

HOLLYWOOD *Casino*[®]

— MORGANTOWN —

Category 4 License Hearing Presentation by the Mountainview Thoroughbred
Racing Association to the Pennsylvania Gaming Control Board



PENN NATIONAL
GAMING, INC.

June 12, 2019

mychoice[®]

HOLLYWOOD

AMERISTAR[®]

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HOLLYWOOD
CASINO.COM[®]

MORE CHOICES. BETTER REWARDS.

INTRODUCTIONS



- John Finamore, Senior Vice President – Regional Operations
- Chris Rogers, Senior Vice President – Corporate Development
- Dan Ihm, Vice President & General Manager – Hollywood Casino @ Penn National Race Course

ABOUT PENN NATIONAL GAMING & HOLLYWOOD CASINO AT PENN NATIONAL RACE COURSE

John Finamore

Senior Vice President – Regional Operations

ABOUT PENN NATIONAL GAMING



- Started in 1972 as a single racetrack outside of Harrisburg, Pennsylvania
- Headquartered in Wyomissing, PA
- Through steady and disciplined growth, we've become North America's largest regional gaming operator with 42 properties in 19 jurisdictions
- Over \$5 billion in annual revenues; 30,000+ employees



SUPPORTING BERKS COUNTY



OUR CORE VALUES



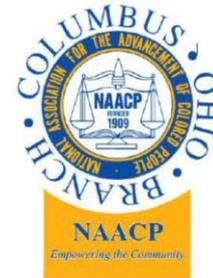
Provide an Unparalleled Guest Experience

Work Happy

Commitment to Diversity

Commitment to Community

Commitment to Responsible Gaming



Corporate Champion of Diversity



NATIONAL CENTER FOR RESPONSIBLE GAMING

HOLLYWOOD CASINO AT PENN NATIONAL RACE COURSE



- ~\$400 million property opened in 2008
- 907 Team Members
- 2,002 slots & 75 tables games
- Paid \$1.6 billion in taxes and fees;
\$156 million to Local Share Assessment
- \$338 million in salaries, wages, & benefits
- \$13 million annual local/state vendor spend



COMMUNITY INVOLVEMENT



- ~\$3.75 million for IBD research @ Milton Hershey Medical Center
- ~\$1.32 million to local and regional charities
- ~\$100,000 to local ACS Relay for Life



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DEVELOPMENT

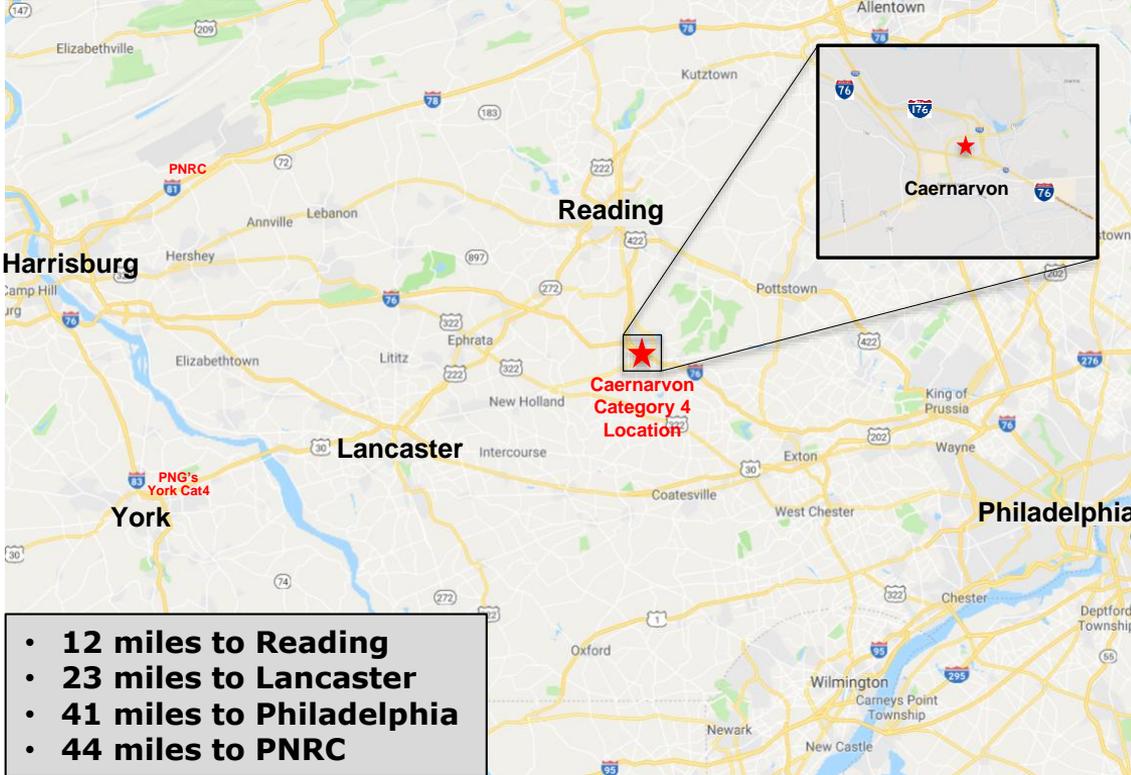
Chris Rogers

Senior Vice President – Corporate Development

CATEGORY 4 LICENSE TIMELINE



- Won the fifth auction on April 4, 2018 for \$7.5M
- Selected 15-mile territory centered in West Cocalico Township
- Caernarvon Township
 - “Greenfield” development on an undeveloped improved site
 - Intersection of I-76 and I-176
- Submitted gaming application to PGCB on October 31, 2018
- Public input hearing held on March 4, 2019



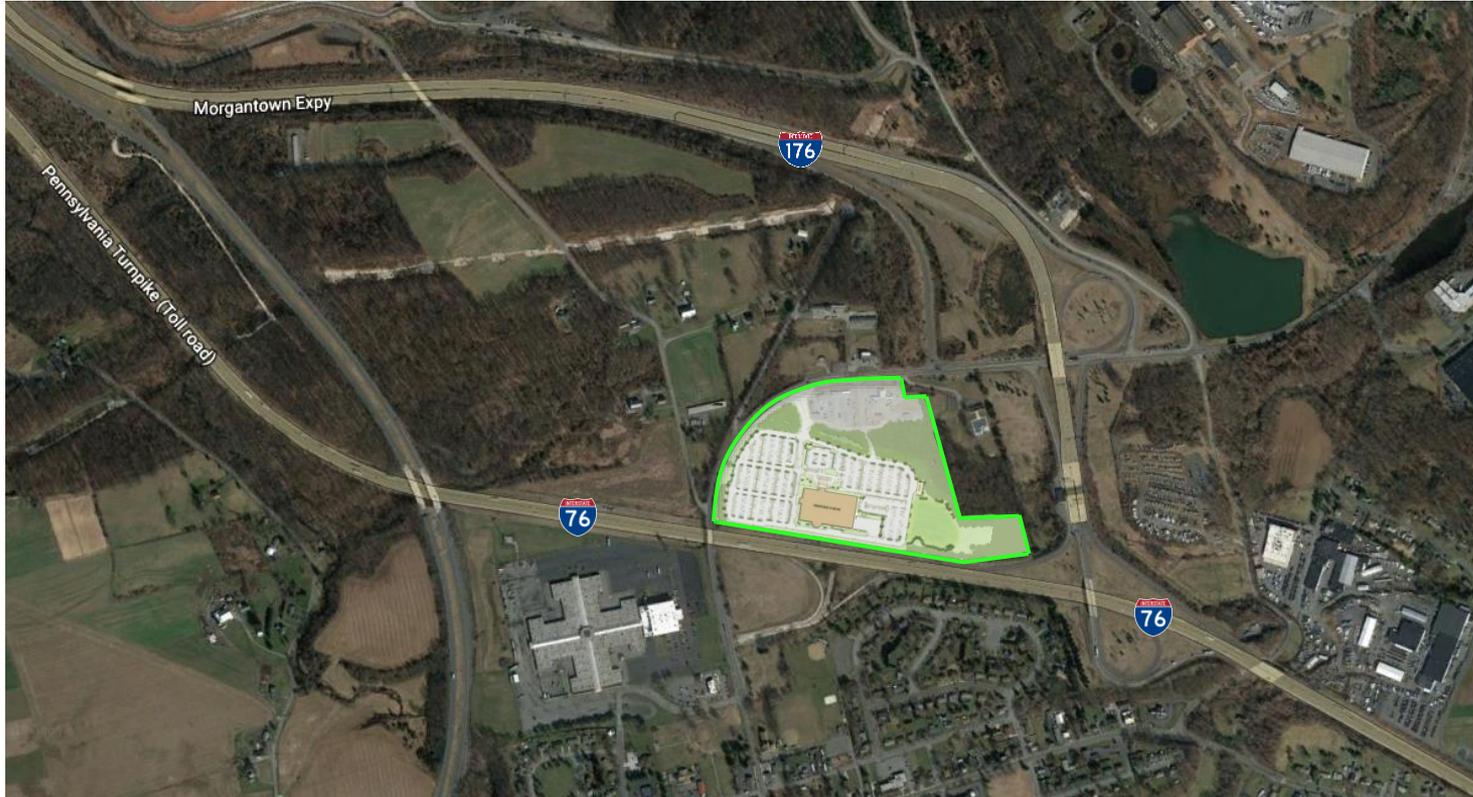
PROJECT OVERVIEW



- \$111M total budget
 - Inclusive of \$7.5M gaming license fee
- 85,900 SF in a single phase
- 750 slots & 30 tables
 - Expansion capability to 40 tables
- Sports and race book
- Signature restaurant & bar
- Food hall
- Bar and entertainment stage
- Target opening Winter of 2020



CAERNARVON (OVERHEAD SHOT)



SITE PLAN



FLOOR PLAN

GAMING COUNT

TABLE GAMES: 30
SLOTS: 750

FOOD SERVICE

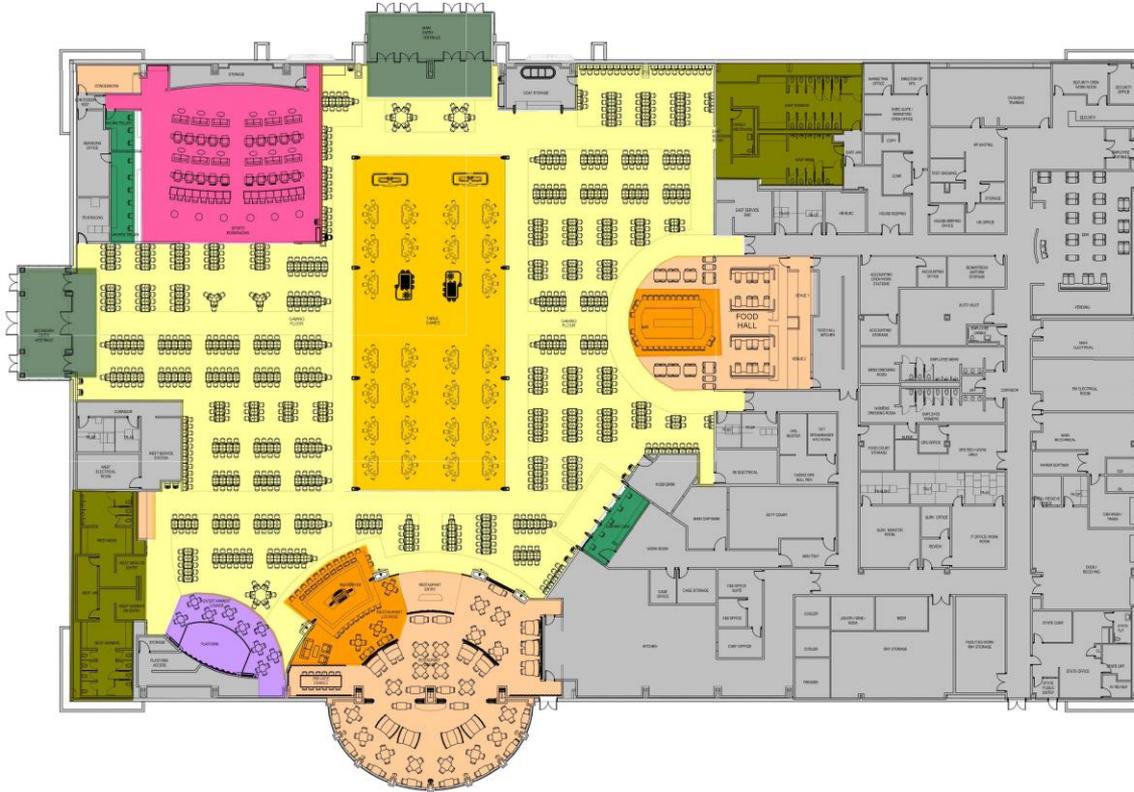
RESTAURANT DINING: 146 SEATS
PRIVATE DINING: 12 SEATS
RESTAURANT LOUNGE: 20 SEATS
RESTAURANT BAR: 9 SEATS

CASINO BAR: 13 SEATS

FOOD HALL DINING: 72 SEATS
FOOD HALL BAR: 29 SEATS

ENTERTAINMENT LOUNGE: 36 SEATS

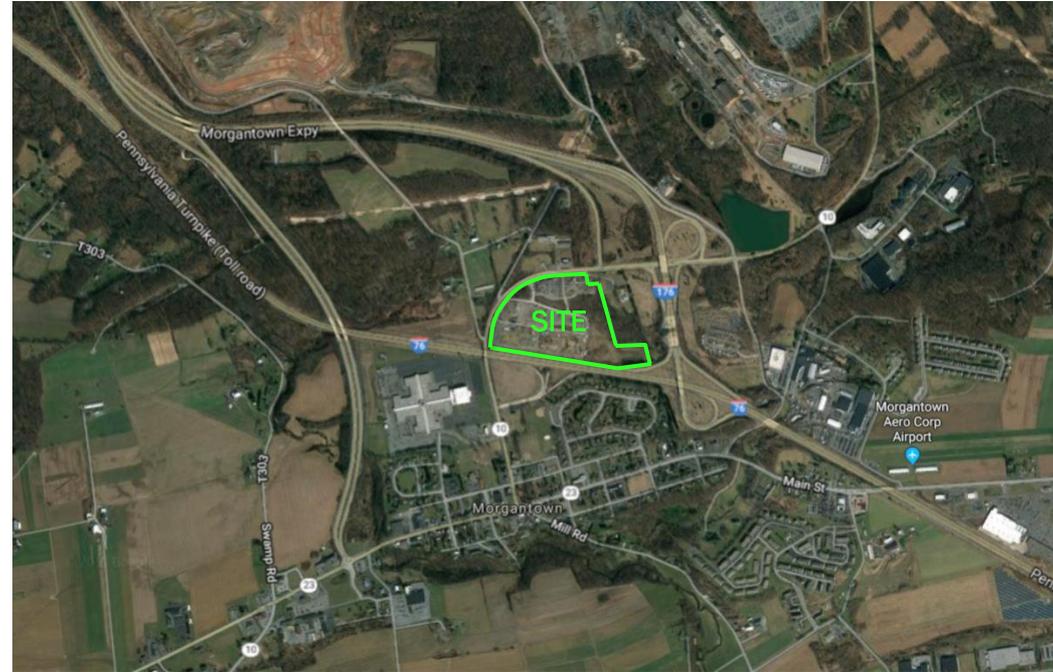
TOTAL = 337 SEATS



LEGEND

- CASINO - SLOTS
- CASINO - TABLE GAMES
- CASINO - SPORTS BOOK
- FOH SUPPORT RR
- CASHIER'S CAGE
- FOOD & BEVERAGE
- BAR
- ENTERTAINMENT
- BACK OF HOUSE

- Site was initially planned and designed to support a 200,000 square foot, mixed-use, retail development
 - Traffic infrastructure, including turn lanes and driveways, was designed to accommodate this project scale
- Hollywood Casino's development is significantly smaller (85,900 square feet)
- Langan Engineering & Environmental Services analyzed the anticipated casino traffic on 11 nearby intersections
 - Anticipated traffic to Hollywood Casino is much less than to the prior mixed-used development
 - Langan and PennDOT have determined the adjacent road network has sufficient capacity to accommodate the site generated casino trips



- Penn National and its advisors also identified and studied other potential local impacts, including:
 - Street Maintenance
 - Utilities (e.g. water, electric, sewer, etc.), and
 - Public Safety (including police, fire and emergency services)
- In each instance, the impacts of the proposed development were deemed negligible
- Development plan received unanimous approval from the Board of Supervisors of Caernarvon Township on March 12, 2019

- ~275 direct construction jobs and \$51.6 million in direct upfront construction expenditures
- One-time direct, indirect and induced positive impacts to the economy include:
 - **Caernarvon** - \$51.6 million, supporting 292 jobs and \$24.1 million in earnings
 - **Berks County** - \$83.2 million, supporting 500 jobs and \$33.7 million in earnings
 - **Pennsylvania** - \$102.5 million, supporting 590 jobs and \$38.7 million in earnings
 - **Other** - \$1.6 million in personal income, sales, and business taxes



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OPERATIONS

Dan Ihm

Vice President & General Manager



- ~250 direct Full Time Equivalent (FTEs) positions
- Benefits
 - 401k
 - Medical
 - Dental
 - Paid Time Off
 - Bonus Programs
 - Tuition Reimbursement
 - Professional Development
 - Free Table Games Dealer Training
- Representative of the Community

STAFFING	
FACILITIES/HOUSEKEEPING	6.7%
FINANCE/CAGE	11.8%
FOOD & BEVERAGE	22.7%
GAMING	42.1%
HR/ADMIN	1.0%
IT	1.0%
MARKETING	1.0%
SECURITY	8.9%
SURVEILLANCE	4.8%

- Training provided upon hire and annually thereafter
- Quarterly roundtable knowledge checks
- Daily pre-shift discussions
- State-of-the-Art ID verification system
- \$95,000 paid to Security Officers—\$100 for 100 Days Program



• • • **KNOW YOUR LIMIT** • • •

Initial Impact

- **Caernarvon** - \$73.0 million, supporting 276 jobs and \$8.5 million in earnings
- **Berks County** - \$118.8 million, supporting 550 jobs and \$19.8 million in earnings
- **Pennsylvania** - \$140.1 million, supporting 660 jobs and \$25.9 million in earnings
- **Other** - \$1.6 million in personal income, sales, and business taxes

Upon Stabilization

- **Caernarvon** - \$94.3 million, supporting 311 jobs and \$9.6 million in earnings
- **Berks County** - \$152.4 million, supporting 660 jobs and \$23.9 million in earnings
- **Pennsylvania** - \$179.7 million, supporting 790 jobs and \$31.8 million in earnings
- **Other** - \$1.9 million in personal income, sales, and business taxes



- ~\$1.6 Million annually in new revenues for Caernarvon Township upon stabilization
- Public Safety
 - Police
 - Fire
 - EMS



- Penn National is a highly reputable entertainment company that creates and operates high-quality facilities
- Proven record of civic and philanthropic involvement in Berks County
- Significant investment in Caernarvon/Morgantown area
- Creation of approximately 250 permanent jobs & 275 construction jobs
- Negligible impacts and costs
- ~\$1.6 million annually in new tax revenues for Caernarvon
- Strong local support from Board of Supervisors



Thank You



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