

PHIL

Local Gaming, LLC

Presentation to
**Pennsylvania Gaming
Control Board**
February 12, 2013



I. A Deep and Passionate Commitment to a Transformative Casino Project for Philadelphia and the Commonwealth

II. It All Begins with Ownership

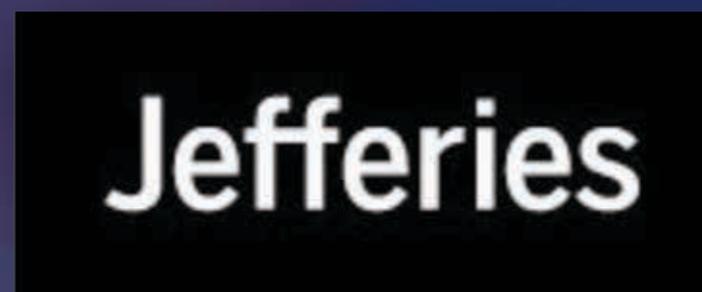
- Joseph G. Procacci
- Dr. Walter P. Lomax, Jr.



*World-class local owners
committed to excellence*



- Financial Strength to Complete the Project
- PHL engaged Two Major Investment Banks with Gaming Expertise to Assist with Raising Capital for the Project





III. PHL Local Gaming Board

*Seasoned, Experienced, Nationally Recognized Casino,
Hotel and Financial Management Experts*

- *Joseph G. Procacci, Chairman*
- *Joseph Canfora, President, PHL Local Gaming, LLC*
- *John Burke, Former CFO, Trump Entertainment*
- *Bennett Lomax, CEO, The Lomax Companies*
- *Mark Sterbens, Former COO, Riviera Casino & Hotel*
- *Craig Sullivan, President of Sullivan and Associates,
Hospitality and Gaming Consultants, Former CFO, Ramada Inc.*

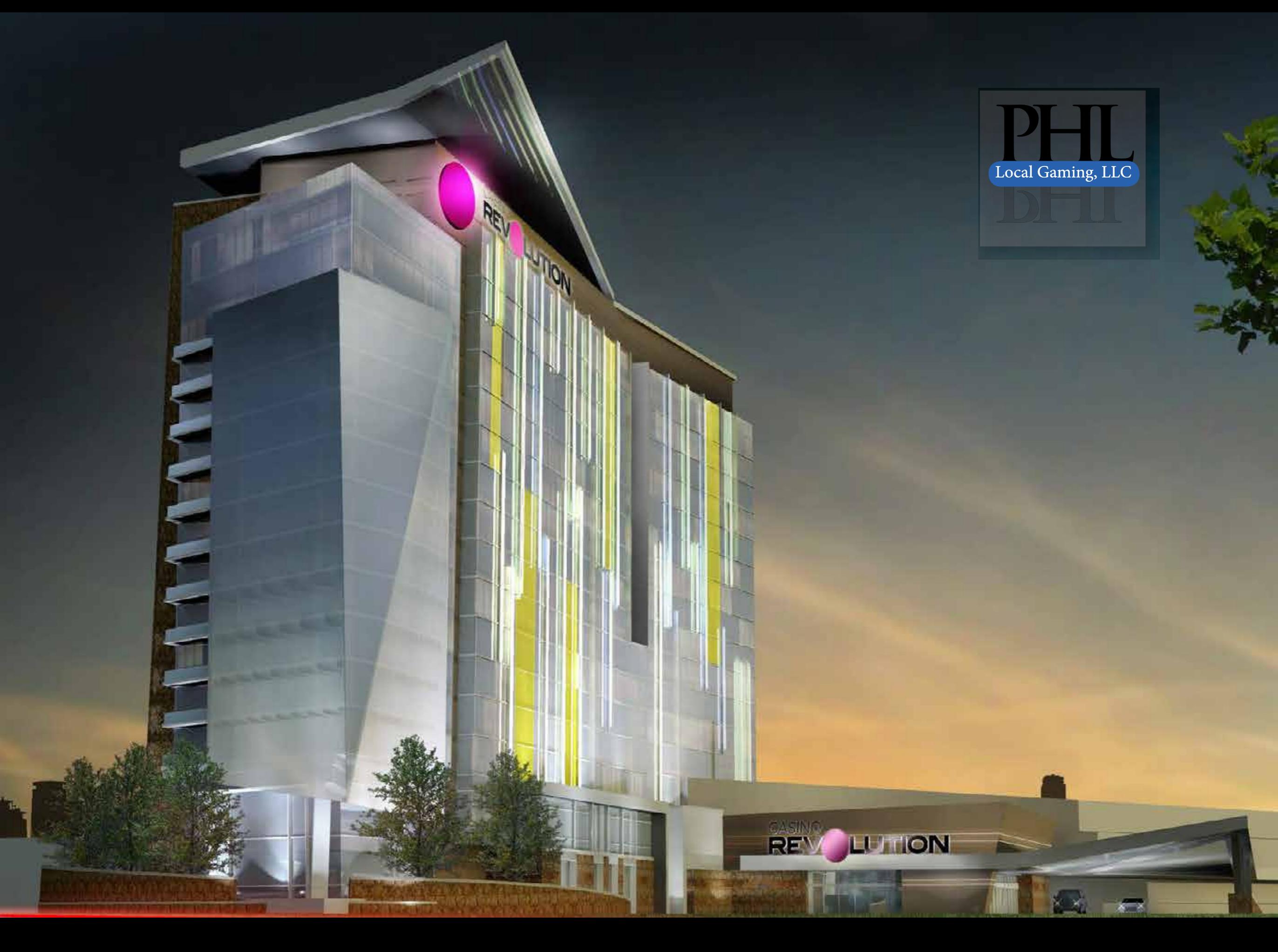


Management Team: Seasoned, Experienced Casino Operators

- Joseph Canfora, *President, PHL Local Gaming, LLC*
- John Costello, *V.P./Chief Financial Officer*
- John F. O’Riordan, *V.P. Community Affairs*
- Robert J. Borghese, *V.P. Corporate Development*
- Pete Ferro, *President, Merit PHL, LLC*
- Harlan Oppenheim, *Chief Operating Officer, Merit PHL, LLC*
- Barry Edmonson, *Chief Financial Officer, Merit PHL, LLC*
- Andrea Okun, *General Counsel/Regulatory Compliance, Merit PHL, LLC*



IV. A Transformative Vision for Philadelphia



PHL
Local Gaming, LLC
DFH



REVOLUTION

CASINO
REVOLUTION



PHL
Local Gaming, LLC
PHL







\$428 Million Project:
Destination-Caliber Appointments
A Commitment to a Quality Experience

Phase I:

- Four-Star, 250-Room Hotel
- 2400 Slot Machines
- 105 Table Games
- Italian Restaurant
- Steakhouse
- Coffee/Espresso Bar
- 300-Seat Buffet
- 156-Seat Café
- Sports Bar
- 1600-Car Covered Garage

GROUND
LEVEL
2,400 SLOTS



HNEDAK BOBO GROUP

CASINO REVOLUTION





We Can Open a Quality Facility 6 Months
Sooner Than Any Other Bidder

GROUND
LEVEL
EXPEDITED
PHASE



HNEDAK BOBO GROUP

CASINO REVOLUTION



Accelerated Opening Date Revenue Option: \$51.9 Million

Accelerated Months Open Before Competitors	6
<u>Gaming & Related Taxes</u>	
Total PA State Tax	\$25,934,286
Total Philadelphia Tax (1st Class County)	3,146,047
Total EDTF	3,259,962
Total PRDF	7,171,916
Total Gaming & Related Taxes	<u><u>\$39,512,211</u></u>
Property Taxes	\$2,040,125
Gross Payroll	\$10,446,410
Number of Full Time Equivalent Employees	600



Future Expansion:

- Additional Hotel Rooms
- Up to 5000 Slot Machines
- Entertainment/Event Center and Meeting Space

GROUND LEVEL
2,400 SLOTS



HNEDAK BOBO GROUP

CASINO REVOLUTION

GROUND
LEVEL
3,000 SLOTS



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CASINO REVOLUTION

GROUND
LEVEL
5,000 SLOTS



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Tax Revenue Benefits of Ability to Expand with Market Demand

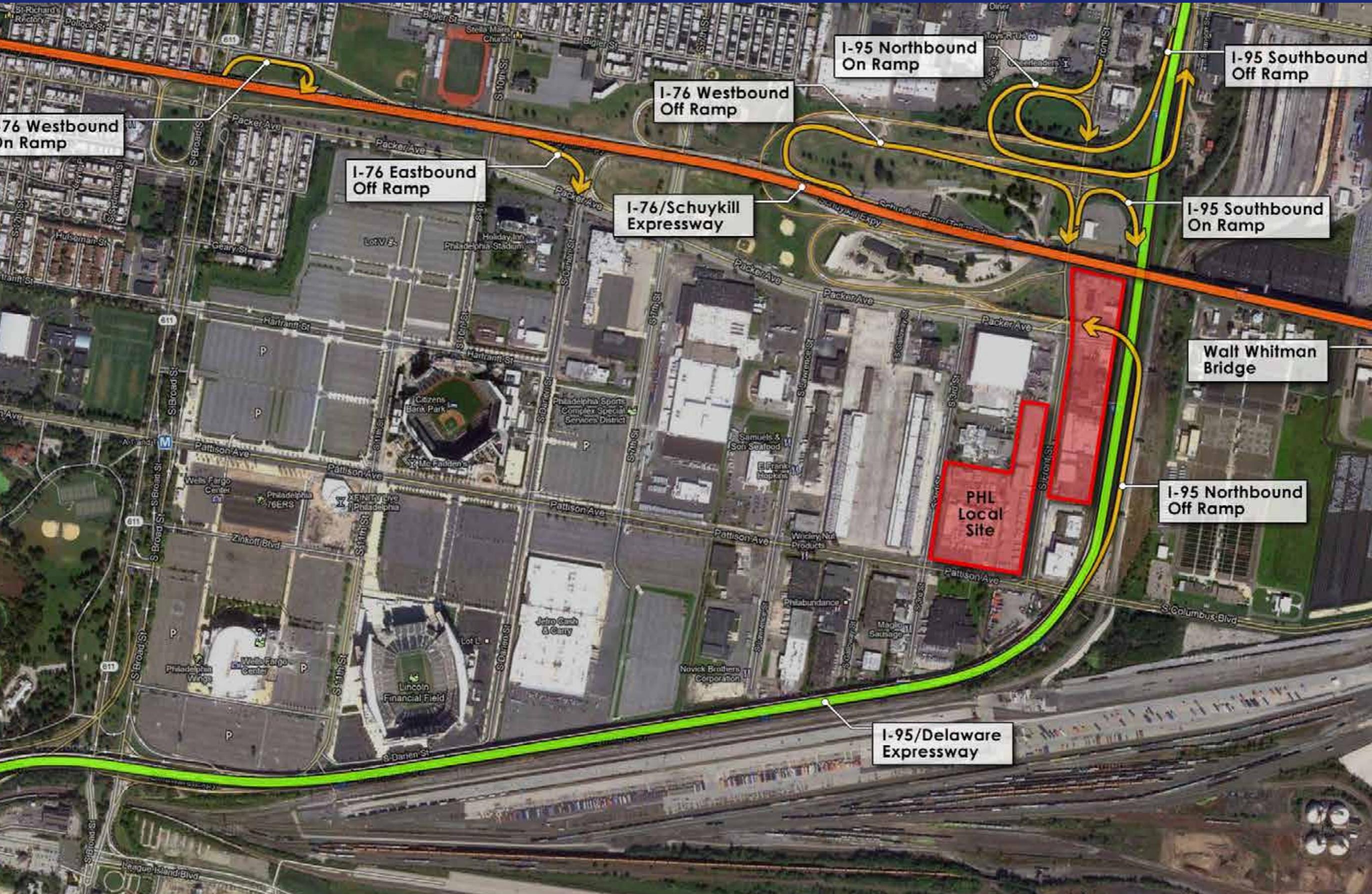
Number of Slot Machines	2,400	3,000	4,000	5,000
Net Gaming Revenue	\$315,648,317	\$398,942,644	\$548,409,212	\$714,475,889
Total State Tax	\$91,556,278	\$115,605,802	\$159,280,210	\$207,249,542
Total EDTF Tax	11,841,378	15,393,792	21,243,433	27,616,463
Total PRHDF Tax	26,051,032	33,866,342	46,735,552	60,756,218
City Share				
Total LSA Tax	11,049,518	14,136,370	19,465,557	25,336,103
Property Taxes	4,161,854	4,251,854	4,401,854	4,551,854
Total City Taxes	15,211,372	18,388,224	23,867,411	29,887,957
Total Taxes	\$144,660,060	\$183,254,159	\$251,126,606	\$325,510,179



V. Location: We have the Best Site

- It's not just PHL Local saying we have the best site. Some of our competitors wanted to buy our site to build their own casinos

Convenient Access to Interstates I-95 and I-76





No Need for Casino Patrons to Drive
through Local Neighborhoods



Minimal Adverse Community Impact

" . . . We reasonably expect that the surrounding road network will adequately accommodate the traffic that will be generated by the proposed casino and hotel "

William G. Lothian, PE
Langan Engineering and Environmental Services
November 14, 2012

"Therefore there is no impact to the Philadelphia water and sewer system. Actually, there will be a minor reduction"

Impact Study
Casino Revolution Site
City of Philadelphia
November 15, 2012

PHL

Local Gaming, LLC

PHL

Closest Residential Neighborhood is
almost One Mile Away



Casino's Estimated Distance from Residential Area

Casino Revolution Front and Pattison Street	.8 miles
The Provence 400 N. Broad Street	.3 miles
Market8 8th and Market Street	.3 miles
Live! Hotel and Casino 900 Packer Avenue	.3 miles
Wynn Casino 2001 Beach Street	.2 miles
Hollywood Casino 700 Packer Avenue	.2 miles



Neighborhood Support for Our Site

- South Philadelphia Owners Know the Value of Our Neighborhoods
- Owners are Committed to Preserving and Protecting the Integrity of Our Neighborhoods
- Have Met with Neighbors Closest to the Proposed Site



Neighborhood Support for Our Site *(Continued)*

- Have Met with Elected Officials at State and Local Levels
- Have Met with Hospitality Industry Leaders About Partnerships
- Have Reached Out to More than 300 Civic, Community, Business and Political Leaders



Additional PHL Community Outreach

- Established a PHL Local Facebook Page
- PHL Local Plans to Establish and Fund a Casino-area Special Services District, and Has Discussed with Whitman Neighbors, Stadium District, and City Planning
- Have High-Level Commitment to Responsible Gaming



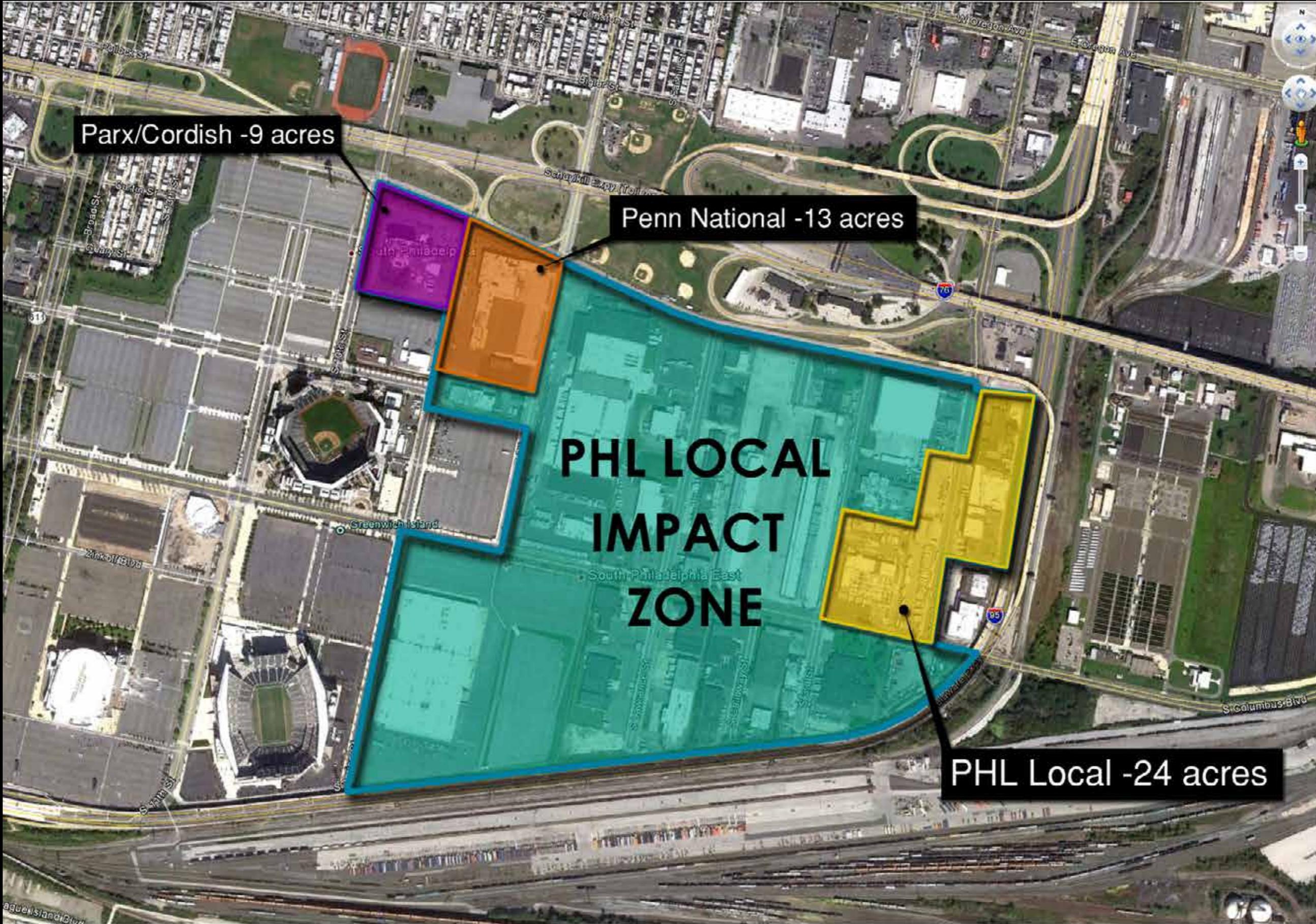
An Opportunity for South Philadelphia Transformation

- A Casino/Hotel at Front & Pattison will provide for additional development of the entire area between the Stadium Complex and Front Street



Catalyst for Future Development

- PIDC Site adjacent to PHL Presents Prime Development Opportunities for Entertainment, Retail and Tourism Venues
- Joseph Procacci owns additional property between the casino location and the stadiums, which could be used for future development
- Creation of a Casino-area Special Services District



Parx/Cordish -9 acres

Penn National -13 acres

**PHL LOCAL
IMPACT
ZONE**

PHL Local -24 acres

Convenient Access to Interstates I-95 and I-76





VI. Projected Economic Impact

- \$428 Million Total Project Cost
- 2,599 Number of direct, indirect and induced Philadelphia jobs
- 3,188 Number of direct, indirect and induced Pennsylvania jobs
- \$65.2 Million Projected construction payroll
- 1,235 Number of construction jobs created (average wage \$52,800)
- 1,369 Casino employees



Projected Economic Impact *(Continued)*

- \$147.2 Million Projected amount that property will generate annually in city and state taxes & fees
 - \$141 Million Estimated annual gaming taxes/regulatory fees
 - \$4.1 Million Estimated annual property taxes
 - \$1.8 Million Estimated annual Pennsylvania state sales and use taxes
 - \$300,000 Estimated annual Philadelphia city sales and use taxes
- \$56.5 Million Annual purchases for goods and services for ongoing operations
- 4.1 Million Projected number of annual visitors
(SugarHouse attracted two million visitors in 2011)



VII. Commitment to Philadelphia and Philadelphians

- Philadelphia Bid Preference, 7%
- S.E.PA Bid Preference, 5%
- Philadelphia Job Creation:
Procacci Brothers Model, 75/35



VIII. Top-Down Diversity Commitment

- PHL's Diversity Includes Geographic, Racial/Ethnic, Veterans, Females
- No Other Bidder Has Such an Advantage as to Diversity Ownership



- No Other Bidder Has Such an Impactful, Ambitious Diversity Plan
 - Workforce/Casino: 35% Minority, 50% Female
 - Workforce/Construction: 32% Minority, 7% Female
 - Workforce/Construction Apprentices: 50% Minority, 7% Female
 - Supplier Diversity/Construction: 32% Minority, 15% Female
 - Supplier Diversity/Goods and Services: 35% Minority, 15% Female
 - Youth Training Mandate to Construction Manager



IX. PHL Local: The Clear Choice

- Unparalleled Location
- Transformational Vision
- Successful Philadelphia Ownership
- Financial Strength to Complete the Project
- Solid Community Support
- Addition to the City's Hospitality Assets
- Accelerated Cash Flow Option
- Ability to Expand to 5,000 slots with Market Demand



CASINO
REVOLUTION