



PENN NATIONAL  
GAMING, INC.

# Philadelphia Gaming Proposal

## Pennsylvania Gaming Control Board Public Hearing

February 12, 2013



PENN NATIONAL  
GAMING, INC.

# Introduction

- Steve Snyder – SVP, Corporate Development
- Eric Schippers – SVP, Public Affairs
- Carl Sottosanti – Vice President, Deputy General Counsel
- Frank Donaghue - Vice President, Regulatory
- Alex Stolyar – Vice President, Corporate Development
- Noel Williams – National Diversity Coordinator
- Joe Domenico – PCBC Director
- Chris Lewis – Blank Rome
- Steve Schrier – Blank Rome
- Lucretia Clemons – Ballard Spahr
- Harry Laspee – Pennoni Associates
- James Hartling – Urban Partners

# About Penn National Gaming

- Largest regional gaming operator in the U.S.
- Headquartered in Wyomissing, Pennsylvania
- Publicly traded on NASDAQ (PENN) with a four billion dollar market cap
- Three billion dollars in annual revenues
- Approximately 20,000 employees
- 29 facilities across 19 jurisdictions, including Pennsylvania

See video link #1 of 2 on website

# MBE/WBE – Commitment to Diversity

- Diversity is an integral component of each new development project we undertake
- Penn seeks to support minority, women owned, and disadvantaged businesses in a manner that is reflective of the regions in which the properties operate
- Penn met or exceeded diversity goals for recent projects in: Illinois, Indiana, Pennsylvania, Kansas, Toledo and Columbus, Ohio
- Focus areas include construction, ongoing vendors and employment

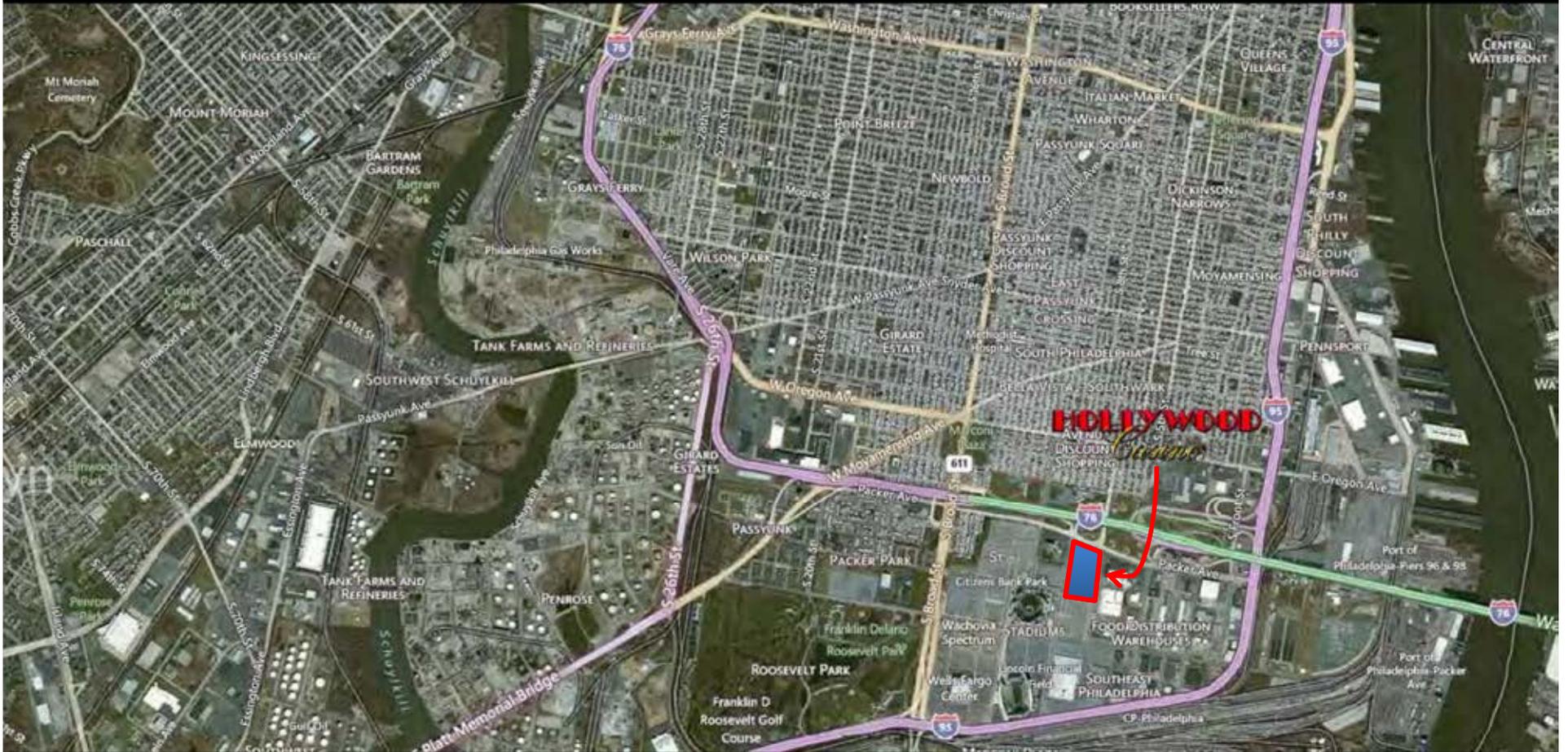
## RECENT CONSTRUCTION ACHIEVEMENTS:

Columbus, Ohio: 60% (40% w/o CM fees)  
Toledo, Ohio: 22%  
Kansas City, Kansas: 46%

## RECENT HIRING ACHIEVEMENTS:

31% of workforce, 27% manager & above  
29% of workforce, 25% manager & above  
37% of workforce, 25% manager & above

# Site Vicinity



# Conceptual Rendering



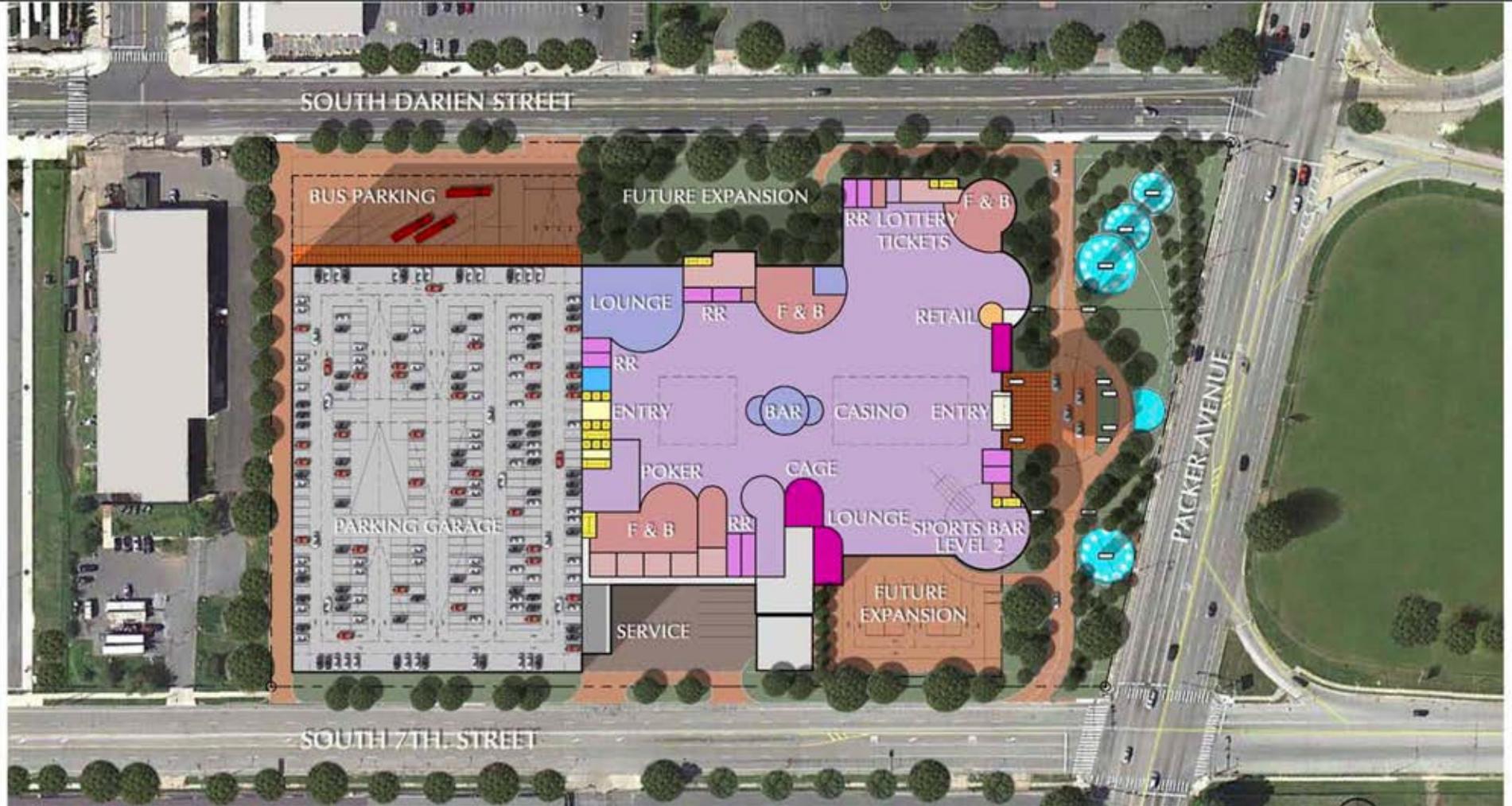
See video link #2 of 2 on website

# Phase I Components

- \$480 million investment
- Location: 700 Packer Avenue, South Philadelphia, proximate to the sports and entertainment district
- 100,000 square foot casino
- 180-seat entertainment lounge with live acts
- Structured parking for 3,500 vehicles as well as an integrated bus arrival and waiting area
- 2,050 slots, 66 table games & 15 poker tables (gaming floor is expandable to 2,500 slots)
- Restaurants: Fine-dining steakhouse, sports pub, casual grill, noodle bar, food court with four outlets
- Phase 2 master plan: 500 room hotel, 1,000 additional slot machines, 24,000 square feet of event/meeting space, 1,000-space garage expansion



# Conceptual Site Plan



# Traffic – Site Circulation



HOLLYWOOD CASINO  
PHILADELPHIA, PA

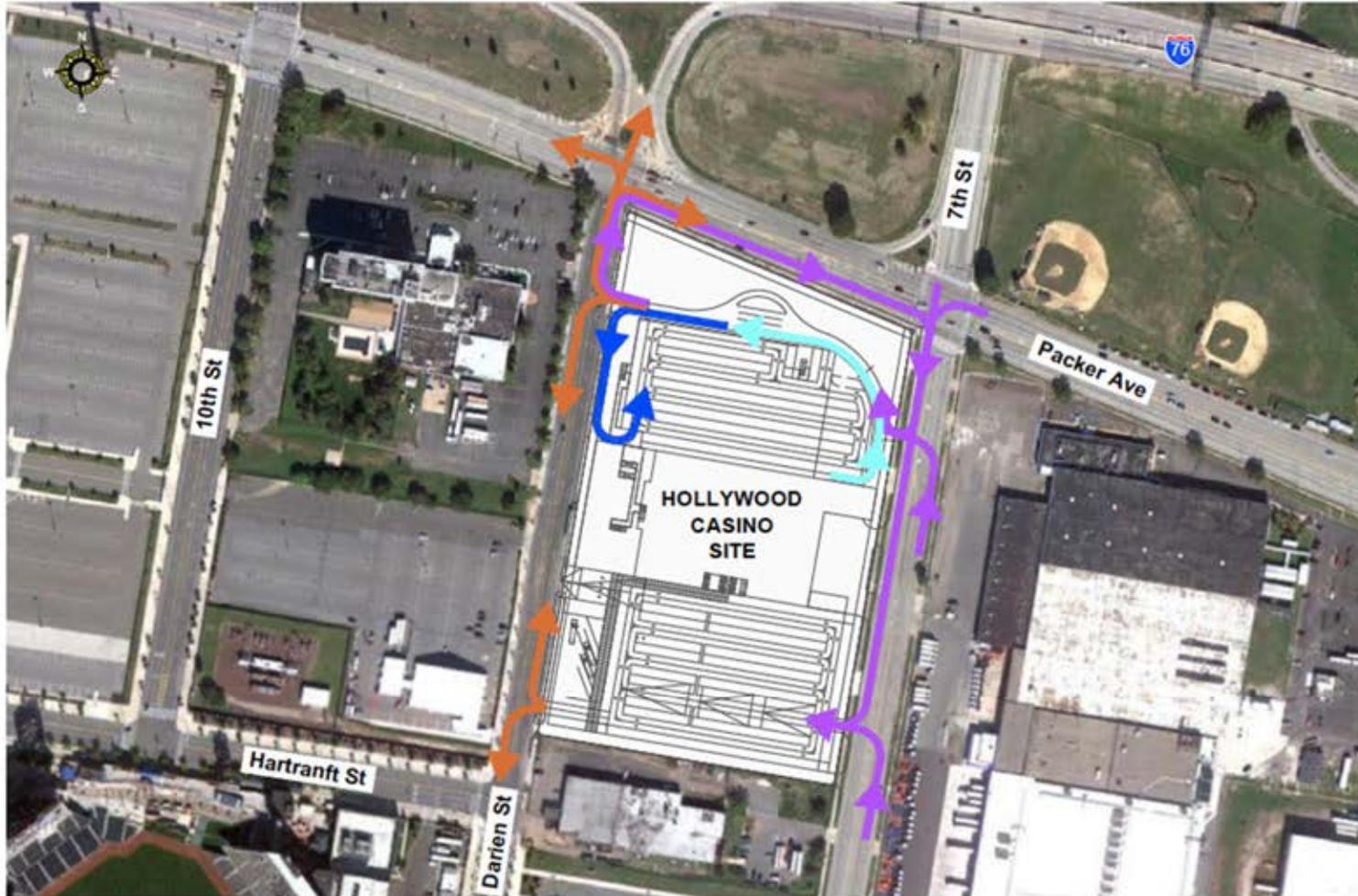
JANUARY 29, 2013

### LEGEND

- Proposed Valet Route - Pickup
- Proposed Valet Route - To Parking
- Proposed Customer - Inbound
- Proposed Customer - Outbound

FIGURE 30

PASSENGER VEHICLE  
SITE CIRCULATION



PENNONI ASSOCIATES INC.  
CONSULTING ENGINEERS  
3001 MARKET STREET  
PHILADELPHIA, PA 19104

# Traffic – Mass Transit



HOLLYWOOD CASINO  
PHILADELPHIA, PA

TRANSPORTATION IMPACT  
STUDY

NOVEMBER 14, 2012  
REVISED FEBRUARY 1, 2013

#### LEGEND

- SEPTA Broad Street Line Subway
- SEPTA Bus Route

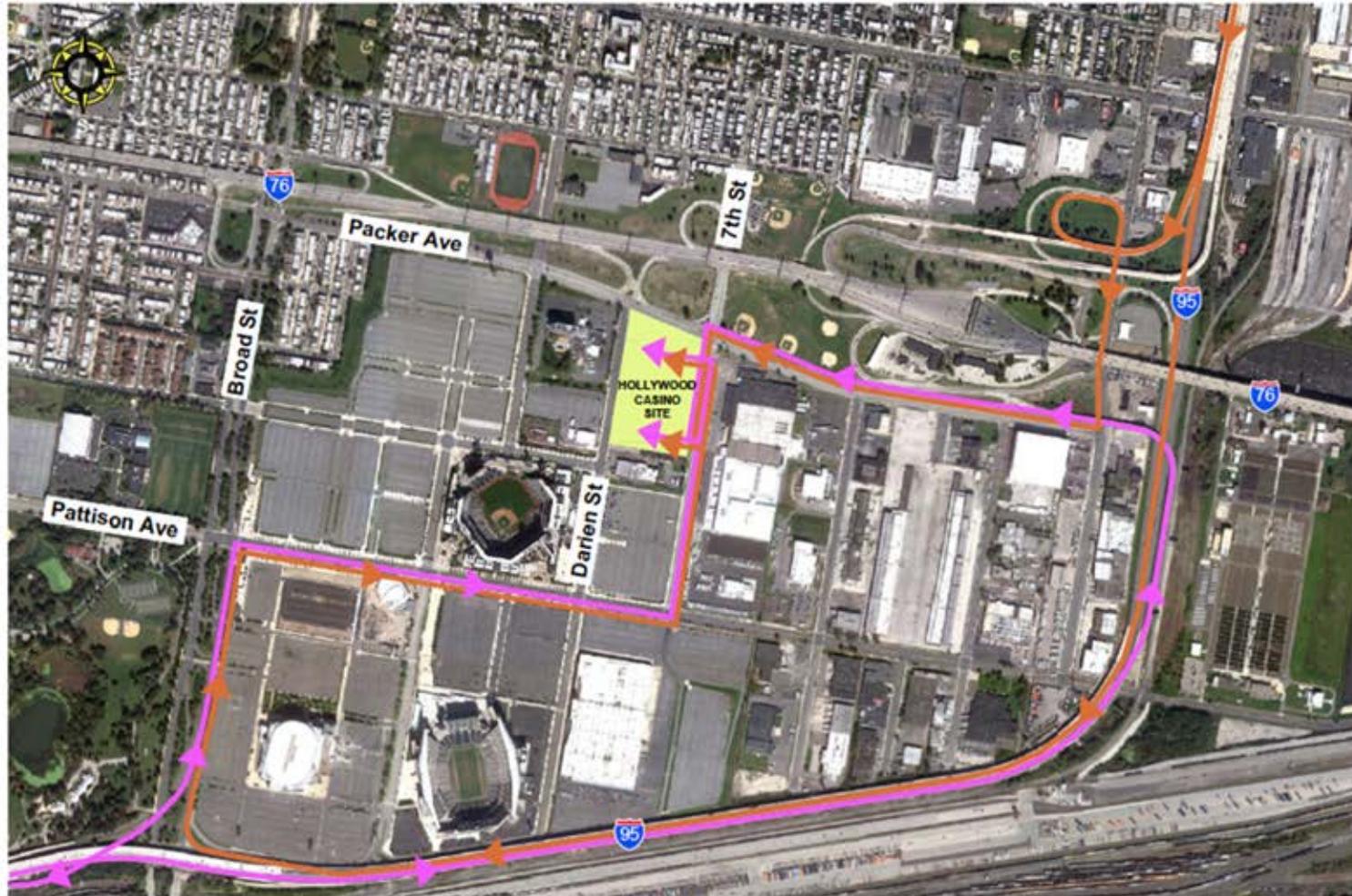
FIGURE 8



PENNONI ASSOCIATES INC.  
CONSULTING ENGINEERS  
3001 MARKET STREET  
PHILADELPHIA, PA 19104

EXISTING TRANSIT  
FACILITIES

# Traffic – Access from I-95



HOLLYWOOD CASINO  
PHILADELPHIA, PA

JANUARY 29, 2013

#### LEGEND

- ← From I-95 Northbound
- ← From I-95 Southbound

FIGURE 70



PENNONI ASSOCIATES INC.  
CONSULTING ENGINEERS  
3001 MARKET STREET  
PHILADELPHIA, PA 19104

ACCESS FROM  
INTERSTATE 95

# Traffic – Access to I-95



HOLLYWOOD CASINO  
PHILADELPHIA, PA

JANUARY 29, 2013

#### LEGEND

- To I-95 Northbound
- To I-95 Southbound

FIGURE 71



PENNONI ASSOCIATES INC.  
CONSULTING ENGINEERS  
3001 MARKET STREET  
PHILADELPHIA, PA 19104

ACCESS TO  
INTERSTATE 95

# Traffic – Access from I-76



HOLLYWOOD CASINO  
PHILADELPHIA, PA

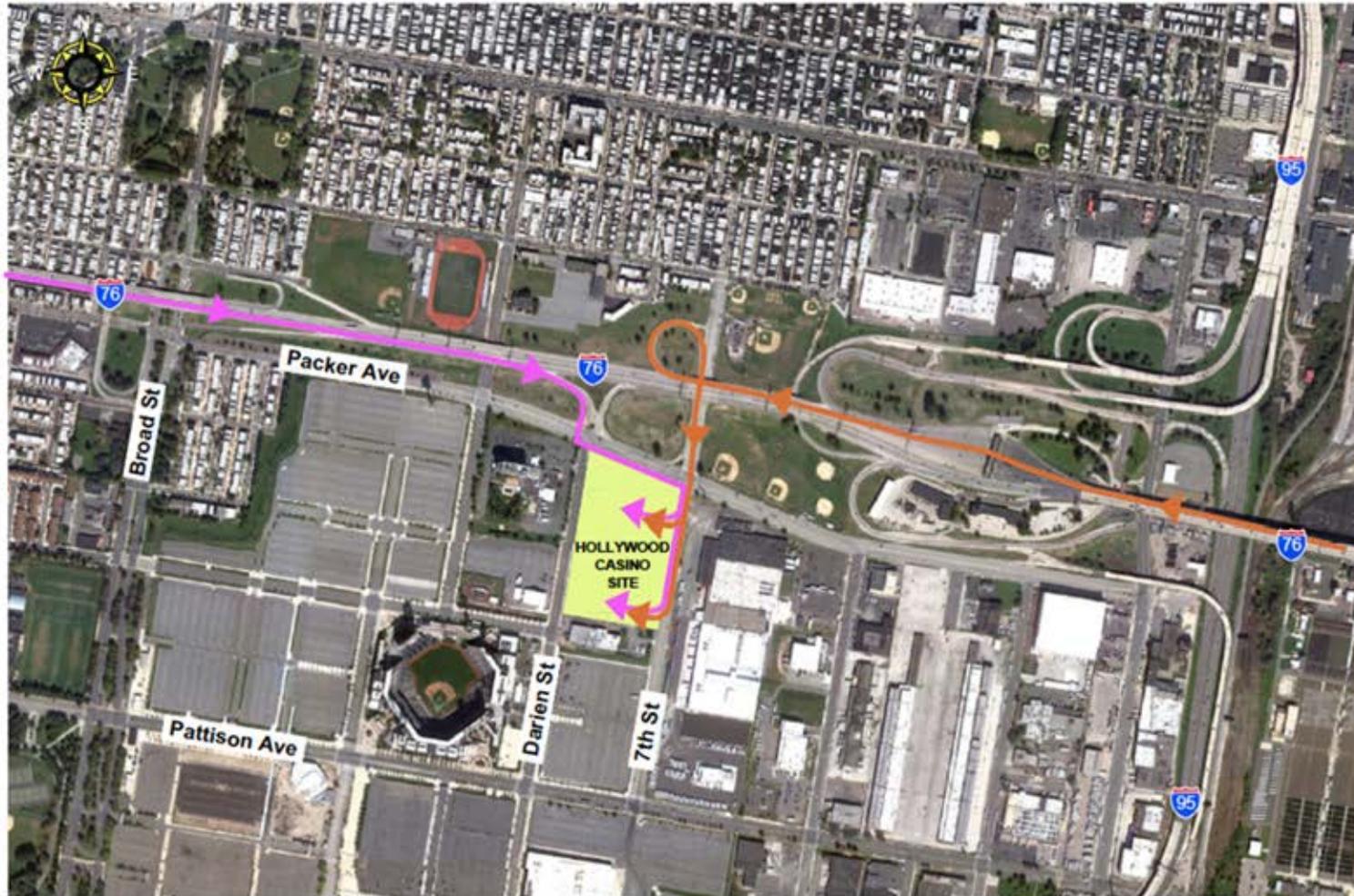
JANUARY 29, 2013

### LEGEND

- From I-76 Eastbound
- From I-76 Westbound

FIGURE 60

ACCESS FROM  
INTERSTATE 76



PENNONI ASSOCIATES INC.  
CONSULTING ENGINEERS  
3001 MARKET STREET  
PHILADELPHIA, PA 19104

# Traffic – Access to I-76



HOLLYWOOD CASINO  
PHILADELPHIA, PA

JANUARY 29, 2013

#### LEGEND

- To I-76 Eastbound
- To I-76 Westbound

FIGURE 61

ACCESS TO  
INTERSTATE 76



PENNONI ASSOCIATES INC.  
CONSULTING ENGINEERS  
3001 MARKET STREET  
PHILADELPHIA, PA 19104

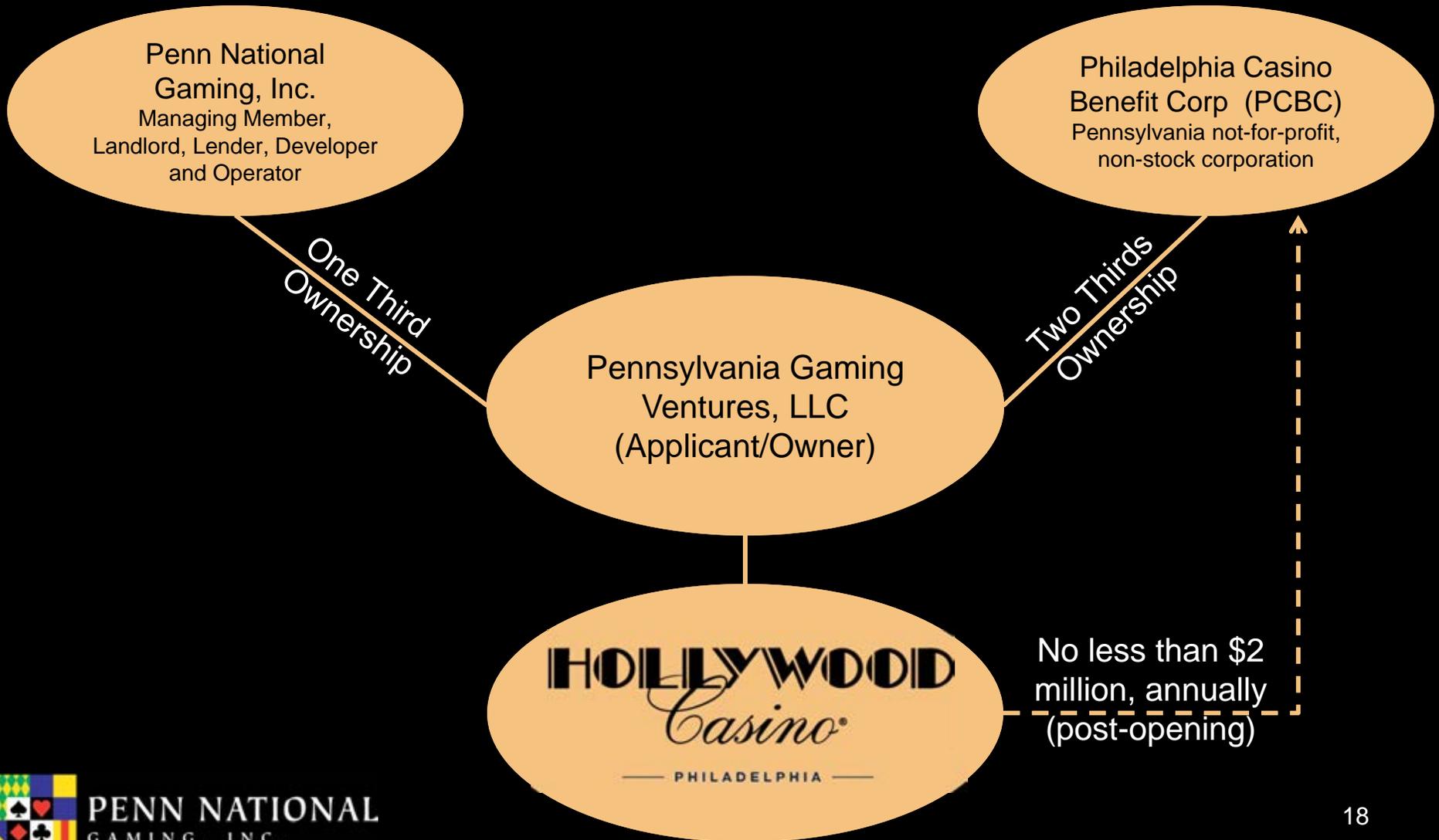


# Community Outreach

- Sports Complex Special Services District
- African American Chamber of Commerce
- Hispanic Chamber of Commerce
- Philadelphia City Council
- Mayor's Office of Economic Development
- State Reps and Senators from South Philly area
- Public employee unions
- AFL/CIO



# Ownership Structure



# Philadelphia Casino Benefit Corp.

**Existing Pennsylvania not-for-profit, non-stock corporation.**

## **Independent Board of Directors:**

- Licensed by PAGCB
- Current member: Joseph Domenico (applied for PA gaming license)
- Actively seeking other members reflective of the community
- Penn will have a board designee
- By-laws permit up to 7 board members
- Oversight of receipt & distribution of funds

## **Beneficiaries:**

- Expressly limited to two causes: pension and education within Philadelphia

# Economic Impact

Hollywood Casino Philadelphia's economic impact focuses on three primary factors:

1. The initial construction/development period impacts
2. The direct and indirect economic impact of Hollywood Casino Philadelphia's on-going operations and the employment generated by this activity
3. The tax benefits received by the City of Philadelphia and the Commonwealth of Pennsylvania as a result of Hollywood Casino Philadelphia



# Economic Impact: Construction Period

(all non-jobs numbers = \$MM)	Pennsylvania	Philadelphia	TOTAL
Direct Economic Impact	180.9	170.9	
Indirect Economic Impact	157.1	99.6	
<b>TOTAL ECONOMIC IMPACT</b>	<b>338.0</b>	<b>270.5</b>	
Direct Jobs Created	1,110	1,090	
Indirect Jobs Created	1,710	1,090	
<b>TOTAL JOBS CREATED (FTE Annualized)</b>	<b>2,820</b>	<b>2,180</b>	
Wage/Income Taxes	5.2	4.9	10.1
Sales Taxes	1.5	4.4	5.9
Business/Real Estate Taxes	5.0	2.1	7.1
<b>TOTAL TAX REVENUES</b>	<b>11.7</b>	<b>11.4</b>	<b>23.1</b>



# Economic Impact: Operations

(all non-jobs numbers = \$MM)	Pennsylvania	Philadelphia	TOTAL
Direct Economic Impact	448.3		
Indirect Economic Impact	148.3		
<b>TOTAL ECONOMIC IMPACT</b>	<b>596.6</b>		
Direct Employment Impact	3,500	3,210	
Indirect Employment Impact	890	530	
<b>TOTAL EMPLOYMENT IMPACT</b>	<b>4,390</b>	<b>3,740</b>	
Gaming Taxes	143.2	11.8	155.0
Wage/Income Taxes	4.1	4.1	8.2
Sales Taxes	7.9	4.3	12.2
Business/Real Estate Taxes	3.3	6.8	10.1
<b>TOTAL TAX REVENUES</b>	<b>158.5</b>	<b>27.0</b>	<b>185.5</b>



# Benefits of Penn Proposal

## STRUCTURE

- Philadelphia pensions and schools receive millions of dollars annually with no taxpayer dollar risk
- “Under the proposal submitted by Penn Gaming, the casino distribution of fund projections to PCBC indicates that over a 15 year period the distribution would generate almost \$115 million.” -- Philadelphia Controller Alan Butkovitz

## LOCATION

- Superior interstate access to/from I-95 and I-76
- Minimal impact on residential communities

## CERTAINTY

- Proven operator with strong balance sheet
- Proven construction record: on budget, on time
- Cross-marketing of two Pennsylvania Hollywood Casinos with national player database





PENN NATIONAL  
GAMING, INC.

# Philadelphia Gaming Proposal Pennsylvania Gaming Control Board Public Hearing

February 12, 2013



PENN NATIONAL  
GAMING, INC.