



PGCB Renewal Hearing
November 19, 2014



Introduction & Opening Statement

Bob Green, Chairman of the Board

Tony Ricci, Chief Executive Officer

Tom Bonner, Group VP/Legal & Chief Counsel

Ron Davis, Director of Diversity and Community
Development



Benefits to the Commonwealth

Parx Casino generates the highest revenues and gaming taxes among the Pennsylvania casinos. From opening in December 2006 through October 31, 2014:

- ❑ Total gaming taxes paid are \$1.616 Billion
- ❑ Tax revenues from slots are \$1.540 Billion
- ❑ Tax revenues from table games are \$76.2 Million



Commitment to Racing

- Since the opening of the permanent casino in 2009, we have expended \$30 million in investments and repairs to the backstretch
 - Renovated 28 of 36 barns and refurbished 12 dormitories
 - 8 remaining barns will be completed by May 15, 2016
 - Built a manure storage facility to promote best management practices and environmental compliance
 - Made various improvements and repairs to the backstretch
 - Paving work, roof repairs, etc.

- Paid Purses totaling \$58.6 million in 2013
 - Average purses per day were \$302,000



Although Parx Has Had Great Success in the Past, It Is Looking to Maintain that Success in the Future

- Although Parx presents the epitome of a success story since it opened its doors for business in 2006, it is well aware that the Pennsylvania gaming industry is facing new challenges as technology advances and competition increases.
- Parx management works every day to develop plans to assure that its business advances with the times and that its revenues and tax streams are maintained, and, in fact, increased.
- The Parx focus on technology allows Parx to operate at the industry forefront in areas like mobile gaming and social media games, and this focus will ensure that Parx is ready to pursue promptly any Pennsylvania gaming expansion initiatives such as Internet gaming.
- From a competition perspective, Parx continues to concentrate on the need for premium customer service and effective marketing, at the very top of the industry's standards.
- As long as Pennsylvania casinos are permitted to continue to operate on the level playing field they have been provided, Parx has the highest confidence that its success story will continue to the benefit of both Parx investors and the Commonwealth.
- With its recent applications in Massachusetts and Maryland, and its pending application in Philadelphia, Parx has demonstrated its willingness to pursue opportunities to build on its successes in Pennsylvania, both alone and with industry partners.



Financial Strength

- ❑ Parx Casino has been the top grossing casino in Pennsylvania for the last seven years.
- ❑ Parx Racing is the top racetrack in the state operating more than 200 live races year-round.
- ❑ Greenwood is well capitalized with one of the lowest leverage ratios in the casino industry.
 - ❑ Ability to fund expansions and acquisitions with equity
- ❑ Company is well respected in capital markets through the strength of balance sheet and cash flows.



Workforce Summary

As of October 31st, 2014

- ❑ 1,857 employees in the gaming operation
- ❑ 532 employees in the racing operation
- ❑ 1,512 employees (81%) are Pennsylvania residents
- ❑ 37% of our employees are representatives of various historically under represented groups
- ❑ 39% of our employees are women



Workforce Highlights

- ❑ Creation of 125 Full Time Permanent Executive, Managerial and Professional Positions
- ❑ 78% of All Advancement Opportunities Filled Internally
- ❑ Development of New Casino professions including:
 - Finance
 - Info. Technology
 - Food/Beverage
 - Warehouse
 - Wardrobe
 - Slot Operations
 - Human Resources
 - Transportation
 - Environmental Services
 - Marketing
 - Security
 - Surveillance
 - Retail
 - Facilities
 - Racing



Success in Diversity Initiatives

1. Employment
2. Contracting
3. Diversity Highlights
4. Awards and Recognition



Diversity in Employment

Minority (Historically Under Represented Groups)

- 37% of Total Employee Workforce
 - Local MSA is 10%

Female

- 39% of Total Employee Workforce



Diversity in Construction /Vendor Purchasing

- ❑ 26% of Total Expenditures for New Casino Construction Allocated to MBE/WBE's
- ❑ Local Business Enterprise /state expenditures 2006-2014 \$694 million out of \$1.3 billion spent (53%)
- ❑ Total MBE/WBE \$45,511,685 for period 2009-2014
- ❑ 10 "How to do Business with Parx" meetings with MBE/WBE/LBE suppliers, vendors with buyers for period 2006-2014
 - ❑ Over 600 outreach meetings with MBE/WBE/ LBE individual suppliers
- ❑ Maintain Active Membership with Eastern Minority Supplier Development Council of PA-DE-NJ
- ❑ Maintain an active membership with the Women's Business Enterprise Council



Diversity and Community Highlights

- ❑ We are an active member of various local business development groups:
 - Hispanic Chamber of Greater Philadelphia
 - African American Chamber of Commerce
 - Asian American Chamber of Commerce
 - Lower Bucks, Upper Bucks and Central Bucks Chamber of Commerce
 - Visit Bucks – Bucks County Convention and Visitors Bureau
- ❑ Over the last eight years, we have contributed more than \$1.6 million through Pennsylvania’s Educational Improvement Tax Credit (EITC) and Opportunity Scholarship Tax Credit (OSTC) programs with annual contributions of \$315,000 benefiting nine different grade schools and high schools in our Area



Diversity and Community Highlights

- ❑ Since 2006, \$50,000 in scholarships awarded to 80 college bound students of:
 - Bucks County Technical High School
 - Bensalem High School
 - Conwell-Egan and Arch Bishop Wood Catholic Schools
- ❑ Meet regularly with Bensalem Gaming Advisory Board to ensure that the advisory committee is informed about current operations and future plans
- ❑ Service on area Boards of Directors (e.g., American Red Cross, Network of Victim Assistance, Citizens Crime Commission, United Way of Bucks County, Lower Bucks Chamber, Livengrin)



Compulsive & Problem Gambling Highlights

- ❑ Worked with representatives of the Council on Compulsive Gambling of Pennsylvania (CCGP) to establish comprehensive compulsive and problem gambling training
- ❑ Incorporated compulsive gambling training into new employee orientation to ensure all team members are trained and aware
- ❑ Yearly \$25,000 contribution to CCGP
- ❑ Annual sponsor of CCGP education and training in eastern Pennsylvania.



Community Involvement

- ❑ Since 2006, Parx Casino has contributed generously to over 400 organizations
 - ❑ Donations were made to international, national, and local groups that support many varied causes, including:
 - ❑ YWCA Bucks County
 - ❑ Building a Better Bensalem Together
 - ❑ UNCF (United Negro College Fund)
 - ❑ Habitat for Humanity
 - ❑ Bensalem Health Fair for Seniors
 - ❑ American Red Cross
 - ❑ Council on Compulsive Gambling
 - ❑ Special Olympics
 - ❑ Bensalem Summer Concert Series
 - ❑ Bensalem Pride Day
 - ❑ NAACP Bucks County Annual Dinner
 - ❑ Livengrin Ride for Recovery
 - ❑ Bucks County Health Improvement
 - ❑ Libertae Halfway House Family House of Bensalem
 - ❑ Latino Leadership Alliance
 - ❑ Historic Philadelphia, Inc.
 - ❑ Bucks County Jewish Outreach Center
 - ❑ Bensalem Township EMS
 - ❑ Scholarship awards to Area High School graduates
 - ❑ EITC/OSTC contributions to education
 - ❑ Fallen Firefighters
 - ❑ Veterans outreach programs
 - ❑ Delaware Valley Crime Commission
 - ❑ Network of Victim Assistance
 - ❑ Child Advocacy Center
 - ❑ Bensalem Police Ride for Hero's
 - ❑ Bensalem Senior Citizens Community Center



Community Involvement

- ❑ Recognized by US Department of State - Diversity and inclusion in the top 100 businesses in the US
- ❑ Women's Business Enterprise Center Award of Excellence
- ❑ Bucks County NAACP award for community service
- ❑ Tourism Impact Award from Visit Bucks
- ❑ Bensalem Jewish Outreach Center community service award



Delivered on a Promise

Commitments Accomplished

- ❑ Job Creation
- ❑ Generation of New Business for Local Suppliers and Vendors
- ❑ Recapture Dollars Leaving State
- ❑ Catalyst for Future Capital Investment in Pennsylvania
- ❑ Significant Tax Benefits to the State
- ❑ Physical Improvement to the Track Amenities and Backside
- ❑ Diversity and Inclusion impact
- ❑ Involvement with Community Organizations
- ❑ Charitable Donations
- ❑ Hiring Locally and Utilization of Local Businesses
- ❑ Partnership with Educational Institutions
- ❑ Commitment to Participate in Efforts to Grow Area
- ❑ Open Communication with Local Authorities, Businesses and Residents of Area
- ❑ Compulsive Gambling Program and Training