9 I recognize that it will also expand
10 outside just Lawrence County into our region, which is
11 a welcome addition. I've been taught in the economic
12 development that it is the input of fresh dollars into
13 the community that builds this economy. And this
14 casino will do just that.

15 The 18 members of the LCEDC's Board of
16 Directors support the issuing of the gaming license to
17 Endeka for this new endeavor. We've waited ten long
18 years. We hope that you can make a quick decision.
19 Thank you very much.

20 PRESIDING OFFICER:

21 Richard Craig?

22 MR. CRAIG:

23 Richard Craig, C-R-A-I-G. I live in
24 Neshannock Township. I wish I would have known this
25 wasn't casual, I would have dressed up. And I want to

1 address one topic that touches everything else.
2 Poverty, we have a poverty issue in Lawrence County.
3 I'm blessed to work with local agencies and churches.
4 And over 25 percent of the children in Lawrence County
5 are at or below the poverty level. What does that have
6 to do with this? Agriculture, spinoff business, be a
7 boom for agriculture. Construction, my good friends in
8 the union, construction jobs. Employment at the
9 facility itself, obviously, satellite business. More
10 business, more people, more dollars. Infrastructure,
11 they're talking about widening 422. Who knows what
12 that's going to lead to? We're going to have to do
13 that. In recent election, there's been an old slogan,
14 it's the economy. I'm not going to finish the
15 statement because I know that nobody's stupid in this
16 room. But it's the economy.

17 PRESIDING OFFICER:

18 Frank Telesz, IBEW Local Union 712?

19 MR. TELESZ:

20 Thank you. It's Frank Telesz (corrects
21 pronunciation), T-E-L-E-S-Z. Well, first of all, I
22 want to welcome the Pennsylvania Gaming Board to the
23 future site of Lawrence Downs and Racing Resort. So,
24 did you bring your shovels? That's the question.
25 We're not waiting anymore.

1 Also, thank Endeka and Penn National for
2 stepping up, it's fantastic. And we're not going to
3 let you down. The reason we're not going to let
4 everybody down is because of this community. We'll
5 start off with our Township Supervisors. Go to the
6 county level, or Commissioners, or Economic Development
7 and go to our state level. I mean, you heard the
8 people talk, this is a wonderful community. You
9 thought Twitter was fast, go to our local coffee shops.
10 We don't have Twitter yet here. So it goes quick,
11 information in the area.

12 As you heard earlier, you know, if one
13 person is down, we're here to pick everybody up. I'm
14 here to speak in two aspects. Number one is, that I am
15 from the IBEW. I'm the business manager of that Local
16 Union 712, and we have 500 electricians. And I'm also
17 the Secretary/Treasurer of the Local Building Trades
18 here in Lawrence County. We have over 650 people that
19 represent the Building Trades. If you're not familiar
20 with Building Trades, it's anything that has to do with
21 construction, whether you're an electrician, whether
22 you're an operator or whether you --- whatever craft
23 you may be.

24 One thing that I will let you know, that
25 the Building Trades has built every facility in

1 Pennsylvania. And every one of the facilities were
2 done on time and under budget, which is a very, very
3 successful thing to have done, I'll say. I've lived in
4 this community for three generations. My family are
5 all in agriculture. Of course, there wasn't enough
6 room, so I went into construction.

7 One thing that hasn't been talked about
8 yet and the reason the legislation was written for this
9 casino/race track is --- I think we may have
10 overstepped a little bit and forgot to talk about it.
11 You know, we're at the Gaming Control Board issue now
12 that race --- the harness racing's in place. But we're
13 going to have something that --- I only know of maybe
14 one in New Jersey and one in Canada is a one-mile race
15 track. That is the ultimate. If you think of the
16 Kentucky Derby, this is the Kentucky Derby right here.
17 You know, they call it the Hambletonian is the most
18 important race for the Harness Race Commission. This
19 facility is going to be first class. It's going to be
20 a home run. I mean, you know, it's just not a
21 five-eighths. It's not a seven-eighths. This is the
22 mile track. So please keep that in mind when you make
23 your decision because that is the ultimate thing of
24 this casino. Everybody has a casino but not everybody
25 has a casino with a one mile track. And we are going

1 to have that.

2 Just in closing, I would thank everybody
3 for their time. It's been a long day. And remember,
4 when you come back, Lawrence County is the place to be.
5 Thank you.

6 PRESIDING OFFICER:

7 Dewitt Peart?

8 MR. PEART:

9 Good afternoon. My name is Dewitt Peart.
10 I am president of the Greater Pittsburgh Chamber of
11 Commerce. Dewitt, D-E-W-I-T-T, Peart, P-E-A-R-T. I
12 reside in Scott Township, Allegheny County. The
13 Greater Pittsburgh Chamber of Commerce, an affiliate of
14 the Allegheny Conference on Community Development,
15 works in collaboration with public and private sector
16 partners to improve the economy and quality of life in
17 the ten-county region of southwestern Pennsylvania.

18 It's our belief that the proposed Lawrence
19 Downs Resort will serve as a significant driver of
20 economic activity and jobs in Lawrence County and other
21 surrounding counties in the Pittsburgh region. The
22 employment impact in Lawrence County is likely to be
23 significant. The county's jobless rate is currently
24 7.7 percent compared to 6.8 percent for the region as a
25 whole. With the 660 projected permanent jobs, Lawrence

1 Downs would deliver the greatest job impact of any
2 project we have tracked in Lawrence County since we
3 began compiling data seven years ago.

4 The leisure and hospitality sector will
5 also benefit as a result of this project.
6 Approximately 2,500 people work in this sector in
7 Lawrence County, down 3.5 percent since 2008. In
8 comparison, employment in this industry has increased
9 by nearly six percent in the ten-county Pittsburgh
10 region.

11 The project's location within driving
12 distance of metropolitan Pittsburgh and Youngstown,
13 positions it well to draw visitors from across the
14 Pittsburgh region and Ohio and West Virginia. In the
15 long-term, ongoing visitor demand and spending may help
16 to provide catalyst of other leisure and
17 hospitality-related development in the area, including
18 restaurants, hotels and retail outlets. This as a
19 potential to create additional tax revenue for local
20 governments and jobs for residents in the region.

21 Given the project's economic employment
22 and tax revenue benefits, the Greater Pittsburgh
23 Chamber of Commerce and the Allegheny Conference
24 supports its development. Thank you for this
25 opportunity to testify.

1 PRESIDING OFFICER:

2 Samuel Angelucci?

3 MR. ANGELUCCI:

4 Samuel Angelucci. I'm the President of
5 the Lawrence County Board of Realtors.

6 A-N-G-E-L-U-C-C-I. I want to thank you for allowing
7 me to speak on behalf of Lawrence County Board of
8 Realtors. We appreciate the opportunity. I want to
9 talk to you about the American dream of home ownership.

10 The Census Bureau's website shows
11 approximately 40,000 housing units in Lawrence County.
12 And Washington County, it has the fewest homes of the
13 three counties that host a harness track currently,
14 with 93,500, over double. Lawrence County's home
15 values are approximately \$23,000 lower than Luzerne
16 County, \$44,000 lower than Washington County and
17 \$62,000 less than Dauphin County. These counties are
18 the current homes of the existing tracks.

19 Since 2010, home sales in Lawrence County
20 have increased by 16 percent. In 2010, the average
21 sales price in Lawrence County was \$88,500. In 2013,
22 the average sales price rose to \$93,500. That increase
23 of 3.75 percent shows a pattern of growth in our
24 housing market. Lawrence Downs could offer an
25 opportunity for that growth to continue even more.

1 A report published by the National
2 Association of Realtors last year shows that --- it
3 references several articles of publications regarding
4 casino effects on surrounding housing markets. Casinos
5 in very rural areas are frequently cited as generating
6 significant local economic benefits, largely due to the
7 depressed nature of the local economy. Casinos appear
8 to have brought increased prosperity to low-population
9 rural counties, resulting in home price increases.
10 Probably, again, due to the rising income in those
11 areas. A particularly important finding for
12 policymakers is that the benefits associated with the
13 casino depend inversely on the population density.

14 Casinos are more likely to create net
15 benefits in areas where population density is low,
16 stated author, Michael Wenz, Ph.D. of Northwestern
17 University. In the case of low-density areas it
18 appears, based on the Wenz study, that gambling has
19 brought prosperity, rising incomes and possibly higher
20 home prices. It appears as local employment and
21 incomes increased, so did the home values. Another
22 independent website showed that in several areas home
23 values increased by \$6,000 to \$8,000. That increase
24 would be significant in our area where the average sale
25 price is less than \$100,000.

1 Casinos generate jobs, but many of the
2 jobs created are reported to be low-paying
3 opportunities with few experienced gaming professionals
4 filling the management positions. An example, a home
5 valued at \$75,000 with five percent down payment at a
6 four and a half percent interest rate would have a
7 payment of \$361 per month. The current minimum wage
8 earner makes approximately \$1,260 a month. A married
9 couple each making only minimum wage, could comfortably
10 afford a home in Lawrence County. Lawrence County has
11 113 homes on the market today that are listed at
12 \$75,000 or less. We have a prime market for these such
13 employees.

14 National Association of Realtors research
15 shows that our county is an optimal location for
16 Lawrence Downs. Lawrence County's population is ranked
17 32nd of the 67 counties in Pennsylvania. We are not
18 too small nor are we too large. We offer affordable
19 housing for the projected jobs that would arise from
20 Lawrence Downs. Our location being primarily rural,
21 suggests that Lawrence Downs offers an opportunity for
22 our residents to see the beginning of an economic
23 rebound that is long overdue.

24 With the potential growth that would
25 culminate from the facility, we gladly welcome the

1 opportunity to host Lawrence Downs. Thank you.

2 PRESIDING OFFICER:

3 Samuel Giannetti? Okay. Just one minute
4 so our court reporter can change her ---.

5 OFF RECORD DISCUSSION

6 PRESIDING OFFICER:

7 Okay.

8 MR. GIANNETTI:

9 Thank you very much. I am Samual
10 Giannetti, G-I-A-N-N-E-T-T-I. I am the director of
11 West Central Job Partnership, which is located at 44
12 South Beaver Street in New Castle, Pennsylvania. And
13 I've worked for 30 years with the unemployed, various
14 aspects of folks, people that are dislocated from the
15 shutdown of the steel mills back in the '80s,
16 individuals that have been impacted by the various
17 downturn of the economy. And additionally, the merging
18 of workforce folks trying to get out of poverty.

19 A lot of what I have said has been said
20 previously. I'm not going to be redundant. The
21 gentleman that was talking about poverty in the area
22 was right on target. Lawrence County shows a poverty
23 level amongst its residency of 13.8. When you start
24 looking at the surrounding counties, Beaver 12.4,
25 Butler 8.9, even our sister county, Mercer County 13.2,

1 that's a significant concentration of poverty.
2 Unfortunately, I didn't look up the poverty levels for
3 Washington County. But I would imagine that because of
4 the Marcellus Shale boom in the south and their gaming,
5 that their poverty level would be significantly lower
6 than this.

7 Additionally with regard to job postings,
8 if you look at recent information from the Department
9 of Labor & Industry, Center for Workforce Information
10 Analysis, Lawrence County in the month of March showed
11 666 job postings. When you look at the contiguous
12 counties, Beaver County had 1,492. This is for the
13 same month, Mercer County had 1,142 and Butler County
14 had 2,854. Again, short-sidedness on my part, I didn't
15 look at Washington County. But I know from my
16 colleagues in the area, there's a boom. They can't
17 fill the jobs that are occurring in that area.

18 I think that there's really --- and we've
19 heard a lot about economic development and it's
20 extremely important. But there are faces on this,
21 there are people, there are people who are striving to
22 live the American dream, buy a house, buy a car and
23 really make their way in the world. We've lost
24 population in this county. And I really believe that
25 the Lawrence Downs project will be that driver, as the

1 gentleman from Allegheny County noted. And I think
2 it's going to definitely be a real mover for the area.

3 Earlier Commissioner Lechner from Mercer
4 County had pointed out that this can be a destination.
5 I so agree with that. You know, sometimes we get into
6 this competition thing where, well, we got to make sure
7 that we get the low blow and then back up and let the
8 officials do their thing. But I really believe that
9 this project is going to benefit the other western
10 Pennsylvania gaming concerns, insofar as we see in
11 Mercer County and even in southwest Pennsylvania, you
12 have buses coming through from Canada, from Ohio moving
13 through. This is going to be a destination not just
14 for this area, not just for Lawrence County, but I
15 think it's going to be a crossroads for the gaming
16 industry in this segment of the state, and also with
17 our friends in Ohio. And we do work with the folks in
18 Ohio.

19 We have the first Interstate Workforce
20 Development region in the nation. The governors of
21 Pennsylvania and Ohio support it. And we work
22 collaboratively on many projects. I think that the
23 various concerns that are going to be involved on that
24 side of the board and that side of the board are only
25 going to amplify and assist each other in terms of

1 marketing, in terms of drawing population.

2 So with that, I urge you to support the
3 granting of this license and to make this a reality,
4 because it has been too long and we are anxiously
5 awaiting your good will. Thank you very much.

6 PRESIDING OFFICER:

7 Dean Kind? Mr. Kind? I thought that was
8 him. Mr. Kind? Going once. Dr. Nicholas Neupauer?

9 MR. O'BRIEN:

10 Good afternoon. My name is Bill O'Brien,
11 O-B-R-I-E-N. And I'm the Vice President for Continuing
12 Education at off-campus sites at Butler County
13 Community College. Speaking on behalf of Dr. Neupauer,
14 our President, who happens to be under the weather all
15 week long.

16 The Lawrence County site of Butler County
17 Community College, appropriately called Lawrence
18 Crossing, supports the Lawrence County initiative of
19 attracting casino and race track to Lawrence County.
20 We are Lawrence County's community college. Butler
21 County Community College has credit enrollment of 4,000
22 students and 15,000 noncredit students. Here in
23 Lawrence County over 600 students attend classes at our
24 Lawrence Crossing site, which is approximately two
25 miles from the proposed site.

1 If the racino is given approval to locate
2 here, not only will hundreds of jobs be created for an
3 area needing employment opportunities for the
4 residents, but because of what we do as a community
5 college, we are poised to help in the education and
6 training of the workforce needed for these jobs.

7 An example of this is the Marcellus Shale
8 expansion in this region. BC3 was able to quickly
9 develop training programs in roustabout, welding and
10 floorhand jobs. We have placed over a hundred students
11 into these jobs as of today. But we didn't stop there.
12 We just this month rolled out a gas and oil noncredit
13 certificate program, and are currently developing a
14 credit program in the gas and oil field for the
15 anticipated midstream and downstream jobs soon to be
16 created. Our training will be continuous for this
17 industry, much like it would be for the racino
18 industry.

19 If the racino was granted permission to
20 make Lawrence County home, we envision that jobs will
21 be needed in leadership and supervision, customer
22 service, human resources, project management,
23 hospitality management and international business.
24 Courses and training will also be needed in workplace
25 communications, business etiquette and computer

1 training. These are all programs and courses that we
2 currently offer.

3 In addition, BC3 is regionally known for
4 OSHA training and safety programs, areas that will also
5 be needed in this industry. And through our business
6 and industry department, BC3 can customize training and
7 education in topics that are not currently on the
8 shelf.

9 Our location and value are perfect for
10 many of the workforce development needs. Therefore,
11 what we would like you to know today is that training
12 and education for this industry is here --- right here
13 in Lawrence County.

14 We are the community's college and we
15 would welcome the racino. Thank you.

16 PRESIDING OFFICER:

17 Regina Hiler? Okay. Thomas McCosby?

18 MR. MCCOSBY:

19 Thomas McCosby, M-C, capital, C-O-S-B-Y.
20 Good afternoon, ladies and gentlemen. It's a
21 long-awaited pleasure to invite you to Lawrence County
22 to discuss the Lawrence County Downs Casino and Racing
23 Resort project. Many people are going to --- or have
24 explained why we need this project and why Lawrence
25 County is the best place for it, so I wanted to take a

1 few minutes to tell you why we deserve this project.

2 We have been committed to making this
3 project a success for over ten years, and have
4 continued to believe in it since Centaur --- since
5 Centaur (changes pronunciation), excuse me, was unable
6 to bring it to fruition in 2007. Every person in
7 Lawrence County has invested in this resort. Some have
8 invested just time in thinking about the effects on our
9 future, and other invested time and money preparing to
10 help it along and adding to its success. We've planned
11 infrastructure, services and accessory businesses.
12 We've prepared, planned and even dreamed of this. No
13 other resort has been so carefully considered, not just
14 by your Board but by all of us.

15 Look at what Lawrence County offers this
16 project, great roadways, an interstate roadway
17 practically to its doors; demographics, literally
18 millions of people within driving distance; utilities,
19 water, sewer, electric; and yes, natural gas in
20 abundance, ready to bring the buildings to life.
21 Lawrence County is not a maybe, it's a sure thing. The
22 ultimate bet worth making.

23 Today I represent the Lawrence County
24 Builders Association. We are builders, subcontractors,
25 engineers, architects, designers, suppliers and

1 associates working together as a cohesive unit to
2 provide mutual aid and support. It is through working
3 together that we bring strength and support to this
4 project. We know Lawrence County, its history, soils,
5 roads, streams, strengths and weaknesses. As the local
6 representative of the construction industry, we are
7 here today to commit our support to this project.

8 But we're committing more than our voices
9 in support, we have hundreds of residential lots
10 available and hundreds more in the development and
11 planning stages. Lawrence County also has commercial
12 properties ready to fill the needs of other
13 development. When work stopped in 2007, we didn't give
14 up and go away. We're still here with the plans for
15 additional hotels, restaurants, stores and businesses.
16 They've been postponed but not forgotten. All these
17 plans will be reinvigorated when our resort becomes a
18 reality. As I said before, we spent years preparing
19 for this day, we're ready, we're willing and we're able
20 to ensure the success of our resort, and all that it
21 promises and all it will bring to this area.

22 While some see this as only a casino, we
23 see this as construction jobs, be it a casino,
24 grandstands, stables, workers quarters or any other
25 building, and we know construction. But it's also

1 paving, landscaping, lighting and utilities, and these
2 are ours, too. If you can dream it, we can and will
3 build it. Ours is a profession where seeing the
4 results of your effort rise where nothing existed
5 before is our greatest reward. So let's start today to
6 set Lawrence County on a track to a new future and
7 build it together.

8 Finally, I would like to thank the Harness
9 Racing Commission for their patience. They could have
10 given up on us, but they knew there was something
11 special about Lawrence County. We're rural enough to
12 understand our roots in harness racing and urban enough
13 to appreciate the need for leisure and sportsmanship.
14 We can do more than just build a resort, we can supply
15 it with horses and feed, drivers and workers, crowds
16 and cheers. Lawrence County is not just the best place
17 for a resort, it's the best place to start building a
18 new, vibrant and prosperous future for all of us.
19 Thank you.

20 PRESIDING OFFICER:

21 Robert McCracken?

22 MR. MCCRACKEN:

23 I'm Robert McCracken, M-C, capital,
24 C-R-A-C-K-E-N. I'm the executive director of Lawrence
25 County and Shenango Valley Chambers of Commerce. On

1 behalf of the Chambers, we welcome you to western
2 Pennsylvania.

3 I'm here today to speak in favor of
4 granting the gaming license to Lawrence County.
5 Everyone realizes the economic benefits. You sat
6 through two hours of people repeating that concept.
7 What I want to talk about is the benefit of this
8 project to gaming in Pennsylvania.

9 Now, there's talk about gaming being
10 overbuilt if Pennsylvania. I say build it and they
11 will come. As a border county, Lawrence County
12 realizes all too well the impact on its economy from
13 being ten minutes from Ohio. We lost manufacturing
14 jobs, we lose retail sales, we lose residents to Ohio.
15 And as a result, Pennsylvania loses tax revenue.

16 Building this casino in PA will keep
17 gaming dollars in Pennsylvania, while attracting gaming
18 money to Pennsylvania. Pennsylvania needs to protect
19 its western flank. This property will have little
20 impact on existing facilities. The east/west traffic
21 this facility will attract would not travel north or
22 south to gamble. Don't build it, and the gaming
23 dollars will travel only one direction, and that will
24 be west. And so will the state and the county share of
25 the gaming tax revenue. Please approve this

1 application to keep jobs and revenue in PA. Thank you.

2 PRESIDING OFFICER:

3 Lawrence Corvi? Mr. Corvi?

4 MR. CORVI:

5 Lawrence Corvi. Last name is spelled
6 C-O-R-V-I. I'm Executive Director of New Visions. New
7 Visions is a local nonprofit representing over 300
8 volunteers, Board of Directors of 12.

9 Our mission is to try to improve the
10 quality of life, make Lawrence County a more desirable
11 place in which to live. Our Board of Directors took
12 the position on the casino and the race track, and came
13 out definitely in favor of it. Again, a lot of the
14 issues we're addressing and trying to move things along
15 and help revitalize things are coming back to social
16 and economic issues. We assist local governments, city
17 and county, we work with the Chamber of Commerce,
18 Tourist Promotion Agency, Economic Development in
19 trying to expand their bridge, and trying to make them
20 more vital, trying to help them achieve their goals.

21 And again, a lot of what we're all
22 addressing are very common in theme. Again, we've
23 voted in favor of it because of the job in which you
24 heard about. They are definitely vital to the area.
25 When you look at the local economy, I think you'll hear

1 that about 72 percent of the school children, for
2 instance, in New Castle schools are on the free lunch
3 program, just to give you an idea of some of the
4 poverty, the lack of income and what these jobs would
5 mean. Even though in many cases they might be
6 secondary jobs, they definitely would help a lot of the
7 household in the county.

8 The second reason, again, that we endorsed
9 it is the ancillary development. Again, we have been
10 losing population in years. In recent years, like many
11 of the boroughs and counties in the state we see the
12 ancillary development around the casinos as a way to
13 keep people here. Again, the jobs, first of all, but
14 also with entertainment, shopping and other things that
15 will come. And again, those might help keep some of
16 our young folks around here. And the third reason,
17 again, is the money that would flow back to local
18 government, which would in return come back to local
19 citizens as a result of all this.

20 You may be wondering again, if we support
21 the casino, the race track. And I'll give you three
22 things to consider. Location, location, which you
23 already heard about. And I would encourage you to take
24 a map and draw, you know, a circle a hundred miles out,
25 150 miles out, 250 miles out. The world has shrunk in

1 recent years and people travel those distances pretty
2 easily. Again, I think the market is between
3 Pittsburgh and Cleveland into southwestern
4 Pennsylvania. You'll see those kind of people here.
5 As already mentioned, they already do travel to nearby
6 Mercer County for the outlet. So, it's a bigger
7 market, it's not just a little county that you'd be
8 putting a casino down in.

9 Secondly, you may be wondering, you know,
10 do the average households have enough money to support
11 it themselves? Are they come to visit the casino?
12 You're hearing about the Shale development in the area.
13 What that actually means is, if you signed the Shale
14 lease and they find oil or gas under your property and
15 you're in that pool, you'll get royalty. So, there are
16 going to be a number of households, and some are
17 already getting \$300 to \$400 in addition per month
18 until that well runs dry. And it's projected that
19 those wells will give oil and natural gas for years to
20 come, talking about decades. So, again, there's going
21 to be that money into the local economy.

22 The other thing I would add is, we're only
23 ten miles from a digital manufacturing center which is
24 going to be based in Youngstown. There are only three
25 of those in the United States. The University of

1 Youngstown State has about \$80 million from the federal
2 government to develop digital technology, which is a
3 new way for technology. And they're going to
4 coordinate that between --- again, to give you an idea
5 of how regional a place is you're sitting in, between
6 Cleveland, which has Case Western Reserve and Carnegie
7 Mellon in Pittsburgh. But Youngstown State is the
8 coordinated college. That's going to lead to, again,
9 new jobs in the area. It's going to be high tech jobs
10 in the area. And this is a rich manufacturing-based
11 area already having been part of the steel industry
12 which helped build the United States. So, again, I
13 think that's going to also play out very well.

14 And I would add to that, that the third
15 component of why you should approve it is the work
16 ethic here. It's very rich. It's done very well.
17 It's part of the steel. And the --- that work ethic is
18 still here. We still have about 3,500 manufacturing
19 jobs in Lawrence County that employ a very skilled
20 workforce. They make domestic products. They make
21 products which go international and they've done quite
22 well. So, I think you find the workforce very well in
23 our county.

24 So, for those reasons, again, Lawrence
25 County New Visions does support the project. We think

1 that it will be very successful. It would be a win-win
2 for Pennsylvania. It would be a win-win for local
3 economy. Thank you.

4 PRESIDING OFFICER:

5 Thank you. David Copper?

6 MR. COPPER:

7 Good morning. My name is David Copper,
8 C-O-P-P-E-R. I reside in Hickory Township. And I'm
9 the Executive Director of Cray Youth and Family Service
10 in New Castle. And I'm here today to voice my support
11 for this project located in Lawrence County. I will be
12 brief. I have three main reasons why I support this.

13 Number one, the economic impact on this
14 community. You've heard that compelling argument over
15 and over today. I won't go into it again. But my
16 twist, I would say, is on what I do for a living which
17 is social service. And there's a direct correlation
18 between the health of an economy and the amount of
19 social problems in your community. And as the economy
20 improves, social problems decrease and vice versa. I
21 have been dealing with families and youth in Lawrence
22 County for 30 years in a depressed economy, and we need
23 relief. There are two trends that are currently going
24 on in social service, not just in Lawrence County, but
25 statewide. And that is demand for service is up and

1 resources to provide for those needs is down.

2 I believe this project could have a
3 positive impact on both of those. If people are
4 correct in their projections, the economy in this area
5 will improve. That would provide relief to those
6 families that are suffering and it will also return
7 resources to this community so that we can help people
8 in need. That's my second reason.

9 The third reason that I support this,
10 personally, is because of the leadership that I have
11 seen from our elected officials and the leaders in our
12 community. They have worked tirelessly to bring this
13 to fruition. They have done their homework. They have
14 done their due diligence, and I have complete faith in
15 their leadership, and I support them. And I would ask
16 that you favorably view this project and approve it.
17 Thank you.

18 PRESIDING OFFICER:

19 Thank you. Scott Rondeau?

20 MR. RONDEAU:

21 Ladies and gentlemen of the Board, thank
22 you for allowing me to speak. My name is Scott
23 Rondeau. I'm the President of the Crystal Lake
24 Foundation in Mahoning Township. Crystal Lake
25 Foundation was founded through gas right monies

1 acquired through Mahoning Sportsman Association.
2 Mahoning Sportsman Association is over 3,300 members
3 strong from western PA and eastern Ohio. The goal of
4 the foundation is to better our surrounding townships
5 that our members call home. This proposed project
6 would also benefit these communities with a much needed
7 economic shot in the arm that this region desperately
8 needs. The jobs that would be created not only from
9 the construction of this project, but the long-term
10 economic growth with the hotels, restaurants and
11 tourism would filter through our community and help the
12 local economy prosper. Our local farmers would benefit
13 from the supplying of hay and feed for the horses of
14 the race track.

15 Crystal Lake and Lawrence Downs would
16 become neighbors in Mahoning Township. And Crystal
17 Lake Foundation would like to welcome Lawrence County
18 Downs as such if the Board decides to move forward with
19 this project. Thank you for your time.

20 PRESIDING OFFICER:

21 Pete Montini?

22 MR. MONTINI:

23 Good afternoon. My name is Pete Montini.
24 It's M-O-N-T-I-N-I. I am representing the Lawrence
25 County Career and Technical Center. I am an electrical

1 occupations instructor there. We strongly support the
2 Lawrence County Downs. We feel that our kids, we're
3 teaching them the skills that they need for the jobs
4 that are going to be opening in these areas and we need
5 a place to put them. We can teach all these kids all
6 the skills we want, but if we don't have jobs for them,
7 they leave. They leave our county. We need them to
8 stay. We need to provide jobs for them. If we do
9 that, our school systems, our surrounding community
10 will all grow. Poverty, we can get rid of that. Okay.
11 We need this to develop. We need to get the kids
12 educated. And hopefully with the financially
13 distressed school system that I am in, these tax
14 dollars and revenues will help the school systems, and
15 we can better educate our kids and keep them here. So
16 at the Lawrence County Career and Technical Center, we
17 support this. And we thank you. And we hope you
18 approve this.

19 PRESIDING OFFICER:

20 The representative from the Standardbred
21 Breeders Association. No? We are going to --- we are
22 going to take a break for lunch so that we can focus on
23 the rest of the participants after lunch. We have
24 about 15 speakers left on our list, so we'll reconvene
25 and begin again about 1:30, 1:35. Thank you.

1 BRIEF RECESS

2 PRESIDING OFFICER:

3 Excuse us, we're back on the record.

4 Commissioner McCall has had to leave. He has a
5 commitment on the other side of the state. He had to
6 get in his car and drive, not too fast, to get there, I
7 hope. So he is gone. But he will have a full record
8 in front of him when the Board takes up the decision in
9 due process of this application.

10 Next up on the list, John Donnelly?

11 ATTORNEY DONNELLY:

12 Good afternoon. Thank you. To the people
13 of Lawrence County, I want to not fly under false
14 colors, I'm going to oppose this. And I'm opposing on
15 behalf of my client, the Rivers Casino and the 1,800
16 employees that are there.

17 What is being asked of this Board today,
18 and is being asked of you, the taxpayers, is to do
19 something that's never happened, to my knowledge, in
20 the United States in the past. And that is to publicly
21 fund a casino with taxpayer money, \$50 million. And
22 you don't need to ask me for that. I advise everybody
23 in this room to go to Philly.com see Mr. Peter Carlino,
24 who is the, I think, President, I don't know his title,
25 of Penn National, and Steven T. Snyder, Senior Vice

1 President, who is quoted there in an article that ---
2 saying that this is, quote, really unique. And quoted
3 as saying, we're seeing the equivalent of nearly \$50
4 million in grant coming from the host community.
5 That's Lawrence County. And absent this, we would not
6 be involved.

7 Now, why are they saying that? They're
8 saying that because the public market will not finance
9 this --- or the private market will not finances this
10 casino. And it's not for want of trying, I said here
11 today, and my heart went out to all the efforts gone
12 into this, the private market won't finance it because
13 it won't not work. It will not succeed. And the
14 taxpayers will remain on the hook for the proceeds of
15 that \$50 million.

16 Back it up, \$50 million mortgage at
17 interest rates that we would expect is probably going
18 to cost about seven and a half million dollars a year.
19 And we don't know all the details because we haven't
20 seen it. But about seven and a half million dollars to
21 pay the mortgage and interest off. You heard today
22 that they're expecting --- forecasters are expecting \$5
23 million of revenue. So there's a shortfall of two and
24 a half million dollars. Why do we care? It was also
25 stated by Penn that they were targeting --- they would

1 be targeting Pittsburgh. Quote, focus --- our focus is
2 on further penetration in Pittsburgh.

3 And Econsult, who you saw on the --- on
4 the screen, which I have serious questions about
5 because they're also a consultant to the Senate at this
6 time. So, the first I learned they are going to
7 participate in this proceeding. But they said that
8 they were expecting to capture 360,000 patrons from the
9 Pittsburgh area. I don't know how that translates into
10 dollars, but my client has over \$800 million that he
11 invested --- well, not he, a bunch of investors put
12 into the Rivers Casino. If you watch the Penguins
13 play, if they make it to the Stanley Cup, and you see
14 them play in the arena, know that Rivers Casino took
15 out of its pocket \$200 --- over 30 years, \$225 million
16 to help fund that arena. \$225 million. If you go to
17 Philly.com and you see one of the hash tags right after
18 the article, it says, since when, essentially --- I'm
19 paraphrasing --- since when did things get turned
20 upside down? I thought casinos were supposed to pay
21 the host communities, host communities weren't supposed
22 to pay money to casinos. That's what you're being
23 asked to do. And this Gaming Board is being asked to
24 do something it has never done before.

25 What is Penn National's motivation? The

1 tax rate in Ohio is 33 and a half percent, it's 55
2 percent here. Where do you think they're going to
3 drive slot players? Where do you think they're going
4 to drive slot players? Across the street to Ohio.
5 There's also, what I believe is Penn's desire in here
6 is, A, I can get public money and, B, I can control
7 this. If I'm going to have a competitor right next
8 door to me, I want to control that, and I want to
9 control where I put people and where I move people.

10 I ask on behalf of my client and I ask the
11 County to consider to not --- and the Gaming Board not
12 to give a public subsidy if this license --- if this
13 matter is to be licensed --- or this facility be
14 licensed, to make it a condition that there be no
15 public money in there. And also that the --- that the
16 Applicant meet all the requirements of the Gaming Act,
17 including I heard today in a throwaway sentence, we're
18 not going to have all the slot machines we want because
19 slot machines are much more profitable in Ohio.

20 So I ask the Board to reject this. There
21 are other matters going on that we'll state further in
22 writing. And I hope my comments get in writing --- or
23 into evidence. I will send links to the articles at
24 Philly.com and also to a telephone conference call
25 where you can listen in to Penn National people talking

1 about this. So I would invite everyone to go to the
2 Gaming Board and get that information, and go on those
3 links and hear out of the horse's mouth why they're
4 here. I hope and pray that Lawrence County prospers,
5 but this is not the way. Thank you very much.

6 PRESIDING OFFICER:

7 Thank you. James Downs?

8 MR. DOWNS:

9 I'd like to thank the Board. My name is
10 James Downs. I hope I don't have to spell my last name
11 given this current venue right now. But it is
12 D-O-W-N-S.

13 And as one of the fellows mentioned up
14 here earlier, I am not a career politician either,
15 however I am a priest so that may influence how long I
16 stand up here and talk.

17 What I'd like to say is what I said seven
18 years ago when I was here and simply speak in terms of
19 the moral neutrality of gambling that as a human
20 activity, it has no morality. It's not sinful, it's
21 not grace-filled either, but it's something that people
22 do. Now, people do a lot of things that absolutely are
23 abused sometimes, they drink sometimes and some people
24 do that too much too often for over too long a period
25 of time. I know I did. But when I came out of rehab

1 almost 17 years ago, I can assure you that all of the
2 bars in Lawrence County didn't shut down. One of them
3 burned down, but they elected not to reopen it. And I
4 don't know if it was because of me or not. But the
5 fact is, that it's up to me to control what I do and my
6 behaviors. And I have almost 17 years now of sobriety,
7 one day at a time.

8 So in terms of compulsive behavior --- and
9 this attorney mentioned, he was concerned, at least
10 initially, about the problems that come along with
11 gambling, crime and delinquency and curvature of the
12 spine and so on and so forth. And he came to realize
13 that that's probably an inaccurate picture of the whole
14 thing, and indeed it is.

15 As I said, you know, I've got almost 17
16 years of sobriety, I know a little bit more about
17 compulsive behavior than the average bear. And I will
18 tell you, there are many, many more people that are
19 compelled with food than there are compelled with
20 gambling, and we're certainly not going to oppose the
21 opening of another restaurant, so --- and we're not
22 going to close the candy counter in the local theatre
23 because some people happen to have diabetes and can't
24 eat a chocolate bar.

25 So I just would like to say, that at least

1 in this neck of the woods I think that there is an
2 openness to this as a behavior, as a source of revenue,
3 and I'm all for it. I'm absolutely onboard for this.
4 It's probably not an attitude that you would find,
5 however, in the middle of our Commonwealth which is
6 commonly the Bible belt because maybe you got a little
7 different point of view on that in terms of morality.
8 So, I think that we find a warmer reception here.

9 And speaking of warm reception, before I
10 shut up here, I'd just like to read into the record my
11 ---. I will apologize for us and the way we treated
12 that lovely County Commissioner from Washington County.
13 And we booed her. And I can assure you that we are far
14 more hospitable than that ordinarily.

15 She did, however, say that she had some
16 dandy ideas of how to grow the economy here in Lawrence
17 County, and doggonit, she didn't leave without telling
18 us any. Maybe she'll write. Anyway, you know, also in
19 terms of the larger area here that we talked about, the
20 farmers and oat growers and people that make hay and so
21 on and so forth, we never want to forget our dear Amish
22 population who have been shoeing horses for maybe
23 hundred years successfully and enthusiastically. I'm
24 sure that they would be very happy to have a few more
25 of our four-legged friends as their clients.

1 So, again, I want to thank you all for
2 allowing me this opportunity to speak. And I really
3 hope that you'll give this county every consideration.
4 And if you want to open one some place else, I promise
5 you, no one from Lawrence County, not our township
6 supervisor, nor our County Commissioner is going to go
7 there and go out there and meet everybody, because we
8 got ours first, never mind about you. Thank you.

9 PRESIDING OFFICER:

10 Thank you. Ronald Rizzo?

11 MR. RIZZO:

12 Good afternoon. My name is Ronald A.
13 Rizzo, R-I-Z-Z-O. It's always hard following a priest.
14 I am a lifelong resident of this area, and I'm a local
15 businessman. And I strongly support this facility
16 being built.

17 I've been following this rather closely
18 for a number of years and I'm thinking there's some
19 miscommunication, some misinformation being presented
20 to the Board about taxpayers paying this. It's my
21 understanding it's casino revenue that is paying for
22 this, but I stress to the Board to look into that.

23 I am a professional engineer and I own RAR
24 Engineering Group, and we're a consulting firm in New
25 Castle that services private sector as well as

1 municipal clients. We have been the consultant
2 engineer from Mahoning Township for over 15 years ---
3 the past 15 years. And approximately 2004, we had to
4 start planning for a sewer facility. DEP found us to
5 have a lot of malfunctioning systems in our area so we
6 had to do all the planning, et cetera, to do this ---
7 to start a sewage program, so we did our studies and we
8 were going to put a new sewer plant in with a
9 conveyance system that consisted of many miles due to
10 the sprawling community that we have.

11 While we were in design in approximately
12 2007, the previous developer of the casino said, hey,
13 can we take their sewage. So that meant we had to
14 upscale our project from 140,000 gallons per day to
15 360,000 gallons per day, roughly a 40 to 50 percent
16 increase in the facility's usage. We met with DEP and
17 we met with our funding agencies. Hey, they want to go
18 forward, what do you think, it'd be stupid not to. The
19 decision was made by the Mahoning Township supervisors
20 as well as all necessary parties, and we went forward
21 and designed a facility to take this additional flow.
22 Now, it's a win-win.

23 The downside was it was going to increase
24 the cost. But the winning part was they're going to be
25 a strong user and that will reduce the revenues for our

1 citizens of the community which would help lower the
2 rates in the long run. Approximately 20 --- last year
3 we finished the project, you probably drove by the
4 plant on the way up. It's a state-of-the-art plant
5 like others have mentioned. We have over \$25 million
6 invested in it, we've gotten grants, low-interest loans
7 from various agencies through the help of our
8 representatives, senator, the township supervisors
9 fought hard, and obviously these things are
10 competitive, but they believed in our project. So,
11 right now we have a sewer plant that is second to none.
12 We have a line that goes --- sewer line that goes right
13 up to the boundary of the casino, so all we have to do
14 --- they have to do, is after they do their work we can
15 accept their sewage.

16 So, everybody talks about infrastructure,
17 it's built, we're ready. We could probably flush the
18 toilets before you guys pull the slots. So, along with
19 that, with the communities being forward thinking, ---
20 you might have seen the community township building
21 next door, it's relatively old. We are putting in ---
22 we're starting breaking ground next month. We're
23 building an 8,500 square-foot township facility with a
24 six-bay garage, meeting rooms, et cetera. So we're
25 looking forward to growth in this community. Our

1 public roads are good. The past couple of years this
2 major highway here had two large bridges replaced over
3 rivers and railroads. So, our infrastructure as far as
4 the roadways, are good. It's been mentioned about
5 Baird Road, we're working --- worked before with the
6 previous developer and the new one we will --- Baird
7 Road is a township road and we can readjust that.

8 So our planning is virtually complete, our
9 construction is right behind. Our infrastructure is
10 ready and we're prepared for the growth, and we look
11 forward to this being an important and next step
12 component to our township. Thank you.

13 PRESIDING OFFICER:

14 Thank you. Gary Cangey --- or Cangey
15 (changes pronunciation)?

16 MR. CANGEY:

17 Cangey (corrects pronunciation).

18 PRESIDING OFFICER:

19 Cangey (confirms pronunciation).

20 MR. CANGEY:

21 Well, being the 35th speaker, everybody
22 else stole my thunder, so I'm just going to wing it.
23 But we all --- everybody in Lawrence County, this
24 casino, this has been a carrot dangling in front of our
25 heads for probably over ten years. But I believe now

1 the time is right, now. We've heard from many local
2 government officials. We've heard from people that
3 represent everything from transportation, the
4 transmission of electricity, to sewage, to every other
5 utility you can think of. So I believe the time is
6 now.

7 The logistics of all those mechanics are
8 either currently in place or just everybody is just
9 waiting for the green light to finish putting them in
10 place. So, I believe --- I believe that time is now.

11 Now, at the hub of all of this, as we all
12 know, is the community economic development that could
13 go along with this. And as we all touched on the
14 ancillary jobs that could go along with this, too. I
15 think that is --- that is a major, major player in this
16 entire process, the ancillary jobs that can go along
17 with this. I mean, I see now envisioning mom and pop
18 shops all around the casino if, you know, they can get
19 the space.

20 But for now, I believe that this Endeka
21 team is the team that could put it all together. And
22 with the hands-on --- hands-on approach of Mr. Long
23 being the local hands-on guy, I think we can really put
24 this together.

25 And the best part about this economic

1 development growth for our county is, we all know it
2 gets jobs. I think we all know that the nucleus of
3 this all the jobs it can create. We heard 600 to 1,000
4 --- to a 1,000 jobs, but those jobs, you have to have
5 somewhere to go to go to work. Now, this is a massive
6 structure that I'm assuming is going to be open 365,
7 you know, or close to. So that's around the clock
8 employment place for these people to go for these jobs.

9 So, I think between those 600 jobs, all
10 the ancillary positions, it's a win-win for everybody.
11 The state obviously is going to get more revenue, the
12 county is going to get more revenue and the
13 municipalities are going to get more revenue, and
14 people are going to have a place to go to work. So I
15 think it's just a win situation for everybody. Thanks.

16 PRESIDING OFFICER:

17 Sean Sullivan?

18 MR. SULLIVAN:

19 Sean Sullivan, general manager and vice
20 president of the Meadows Race Track and Casino in
21 Washington County. Thank you to all of you for having
22 this hearing, for listening to these very important
23 thoughts. Chairman Ryan, fellow Commissioners, Kevin
24 O'Toole, Cyrus Petri, Chief Enforcement Counsel, we
25 respect your time and opinion and the challenge that

1 you have here today. And this might come as a
2 surprise, but this isn't about competition, that's been
3 spoken to. This is not about the Meadows, to be honest
4 with you. This is not about Lawrence --- and I should
5 say just about Lawrence County. What this is about is
6 the spirit of Act 71 and the idea that the Board has
7 been given the stewardship, if you will, of the
8 industry to put this property, this last license into
9 the best possible location to generate the most jobs,
10 the most revenues, the most income, tax revenues and so
11 on for the state.

12 And we just want to simply suggest that we
13 got a model, we have a case study. My director of
14 marketing is going to speak a little bit more in-depth
15 about that with regards to what we've seen over the
16 last ten months with a competitor that was brought into
17 the markets in the way of Lady Luck Casino. And it
18 does take away jobs and it does take away --- it's a
19 missed opportunity. So, we don't want to say that what
20 you're saying from Lawrence County isn't viable. We
21 don't want to say that it's to be disputed. We don't
22 disagree to what you're seeking. We just don't believe
23 that from a Commonwealth perspective and from our
24 community, it's the right solution. So we would submit
25 that, if you will.

1 And if we look at the most recent slot
2 statistics in April, the market's back down again.
3 It's down 3.6 percent. If you take Nemaquin out, 4.6
4 percent. So we just want to look at what the evidence
5 is before us and make sure that we make the right
6 decision. What is in the best interest of the
7 Commonwealth and property --- the best interest of
8 property tax relief, the State Horse Racing industry?
9 What will enhance the economic development? What will
10 enhance a Commonwealth general fund?

11 Before I came up here, about 48 hours ago,
12 because I surely couldn't imagine all of our employees
13 would get here, we put out a petition and there's 600
14 people here out of our 1,300 jobs that in last 48 hours
15 signed this petition saying the same thing, they're
16 nervous about is this the right place not only for the
17 Commonwealth but for the community and for the Meadows,
18 no question about it.

19 So, we would ask that you look at the
20 evidence before us with the Lady Luck. We would ask
21 that you look at the evidence, and I thought Mr.
22 Donnelly from the Rivers stated it actually perfectly
23 with regards to, you know, Penn National and what the
24 whole case is being here with regards to being a casino
25 in Austintown 20 minutes away. And just say look at it

1 and look at what's the best interest for the
2 Commonwealth and the communities, including Lawrence.

3 We do have some representatives from the
4 union over here that work with us. Over half our
5 workforce is unionized, not just the construction
6 workers, but the actual employees. And we have Laura
7 and Mary Alice, who is the western PA political
8 director for UNITE HERE Local 57. I would remind you
9 that we should look at the Treasurer's report, Mr.
10 McCord that says York or Adams County is the right
11 place for this --- this license, not Lawrence County.
12 Lawrence County was five years ago. Lawrence County
13 was before Austintown came to the map. So, things have
14 changed from ten years ago when this was one of the top
15 locations. So, Ohio wasn't here. So, this is a new
16 consideration, a new marketplace that needs to be
17 evaluated.

18 And I would add just one comment that an
19 industry analyst said, it's a pretty speculative
20 project given that there is such a cluster of casinos
21 already in the region. And this is a gaming analyst,
22 Alex, I think it's, Bumazhny who absolutely understands
23 this market. Another comment, it's a sign that the
24 project is too risky and/or the return prospects are
25 not lucrative enough for the private investors to

1 participate using 100 percent of their own money.
2 Third comment, two million visitors is pretty
3 outlandish. And that's a projection by the project.
4 Two million levels are typically reserved casinos
5 located in populous areas with competitive location or
6 destination resorts with a lot of amenities. The
7 Lawrence County Casino does not seem to fit either of
8 those categories.

9 So I would leave you with that. And
10 again, it's not just about Lawrence, it's about what's
11 the right decision for the Commonwealth. Thank you.

12 PRESIDING OFFICER::

13 Peggy Wilson?

14 MS. WILSON:

15 Good afternoon to the Pennsylvania Gaming
16 Control Board. I'm Peg Wilson, W-I-L-S-O-N. And I'm
17 speaking on behalf of the Greater Washington Food Bank,
18 who covers all of Washington County. And also, I will
19 be speaking for the Meadows, who has helped me so much.
20 There was a gentleman here, I forget his name. I have
21 been here for over 90 percent of these people. But he
22 was talking about the poverty in Washington County, and
23 I think I'm a good speaker for that because I deal with
24 the people that need food all the time. And we do have
25 poverty in Washington County. We have this --- all the

1 mill companies coming in and the casinos, but I want
2 you to know we serve over 5,000 families every month,
3 and every day the last two weeks, we've had people come
4 in for emergency boxes. People can't always work. And
5 they're older people, they're younger people that's
6 lost their jobs. But that's what they all need, they
7 need those jobs. And I'm not going to give numbers
8 because I'm not familiar, then I might give the wrong
9 numbers. But I think the casinos has hired over 1,700
10 employees. I don't know how many there is.

11 But anyway, some of our people that have
12 come through our pantries, we have 38 pantries in
13 Washington County that need food and we service all
14 over the county, like Claysville, all over. So, the
15 thing is with that, the Meadows has been there for us
16 since they came. I've been with them and with the
17 Meadows since they first came. They were --- I always
18 refer to it as like a tent that built on. Bill Paulos,
19 who is the owner, and Sean Sullivan has done wonders
20 for the Meadows and for the people in our county.

21 Number one, they've given jobs and they
22 have things where can go to the Development Board and
23 apply to get money that comes back from the gaming
24 money. And I can't say enough for the Meadows, because
25 if we didn't have them my food banks all over the

1 county, which I told you is 38 --- and that covers a
2 lot of people, and it's over 5,000 people we serve a
3 month.

4 And I also wanted to say the Meadows did a
5 thing for another organization who is the Christian
6 Outreach Program, and they help the other parts of the
7 county. And I had asked --- she had called and asked
8 me if we could get the Meadows to do something, they
9 need a lot of coats. It was wintertime. And the
10 casino did a drive for coats. And the woman who
11 handles that program, she was so delighted because the
12 casino --- I turned in hundreds of coats and gloves and
13 things for the children, the adults and the senior
14 citizens. They had never had such a good drive. And
15 if the casinos hadn't done that for her and her group
16 --- and they helped many charities. I'm just glad ---
17 I believe in them, because I believe in the food bank.
18 I've been with the food bank about 15 years, maybe
19 longer, I don't know how long. But it's something that
20 I believe in.

21 And I wanted to say one other thing. I
22 noticed that there are so many younger people here,
23 much younger than I. And I wanted them to know, that
24 back how all this got started was, we went
25 house-to-house and got petitions signed to get the

1 casinos into Pennsylvania. I remember that because I
2 was one of the ones that went around to each house and
3 tried to get people to sign it and get it on the
4 ballot, get the gaming and the casinos in here into
5 Pennsylvania. I've been involved with that for a long
6 time, and I just wanted to make sure that everyone
7 knows that what the Meadows has done for everybody in
8 Washington County, and people in Green County and the
9 surrounding places, because without them we may have
10 children going to bed hungry. Now we don't have that,
11 because I know they can contact us and I will see that
12 they get an emergency box, if they have a fire or
13 anything comes up, we take care of them. We take pride
14 in taking care of our county. And at the end, I would
15 like to thank you all for listening to me, I have
16 nothing --- I'm just speaking from my heart. I think
17 the food bank is something special and I think we need
18 more food banks in Pennsylvania.

19 Now, I have one other request. I want to
20 invite you all, the Gaming Commission, everybody here,
21 the Meadows Casino is having a food drive for the ones
22 in our area. And it's going to be held May the 23rd,
23 24th and 25th. And if any of you could come down and
24 visit our lovely casino, I would thank you from the
25 bottom of my heart. Because if you bring food, they

1 will give you free play. I love you all, and thank you
2 very much.

3 PRESIDING OFFICER:

4 J.R. Shaw?

5 MR. SHAW:

6 Good afternoon. My name is J.R. Shaw. I
7 am the Senior Vice President of Tourism for the
8 Washington County Chamber of Commerce. On behalf of
9 the Chamber and its partner, the Washington County
10 Tourism Promotion Agency, I'm here to strongly urge the
11 Pennsylvania Gaming Control Board to deny this gaming
12 license for the proposed Lawrence Downs Casino and Race
13 Track, as well as discourage the investment of \$50
14 million in taxpayer monies for a bond issuance to
15 assist the financing of the proposed casino.

16 First off, there are no sure things in
17 casinos or in horse racing, as we all know. The casino
18 market is oversaturated in Pennsylvania, and
19 specifically in the western part of the state. Casinos
20 in Erie, Pittsburgh, Farmington and hours in North
21 Strabane Township in Washington County already intrude
22 on each others limited market shares. And with the
23 advent of casinos in Ohio, along with those in New York
24 and West Virginia, casinos which some of which are at a
25 more competitive tax rate, the competition for

1 customers is now fierce. Please know that this is not
2 Las Vegas in western Pennsylvania, where millions of
3 customers fly in every day, nor is it Atlantic City,
4 located on the eastern seaboard within major markets of
5 D.C., New York City and Philadelphia.

6 In this market, casinos compete for
7 customers that are located only hours away. Any
8 additional casino in this region is a bad deal for the
9 Commonwealth of Pennsylvania, as it will not attract
10 new revenues as the original legislation authorizing
11 casino gaming intended, but will only cannibalize
12 existing customers in a limited market.

13 The proposed Lawrence County Casino is
14 also a risky deal. And many industry analysts that
15 have been cited already and even the developers of a
16 new casino are acknowledging that fact. The casino
17 owners and operator Endeka and Penn National Gaming
18 respectfully request that Lawrence County Commissioners
19 to invest \$50 million in public bond revenues to build
20 the casino. Absent that, a Penn National Gaming
21 executive stated recently, we would not be involved in
22 this project.

23 In contrast, the Meadows Race Track and
24 Casino was built by the owners' equity, all \$650
25 million coming from their funds. The Lawrence County

1 Commissioners state that the \$50 million bond will not
2 be paid --- will be paid back with tax --- will not be
3 paid back by tax dollars, pardon me, with money
4 received from the local share of casino dollars coming
5 to their county, much like we have in Washington
6 County.

7 Unlike Washington County, where our
8 Commissioners have wisely invested that local share
9 money right back into the economy, the local
10 Commissioners will be using their local share revenues
11 to pay back the bond issuance. Instead of wasting a
12 wonderful opportunity to invest these monies in new
13 economic development projects, such as public water,
14 business, parks and things that create jobs.

15 With increased competition from border
16 states, ever-shrinking customer base and request for a
17 heavy taxpayer subsidiary to hedge Endeka and Penn
18 National's gaming bets, we respectfully urge you to
19 deny this additional license. And I thank you for your
20 time.

21 PRESIDING OFFICER:

22 Kathleen Kwolek?

23 MS. KWOLEK:

24 Good afternoon, Commissioners and
25 Chairperson Ryan. My name is Kathy Kwolek. Kathy with

1 a K. Last name is K-W-O-L-E-K. I live in North Beaver
2 Township, which is one of the areas in which the
3 project and the final casino/racino will be located. I
4 am also an employee of the local school district. I've
5 worked in the Mohawk Area schools for 38 years, 25
6 years as a classroom teacher and some of my students
7 were well-spoken today.

8 Since 2001, I served as an administrator
9 and I'm presently superintendent of the school
10 district. Over the last few decades you've heard about
11 the closing of our industries, our manufacturing
12 opportunities as well as coupling that with the recent
13 major recession. That has eroded all of the school
14 districts in this county, of which there are eight,
15 into meeting their financial requirements. These
16 changes are reflected in the dramatic increase in the
17 number of students that live in poverty. You've heard
18 some terms and numbers put about, I checked before I
19 came here. Our district went from 25 percent poverty
20 in 2000 to 40 percent poverty this past school year.
21 So we have 40 percent of our students that are now
22 eligible for free and reduced lunch. We have very high
23 expectations for our students, and we are very proud of
24 our school's ability to successfully prepare over 90
25 percent of our students to enter postsecondary

1 training, whether it be four-year colleges, two-year
2 colleges or vocational training.

3 Unfortunately, the deteriorating local
4 economy isn't able to support them, many of those
5 graduates in job opportunities that would enable them
6 to remain in our community. And we've heard some of
7 the statistics about the aging population, which is
8 also reflective of that. I've taught over 3,000 of our
9 graduates, and far too many of our best and our
10 brightest leave the area to pursue their life goals and
11 professions. The introduction of casino gaming creates
12 employment opportunities, and I won't reiterate any of
13 the things that you've already heard today. It has
14 helped local infrastructure projects. It's helped
15 education and the taxpayer's base.

16 All school districts in Lawrence County
17 and even the neighboring counties will benefit from
18 this economic stimulus, growth of businesses and
19 attraction of new commerce that will be spurred on by
20 this project. But more importantly to us, the
21 additional job opportunities will help stop the drain
22 of our greatest resource, our talented and
23 well-educated youth. Thank you.

24 PRESIDING OFFICER::

25 Kevin Decker?

1 MR. DECKER:

2 Good afternoon. I am Kevin Decker. I'm
3 the Director of Racing and Off-Track Operations at the
4 Meadows Race Track and Casino. And I have been
5 affiliated with the Meadows Race Track and parent
6 company since 1990. Since the passage of the
7 Pennsylvania Race Horse Development and Gaming Act of
8 2004, known as Act 71, the Meadows Racing has
9 experienced rejuvenation. A higher quality of horses
10 are now competing at the Meadows on a daily basis, the
11 purse money is over twice what was paid out prior to
12 the Act. The average field sizes and off-source
13 wagering have also increased.

14 And currently there's only one track out
15 there that predates Act 71. It shows you the
16 improvement in the quality of our racing. Our racing
17 is now wagered on throughout the Western Hemisphere and
18 throughout Europe. The Act's successes have allowed
19 horseman to purchase homes and farms, increasing the
20 tax base and economy, not just in Washington County but
21 throughout the Commonwealth.

22 In short, Act 71 has worked and it has
23 provided its intended goal to the Meadows and other
24 race tracks, those who are affiliated with our racing
25 program and others. It not only saved racing at the

1 Meadows, but it has allowed it to flourish.

2 However, there is a very delicate balance
3 here. Any change to one part of the racing equation
4 will have a lasting and possibly damaging result to the
5 other. And even though the Harness Racing License has
6 been awarded, the gaming aspect of this project is what
7 will make or break this project.

8 Currently we have over 24 people that are
9 employed locally at the New Castle OTB. And should
10 this project go forward, obviously they're going to be
11 needing to look for work. Once operational, also this
12 race track will be --- under law have to go 150 days of
13 racing each year. Currently the Meadows Race is 208
14 days. So for this region we're talking about 358 race
15 days or basically racing every day except seven days
16 out of the year. The local horse supply really can't
17 support that amount of racing at this time.

18 Last year we scheduled live racing five
19 days a week from March until August, and during this
20 time our average field size never surpassed 8.29
21 starters in any given month. On the months that we
22 didn't do that, we raced four days a week and our field
23 size was never less than 8.35. The combination of
24 shorter fields and fewer races during that schedule led
25 to less competitive racing, lower business levels and

1 full races invested at the Meadows. It's very possible
2 that two tracks operating in that same market may face
3 damaging results to both of them.

4 As for the estimated purse structure based
5 on gaming revenues and race dates, the estimated purse
6 structure could be more than \$40,000 per day lower than
7 the Meadows is currently operating. To put that into
8 perspective, that's about \$20,000 or \$30,000 more than
9 what was offered before Act 71 was even passed. This
10 inequity will draw even lesser stock to race at the
11 Meadows and also elsewhere throughout the Commonwealth.

12 The new facility's training and statement
13 facilities, if there are any, may place an unacceptable
14 burden on both the Meadows and the horsemen that use
15 the Meadows for training or boarding their stock
16 because of the lack of stalls that may be available
17 here.

18 As for New Castle, in 1990 the Meadows
19 opened its first off-track wagering facility here.
20 They're still proudly serving Lawrence County and the
21 surrounding community with a location to watch and
22 wager on racing, along with full food and beverage
23 service. We pay rent to a local ownership group and we
24 also do pay our share of local taxes as well.

25 Last year the New Castle facility

1 generated over \$800,000 in purse money for those racing
2 at the Meadows and other tracks in the Commonwealth.
3 It has provided excellent employment opportunities to
4 local residents and has been a benefit for the local
5 economy. Just after the passage of Act 71 in 2005, the
6 Meadows operated five off-track facilities, much like
7 the one here in New Castle. And including those
8 locations, the track, account wagering, there was over
9 \$160 million that was wagered in that year, of that in
10 New Castle, \$28.7 million.

11 Let's fast forward that to 2013. The
12 number of off-track locations operated by the Meadows
13 is now two, New Castle and Harmar Township. Including
14 the track --- the off-track locations and account
15 wagering, the number has now dropped to \$82.2 million.
16 New Castle itself, \$14.2 million, which is a little
17 more than half of the 2005 total.

18 A new thoroughbred track with alternative
19 gaming is slated to open this fall in the neighboring
20 Mahoning County, Ohio. Given the handling struggles
21 that New Castle OTB has experienced, the local
22 market-base has struggled to support one new facility,
23 let alone the second, leading to the closure of that
24 New Castle facility.

25 While, Meadows Racing is in favor of an

1 additional harness track that will help grow the sport
2 of harness racing in the Commonwealth, we need to exam
3 whether or not this facility will actually meet that
4 goal. I thank you for your time.

5 PRESIDING OFFICER:

6 Fred Branovan?

7 MR. BRANOVAN:

8 Good afternoon. I want to thank you for
9 allowing me the opportunity to speak today.
10 B-R-A-N-O-V-A-N is the correct spelling. I am the
11 President of Meadows Hotel Associates. We are the
12 developers of Ohio Place that is currently being built
13 adjacent and connected to the Meadows Race Track and
14 Casino. We do not believe that the proposed Lawrence
15 Downs Casino and Racing Resort is good for western
16 Pennsylvania or Pennsylvania as a whole. We do not
17 believe that Lawrence Downs Casino and Racing Resort
18 would offer a significant or new source of revenue in
19 Pennsylvania.

20 Instead, we believe that it would merely
21 shift revenue from the existing casinos in a market
22 which has already become oversaturated. When we as
23 hotel developers undertook the development of a hotel
24 adjacent to the Meadows Hotel, Meadows Race Track, our
25 analysis showed that it would be a viable and

1 successful business. We did not receive any subsidies,
2 we didn't ask for them, we wouldn't expect them.

3 If additional casinos such as Lawrence
4 Downs Casino and Racing Resort are allowed to be
5 developed, we believe that it will cannibalize not only
6 the other casinos in the region but hotels and other
7 businesses that support the existing casino in
8 employing and creating many new jobs.

9 We are hopeful that the Pennsylvania
10 Gaming Control Board will consider the rights and
11 viability of existing businesses in Pennsylvania and
12 not allow the Lawrence Downs Casino and Racing Resort
13 to harm not only the existing casinos, but other
14 non-casino businesses as well. And I thank you for
15 your time today.

16 PRESIDING OFFICER:

17 Thank you. Tom Diehl?

18 MR. DIEHL:

19 Chairman Ryan and distinguished members of
20 the Board, I appreciate your time in allowing us to
21 speak here and sit in this warm room for as long as we
22 have. After following a lot of very well-argued
23 positions on both sides, it's given me this benefit of
24 curbing down the remaining issues I want to address. I
25 want to focus on the issues that kind of have fallen

1 between the gaps.

2 Some of the earlier speakers talked about
3 competition and then equating opposition to this
4 project to an argument against competition.
5 Competition is really not the issue here. It's
6 saturation. It's cannibalization. And this Board is
7 tasked with a very difficult prospect of trying to
8 continue to select facilities that would maximize
9 gaming revenue for the citizens of Pennsylvania, and we
10 would submit this is simply not that venue to do that.
11 Notwithstanding the best intention of a lot of
12 wonderful, well-intended people here that are
13 intelligent and have worked very hard.

14 The second issue I'd like to address is
15 the delay of this project that's been referenced
16 several times. A lot of people have mentioned the
17 delay, delay, delay, but no one's really addressed why
18 this project has been delayed or even asked the
19 question. And you know, I would submit there's been
20 approximately a dozen casinos that have been opened in
21 the Commonwealth in the interim of this delay.

22 The distinguished characteristic of why
23 this facility has not opened is simply that nobody up
24 to this point has been willing to put their own money
25 behind the project. I would go through the history of

1 this --- this site, the first developer that has been
2 before this Board went bankrupt. Once the facility or
3 the project came out of bankruptcy, the second
4 developer couldn't raise the funds to make it happen.
5 Notwithstanding my considerable respect for the track's
6 team, the developers here, who are sharp guys that
7 again I have a ton of respect for, they themselves
8 struggled to raise money for this, and the project did
9 not move from top dead-center until the taxpayers were
10 on the hook, the local taxpayers in the community. So,
11 again, we're of the mindset that casinos are for the
12 purposes of collecting tax money not gambling with it.
13 And in this instance, this property just doesn't do
14 that.

15 Again, it's been mentioned by a prior
16 speaker, who would believe this is a unique situation.
17 And I, frankly, agree. I can't think of another
18 instance where a gaming facility has been backed by
19 local taxpayers in this fashion. And having licensed
20 several casinos, again this is a Category 1, this is a
21 racino, you know better than anybody that a condition
22 precedent to awarding a gaming license here is having a
23 valid viable racing license.

24 Currently, the racing --- the Harness
25 Racing Commission has rendered a conditional license

1 for this facility, it is not an unconditional license.
2 The factual underpinnings of that --- those conditions
3 are still in dispute and must be settled. While we're
4 sitting here right now, this property on this Harness
5 Racing License is not viable in which to issue a
6 license. Those factual underpinnings on those
7 conditions must be addressed before the Commonwealth
8 Court.

9 And as such, we think that is something
10 that by law this Board has to consider. And again, I
11 --- we've got sharp people on both sides of this
12 argument and they're certainly considering it. So,
13 because it has not been vetted and raised today, I
14 thought that would be at least one new issue.

15 Ultimately, again, I respect your time.
16 I'm going to conclude. I don't have anything novel. I
17 appreciate you hanging here as long as you have, and
18 appreciate the opportunity. Thank you.

19 PRESIDING OFFICER:

20 Kevin Brogan?

21 MR. BROGAN:

22 Kevin Brogan, director of marketing of
23 Meadows Race Track and Casino. Last name is B, as in
24 boy, R-O-G, as in girl, A-N. Chairman Ryan, members of
25 the Board, Lawrence County community and fellow

1 Commonwealth residents, thank you for having us here
2 today.

3 I understand my comments will not be
4 popular in the room. The son of a Marine Corp General
5 proudly served 31 years, many times growing up I heard
6 a popular decision by few is not necessarily the best
7 for all. There's three things that I think are worth
8 discussing today, cannibalization of Commonwealth
9 revenue, market saturation in this region and
10 unfulfilled promises.

11 The first, cannibalization. Four years
12 ago we went through a similar scenario where we
13 reviewed several properties looking to build in western
14 Pennsylvania, and we settled on Lady Luck, Isle of
15 Capri. We were told less than one percent of the
16 revenue they generate will be cannibalized from the
17 Commonwealth. To date, in its first ten months we
18 believe 50 percent of their revenue has been
19 cannibalized from the Meadows Casino.

20 Now, four years ago we were making
21 predictions, we were using data to give our best guess
22 as to what may happen. Today, we don't have to do
23 that, we have facts. We have data that tells us
24 another property in this region will cannibalize
25 revenue from the Commonwealth.

1 The second point is market saturation.
2 Lady Luck, Isle of Capri told us we're going to add \$60
3 million in gaming revenue to this region. To date
4 their current run rate suggests they may not see \$25
5 million in gross terminal revenue. Part of the
6 marketing should have grown. The three casinos which
7 make up western Pennsylvania, southwestern
8 Pennsylvania, Rivers, Meadows and Lady Luck, over the
9 last ten months on a net basis have seen year-on-year
10 revenue loss.

11 I don't believe I'm aware of any market
12 where there has been more supply and the revenue has
13 actually gone down. I'm not the only one in this room
14 that believes in market saturation. The property being
15 constructed in Austintown must also feel the same way.
16 A year and a half ago, the property was supposed to
17 built with 1,500 VLTs. Last summer that number was
18 reduced to 1,000. And now that project's going to open
19 with 850. I think they as well believe this market is
20 very saturated.

21 The last piece is unfulfilled promises.
22 We, in the Commonwealth were all promised that Lady
23 Luck would not cannibalize, and that Lady Luck would
24 bring revenue from West Virginia, from Maryland, from
25 D.C. and from Baltimore. To date, that's not

1 happening. They can't get to West Virginia, Baltimore;
2 DC because they're blocked by Rocky Gap in Cumberland,
3 Maryland. That situation is existing right now. We
4 hear, we read that 70 percent of projected revenue of
5 this property will come from Ohio and West Virginia.

6 How can that happen with a property in
7 Austintown? These aren't projections. These aren't
8 our best guesses. These are based on actual clear
9 evidence. And I think it's wise for us to take a step
10 back, and acknowledge what's in front of us and make
11 sure that we don't repeat the history that has occurred
12 in the last several years. Thank you.

13 PRESIDING OFFICER:

14 Evelyn Ward?

15 MS. WARD:

16 Evelyn P. Ward, 517 Bell Avenue, New
17 Castle, Pennsylvania. Good afternoon. My name is
18 Evelyn P. Ward. I'm the President of the New Castle
19 Chapter NAACP for 33 years and have lived in the City
20 of New Castle for 79 years. My husband Paul and I have
21 five children, ten grandchildren and two great
22 grandchildren.

23 Paul had very good paying job in the steel
24 mill. And when it was closed, he was fortunate enough
25 to get another job at Youth Development Center and now

1 it's closed and was able retire with a modest position
2 --- pension. Although, the mills did discriminate and
3 only allowed people of color to hold jobs in difficult
4 areas, my people were able to obtain employment with a
5 pay scale that enabled us to buy a house and a car,
6 raise a family, and have the occasional family vacation
7 and support our church. But like so many other towns,
8 this is the so-called truck rust belt, most of the
9 good-paying manufacturing jobs have been sent down
10 south or sent out of the county.

11 After graduation from high school, many of
12 our youth have to move away to secure employment that
13 pays a living wage. Those who are able to, go to
14 college and some join the military. But the truth of
15 the matter is, there is a little opportunity in our
16 hometown. That's why I'm here to testify. New Castle
17 needs the casino. And it's not because I am a fan of
18 gambling, but the casino will be the centerpiece of
19 Lawrence entertainment's home base. And the most
20 important aspect would be the horses and the impact of
21 the agriculture production.

22 This is not to say we we'll become
23 friends, but that our youth can be trained in the horse
24 race industry and have options. Horses require
25 veterinaries and a veterinarian assistant. Most race

1 tracks have special farms for rest and rehabilitation,
2 and some are breeding farms with lots of green grass
3 and pastures, a great open space. We need to
4 revisualize a 4H program to get our children involved
5 at a young age with a great opportunity that works and
6 will be able to eventually find employment right here
7 in Lawrence County. There are plans on the drawing
8 board for hotels and a water park. The hospitality
9 industry provides good jobs in hotel management and in
10 the culinary fields. We expect to see a theatre
11 constructed to bring big-time musical acts to this
12 area. New Castle used to be such a fun place to live
13 in. At my old age, a grandmother needs to have her
14 children near her. My Social Security for me is having
15 my kids and grandchildren close by and not off chasing
16 the jobs all over creation.

17 The job project is going on ten years. A
18 number of times it was expected to go to other areas.
19 And the influential elected officials had more clout
20 than those in a small county. And the casino will
21 bring new light into our community. We will have new
22 houses and use for vacant land, our tax base will
23 increase and our schools will get better. We have good
24 workers in this town. And I urge the members of the
25 Pennsylvania Gaming Commission to give us the chance,

1 raise our expectations to success and approve this
2 project. Thank you.

3 PRESIDING OFFICER:

4 Craig Clark?

5 MR. CLARK:

6 Good afternoon. My name is Craig Clark,
7 C-L-A-R-K. I'm the general manager of Rivers Casino.
8 I thank the Chairman, the Control Board and the staff
9 and the people of Lawrence County for giving me this
10 opportunity to speak today. I applaud the energy and
11 the enthusiasm of Lawrence County, its elected
12 officials and the community leaders for their obvious
13 interest in joining the casino industry. The people of
14 Lawrence County have a vested interest in economic
15 development, rightly so. And we at Rivers appreciate
16 and greatly respect their commitment to this goal to
17 further their community.

18 It is a similar commitment that we have in
19 championing our own City of Pittsburgh, just 55 miles
20 from here today. In fact, Allegheny County is just a
21 mere 40 miles from where we stand here at this
22 building. So close, that one might say that Allegheny
23 County and Lawrence County are in each others backyard.
24 And indeed, the Pennsylvania marketplace is overstocked
25 with gaming.

1 Understanding what that means, we are not
2 creating new jobs here. We are cannibalizing jobs at
3 Rivers and at Meadows. We are not creating new gaming
4 revenues here. We are cannibalizing revenues from
5 Rivers and Meadows.

6 In a May 2013 study by Econsult,
7 commissioned by Dorothy Harris, it anticipates a target
8 cannibalization of the Pittsburgh market of
9 approximately 25 percent --- or up to 25 percent. So,
10 in order for Valley View to succeed, it's at the
11 expense of current operations.

12 Last month in April of 2014, only one of
13 the 13 operating casinos in Pennsylvania were able to
14 increase slot play despite rigorous and sophisticated
15 market campaigns. In fact, slot play in the State of
16 Pennsylvania has declined in 13 of the last 15 months.
17 The market has spoken. Without public subsidy, this
18 project cannot be built. The competition is
19 everywhere. You need only look as far as Ohio, New
20 York, Maryland, our surrounding states. All developing
21 casinos. And don't forget the potential promise of
22 online gaming that is just around the corner.

23 I can tell you that as a taxpayer on April
24 15th every year, it never occurred to me that
25 individual taxpayers could be funding even more gaming

1 development. Point in fact, public money should not
2 and has not been used to develop casinos. But I don't
3 expect the people of Lawrence County nor the very
4 creative public officials who structured the bond deal
5 to see it that way. And I'm not here to debate that
6 issue. Rather, I'm here to address the Control Board,
7 Chairman Ryan, the Commissioners who have the
8 opportunity in front of them now, before it gets too
9 far, to fix something that is broken.

10 As one of the 13 operating casinos in
11 Pennsylvania, each of whom have financed their own
12 development, I can tell you that if you allow the
13 Valley View project to move forward, you're changing
14 the rules on us.

15 By allowing public funds, taxpayer money
16 to fund casino development, you are giving Lawrence
17 County and Penn National a leg up to build a safety net
18 that none of the other operators had. Instead of
19 forcing them --- instead of forcing the application to
20 have a proven business model, which each of the
21 existing operators were required to do, you are now
22 presented a business plan, by an operator's own
23 admission that will fail without government subsidy.

24 And instead of requiring --- and instead,
25 requiring only the operator --- only the operator to

1 have skin in the game, the Board is being asked to have
2 the public have skin in the game. That's not the only
3 playing --- that's not the level --- the level playing
4 field that the Board promised Pennsylvania casinos. It
5 creates a number of conflicts and it's just not good
6 business. Every casinos operator in Pennsylvania
7 developed their own business strategies and investment
8 decisions based on open Pennsylvania market.

9 For example, in Pittsburgh, the owners of
10 Rivers Casino took over a failed development, rescuing
11 the property from certain bankruptcy in 2008. And
12 simultaneously, we agreed to support the Sports and
13 Exhibition Authority with \$225 million to develop the
14 Consol Energy Center, and we are proud of that
15 solution. Had we known just six years later that we
16 were facing the prospect of publicly-funded competition
17 only an hour away, our decision might have been
18 different. Thank you very much.

19 PRESIDING OFFICER:

20 Jeffrey Favre?

21 MR. FAVRE:

22 Thank you for having me here today, I
23 appreciate it. You know, I'm the Vice President and
24 General Manager of Presque Isle Downs Casino in Erie.
25 You know, as several who have spoken before me, we are

1 also concerned about, you know, the current gaming
2 market is, you know, reaching a point of saturation and
3 cannibalism and potential consequences that will occur
4 to the economy of Erie County as well as the current
5 900 plus employees of PID, Presque Isle Downs.

6 Considering the expansion of gaming in
7 nearby states as well as continued expansion plans from
8 Ohio, should raise caution and concerns whether or not
9 the existing Pennsylvania market will be negatively
10 impacted.

11 For example, as stated in Econsult report
12 released just yesterday, states Pennsylvania is nearly
13 fully built --- built out, and at the same time
14 surrounded by gaming states. Some of the surrounding
15 states are still building out and much of the recapture
16 that it is likely to happen has already occurred. That
17 was the end quote.

18 Also, take into consideration that
19 Pennsylvania has most recently seen the first decline
20 of gaming revenues since approving gaming in 2004. And
21 since the opening of casinos in Cleveland, the western
22 Pennsylvania casinos have seen consistent declines.
23 Also in Ohio, since gaming commenced, has fallen short
24 of anticipated \$9.9 in gaming revenues, only realizing
25 100 --- \$839 million.

1 In addition, what's the incentive for Penn
2 Gaming to drive business into Lawrence County,
3 considering that they will wholly own Hollywood Casino
4 in Austintown that will operate with a gaming tax of 33
5 percent versus Lawrence County that will operate at 61
6 percent.

7 With all that being said, I question
8 whether the Commonwealth would benefit, experience
9 positive revenue growth and worry about the negative
10 impact that will likely occur. For these reasons, I
11 would carefully request your careful and most diligent
12 consideration in determining whether or not to approve
13 the project. Thank you.

14 PRESIDING OFFICER:

15 Thank you. I am at the end of my list of
16 names of registered speakers. Is there anyone here ---
17 anyone here who thought they registered and I did not
18 call your name, could you raise your hand? No takers?
19 Okay.

20 I want to thank you all for coming today
21 and your cooperation. You've been a pretty good group.
22 All the testimony and evidence gathered during this
23 Public Input Hearing will become part of the record for
24 the Board's consideration when deciding to award ---
25 whether to award Endeka Entertainment a Category 1

1 Casino License.

2 At some date in the future, the Board will
3 schedule a Public Licensing Hearing to be held in
4 Harrisburg. Continue to check the Board's website for
5 that date of that licensing hearing. While the Board's
6 licensing hearing is open to the public, not further
7 public comments, oral public comment, will be received
8 by the Board at that hearing.

9 Again, the record is open for public
10 comment in written form until July 7th, close of
11 business. Feel free to utilize that. And I want to
12 thank you all for coming today and your cooperation.
13 This Public Input Hearing is now concluded. Thank you.

14 * * * * *

15 HEARING CONCLUDED AT 2:47 P.M.

16 * * * * *

17

18

19

20

21

22

23

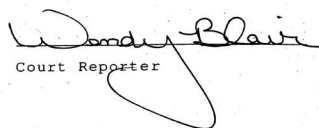
24

25

CERTIFICATE

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

I hereby certify that the foregoing proceedings, hearing held before Presiding Officer Lloyd was reported by me on 5/8/2014 and I Wendy Blair read this transcript and that I attest that this transcript is a true and accurate record of the proceeding.


Court Reporter