

Washington Trotting Association, Inc.

DBA Meadows Racetrack & Casino

Pennsylvania Gaming Control Board License Renewal Hearing

March 30, 2016

Presenters:

Sean Sullivan, Vice President & General Manager

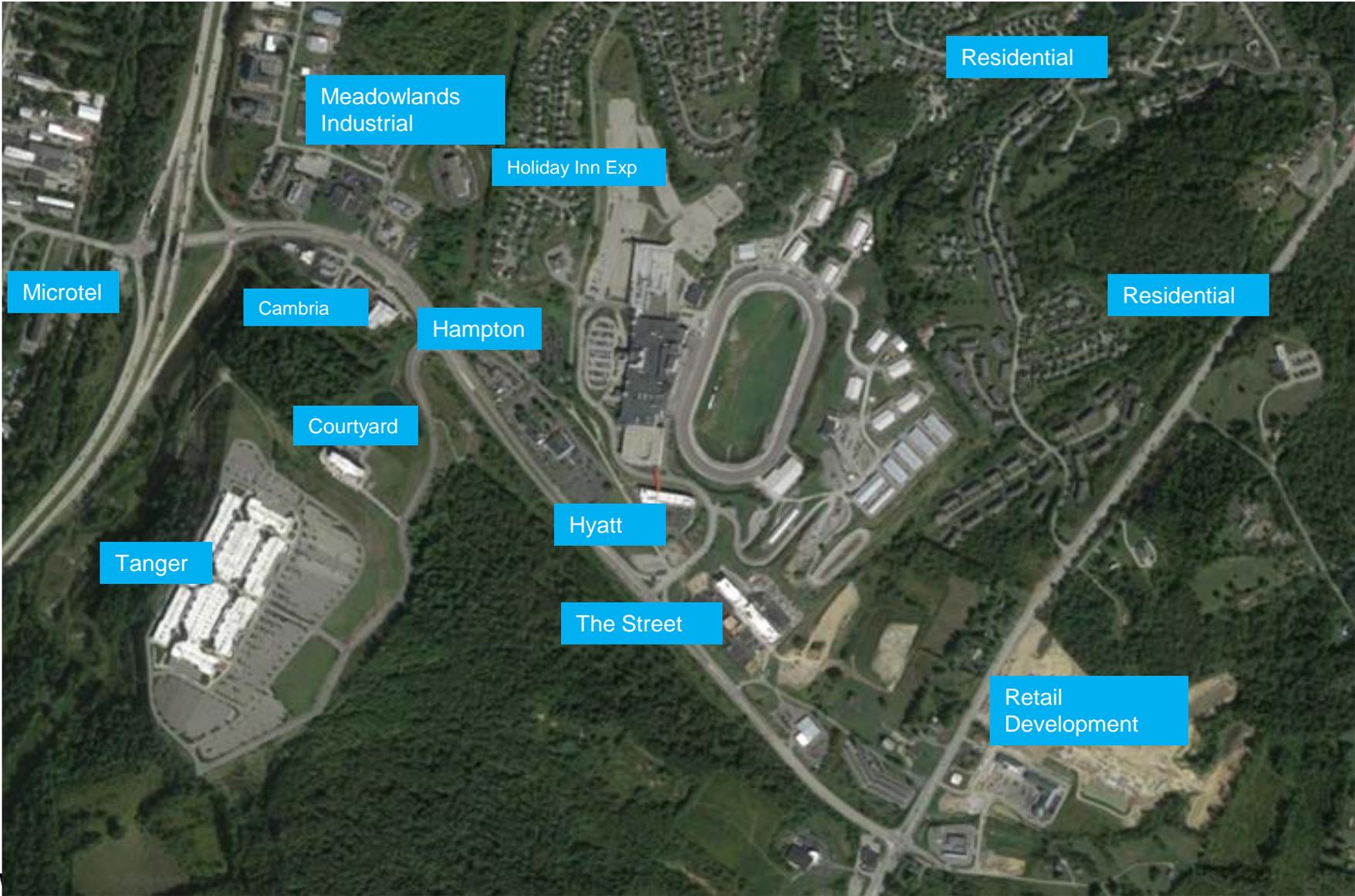
Guy Hillyer, Executive Vice President, Cannery Casino Resorts

Racetrack Road – 1993

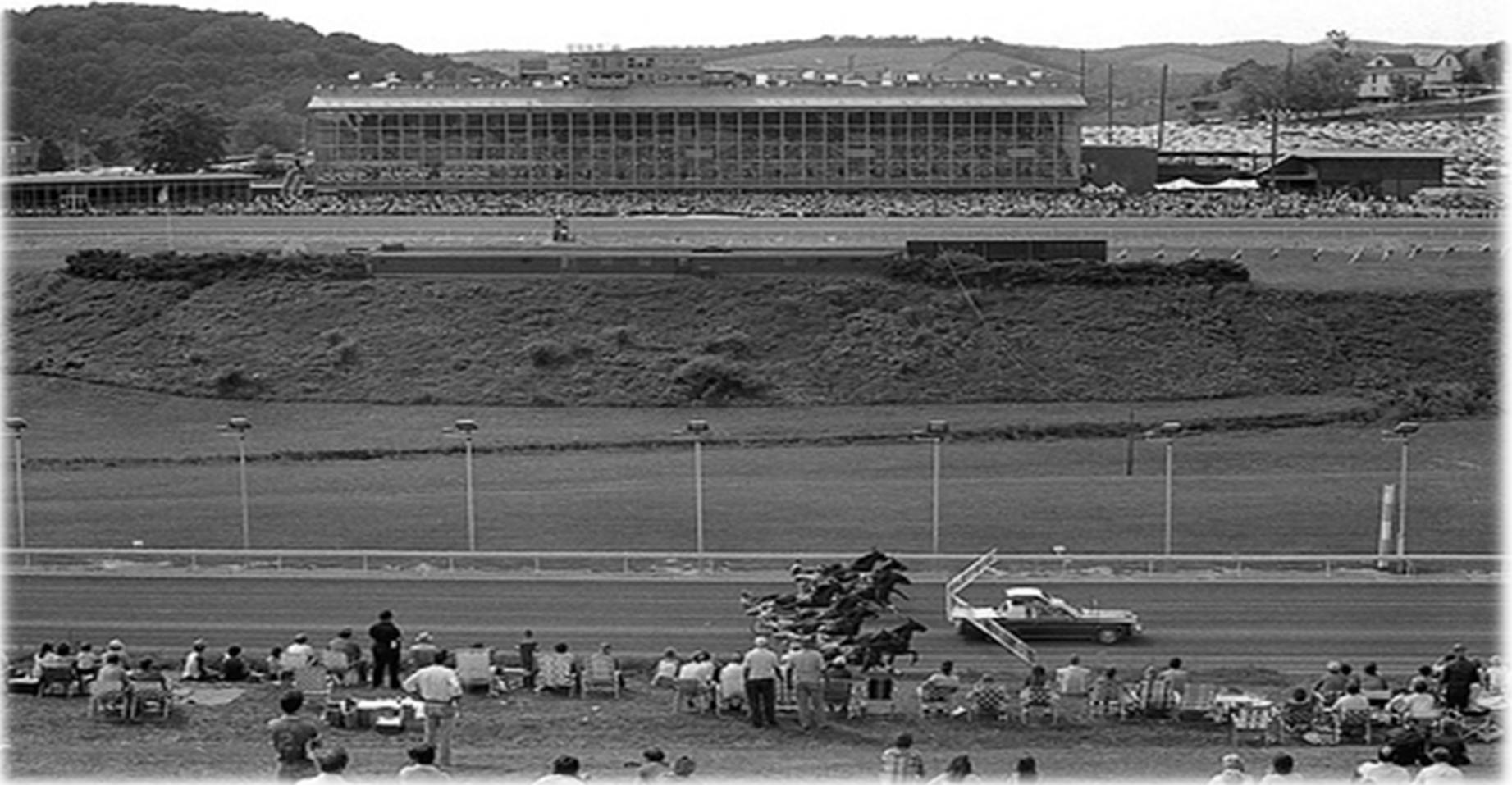


Racetrack Road – 2016

Over a Billion Dollars Invested...



Meadows Racetrack 1977



Meadows Racetrack & Casino 2016

The 150-Acre \$700,000,000 Entertainment Destination



Today's Meadows Racetrack, Casino and Hotel

Racetrack

- 186 Race Days Each Year
- Over 2,600 Races Annually
- 500 Seat Grandstand
- State of the Art Racebook
- 5/8 Mile Track
- 10-Race Paddock
- Training Track
- 600 Worldwide Export Simulcast Locations
- Harmar Off Track Betting Parlor (OTB)
- Advance Deposit Wagering

Dining (Over 1,000 Seats)

- Bistecca Steakhouse
- Carvery Restaurant
- Food Court
- Delvin's Snack Bar

Casino

- Slot Machines – 3,173 Units
- Table Games – 68
- Automated Roulette – 6
- Poker Room – 14 Tables
- High Limit Slots Parlor
- Adios Lounge
- High Limit Tables Room
- Clubhouse Slot
- 3,500 Parking Spaces
 - 2 Garages, Surface Space and Valet

Entertainment

- Trackside Outdoor Concerts – 3,000 Seats
- Headliners Showroom – 250 Seats
- Bowling Center – 24 Lanes
 - 4 Private Lanes
- Vibe Lounge – 80 Seats
- Cigar Bar – 35 Seats
- Meadows Event Center – 1,500 Seats
- Triple Crown Banquet Center (8,000 SF)

Harness Racing

Started in 1963

- \$25.5 Million Annual Operating Cost



Racing Economic Benefits

- 132 Racing jobs. Over 1,500 horsemen rely on racing
- \$130,000 Average Daily Purses Up From \$47,000 in 2003
- Paid \$1.37 million in pari-mutuel tax to the Commonwealth in 2015
 - \$317,745 in local property taxes (Meadows plus Harmar)
- Pari-mutuel wagering generated over \$4.5 million towards horsemen purse



Backside Improvements - \$11 Million Investment



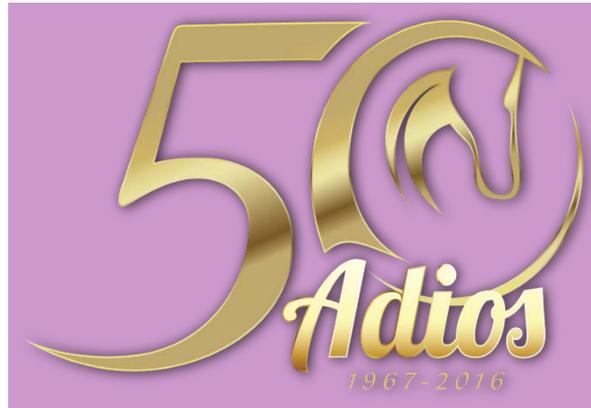
Up To 800 Horses Stabled On Property



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\$500,000 Adios Pace For The Orchids

50th Anniversary



Racing Personalities

Dave Palone

- 17,412 career wins
- Most ever in any type of horse racing (Thoroughbred, harness, or quarter horse)
- Collected the most wins in a year three times and Named Harness Tracks Driver of the Year on five occasions
- Inducted into the Harness Racing Hall of Fame



Ron Burke

- 2014 beat the record for the North American Trainer Annual Earnings Record \$28,395,784

Roger Huston

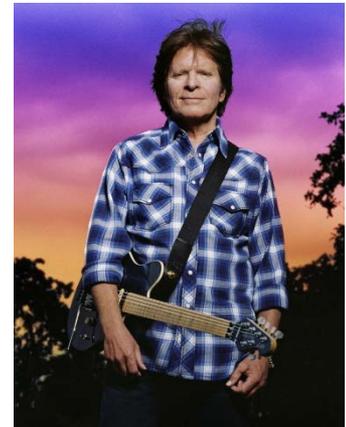
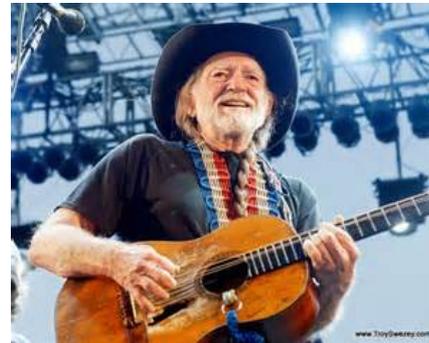
- Inducted into the United States Harness Writers Association Communicator's Hall of Fame.
- Awarded the Proximity Award in 2011
- Inducted into the Keystone Chapter of the USHWA Hall of Fame



2015 Kentucky Derby Viewing Party



Track Side Concerts



Live Championship Boxing

April 9, June 18, August 27



WFC

DOORS OPEN 6 PM

FIGHTS START 7 PM

WORLD FIGHTING CHAMPIONSHIPS

SATURDAY APRIL 9TH

LIVE CHAMPIONSHIP BOXING

THE MEADOWS RACETRACK & CASINO, 210 RACETRACK RD. WASHINGTON, PA 15301

VIP | \$100 RINGSIDE | \$50 GENERAL ADMISSION | \$25

PURCHASE TICKETS AT:
TICKETFLY.COM OR IN THE CASINO GIFT SHOP



Live King of the Cage

May 21, July 23, September 17

MMA FIGHTING RETURNS
THE MEADOWS CASINO PRESENTS
MAVTV
KING OF THE CAGE

MAY 21 · JULY 23 · SEPTEMBER 17
WWW.KINGOFTHECAGE.COM
FOR TICKET INFO, GO TO WWW.TICKETFLY.COM
ALL AGES WELCOME, UNDER 18 MUST BE ACCOMPANIED BY AN ADULT

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Hyatt Place Hotel

155 Rooms



Pedestrian Bridge / Indoor Pool / Parlay Lounge

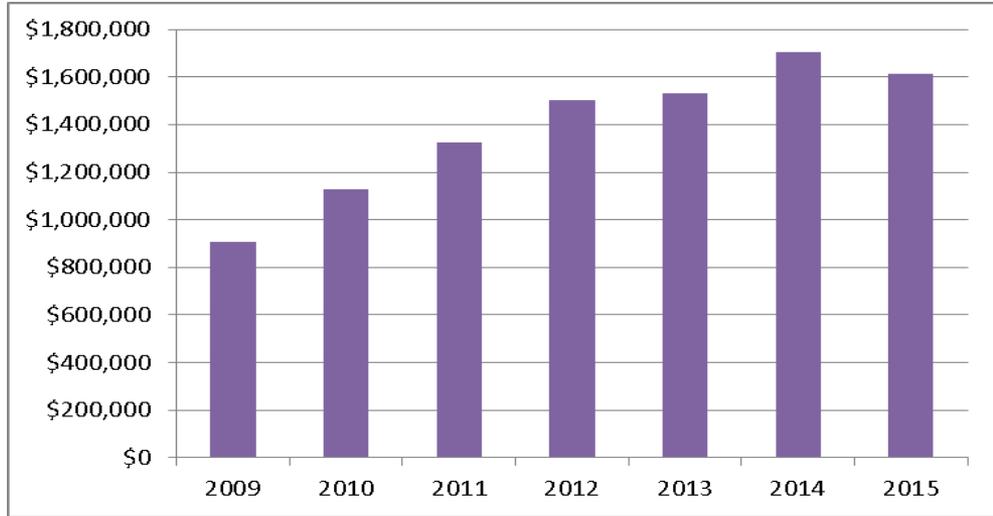


Area Hotel Rooms

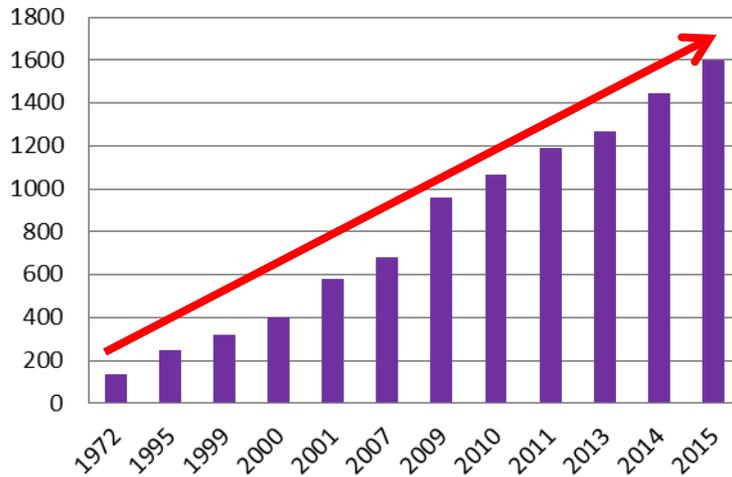
Over 1,600 Rooms

Hotel Tax	
2009	\$907,168
2010	\$1,127,124
2011	\$1,325,659
2012	\$1,502,348
2013	\$1,530,306
2014	\$1,705,898
2015	\$1,615,323

Tax Revenue



Rooms



Date	Hotel	Rooms
Jun-72	Hilton Pittsburgh South Meadowlands	138
Dec-95	Hampton Inn Washington	111
Mar-99	Comfort Inn	70
Feb-00	Springhill Suites	86
Oct-01	Hilton Garden Inn Pittsburgh Southpointe	175
Sep-07	Hampton Inn Meadowlands	103
May-09	Candlewood Suites	84
Sep-09	Homewood Suites Southpointe	113
Dec-09	Country Inn	81
Sep-10	Cambria Suites	105
Jun-11	Courtyard Marriott Meadowlands	124
Sep-13	Microtel	80
May-14	Holiday Inn Express Southpointe	90
Oct-14	Holiday Inn Express Meadowlands	87
May-15	Hyatt Place Pittsburgh South Meadows Casino	155

The Street at the Meadows

- 50,000 SF of Retail
- 93 Luxury Apartments
- Restaurants:
 - Primanti Brothers
 - Markook Mediterranean
 - Buford's Kitchen
- Great Clips
- More To Come!



\$93 Million “Campus” Capital Improvements...

Casino

- Slot Machines (**\$6.5 Million**)
- Poker Room (**\$550,000**)
- High Limit Slots & Adios Lounge (**\$800,000**)
- High Limit Tables Room (**\$1 Million**)
- Surveillance System (**\$2.5 Million**)
- Casino Carpet (**\$1.0 Million**)

Entertainment

- Headliners Showroom (**\$360,000**)
- Bowling Center – 24 Lanes (**\$130,000**)
- Vibe Lounge (**\$500,000**)
- Triple Crown Banquet Center (**\$900,000**)
- Event Center (**\$200,000**)

Parking Garage

- 1,400 Spaces (**\$15 Million**)

Dining

- Carvery Restaurant (**\$720,000**)
 - Kitchen Upgrade (**\$350,000**)
- Food Court (**\$320,000**)

Property Enhancements:

- Harness Racetrack & Backside (**\$11 Million**)
- Entrance Widening Project (**\$1.2 Million**)
- Retail Partner (**\$25 Million**):
 - “The Street at the Meadows” Retail
 - 94 Luxury Apartments
 - Five Restaurants
- Hotel Partner:
 - 155 Room Hyatt Place Hotel (**\$25 Million**)
 - Walkway to the Casino (**\$750,000**)

Slots Economic Impact

\$1.25 Billion Paid in Taxes & Fees

- As of December 31, 2015 – The Meadows’ Gross Terminal Revenue totaled **\$2.06 Billion**.
 - **61% (\$1.25 Billion)** of the **\$2.06 Billion** in revenues has been distributed to the Commonwealth for Tax Relief and the Pennsylvania Racehorse Development Fund for purse enhancements.

- Since opening on June 11, 2007, The Meadows has contributed over **\$1.01 Billion** in taxes/fees and **\$236 Million** in harness racing purse funds. These amounts have been distributed to the following entities:
 - Commonwealth of Pennsylvania (Property Tax relief) \$701 Million
 - Pennsylvania Racehorse Development Fund \$236 Million
 - Local Share Assessment (County, Township & Municipalities) \$123 Million
 - Economic Development Fund \$103 Million
 - Gaming License / Fee \$53 Million
 - Administrative Fees to the Commonwealth \$36 Million
 - Total Taxes, Fees and PRDF Purse Contributions Paid **\$1.25 Billion**

Note: Local Share Assessment of \$123 Million is made up of \$82 Million in Taxes & \$41 Million in Meadows “Shortfall” payment.

Table Games Economic Impact

\$45.6 Million Paid in Taxes & Fees

- Revenue:
 - Tables and Automated **\$178.7 Million**

- Taxes & Fees Paid:
 - Commonwealth of Pennsylvania \$22.9 Million
 - County Local Share \$1.8 Million
 - Township Local Share \$1.8 Million
 - Administrative Fees to the Commonwealth \$2.6 Million
 - Gaming License / Fees \$16.5 Million
 - Total Paid **\$45.6 Million**

Family Sustaining Jobs

1,300 Employees

- **Average Compensation for a Meadows Employee - Full Time Equivalent:**
 - \$44,600 Annually (including benefits)
 - Does not Include Tipped Income
 - 52% of all Meadows FTEs are in Tip Eligible Positions
- **Benefits Cost:**
 - 2009 Cost for Benefits \$6 Million (\$7,800 Per Employee)
 - 2016 Cost for Benefits \$14.5 Million (\$13,199 Per Employee) 142% Increase
- **Benefits at the Meadows Include:**
 - Free Meals in the Employee Dining Room
 - Comprehensive Medical
 - Free Dental & Vision Benefits
 - 401K Retirement Program / Company Match
 - Paid Vacation
 - Payment of Employee Licensing Fees
- **Local Economy Impact:**
 - Meadows Payroll & Benefits may have a positive local community impact of \$520 Million
 - Economists have stated that the local community impact of a business is 8 to 11 times the base Payroll & Benefits expense.

Diversity

▪ Employee Diversity:

○ Gender

- **49.1%** of Meadows' Workforce is Female (51.3% for Washington County)
- **38.75%** of Meadows' Management team is Female

○ Minority

- **5.27%** of Meadows' Workforce (5.1% for Washington County)
- **7.5%** of Meadows' Management Team

○ Residency

- **1,222** Employees Currently Reside in Pennsylvania (**91.6%**)

▪ Vendor Diversity:

- The Meadows' Purchasing Department works closely with other departments to promote ordering from MBE/WBE vendors
- The Meadows Purchasing Department encourages vendors which qualify as MBE/WBE to register on the Pennsylvania Department of General Services' web site

Mandatory Training Programs

(Based on Position)

- TIPS Alcohol Awareness
- Compulsive and Problem Gambling
- Bank Secrecy Act - Title 31
- Harassment and Diversity
- Internal Controls/SOP's
- Certified Coaching Program
- Blood-borne Pathogens
- Cardio Pulmonary Resuscitation
- OSHA Certifications

- Fundamentals of Management
 - Corrective Counseling
 - Effective Communication
 - Motivating for Optimum Performance
 - Appraising/Reviewing Job Performance
 - Legal Interviewing & Employment Law
 - Back to Basics
 - Guest Services
 - Social Media

Community Relationships

Neighborhood Partners - \$4.9 Million Spent

- Accents at the Quail
- Best Buy
- Big Red Wrestling
- Bob Evans
- Bruster's Ice Cream
- Claysville Elementary School
- Giant Eagle
- Grammy Rose's Bed n' Breakfast
- Home Depot
- Kohl's
- Jackson's Restaurant
- John F. Kennedy Catholic School
- Mr. Gyros
- Neighboring Hotels (1,000 Rooms)
- Palazzo 1837 Ristorante

- Peter's Township School District
- Phyllis' Fashions
- Roses of Perris
- Sarris
- Sears
- Shelley's Pike Inn Restaurant
- St. Patrick's School
- Steel City Harley
- Sunoco Canonsburg/South Fayette
- Tanger Outlets
- Texas Roadhouse
- Tim's Car Wash
- Treesdale Golf & Country Club
- Vitullo Travel Agency
- Xtreme Auto Glass

Community Relationships

Charitable Contributions - \$1.8 Million

- North Strabane Township VFD
- United Way of Washington County
- Children's Hospital Free Care Fund
- Washington City Mission
- Washington Women's Shelter
- Washington County Food Bank
- The Washington Hospital
- Washington County Children's Advocacy Center
- Wounded Warrior Project
- Senior Olympics of Western PA
- Muscular Dystrophy Association
- PA Women Work
- Special Olympics Pennsylvania
- McGuire Foundation
- The Canonsburg July 4th Parade
- Mental Health Association
- Ss. Simon and Jude School
- American Legion Auxiliary
- Disabled American Veterans
- Washington County Senior Center
- The Watchful Shepherd
- Breast Cancer Research Foundation
- Mel Blount Youth Foundation
- Soroptimist International
- The Pennsylvania Trolley Museum
- Washington Christian Outreach
- Jerome Bettis Foundation

Plus Over 433,000 Pounds or 217 Tons of Food Collected

Community Support

Contribution Box Program:

Guest deposit cash, chips or TITO Tickets in support local charities:

- Humane Society
- City Mission
- Canonsburg Hospital
- CASA for Kids, Inc. of Washington County
- Washington County Food Bank
- Women's Shelter
- Western Pennsylvania Wounded Warriors

Greater Washington County Food Bank



Washington Humane Society



City Mission



Canonsburg Hospital



Compulsive & Problem Gaming

- Partnered with the Council on Compulsive Gambling of Pennsylvania to provide public education, awareness and training regarding compulsive and problem gambling and the treatment and prevention of compulsive and problem gambling.
- Continue to work with the Council on Compulsive Gambling of Pennsylvania and the Board's Director of the Office of Compulsive and Problem Gambling to maintain a comprehensive training program, utilize updated training materials and ensure that all employees receive training on compulsive and problem gambling.
- Signage and brochures are available throughout the facility which inform our customers that help is available and how to obtain it.
- Procedures are in place to prevent underage gaming:
 - Patrons are met with signage at each entrance stating "NO one under 21 is Permitted".
 - Traffic flow devices are at each entrance to funnel patrons through Security Check Points.
 - Identification is requested from all persons who appear to be younger than the age of 30.
 - Electronic ID verification system to scan and determine the validity of a patron's identification.

Summary

“Promises Made – Promises Kept”

■ **Overview:**

- The Management Team and Ownership at The Meadows are deeply committed to its partnership with the Community, Horsemen, PGCB and Commonwealth.

■ **Highlights:**

- **\$700 Million** Investment
- **\$1.25 Billion** Slot Taxes / Fees and PRDF Purse Contributions
- **\$45.6 Million** Table Taxes / Fees
- **\$1.8 Million** Charitable and Sponsorship Contributions
- **\$4.9 Million** Neighborhood Partners
- **1,300** Employees – Family Sustaining Jobs
- Committed to Training and Compulsive & Problem Gaming



Thank You