



Washington Trotting Association, Inc.

## License Renewal Presentation

August 18, 2011

## **From the Meadows**

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**Bill Paulos, Principal  
Cannery Casino Resorts, Inc.**

**Guy Hillyer, Executive Vice President  
Cannery Casino Resorts, Inc.**

**Sean Sullivan, Vice President & General Manager  
Washington Trotting Association, Inc.**

**Mike Jeannot, President of Meadows Racing  
Washington Trotting Association, Inc.**

**Mike Keelon, Director of Compliance  
Washington Trotting Association, Inc.**

## Charitable Contributions

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|               | <b>Charitable/<br/>Community<br/>Outreach</b> | <b>Reported<br/>to Board</b> |
|---------------|---|------------------------------|
| 2007          | \$ 182,677                                    | \$ 153,787                   |
| 2008          | \$ 73,120                                     | \$ 50,392                    |
| 2009          | \$ 605,415                                    | \$ 348,792                   |
| 2010          | \$ 109,845                                    | \$ 41,268                    |
| 2011 YTD June | \$ 94,465                                     |                              |
|               | <u>\$ 1,065,523</u>                           |                              |

- Differences are attributable to:
  - 2007 – Exclusion of Community Outreach Contributions
  - 2008 – Exclusion of a Number of Contributions
  - 2009 – Exclusion of the Contributions to Volunteer Fire Departments from Opening Day of the Permanent Casino
  - 2010 – Identified Variance Prior Reports to PGCB
  - 2011 – YTD June Figures

# The \$535,000,000 Meadows Racetrack & Casino



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# A Visual Tour of the Meadows Racetrack & Casino

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## Entertainment

- Racetrack Grandstand – 465 Seats
- Racebook – 290 Seats
- Silks Lounge - 216 Seats
- Bowling Center – 24 Lanes
- Pacer Bar – 70 Seats
- Gibson's Cigar Bar – 35 Seats
- Outdoor Concerts - 3,000 Seats

## Dining (Over 1,000 Seats)

- Bistecca Steakhouse – 150 Seats
  - Patio Dining – 30 Seats
- Terrace Cafe – 322 Seats
  - Patio Dining – 152 Seats
- Food Court – 278 Seats
- Delvin's Snack Bar – 90 Seats
  - Patio Dining – 56 Seats

## Casino Action

- Slot Machines – 3,317 Units
- Table Games – 58
- Poker Room – 20
- High Limit Slots
- **High Limit Tables - New**
- **Clubhouse Slots – New**
- **Casino Level Race Window - New**

## Entertainment – Racing

208 Race Days – Home of the \$650,000 *Adios Pace for the Orchids* – Opened 1963



# Entertainment

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## Silks Lounge

“Live Entertainment & VIP Parties”



## Bowling Center

“24-Lanes with Private Room”



# Entertainment

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**Pacers Bar / Lounge**  
“Live Entertainment”



**Gibson’s Cigar Bar**  
“Racetrack Viewing”



# Entertainment

Outdoor Concerts – 3,000 Seats

Beach Boys, The Guess Who, Joan Rivers, Lonestar, Larry the Cable Guy & Ben E. King



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# Dining Options

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## Bistecca Steakhouse

“Voted One of Pittsburgh’s Best Steakhouses” *CBS TV*

“Voted Best Steak” *Whirl Magazine*



## Terrace Café

“Great Food - Great View of the Track”



# Dining Options

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## Food Court

“5 Great Eatery Outlets &  
Racetrack Viewing”



Delvin's Trackside Snack Bar  
“Racetrack Level”



# Adios Lounge “Taking VIP a Break From the Action”

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# Casino Action

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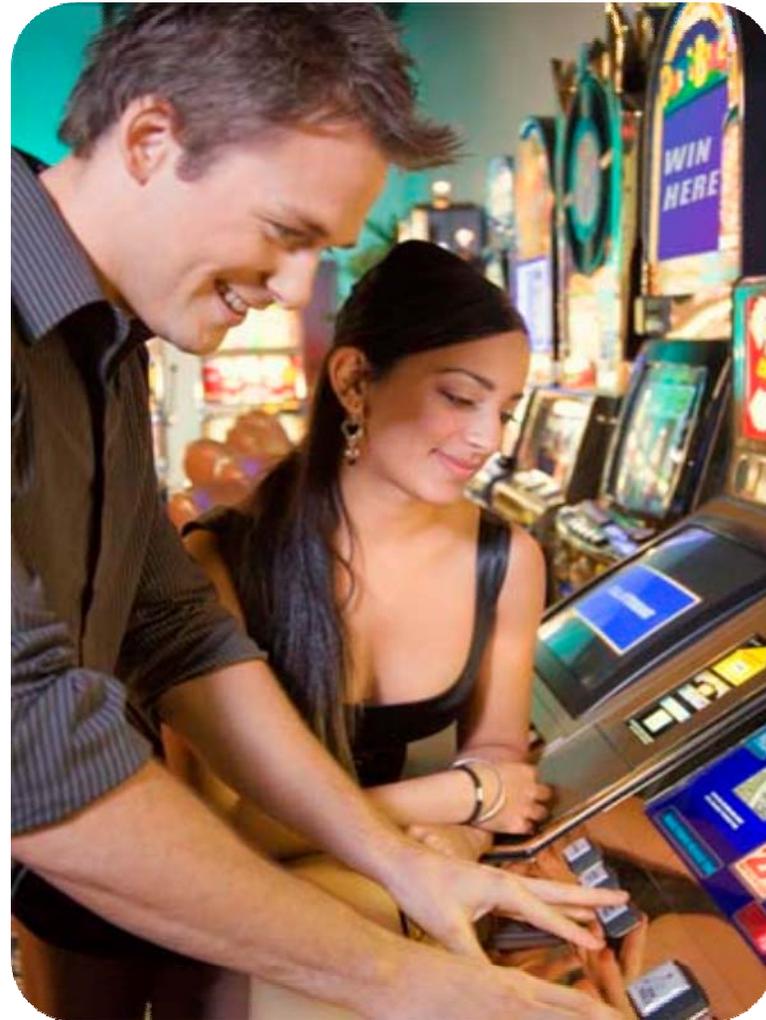
**3,317-Slot Machines**

**58-Table Games – *House Bank***

- 33 Blackjack
- 5 Craps
- 4 Roulette
- 2 Pai Gow Poker
- 1 Midi Baccarat
- 2 Mini Baccarat
- 2 Let it Ride
- 2 Texas Hold'em Bonus
- 4 Three Card Poker
- 2 Four Card Poker
- 1 Big Six Wheel

**20-Poker Room – *Player Bank***

- Video Poker Bar



# Casino Action

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## Clubhouse Slots

**“Better Experiences for Better Bettors”**



**Racetrack Betting Window**  
**“Adjacent to the Casino Floor**  
**Integration of Racing & Casino”**



## New \$1,000,000 High Limit Table Game Room

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# Meadows Racetrack - Harness Racing

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## Act 71 and The Meadows Harness Racing

- Total On-Track Handle Up 5.4% in 2010 vs. 2009
- 247 Racing Jobs Saved
- Over 1,500 Horsemen Rely on Racing
- \$144,600 Average Daily Purses Up From \$47,000 in 2003



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## 2011 Kentucky Derby Viewing “Packed Crowd”

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## 2011 *Adios Pace for the Orchids* Finals

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**The Number 3 horse, Alsace Hanover with driver Ron Pierce (right) breaks away from the pack in the home stretch of the Delvin Miller Adios at The Meadows in Washington County, Saturday July 30, 2011.**

# Backside Improvements - \$5,000,000 Investment

“New Barns: Two Open, Two Being Constructed & Two Being Planned”

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# Over 700 Horses Housed on Property Year Round Training Facility



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# Hanover Shoe Farms Horse Auction

2011: 31 Yearlings Sold for \$329,200

2006: 28 Yearlings Sold for \$176,100

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# Meadows Slots - Economic Impact

## \$650,000,000 Contributed

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- As of June 30, 2011 – The Meadows’ Gross Terminal Revenue totaled **\$1.02 billion**.
  - ❑ 64% of the \$1.02 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 **\$527.9** million in taxes/fees and **\$121.7** million in harness racing purse funds. These amounts have been distributed to the following entities:

|   |                 |
|---|-----------------|
| ❑ Commonwealth of Pennsylvania:             | \$347.0 million |
| ❑ Washington County Local Share Assessment: | \$40.8 million  |
| ❑ Economic Development Fund:                | \$51.0 million  |
| ❑ Administrative Fees to the Commonwealth:  | \$17.1 million  |
| ❑ North Strabane Township Local Assessment: | \$2.5 million   |
| ❑ Local Share Assessment:                   | \$17.6 million  |
| ❑ Gaming License / Fee:                     | \$51.9 million  |
| ❑ Pennsylvania Racehorse Development Fund:  | \$121.7 million |
  
- Total Taxes, Fees and PRDF Purse Contributions Paid: **\$649.6 million**

# Meadows Tables - Economic Impact

## \$22,000,000 Contributed

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### Table Games and Poker (Live July 2010)

- Drop: \$156.7 million
- Win: \$32.0 million

### Total Taxes / Fees Paid - \$22.1 million

- Commonwealth of Pennsylvania: \$4.5 million
- Washington County Local Share: \$320 thousand
- North Strabane Township Local Share: \$320 thousand
- Administrative Fees to the Commonwealth: \$476 thousand
- Gaming License / Fees: \$16.5 million

# Pennsylvania Casino / Racetrack Benchmark Report (2006 – 2010)

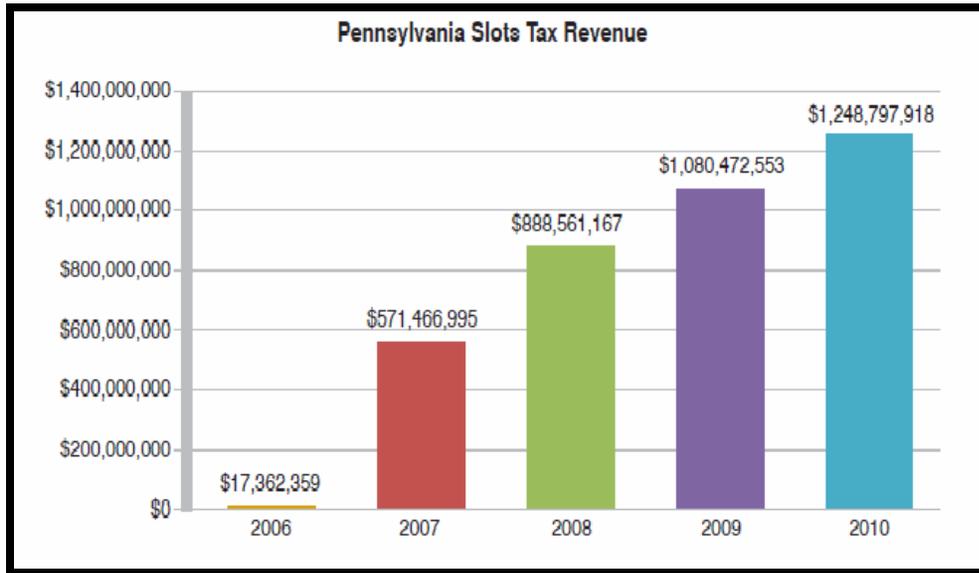
## Distribution of Slot Machine Gross Terminal Revenue



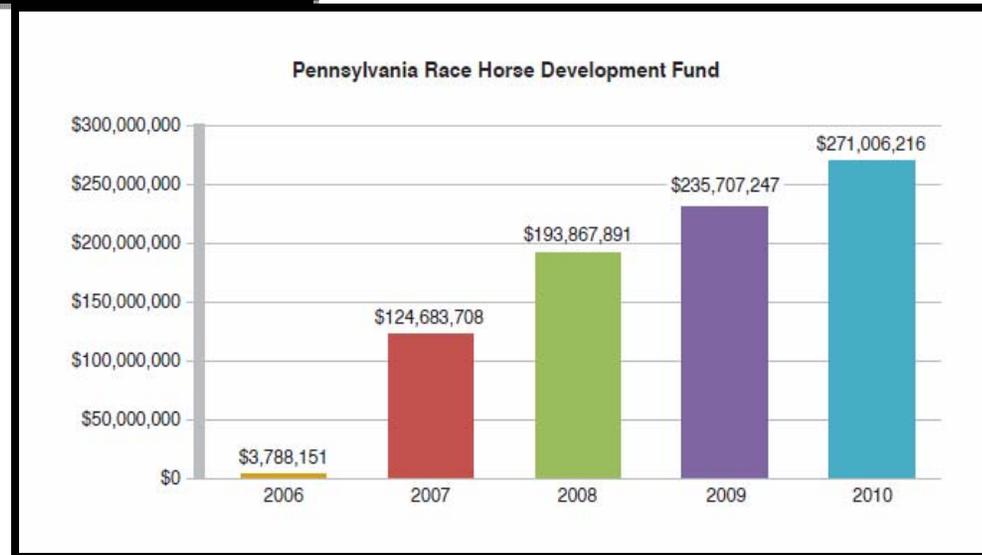
Pennsylvania law mandates the following split of revenue from each dollar generated by slot machine gaming:

- Licensee Retained Earnings - 45%
- Gaming Fund Property Tax Reduction - 34%
- Race Horse Development Fund - 12%
  - 66% - Purses
  - 4% - Health Insurance & Pension Benefits
  - 7% - PA Breeders Fund
  - 3% - PA Sire Stakes Fund
  - 3% - PA Standardbred Breeders Development Fund
  - 17% - General Fund
- Local Government Share - 4%
- Economic Development & Tourism Fund - 5%

# Pennsylvania Casino / Racetrack PGCB Benchmark Report (2006 – 2010)



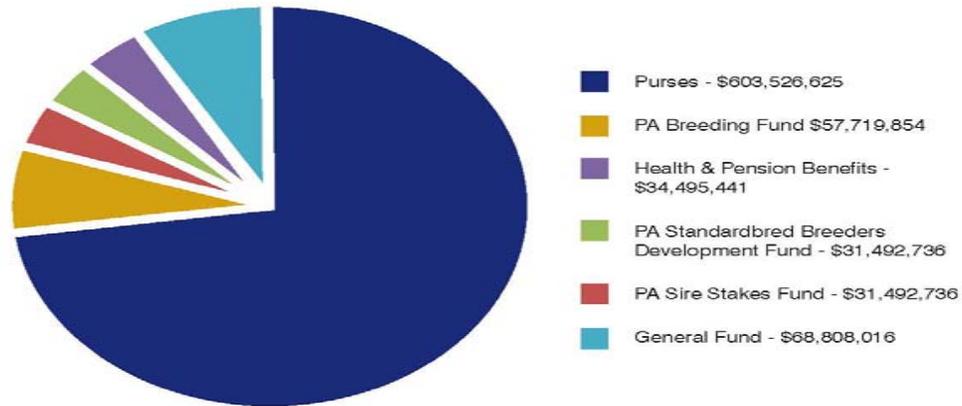
Note: Through 12/31/10 PRHDF Contributions from The Meadows is **\$121,794,000** (Starting with Temporary Facility)



# Pennsylvania Casino / Racetrack Benchmark Report (2006 – 2010)

**The Pennsylvania Race Horse Development Fund - Distributions**

Pennsylvania Race Horse Development  
Fund Distributions  
November 2006 - December 2010



|   | 2006         | 2007          | 2008           | 2009           | 2010           | TOTAL          |
|---|--------------|---------------|----------------|----------------|----------------|----------------|
| PURSES                                    | \$ 3,030,521 | \$ 99,746,964 | \$ 155,094,313 | \$ 188,565,798 | \$ 157,089,030 | \$ 603,526,625 |
| PA BREEDING FUND                          | \$ 190,328   | \$ 8,399,133  | \$ 14,681,313  | \$ 18,235,972  | \$ 16,213,108  | \$ 57,719,854  |
| HEALTH & PENSION BENEFITS                 | \$ 151,526   | \$ 4,987,348  | \$ 7,754,716   | \$ 9,428,290   | \$ 12,173,561  | \$ 34,495,441  |
| PA STANDARDBRED BREEDERS DEVELOPMENT FUND | \$ 207,888   | \$ 5,775,130  | \$ 8,168,775   | \$ 9,738,594   | \$ 7,602,349   | \$ 31,492,736  |
| PA SIRE STAKES FUND                       | \$ 207,888   | \$ 5,775,130  | \$ 8,168,775   | \$ 9,738,594   | \$ 7,602,349   | \$ 31,492,736  |
| GENERAL FUND                              | \$ 0         | \$ 0          | \$ 0           | \$ 0           | \$ 68,808,016  | \$ 68,808,016  |

*All statistics have been provided from various sources and have not been audited by the Pennsylvania Gaming Control Board*

# Community Support – Over \$1,000,000 and Climbing Not Including Food Drive Collections for FSP

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June 2007 – June 2011

- 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 Foundation
- Washington County Children's Advocacy Center
- The Uniontown YMCA
- Senior Olympics of Western PA, Inc.
- Muscular Dystrophy Association
- PA Women Work
- Special Olympics Pennsylvania
- The Canonsburg July Fourth Celebration, Inc.
- Mental Health Association
- Ss. Simon and Jude School
- American Legion Auxiliary
- Disabled American Veterans of Pittsburgh
- Washington County Senior Center
- The Watchful Shepherd, (a United Way Participant)
- Breast Cancer Research Foundation
- Mel Blount Youth Foundation
- Soroptimist International of Pittsburgh
- The Pennsylvania Trolley Museum
- Washington Christian Outreach

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# Giving Back

## 2011 Mel Blount Blackjack Tournament



## 2011 WVU Bob Huggins Roast



## 2.4 -Acres Donated to North Strabane

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# Neighborhood Partners

Over \$3,000,000 Spent – All Within 10 Miles from the Meadows

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- Accents at the Quail
- Auggie's Roadhouse
- Big Red Wrestling
- Bob Evans
- Bruster's Ice Cream
- Claysville Elementary School
- Giant Eagle
- Grammy Rose's Bed n' Breakfast
- Neighboring Hotels
- Jackson's Restaurant
- John F. Kennedy Catholic School
- Mr. Gyros
- Palazzo 1837 Ristorante
- Peter's Township School District
- Phyllis' Fashions
- Roses of Perris
- Shelley's Pike Inn Restaurant
- St. Patrick's School
- Steel City Harley
- Sunoco Canonsburg/South Fayette
- Tanger Outlets
- Tim's Car Wash
- Vitullo Travel Agency
- Xtreme Auto Glass

## Family Sustaining Jobs

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As of June 30, 2011 the Meadows Racetrack & Casino has 1,481 Employees

➤ Sample of Hourly Wage by Position:

|                    |            |                      |            |
|--------------------|------------|----------------------|------------|
| - Gift Shop        | \$10.51/hr | - Surveillance       | \$14.06/hr |
| - Cage/Credit      | \$14.09/hr | - Terrace Café (FOH) | \$12.55/hr |
| - Accounting       | \$14.76/hr | - Terrace Café (BOH) | \$11.83/hr |
| - Information Tech | \$18.52/hr | - Beverage Server    | \$10.53/hr |
| - Table Games      | \$28.38/hr | - Security           | \$12.38/hr |
| - Slot Operations  | \$25.85/hr | - Valet              | \$10.92/hr |
| - Player's Club    | \$11.54/hr | - Count Room         | \$12.62/hr |

➤ Average Compensation:

- **\$43,069** Based on July 2011 Actual Payroll

➤ Benefits Include (28% of Compensation):

- Free Meals in the Employee Dining Room
- Comprehensive Medical, Dental & Vision Benefits
- 401K Retirement Program
- Paid Vacation
- Payment of Employee Licensing Fees

# Training

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## The Meadows Trains its Workforce in the Following Areas

- ✓ TIPS Alcohol Awareness
- ✓ Compulsive and Problem Gambling
- ✓ Bank Secrecy Act - Title 31
- ✓ Harassment and Diversity
- ✓ Internal Controls
- ✓ Fundamentals of Management
  - Corrective Counseling
  - Effective Communication
  - Motivating for Optimum Performance
  - Appraising/Reviewing Job Performance
  - Legal Interviewing & Employment Law
  - Back to Basics
- ✓ Certified Coaching

# Diversity

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## ➤ Employee Diversity:

### – Gender

- 51% of Meadows' Workforce is Female (51.9% for Washington County)
- 39% of Meadows' Management team is Female

### – Minority

- 6% of Meadows' Workforce (4.8% for Washington County)
- 7% of Meadows' Management Team

### – Residency

- 1,121 Employees Currently Reside in Pennsylvania (90%)

## ➤ 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

# Team Meadows



Washington Trotting Association, Inc.



## Compulsive & Problem Gaming

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- 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.
- Worked with the Council on Compulsive Gambling of Pennsylvania and the Board's Director of the Office of Compulsive and Problem Gambling to develop and implement a comprehensive training program, 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.

# From the Beginning...

## Violations of the Act/Enforcement Actions

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- The Meadows has entered into 5 consent agreements with OEC which have been approved by the Board.
  
- Meadows has received approximately 26 warning letters on various topics such as:
  - Underage gaming and access to gaming floor
  - Issues associated with licensing and staffing
  - Failure to provide Board with certain notifications
  - Certain issues regarding game approvals
  - Mailing of promotional materials to two self-excluded patrons
  
- In Concert with The PGCB Corrective Actions were taken immediately to ensure compliance.

# The Future



**The Best is Yet to Come**

# Parking Garage & Event Center

Now Under Construction

1,400 Spaces / 24,000 Square Feet (1,000 Seats)



New Garage  
&  
Event Center  
Location

# New 22-Acre Proposed Hotel & Lifestyle Center



# Meadows Proud!

“Saying what we will do and doing what we say.”

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- The Management Team and Ownership at The Meadows is deeply committed to its partnership with the Community, Horsemen, the PGCB and the Commonwealth.
- **\$650m** Slot Taxes / Fees and PRDF Purse Contributions
- **\$22m** Table Taxes / Fees
- **\$1m** Charitable Contributions
- **\$3m** Neighborhood Partners
- **1,481** Employees – Family Sustaining Jobs
- Committed to Compulsive & Problem Gaming
- **The Best is Yet to Come - \$25m Expenditure – Jobs – Regional Investment**
  - Parking Garage
  - Multipurpose Event Center
  - Hotel
  - Retail Center
  - Backside Improvements

**Thank you!**