

1 COMMONWEALTH OF PENNSYLVANIA

2 GAMING CONTROL BOARD

3 * * * * *

4 IN RE: PETITION OF SANDS *

5 BETHWORKS FOR APPROVAL AND * Docket No. 1305-2010

6 THE ISSUANCE OF A CERTIFICATE*

7 TO CONDUCT TABLE GAMES *

8 PUBLIC INPUT HEARING TRANSCRIPT

9 BEFORE: LINDA LLOYD, Presiding Officer

10 GREG FAJT, Chairman

11 KEN TRUJILLO, Commissioner

12 HEARING: Thursday, March 11, 2010

13 10:00 a.m.

14 LOCATION: Bethlehem Town Hall

15 10 East Church Street

16 Bethlehem, PA 18108

17 WITNESSES: Roger J. Hudak, Mayor John Callahan,

18 Gregg Feinberg, Esquire, Joseph H.

19 Kricks, Donna Taggart, Larry E. Burd,

20 Paul Pierpoint, Edwin Rodriguez, Andy

21 Parker

22 Reporter: Sarah Wendorf

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A P P E A R A N C E S

ROBERT DESALVIO

Sands Casino Resort Bethlehem

77 Sands Boulevard

Bethlehem, PA 18015

Representative for Applicant

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P R O C E E D I N G S

PRESIDING OFFICER:

My name is Linda Lloyd and I'm the Presiding Officer assigned by the Board today to conduct this Public Input Hearing regarding the petition filed by Sands Bethworks Gaming, LLC to conduct table games at their casino. Before we begin, if you could please turn off or to vibrate your cell phones, Blackberries, et cetera, so we don't disturb any of the speakers today.

As the Presiding Officer, I call to order this Public Input Hearing regarding this Sands Petition For Approval and Issuance of a Certificate to Conduct Table Games, which was deemed complete and filed on February 22, 2010 at Docket Number 1305-2010. The date is Thursday, March 11th, 2010. The time is 10:00 a.m. And the location is the Bethlehem Town Hall, 10 East Church Street, Bethlehem, Pennsylvania 18018.

The Public Input Hearing is convened by the Pennsylvania Gaming Control Board, pursuant to the authority found in Sections 1205(b) and 1314A(b) of the Gaming Act. This public hearing was advertised on the Board's website, announced at a

1 previous Board meeting and was advertised in local
2 newspapers. Board members present for the hearing
3 today are, to my left, Chairman Greg Fajt, and to my
4 right, Commissioner Ken Trujillo.

5 The Board and its staff would like to
6 thank the City of Bethlehem for making this space
7 available to the Board for the hearing today. The
8 staff's cooperation has been essential in the
9 organization and holding of this Public Input
10 Hearing.

11 The purpose of the hearing is to allow
12 Sands Bethworks to present to the public its plan to
13 operate table games at its casino and to allow
14 individual members of the public, community groups
15 and elected officials and local government
16 representatives to express their thoughts and share
17 their concerns about the proposed project of the
18 Board.

19 The hearing will continue until the
20 last scheduled speaker registered has had the
21 opportunity to speak. The order of speakers today is
22 as follows. Petitioner, Sands Bethworks, will make
23 their presentation first. The Board members present
24 will then be able to ask them any questions. We will
25 then hear from any legislators, local government

1 representatives, community representatives and
2 individual members of the public who have registered
3 to speak in that order.

4 Sands Bethworks will have approximately
5 20 minutes to make their presentation. Each
6 government official will have approximately ten
7 minutes to speak. Community representatives groups
8 may speak up to five minutes, and individual members
9 of the public will each have approximately three
10 minutes. Each speaker should begin their remarks by
11 stating his or her name and spelling their last name,
12 and if speaking on behalf of an entity, the name of
13 the entity. This is for the benefit of the court
14 reporter. All speakers will be sworn in as a group
15 in a few minutes.

16 If you're speaking today and you have
17 written notes or testimony which you will read from
18 during the hearing, when you are finished, if you
19 would please give a copy of the testimony to the
20 court stenographer, who is sitting over here by the
21 table. That would be helpful.

22 This is an official Administrative
23 Hearing, so please treat this as if you were
24 attending a court proceeding. All witnesses please
25 speak loudly and clearly and into the microphone, so

1 that the court reporter and others can hear what you
2 have to say.

3 So, let's begin by having each of the
4 speakers that are registered today and those
5 providing testimony on behalf of Sands, if you'd
6 please raise your right hand for the court reporter
7 to swear you in.

8 -----
9 WITNESSES SWORN EN MASSE

10 -----

11 PRESIDING OFFICER:

12 I have several hearing exhibits to
13 enter into the record. Hearing Exhibit Number One is
14 the Notice of the Public Hearing sent the Sands. And
15 Hearing Exhibit Number Two are the written comments
16 received by the Board by the deadline established to
17 address this petition.

18 (Hearing Exhibits Numbers One and
19 Two marked for identification.)

20 PRESIDING OFFICER:

21 First comment received is from William
22 Harazim, H-A-R-A-Z-I-M, in support of the Sands'
23 petition. The second written comment is a resolution
24 from the Northampton County Council and while it does
25 not support or oppose, it asks that the Board set

1 conditions, specifically a timeline for the
2 completion of the greater project, including the
3 hotel if the Board grants the petition. And the
4 third is from Paul Pierpoint, P-I-E-R-P-O-I-N-T, and
5 his comment is in support of the petition.

6 Does the Sands have any objection to
7 the admittance of these documents?

8 MR. DESALVIO:

9 No.

10 PRESIDING OFFICER:

11 Then we will begin with Sands'
12 presentation.

13 -----
14 ROBERT DESALVIO, HAVING BEEN PREVIOUSLY SWORN,
15 TESTIFIED AS FOLLOWS:

16 -----
17 MR. DESALVIO:

18 Good morning. My name is Robert
19 DeSalvio, D-E, capital S-A-L-V-I-O. And I am
20 President of the Sands Casino Resort Bethlehem.
21 Approving table games certificate for the Sands will
22 create jobs, lead to new investment in Bethlehem,
23 allow Pennsylvania's growing gaming industry to
24 remain competitive in the regional marketplace. Our
25 Las Vegas, Nevada-based company indirectly owns and

1 operates the Venetian, the Palazzo, the Sands Expo
2 and Convention Center in Las Vegas and 90 percent of
3 the Sands Bethlehem, and owns approximately 70
4 percent of the Venetian Macao, the Sands Macao, the
5 Four Seasons in the People's Republic of China
6 Special Administrative Region of Macao. In addition,
7 Las Vegas Sands Corp indirectly owns the Marina Bay
8 Sands in Singapore that's currently under
9 development.

10 Combined, Las Vegas Sands Corps
11 operations worldwide include over one million square
12 feet of gaming space, in excess of 10,000 hotel
13 suites, thousands of team members and more than two
14 million square feet of convention and meeting space
15 in Las Vegas alone and world famous restaurants and
16 retailers.

17 On May 22nd, 2009, the Sands Bethlehem
18 opened for business. And on November 22nd, 2009, the
19 casino opened an expanded gaming floor, two new
20 restaurants and an additional lounge. The opening
21 and recent expansion was the product of a four-year
22 process and a \$743 million investment by Las Vegas
23 Sands Corp. The property currently has over 3,000
24 slot machines and electronic table games, six
25 restaurants, two bars, a live entertainment lounge, a

1 parking garage and surface parking that accommodate
2 4,700 cars and a gift shop.

3 The original build-out of the facility
4 created approximately 1,000 construction jobs with
5 more than 75 percent of the contractors being
6 Pennsylvania-based companies. In the last year we
7 have also hired hundreds of team members with more
8 than 90 percent of them being Pennsylvania residents.

9 We estimate that the staffing for the
10 table games department and other support areas will
11 maintain as many as 393 full-time equivalent
12 positions. The approval of table games at the Sands
13 will create approximately 100 construction jobs. The
14 total anticipated investment by Las Vegas Sands Corp
15 associated with providing table games in Bethlehem
16 will be approximately \$26 million.

17 Basic economic theory would predict the
18 indirect creation of other jobs in the Lehigh Valley,
19 which would also result in, among other things,
20 additional tax revenue to the Commonwealth and its
21 political subdivisions and a rise in consumer
22 spending for local goods and services. Furthermore,
23 Northampton County, Lehigh County, and the City of
24 Bethlehem recent ly announced a revenue sharing
25 agreement from anticipated table games tax proceeds,

1 which will benefit all residents of the Lehigh
2 Valley. The State portion of the anticipated table
3 games tax revenue will initially go into the State
4 General Fund and eventually be dedicated to property
5 tax relief.

6 The Sands has selected a director --- a
7 Table Games Shift Manager from the Venetian Las Vegas
8 to be the Director of Table Games Operations for the
9 Sands Bethlehem. He is a casino professional with
10 more than 20 years of direct casino management
11 experience. He has been in the Venetian Las Vegas
12 since 1999. He will be responsible for managing the
13 day-to-day table games operations and their team
14 members. Those operations will include overseeing
15 approximately 89 table games, such as poker,
16 blackjack, craps, roulette, baccarat, pai gow poker
17 and sic bo.

18 We have partnered with Northampton
19 Community College, who will offer dealer training
20 courses as part of their noncredit curriculum in
21 cooperation with the Atlantic Cape Community College
22 Casino Career Institute. They have hired a training
23 specialist with significant dealer training
24 experience to run the program. The college has
25 approximately 9,000 square feet of ready space in

1 which to conduct training. We will be hiring Table
2 Game Supervisors with significant dealer training
3 experience that will provide the initial training for
4 the students attending the dealer school.

5 We have estimated that we will need
6 approximately 285 trained dealers on June 21st, 2010.
7 We anticipate the vast majority of the dealers will
8 be Pennsylvania residents. Sands Bethlehem is an
9 equal opportunity employer and we expect that our
10 table games team members will reflect the diversity
11 of our surrounding communities, as well as that of
12 our current workforce.

13 Northampton Community College has
14 opened registration for all sessions of the dealer
15 training program as of March 3rd. The first training
16 session will begin on March 22nd, 2010. All of the
17 students who complete the training program must
18 audition and be selected by the Sands Table Games'
19 Team prior to being offered a position at the Sands.
20 We will conduct orientation and in-house training
21 from June 21st through June 30th, with an anticipated
22 opening date of July 1st, 2010, pending approval of
23 the Gaming Control Board. All dealers must be
24 trained in a minimum of two games and must be trained
25 in blackjack.

1 The gaming marketplace in this region
2 and across the country is consistently changing.
3 Pennsylvania must remain competitive in this
4 environment or we risk losing the tax revenue to
5 support property tax relief and economic activity.
6 Additional investment in our facility, improved
7 competitiveness in the marketplace makes approving
8 Table Games Certificate at the Sands an important
9 economic driver for Bethlehem, the Lehigh Valley and
10 the Commonwealth.

11 Thank you very much for the time this
12 morning. Thank you to the Board members for showing
13 up for the hearing. We have also brought with us a
14 floor diagram showing the outline of where table
15 games would go on our casino floor and that's
16 available for any one of you. And if there's any
17 questions, I'd be happy to answer them. Thank you.

18 PRESIDING OFFICER:

19 And I will turn it over to the Board
20 members for questions.

21 CHAIRMAN FAJT:

22 Bob, could you go up to the chart and
23 just for the public's edification, just kind of walk
24 through the table game area, what's there now, when
25 this is going to be put in and what it'll look like

1 after table games are up and running in the casino?

2 MR. DESALVIO:

3 All right. And I'll try to work my way
4 around, so I don't have my back to everyone.

5 Currently, we have a petition into the Gaming Control
6 Board to begin the reconfiguration of our floor.

7 That petition will be heard, I believe, next Tuesday.

8 PRESIDING OFFICER:

9 March 16th.

10 MR. DESALVIO:

11 In order to accommodate table games,
12 our floor in its present configuration is large
13 enough to accommodate all of the slots that we
14 currently need, as well as the 89 table games. But
15 it requires a series of sequential moves in order to
16 reposition the slot machines from where they are
17 currently residing into new locations on the floor,
18 to create space for the table games. So, that's the
19 first step of the process, that will be before the
20 Board next Tuesday in order to move that process
21 forward.

22 As far as the actual layout of the
23 floor, traditionally on a casino floor, it's
24 important to concentrate the table games into one
25 consolidated area, usually in a center part of the

1 casino floor makes the most sense, surrounded by slot
2 machines. We also want table games to be located
3 near the facilities they need to be near. For
4 example, the casino cashier cage. So, in this case
5 we've got the games laid out, in a sense, right in
6 the center of the floor between the two large lounges
7 that are currently in operation. We run the pits
8 perpendicular to the main aiseways so that it will
9 create an easy traffic flow for the guests. They can
10 walk through the aisles and find the games they want.
11 And again, it's a matter of trying to create energy
12 right out in the center of the casino floor.

13 So, the series of moves that will occur
14 over the next three months will be to reposition the
15 machines that are currently located in this table
16 game area to other locations on the floor, which will
17 free up the space in the center floor to institute
18 the games. We're trying to do that in a series of
19 incremental phases to not disrupt the gaming floor as
20 it exists today, and to make sure that we keep the
21 revenue stream coming in, not only for our company
22 but the Commonwealth.

23 And again, our timing is such that we
24 feel that we can be ready at the 1st of July. We
25 know that the Board has indicated that there's been a

1 six to nine-month window. That six to nine-month
2 widow is basically from July through September. We
3 would hope that we could be at the front end of that
4 window. We will be ready, willing and able. And
5 assuming that the on-floor team, the compliance team
6 and if everything goes as planned, we'd love to begin
7 operations in early July. But it'll be a series of
8 moves that will get us there.

9 We're also going to keep --- currently
10 we had --- we had 32 electronic table games. We've
11 removed four off of the floor, currently. We're down
12 to 28. We're going to keep six of those games and
13 we're going to run them in a side-by-side test. We
14 feel there's a number of customers that have grown to
15 like the electronic table games and we're going to
16 see how they perform when we go into the live table
17 game mode. So, we're intending to keep six of them.
18 And I think there's a certain audience that has grown
19 to really like those games. Maybe it's less
20 intimidating than having a live dealer. So, we're
21 going to see how that goes as part of our experiment.

22 CHAIRMAN FAJT:

23 Two other questions, Bob. Will you
24 have smoking and nonsmoking table games areas?

25 MR. DESALVIO:

1 Yes, we will.

2 MR. DESALVIO:

3 We are going to --- right now there is
4 a current line of demarcation right here (indicating)
5 across the center of the gaming floor. Everything to
6 my left here is the nonsmoking area, everything to
7 the right is our smoking area. And as you can see,
8 we located a nice mixture of table games in the
9 nonsmoking area, the electronic games are in the
10 nonsmoking area and then the entire poker room is in
11 the nonsmoking area. Most poker rooms in the United
12 States have gone nonsmoking. There's a lot of close
13 contact, it's a kind of a social activity with a lot
14 of people around the game. And I think a number of
15 years ago most poker rooms started to move towards a
16 non-smoking environment. So, we will have a nice
17 assortment of all of our games in the nonsmoking
18 areas with a very clean line of demarcation on the
19 floor separating non from smoking.

20 CHAIRMAN FAJT:

21 The 89 table games, I apologize if I
22 missed this, but how many of those will be nonbank
23 games?

24 MR. DESALVIO:

25 Twelve (12) nonbank.

1 CHAIRMAN FAJT:

2 Okay.

3 MR. DESALVIO:

4 Twelve (12) poker and 77 banked games.

5 CHAIRMAN FAJT:

6 Great. And my last question, can you
7 give us an update on the hot topic here in town, and
8 that is the hotel?

9 MR. DESALVIO:

10 Absolutely. We had a press release go
11 out just recently announcing the mobilization of the
12 development team. Very excited to get that project
13 moving forward. We think it means a lot, not only to
14 the facility, to the community. We're just in the
15 final stages of getting the numbers together and
16 expect that construction will begin very shortly on
17 that project.

18 MR. TRUJILLO:

19 Mr. DeSalvio, first of all, my main
20 point of reference is the burger place. So, can you
21 just tell me where Emeril's burger place is?

22 A. The Emeril's burger place is right here
23 (indicating).

24 MR. TRUJILLO:

25 Okay.

1 MR. DESALVIO:

2 This is in the --- actually the
3 northeast corner of the casino facility, right in
4 this box (indicating).

5 MR. TRUJILLO:

6 Okay. Thank you. What do you predict
7 the impact on slots revenue to be with the addition
8 of table games?

9 MR. DESALVIO:

10 Well, as part of the process, we made a
11 series of presentations to the legislature about the
12 impact of tables. And there's been quite a bit of
13 research done. The Innovations Group conducted a
14 study that estimated that slot revenue would grow
15 somewhere around three to three and a half percent
16 with the introduction of table games. So, we're
17 expecting that our slot revenues would actually
18 increase.

19 The main reason for that is right now
20 there are certain groups of customers where you have
21 sort of a mixed arrangement, one person in the group
22 plays tables, one person plays slots. And right now
23 if you have a social group or a couple that's looking
24 to come to visit a casino and we don't offer table
25 games, we're really not in their acceptable set of

1 choices, and they typically would go somewhere else.
2 They'll go to Atlantic City, they'll go to
3 Connecticut, they'll go to Las Vegas or some other
4 jurisdiction. So, there's a large group of people
5 that we think are missing. And by adding the table
6 games, not only does it bring new table game revenue
7 but it should actually increase our slot revenue.
8 So, we're estimating somewhere around three to five
9 percent. That's the number that, again, Innovations
10 came up with in the report and we support that
11 number.

12 MR. TRUJILLO:

13 And I believe you mentioned that the
14 table games would create 393 new jobs. Now, is that
15 FTEs or is that ---?

16 MR. DESALVIO:

17 That is FTEs, so the number will
18 actually be higher than that. The only reason we
19 can't peg an exact team member count is we're not
20 sure how many will be full-time versus part-time.
21 What happens at a table games operation, even though
22 we have 89 units, we suspect that the full complement
23 will only be in use probably on Friday evening,
24 Saturday, Saturday evening and maybe Sunday during
25 dayshift. And then during the week there's a lot

1 less activity. So, we do wind up in table games
2 operations with a number of part-time employees. So,
3 the total number of team members is yet to be
4 determined.

5 We want to see how that breaks out. We
6 think there is an opportunity --- some people are
7 looking for second employment and need additional
8 income in a family, so we might get somebody who has
9 a 40-hour-a-week job and they want to maybe just grab
10 a couple shifts with us and work on a part-time
11 basis. So, we suspect that the total number will be
12 higher than the FTE count, I just don't know what
13 that total number will wind up being.

14 MR. TRUJILLO:

15 And in terms of your expected salary
16 and benefit for the new jobs, in particular the
17 dealers, what do you have --- what's your expectation
18 there?

19 MR. DESALVIO:

20 The estimated range is about \$38,000 to
21 \$40,000, and that's comprised of a base wage. And
22 then in the table games department, typically a large
23 portion of the wage comes from gratuities from the
24 customers. It's very customary to leave tips at the
25 table. So, when you look at it across our region and

1 the nation, in general, we would expect somewhere in
2 the \$38,000 to \$40,000 a year range for a starting
3 dealer.

4 MR. TRUJILLO:

5 And do you have --- as part of your
6 high hiring plan, do you have any kind of a diversity
7 plan in place for the new hires?

8 MR. DESALVIO:

9 We absolutely do. We are, in a sense,
10 mimicking the diversity plan that we established as
11 part of the original hire process for the facility.
12 We've done quite well with that. I think we
13 testified at the relicensing hearing that we've made
14 great strides. We actually exceed the diversity
15 counts within our surrounding population area, and
16 we've been very proud of that. In particular, the
17 Southside of Bethlehem, which has a large Hispanic
18 population, Latino population, that makes up the
19 largest minority segment of our workforce. We have
20 no reason to believe that this new addition of hires
21 would be anything different from the existing mix
22 that we have and a great diversity amongst our team
23 members.

24 We're working with people in the area.
25 I know we've --- Olga Negron, who's the head of the

1 Spanish Speaking Organizations of the Lehigh Valley
2 Area has been working with us, trying to get the word
3 out about job opportunities for the team members.
4 So, we feel we'll have a very rich, diverse workforce
5 as part of this addition.

6 MR. TRUJILLO:

7 Just one comment on that, which is that
8 I would encourage you --- and an issue that's
9 important to me is in the hiring that you look at
10 diversity not just at the mid level and lower level,
11 but also professional, management and at the highest
12 level, and similarly, with your outside vendors, not
13 just construction, but also professional services and
14 the like.

15 MR. DESALVIO:

16 Right.

17 MR. TRUJILLO:

18 Thank you. That's all I have.

19 CHAIRMAN FAJT:

20 One follow-up question to what
21 Commissioner Trujillo asked on the diversity issue.
22 Bob, do you have those numbers off the top your head?
23 And if not we can go back and look at the relicensing
24 hearing numbers, but do you know what your diversity
25 numbers are right now?

1 MR. DESALVIO:

2 Off the top of my head, I don't.

3 CHAIRMAN FAJT:

4 Okay.

5 MR. DESALVIO:

6 But obviously, we can present that ---

7 CHAIRMAN FAJT:

8 Right.

9 MR. DESALVIO:

10 --- as part of the relicensing.

11 CHAIRMAN FAJT:

12 Right. No problem. We'll go back to
13 the record and get those. Thank you.

14 PRESIDING OFFICER:

15 Do you have any follow-up from the
16 questions?

17 MR. DESALVIO:

18 No.

19 PRESIDING OFFICER:

20 All right. Okay. Then we will begin
21 with the public comment portion of the hearing. As I
22 call your name, if you would please come forward to
23 the podium? And I would remind each speaker to
24 please state and spell your last name before you
25 begin. Our first speaker is Mayor John Callahan. I

1 did not see him.

2 MR. DESALVIO:

3 His assistant stopped down earlier,
4 mentioned he was delayed and will be coming in a
5 little bit.

6 PRESIDING OFFICER:

7 Then we will hear from him later on.

8 MR. DESALVIO:

9 She approximated about 10:30.

10 PRESIDING OFFICER:

11 Okay. And then we will hear from Roger
12 Hudak.

13 -----

14 ROGER HUDAK, HAVING BEEN PREVIOUSLY SWORN, TESTIFIED
15 AS FOLLOWS:

16 -----

17 MR. HUDAK:

18 Ladies and gentlemen of the
19 Pennsylvania Gaming Control Board, I'm Roger Hudak.
20 That's R-O-G-E-R H-U-D-A-K. I live at 1256 East
21 Fifth Street. I am the Chairman of the Southside
22 Task Force here in Bethlehem. I'm also the block
23 watch captain for the South East Neighborhood Block
24 Watches, which are in the neighborhood where the
25 casino exists on the Southside. I do not work for

1 City Hall. I'm a volunteer. I'm a retired resident
2 of South Bethlehem and I live 400 yards south of the
3 Sands Bethlehem Casino Resort. I do not work for the
4 Sands. It works for me and my community. I do not
5 represent them. I fully support them, however, in
6 this project, and have from the beginning.

7 The addition of table games at our
8 casino here in Bethlehem is the vital next step in
9 the transformation of what once was a huge 130-acre
10 brown field into what will be a tourism destination
11 that provides thousands of jobs for Lehigh Valley
12 residents, a taxpaying hotel convention center with
13 casino on that site that provided no tax income for
14 this city and county for more than a decade. The
15 partnerships with ArtsQuest's Stacks, National Museum
16 of Industrial History, Steelworkers' Archive, the
17 City of Bethlehem and PBS Channel 39 has made it
18 possible for this Renaissance to continue, even
19 through the horrific recession and near financial
20 collapse of America's economy this year. Without
21 table games, this progress will be thwarted. Yes,
22 it's that important.

23 The table games will add close to 400
24 jobs in the city. If Sands can duplicate the
25 percentage rate that we just heard of local hires,

1 that's quite a crowd of newly employed Lehigh Valley
2 residents. That is vital to our local economy and
3 the future of the entire site. This seems to be a
4 tiny step for some people, but in this economy it's a
5 gigantic step for Bethlehem. The jobs have always
6 been a major factor in my personal support for this
7 vast project. And tables will bring jobs along with
8 a greater potential for Las Vegas Sands to continue
9 to build out the resort. It will help Stacks the
10 museum and the historic preservation of the rest of
11 the site. That is very important to me and always
12 has been.

13 As a citizen of Bethlehem, I am very
14 happy with the phenomenal progress made by Las Vegas
15 Sands during this project. We trusted them with our
16 city and they have delivered far beyond any
17 expectations. I consider Sands to be a stalwart
18 member of the community whose executives and
19 workforce is totally receptive to our wants and
20 needs. This is a partnership that is working with
21 the guidance of Sands Bethlehem's totally accessible
22 president Bob DeSalvio at its helm, with the partners
23 I previously mentioned. This project fits the
24 parameters of the gaming law's initial hope of urban
25 renewal of a city that lost 20 percent of its tax

1 base with a bankruptcy of Bethlehem Steel. And if
2 the addition of table games to this casino will help
3 ensure that success, I strongly endorse the Gaming
4 Control Board awarding Las Vegas Sands Table Games
5 License for Sands Bethlehem. It's the next step in a
6 wonderful project. Thank you.

7 PRESIDING OFFICER:

8 Thank you. And I see the Mayor has
9 arrived. So Mayor Callahan? And if before you
10 begin, I can have the court reporter swear you in?

11 MAYOR CALLAHAN:

12 Oh, certainly.

13 -----
14 MAYOR JOHN CALLAHAN, HAVING FIRST BEEN DULY SWORN,
15 TESTIFIED AS FOLLOWS:

16 -----
17 MAYOR CALLAHAN:

18 I've conducted a lot of wedding
19 ceremonies in here. There's been a lot of I dos.
20 I'd like to thank the Pennsylvania Gaming Control
21 Board for the opportunity to speak in support of the
22 Sands Casino Resort Bethlehem Application, and I
23 appreciate you fitting me into this schedule this
24 morning. New jobs, new investment and new revenue
25 are all things that are needed here in the Lehigh

1 Valley and certainly across the country. It is for
2 these reasons that I'm very proud to support the
3 Sands License Application for Table Games before you
4 today.

5 Expanding their license as soon as
6 possible is important, because we need the jobs that
7 these games will create here in the valley. Adding
8 85 table games to the Sands project will likely
9 create upwards of 350 new family-sustaining jobs in
10 the valley. It is in addition to the roughly 1,000
11 new direct jobs that were created when it opened its
12 resort in May of 2008. The opening also created
13 opportunities for indirect jobs needed to provide
14 ancillary support to the resort itself. And the
15 announcement last week that the Sands is planning to
16 restart their hotel project at the site is great news
17 for us all, and a significant change in thinking from
18 just a month ago when last we met in this very place.

19 Finishing the hotel will generate new
20 construction jobs at a time when the Lehigh Valley
21 skilled craftsmen desperately need work. Once
22 opened, the hotel will also lead to hundreds of new
23 permanent jobs needed to operate and support the
24 hotel. The completion of the hotel will be a great
25 leap forward to the overall completion of this

1 project. The Sands has been an economic engine that
2 has helped the Lehigh Valley weather both the
3 regional and national economic downturn that we've
4 all experienced.

5 Granting this license now will also
6 bring new host fee revenues to the Lehigh Valley
7 along with additional tax revenue to the
8 Commonwealth. The legislation table games,
9 permitting table game expansion and the unique and
10 groundbreaking agreement to share those local host
11 fees among local governments here in the Lehigh
12 Valley has been critical to the local --- the funding
13 of local government. This agreement is a model for
14 regional cooperation. One that I know is admired by
15 many in the Commonwealth and something that I was
16 very proud to have helped craft. The new Host Fee
17 Sharing Agreement associated with table games
18 includes Easton along with Allentown, Bethlehem,
19 Lehigh County and Northampton County, as well as the
20 contiguous communities to Bethlehem. To date, our
21 Revenue Sharing Agreement has provided almost \$9
22 million to our local governments in order to help
23 them keep our streets safe, maintain essential
24 services, balance our budgets and provide needed
25 capital to improve our public infrastructure. This

1 arrangement is recognition that we here in the Lehigh
2 Valley share in each other's successes and that only
3 by working together will we ensure that the Lehigh
4 Valley remains a great place to live, to work and to
5 raise a family.

6 I also wanted to break down --- I think
7 I brought the revenue and maybe you discussed this
8 earlier in the meeting, but --- and if you did, I
9 apologize. But it is close to \$9 million. The
10 actual numbers are \$8.9 million, actually \$8,982,000.
11 \$5.2 million to the City of Bethlehem, \$1.9 million
12 to the City of Allentown, \$512,000 to Northampton
13 County, \$853,000 to Northampton County for grants for
14 contiguous municipalities, \$398,000 to Lehigh County
15 itself. And \$56,000 for grants for contiguous
16 properties --- or municipalities. So, it really has
17 --- that revenue sharing really has had broad impact
18 here in the Lehigh Valley.

19 When I first came out in support of the
20 Sands' application for a Gaming License a number of
21 years ago, I think we all recognize that many in the
22 community spoke up against the project. But I
23 believed then and I believe now that the Sands could
24 be and would be the economic engine to help drive the
25 redevelopment of the old Bethlehem Steel site.

1 When Sands was awarded a Gaming
2 License, I promised all of you on the Board, and more
3 importantly the residents of Bethlehem, that this new
4 resort when completed would be an example of how
5 gaming can be introduced into a community and help
6 drive economic development. We are well on our way.
7 The Sands has been an excellent corporate citizen,
8 and I am pleased that they have announced again their
9 intention to restart their hotel soon. With the
10 Sands' investment in this property, the vision that
11 this community had for the site is quickly becoming a
12 reality. And for its part, the city has worked with
13 the Sands to ensure that the land development process
14 has moved seamlessly, especially when the Sands --- I
15 think we're all happy that they did, asked to move up
16 the original opening date.

17 While construction was underway, the
18 city worked to maximize the potential positives of
19 the project and minimize any potential negative
20 consequences. Not only did the city ensure that
21 there was proper sewer and water and road networks in
22 place, the city hired additional police officers and
23 firefighters to ensure that city services were not
24 impacted negatively upon the opening of the casino.
25 These proactive steps have paid off. Even with the

1 increased visitors to the city brought by the casino,
2 crime has actually dropped again this year, making
3 the third straight year that we've seen a decrease in
4 crime in Bethlehem. Overall crime has fallen by nine
5 percent in the City of Bethlehem year over year, '08
6 to '09.

7 And we are proud of what was built and
8 excited at the prospects of Sands finishing phase one
9 of its project. This project has been a tremendous
10 success for the Lehigh Valley and a strong addition
11 to our business community. It has brought new jobs,
12 new investment and new life to a vacant brown field
13 site at a critical time for Bethlehem and this
14 region. We need to keep building upon the success,
15 and the Pennsylvania Gaming Control Board can do that
16 by approving the Sands application quickly,
17 implementing table games quickly, so that we can all
18 benefit from the jobs that it will bring.

19 In closing, I think back to my final
20 --- to the remarks that I made in Allentown during
21 the first application process for slots. And I said
22 to you then that there's going to be a point in this
23 entire process where we've now moved from slots to
24 table games and there's going to be a moment when all
25 of us collectively are going to reflect on what has

1 happened over the last few years. And we're going to
2 say, you know, now that we have table games and we
3 have slots and the casinos are built, we're going to
4 look back and say, you know, was this a good thing?
5 And we're all going to look back and determine and
6 we're going to ask ourselves that question. And from
7 the Governor, to the Gaming Control Board, to the
8 legislature, to the individual operators and the
9 communities that host those --- the casinos, and I
10 think we're going to ask ourselves, what were the
11 impacts and was this a good thing? Was this the
12 right thing? And I promised you then, and I think
13 we're well on our way, that there's going to be a
14 point where all of us collectively can point to
15 Bethlehem and say, you know, that's why we did it.
16 That's why it made sense and that's where it worked.
17 And so, table games are a big part of that. And I
18 certainly hope that we can move forward with their
19 application and approval, and ultimately
20 implementation. So, I appreciate the opportunity to
21 speak to you today.

22 PRESIDING OFFICER:

23 The Chairman has a question for you.

24 MAYOR CALLAHAN:

25 Yes?

1 CHAIRMAN FAJT:

2 Good morning, Mayor. How are you?

3 MAYOR CALLAHAN:

4 How are you?

5 CHAIRMAN FAJT:

6 Good. Thank you. Just one quick
7 follow up. You had mentioned that Bethlehem, I
8 believe, has received about \$5.2 million in local
9 share assessment from the gaming revenue. I think I
10 heard you say that some of that money has gone to
11 hiring additional police, and maybe even some road or
12 bridge construction. Has the money done anything
13 else in Bethlehem or has most of the \$5.2 million
14 gone to the additional police and road and bridge
15 construction?

16 MAYOR CALLAHAN:

17 Well, we made a concerted effort in
18 preparation for the casino, to build up sort of our
19 infrastructures. The research in the communities
20 that I had looked at where gaming was introduced,
21 those that faired well were ones that had the
22 infrastructure in place prior to the casino opening
23 and were able to again minimize any potential
24 negatives and maximize the positives. So, we went
25 from --- I started in '04 as Mayor. We had 143

1 police officers. We have 162 sworn police officers
2 now. We didn't add all of those the day that the
3 casino opened. We knew when the casino opening date
4 was and we really tried to ratchet up our department
5 as time went on.

6 Again, those in law enforcement will
7 tell you that it takes a good six months to a year
8 before an officer, a new officer, is really
9 functioning at the level that they need to be. So,
10 we really did try to be proactive. And so, I can't
11 tell you that we hired --- that all those dollars
12 went that year to hiring police, but we did hire
13 police and fire in anticipation of the casinos so we
14 were prepared.

15 To be quite honest with you, and its
16 interesting that ---. I know as the Governor's
17 former Chief of Staff, I was just out in Harrisburg
18 as President of the Pennsylvania League of Cities on
19 both Sunday and Monday to talk about the difficulty
20 that local government is having in balancing their
21 budgets and some of the structural deficits that we
22 all have, and to make the case to the legislature
23 that we need some other options in local government.

24 And so, the reality is that by having
25 table games here in Bethlehem, it has helped us in

1 Bethlehem balance our budgets, flat out. I mean,
2 some of those dollars have gone towards dealing with
3 the impacts. Some of those dollars have gone towards
4 investing back into our downtowns, and to keep our
5 two downtowns vibrant. There's about \$160,000 a year
6 we spend on a Loop shuttle in Bethlehem that just
7 goes from the Northside Business District to the
8 Southside Business District and the Sands in an
9 effort to try to sort of take some of that energy
10 from Sands and make it work for the rest of the
11 community. So that was kind of an investment that
12 we've made in your downtown. We would look to invest
13 some of the additional host proceeds in the future
14 towards the potential creation of a business
15 improvement district for our downtown. Again, to
16 invest back into the merchants in both the North and
17 Southside.

18 So it's been towards --- and bringing
19 our budgets and bringing sort of fiscal health back
20 to the city. And ultimately over the long term,
21 paying down debt and growing our cash reserves. And
22 it's sort of put Bethlehem in a position as an
23 outlier amongst a lot of midsize cities in
24 Pennsylvania to be much stronger. We've paid down
25 debt. We're growing cash. We're going to grow cash

1 reserves and we've been able to balance our budgets
2 without a tax increase over the last four years. And
3 that's very different than what you see in most
4 municipalities in the state. And we hoped, and hope
5 in the future, that the dollars that are going
6 downtown and the dollars that are --- and ultimately
7 it's anticipated there will be about \$450,000 a year
8 to the City of Easton, which is about a mill and half
9 of properly taxes for an Easton resident, that that
10 will go --- that those dollars will also go towards
11 seeing similar improvement in the fiscal health of
12 those two communities as well.

13 PRESIDING OFFICER:

14 Commissioner Trujillo?

15 MR. TRUJILLO:

16 Good morning, Mayor. Follow up on
17 Chairman Fajt's question. What's the annual budget
18 of Bethlehem right now?

19 MAYOR CALLAHAN:

20 \$76 million.

21 MR. TRUJILLO:

22 So the just under \$6 million is
23 almost ---

24 MAYOR CALLAHAN:

25 Significant.

1 MR. TRUJILLO:

2 --- ten percent of that. So the
3 conclusion I'm drawing, then, is that not only are
4 you able to offset the increased costs associated
5 with providing the services, but there is some
6 additional benefit above and beyond that ---

7 MAYOR CALLAHAN:

8 Right.

9 MR. TRUJILLO:

10 --- to the bottom line of the city
11 budget?

12 MAYOR CALLAHAN:

13 Yes. We have laid out a goal, and it's
14 been the same four goals three or four years ago when
15 we were first awarded license. Deal with the
16 potential negative impacts. That's what the host fee
17 dollars are for is the impacts. Make sure that's
18 addressed. An ounce of prevention versus pound of
19 cure. Make sure that those negative impacts don't
20 happen.

21 Secondly, to invest back in our
22 downtowns. Thirdly, to make sure that the fiscal
23 health of the city is strong and sustainable over
24 time. And the fourth item in that is --- and it may
25 take us some time to get there, because the economic

1 downturn that's occurred in other areas of the city
2 may force us to dial back some of those projections.
3 Ultimately, I would love to return sort of a dividend
4 back to the residents of the City of Bethlehem in the
5 form of a tax cut. Our five-year financial model
6 does not project a need for a property tax increase
7 in the City of Bethlehem, largely due to the host fee
8 dollars.

9 MR. TRUJILLO:

10 Thank you. And I was here at the
11 License Renewal Hearing when I heard you testify.
12 And your request, if I can summarize it, was that the
13 Gaming Control Board should place a timeline of sorts
14 on Sands with respect to the development of the hotel
15 and the retail facility. Given the announcement in
16 the last week by Sands and the progress over the last
17 month, I just wondered whether your perspective on
18 that is the same, is it changed, or are you satisfied
19 with the progress that Sands is making on that front
20 now?

21 MAYOR CALLAHAN:

22 Well, the announcement that they're
23 going to move forward in the next several weeks in
24 the hotel is a giant leap forward and really
25 establishes the timeline that I think we all were

1 looking for, so --- or that certainly I was looking
2 for. So, it becomes at some point redundant,
3 provided that the Sands make good on that commitment.

4 There was a point after my comments
5 where the City Council of Bethlehem considered
6 passing a resolution in support of my testimony. And
7 sort of my point to them was that Sands has stepped
8 up and the need for a timeline at that point --- in
9 other words, a timeline's been established. And the
10 Sands has been --- has made good on the commitments
11 that they have made to the city. And I think it
12 becomes kind of a stepwise process now, and my
13 understanding is that the hotel is critical,
14 obviously, to the multipurpose convention space. So,
15 you get the hotel done and that leads to the
16 possibility of that convention space happening and
17 certainly makes the prospects of the mall being
18 completed that much more likely.

19 So, I feel like my message to City
20 Council was, you know, well let's wait and see. If
21 there's cranes and hardhats and dirt flying in a
22 couple --- you know, in a couple of months, then
23 we've all gotten our answer. If that's not the case,
24 then I think I'd go back to the Gaming Control Board
25 and I'd go back to City Council and say, you know,

1 maybe we want to reevaluate. But at this point, I'm
2 certainly satisfied with the announcement that
3 they've made.

4 MR. TRUJILLO:

5 Thank you. That's useful, because we
6 do take your concerns very seriously. So, thank you.

7 PRESIDING OFFICER:

8 Thank you.

9 MAYOR CALLAHAN:

10 Thank you.

11 PRESIDING OFFICER:

12 Our next speaker, Greg Feinberg.

13 -----

14 Greg M. FEINBERG, ESQUIRE, HAVING BEEN PREVIOUSLY
15 SWORN, TESTIFIED AS FOLLOWS:

16 -----

17 MR. FEINBERG:

18 Good morning. My name is Greg
19 Feinberg, F-E-I-N-B-E-R-G. I'm an attorney and a
20 real estate developer. I appear before you today on
21 behalf of the Greater Lehigh Valley Chamber of
22 Commerce, where I serve as the Chamber's Vice
23 Chairman and Chair of the Public Policy Committee.
24 The Greater Lehigh Valley Chamber is the largest
25 chamber in Pennsylvania and New Jersey, and the ninth

1 largest Chamber in the nation. Our Chamber's mission
2 is to serve as the voice of Lehigh business by
3 continuously improving the business climate,
4 advocating for our members and creating growth
5 opportunities for the Greater Lehigh Valley region.
6 We accomplish this through networking events, member
7 benefit programs, training programs and public policy
8 initiatives. The Greater Lehigh Valley Chamber
9 serves as the catalyst for a vibrant business
10 environment and the recognized resource empowering
11 businesses to thrive.

12 The Chamber supported the Lehigh Valley
13 receiving a Gaming License as far back as 2006,
14 because our members saw it has a tool to stimulate
15 economic development in our region. At that time, we
16 encouraged the Licensee to include the Chamber in its
17 development strategy, to ensure that the business
18 community's voice would be heard to advance our
19 member's desire to enhance community and economic
20 development. The Sands has been, and continues to
21 be, an excellent partner with the Greater Lehigh
22 Valley Chamber. And today we support the Sands'
23 application to conduct table games.

24 The Sands has also proven that it's an
25 excellent corporate citizen supporting numerous local

1 charities and community initiatives. In my
2 development role, I serve as the Project Manager for
3 the City of Bethlehem for development of the public
4 spaces at SteelStacks. The Sands has demonstrated
5 extraordinary generosity and foresight by donating
6 real estate parcels to PBS 39, ArtsQuest and the
7 city. This will stimulate a kick start development
8 of the former Bethlehem Steel property and serves as
9 an excellent example of the true public-private
10 partnership. I have worked extensively with Sands
11 executives on this project and their commitment to
12 enhance the community by completing this development
13 is clear.

14 Table games will bring almost 400 jobs
15 to our region, and in today's economic environment,
16 these are valuable, good-paying jobs that will serve
17 as the real kind of stimulus program that flows down
18 throughout our community. Beginning with the
19 anxiously anticipated Sands hotel, retail stores and
20 multipurpose facility, which will bring additional
21 jobs, tourism, increased spending and further growth
22 for the Lehigh Valley.

23 The Greater Lehigh Valley Chamber
24 enthusiastically supports this application. At this
25 time, I'd be happy to answer any questions. Thank

1 you for the opportunity to present our position to
2 you today.

3 PRESIDING OFFICER:

4 Thank you. Our next speaker, James
5 Schneller. Mr. Schneller? Okay. That brings us to
6 Joseph Kricks.

7 -----
8 JOSEPH KRICKS, HAVING BEEN PREVIOUSLY SWORN,
9 TESTIFIED AS FOLLOWS:

10 -----
11 MR. KRICKS:

12 Good morning. My name is Joseph Kricks
13 K-R-I-C-K-S. I'm a lifelong resident of Bethlehem
14 and care deeply about its health and wellbeing. I am
15 currently serving as President of a local nonprofit
16 organization, known as Share The Power. We have been
17 in existence for over 18 years and carry on
18 activities throughout the Lehigh Valley.

19 During the time that casinos were
20 competing for a license to operate here in the
21 valley, we worked hard to prevent one from coming.
22 We lost that battle. And in Share The Power, we had
23 to reevaluate our position. We still recognize, as
24 does the city and county governments, and the
25 leadership at the local casino, the significant

1 amount of personal and social harm will occur as a
2 result of the presence of a nearby casino. Our
3 difference of opinion arises when we decide whether
4 we are willing to tolerate that harm in return for
5 increased economic activity. I, and we in Share The
6 Power are not willing to do so.

7 I believe that adding table games to
8 the slot machines already present will not only
9 increase the volume of gambling, but will draw in a
10 different population of gamblers. A larger number of
11 individuals and families will inevitably face
12 personal harm as a result. Therefore, we stand
13 opposed to a license being awarded to the local
14 casino to engage in table games.

15 Having said that, I also recognize the
16 inevitability of the license being awarded. In
17 reevaluating that position of our mission that deals
18 with gambling, I have changed my focus from fruitless
19 opposition to seeking a remedy.

20 To that end, I have begun a new
21 organization as an affiliate of Share The Power
22 called Sure Bet Living. In May of last year, The
23 Morning Call printed a major article on the outcome
24 of a presence of a casino here in the valley. They
25 concluded that in about two years, we would have

1 40,000 people who would be either problem or
2 pathological gamblers. I admit that I know very few
3 pathological gamblers personally, but I have read a
4 great deal about the chaotic, painful life they live,
5 often resorting to crime to sustain their gambling
6 habit and turning to alcohol and drugs in an attempt
7 to reduce their pain and remorse. Their lives become
8 severely disrupted, their families are drawn into a
9 living hell and society pays for the damages.

10 I and numerous others associated with
11 Sure Bet Living have taken required courses to help
12 us deal more effectively with troubled gamblers. We
13 have met with Mr. Bob DeSalvio, President of the
14 local Sands group, on four occasions, to talk about
15 how we should address this personal and social
16 problem. We concluded together that we do share a
17 common, though limited, objective. Mr. DeSalvio has
18 openly stated that he regrets the personal harm that
19 may come to a small percentage of individuals who
20 cannot handle gambling. He would prefer that such
21 individuals not attend the casino. That is our
22 desire as well, so to that extent, we are cooperating
23 to find and rescue troubled gamblers.

24 Meanwhile, we are now concluding
25 preparations for actively engaging gamblers and their

1 families with ways out of their dilemma. In this
2 process, we will use spiritual principals in addition
3 to emotional and psychological principals commonly
4 used by others. We expect to work in close
5 cooperation with both local churches and Gamblers
6 Anonymous in this endeavor. I would be glad to share
7 more details about our plans after this hearing for
8 those of you who are interested. Thank you.

9 CHAIRMAN FAJT:

10 Mr. Kricks, can I ask you a
11 question ---

12 MR. KRICKS:

13 Yes.

14 CHAIRMAN FAJT:

15 --- or just really make a comment? And
16 you can feel free to weigh in. First of all, thank
17 you for doing what you do. On behalf of the Board, I
18 know Commissioner Trujillo, since he's been on the
19 Board a relatively short time, has stated to me on a
20 number of different occasions that this is an issue
21 that he feels very deeply about, and I think that
22 many of the other Board members --- all of the other
23 Board members feel the same way. We are regulators.
24 And we have gaming in Pennsylvania, we support that.
25 There's no ands, ifs or buts about that. But when we

1 come to these Public Hearings and we hear from people
2 like you, that also influences us. And we take those
3 comments to heart. The legislature has increased the
4 amount of money for problem gaming in Pennsylvania
5 from one and a half million to \$2 million a year to
6 treat problem gamblers. It is an issue that we pay
7 attention to.

8 Knock on wood, and we're not naive
9 enough to believe that we won't have problem gambling
10 in Pennsylvania, we have not seen a significant
11 increase in that. Recently the District Attorney's
12 Association testified in Harrisburg that they have
13 seen no marked increase in crime around any of the
14 casinos. No more than they would, you know, if a new
15 mall opened. But it is an issue that we pay
16 particular attention to. We do work with the casinos
17 on it. And again, I just want to thank you for
18 taking the time, being a volunteer in this issue.

19 MR. KRICKS:

20 I agree to your expressions of
21 affirmation. If you have any influence on how a
22 mini-grant is approved, which we plan to submit for,
23 and not only us but a companion organization for
24 ours, I'd be very grateful for that, because we do
25 need some way to be able to gather together the

1 resources to do this work.

2 CHAIRMAN FAJT:

3 Thank you.

4 MR. KRICKS:

5 Thanks very much.

6 CHAIRMAN FAJT:

7 Sure.

8 MR. TRUJILLO:

9 I just want to echo Chairman Fajt's
10 remarks. And he's correct, ever since the time that,
11 I think, our very first conversation after the
12 Governor appointed me, I told him that the problem
13 and underaged gambling to me was critically
14 important. And some perspective on this, as the
15 Gaming Control Board is not the group or --- our
16 members are not the ones that advocated for gaming in
17 Pennsylvania. But as Chairman Fajt said, we're the
18 ones that are charged with regulating it and ensuring
19 that not only the benefits come, which we've heard of
20 the financial benefits to the Commonwealth, but also
21 we also have to open not only ears and eyes and
22 everything about the problems that can be caused by
23 gaming. And so, your input is, as Chairman Fajt
24 said, critically important to us for a number of
25 reasons.

1 And just personally, I was a Federal
2 Prosecutor for a number of years, and I remember
3 somebody asking me why do you want to be a Federal
4 Prosecutor? And I said, I don't want to be a
5 prosecutor, but I'd rather be the person that makes a
6 determination whether or not to prosecute somebody.
7 And so, the discretion of being a prosecutor and the
8 discretion of being a regulator is part of the reason
9 why we do this job, and why we take it so seriously.
10 And so, we do not at all, I just want to reassure
11 you, turn any kind of a blind eye to either problem
12 or underaged gambling. And in fact, just last week,
13 we levied a fine of \$100,000 against one casino for
14 instances of allowing underaged gamblers onto the
15 floor.

16 And so, I urge you to continue, whether
17 its advocacy as you see appropriate, but also to
18 continue to work on productive ways of reducing
19 problem gaming. And you will always have an open ear
20 on the Board. And so, I also appreciate your
21 testimony today.

22 MR. KRICKS:

23 Having had four cordial meetings with
24 Mr. DeSalvio, you know, I've been very aware of their
25 attempts to be sure that underaged gambling does not

1 occur. So, we applaud that kind of effort on their
2 part. But of course, the over-aged gambling or, you
3 know, the legitimate-aged gambling has great concern
4 for us. Lehigh University and community college,
5 Moravian College and other colleges, and
6 unfortunately the table games appeal a great deal to
7 that population. So, that population is going to be
8 very heavily impacted I believe, soon. Thank you.

9 CHAIRMAN FAJT:

10 Thank you, Mr. Kricks.

11 PRESIDING OFFICER:

12 Thank you. Donna Taggart?

13 -----
14 DONNA TAGGART, HAVING BEEN PREVIOUSLY SWORN,
15 TESTIFIED AS FOLLOWS:
16 -----

17 MS. TAGGART:

18 Good morning. My name is Donna
19 Taggart. That's T-A-G-G-A-R-T. I'm President of
20 Taggart Associates, a woman-owned business certified
21 by the Commonwealth of Pennsylvania and registered
22 with the Pennsylvania Gaming Control Board. Our
23 offices are located right here in South Bethlehem at
24 26 East 3rd Street. I have served as the Community
25 Outreach Liaison for the Sands Casino Resort

1 Bethlehem since 2006. The Las Vegas Sands
2 Corporation originally contracted our services prior
3 to being awarded one of the Gaming Licenses,
4 recognizing the importance of building strong
5 partnerships in the community.

6 It's been my responsibility to help
7 develop key strategic partnerships that support the
8 community, while at the same time help the Sands
9 accomplish their goals. Northampton Community
10 College is among the strongest of these partnerships
11 in the area of training. And I know you'll hear from
12 Paul Pierpoint, our Dean, on that a little later.

13 The Sands also has developed a
14 partnership with the Community Action Committee of
15 the Lehigh Valley, CACLV, in the area of minority and
16 women-owned business certification. This grassroots
17 organization has the ability to identify these
18 businesses and assist them through the certification
19 process. The Sands reimburses CACLV for every
20 business that successfully completes the
21 certification process. To date, 13 companies have
22 been certified through this partnership and four of
23 them are currently vendors of the Sands.

24 Hiring local residents has also been a
25 priority for the Sands. During the initial

1 employment period, the Sands established satellite
2 employment centers with the help of community
3 partners in the cities of Allentown, Bethlehem and
4 Easton. Each location had available computers and
5 counselors that were trained by the Sands Human
6 Resources Department to assist potential employees
7 with the online application process and provide
8 additional language assistance. We anticipate
9 repeating this practice for the addition of table
10 games hiring.

11 To help meet the goal of hiring South
12 Bethlehem residents during that same period, CACLV
13 also hosted three community job orientation workshops
14 in South Bethlehem, where representatives from the
15 Sands HR Department informed residents about the
16 employment process and the types of jobs that would
17 be available.

18 The Sands has invested a significant
19 amount of time and resources into the area of
20 responsible gaming, and has established a strong
21 partnership with the Pennsylvania Council on
22 Compulsive Gambling, which provides professional
23 trainers for all seminars offered by the Sands.
24 Trainers from the council conducted Levels I and II
25 Problem Gambling Treatment Training Series for the

1 professional counseling community, fully underwritten
2 by the Sands. This series has been offered five
3 times. And to date, over 900 professionals have been
4 involved in these courses.

5 As you heard from Mr. Kricks, several
6 members of the faith-based community attended all our
7 professional training series and expressed interest
8 in the training focused particularly on the
9 faith-based community. The full Level I series
10 underwritten by the Sands was offered with a
11 faith-based component. In an effort to provide more
12 bilingual counselors, the Sands co-sponsored a Level
13 I training series with the Hispanic American
14 Organization.

15 I, too, am a lifelong resident of the
16 City of Bethlehem and have spent my entire career in
17 economic development. I worked for the City of
18 Bethlehem leading their economic development efforts
19 when Bethlehem Steel closed its doors, leaving the
20 city with 1,800 acres to redevelop back into
21 productive reuse, replacing those jobs and bringing
22 the much needed tax ratables back to city.

23 That's why I was very eager to help the
24 Sands with their community outreach efforts. My
25 focus was on creating jobs for the local people and

1 business opportunities for our local businesses. The
2 Sands has done more than we could have imagined,
3 hiring over 900 people to date and planning to hire
4 another 325 with the addition of table games.
5 Million dollars in contracts from the Sands have gone
6 to many of our local businesses, from supplying all
7 the local trades needed for construction of the
8 facility, to supplying furniture for the offices and
9 food for the restaurants.

10 The Sands' contribution was only
11 heightened by the downturn in the economy. Jobs are
12 more important now than ever. The approval of table
13 games will allow us to create an additional 300 jobs
14 at a time when our community really needs them. Even
15 more jobs and business opportunities will be
16 available as the Sands recently announced its plans
17 to restart on the 300-room hotel tower.

18 The Sands has been an extraordinary
19 partner in the three years since they've joined our
20 community. When gaming was first approved in
21 Pennsylvania, many citizens were concerned about the
22 negative impact a casino might have. In response,
23 the Sands has reactively and proactively responded,
24 alleviating most of those initial concerns by forging
25 these strategic partnerships. They've become a model

1 corporation for community involvement and employment
2 practices in the Lehigh Valley. They've been the
3 catalyst we needed to kick start the redevelopment of
4 this important piece of Bethlehem's history.

5 The approval of Table Games License for
6 the Sands will create additional jobs and business
7 opportunities our community needs during these
8 challenging economic times, and I urge you to grant
9 them that approval. Thank you.

10 PRESIDING OFFICER:

11 Thank you. Next speaker, Larry Burd?

12 -----
13 LARRY E. BURD, HAVING BEEN PREVIOUSLY SWORN,
14 TESTIFIED AS FOLLOWS:

15 -----
16 MR. BURD:

17 My name is Larry Burd, B-U-R-D. I
18 reside at 3659 Michigan Court, Bethlehem,
19 Pennsylvania, 18020. I have been the senior pastor
20 of Calvary Baptist Church in Bethlehem for the past
21 26 years. I love the City of Bethlehem, but my heart
22 is deeply broken seeing many of the things that are
23 happening in this city.

24 I hold no personal animosity in any way
25 way toward the Mayor, the City Council. I come and

1 pray with them when they invite me to come. No
2 animosity toward Mr. DeSalvio, Mr. Kraus, Mr. Hudak
3 or anyone else that I have differing opinions on. I
4 want you to know that. I want to thank you also as
5 members of the Pennsylvania Gaming Control Board for
6 having this public hearing today. I want to speak in
7 opposition to adding table games to the Sands Casino
8 in Bethlehem.

9 The first murder recorded was when Cain
10 killed his brother Abel. At that time, God held a
11 hearing with Cain. God asked Cain several questions
12 as recorded in Genesis chapter four. Why are you
13 angry? Where is Abel your brother? What have you
14 done?

15 My purpose at this hearing today is to
16 ask you, as members of the Pennsylvania Gaming
17 Control Board, to answer a few questions. I don't
18 expect you to answer these questions verbally, but
19 answer them in your own heart and minds. Are you
20 aware of the fact that Bethlehem Pennsylvania was
21 founded in 1741 by godly Moravians who came here to
22 share the love of God and saving grace of Jesus
23 Christ with the American Indians and German settlers
24 who lived in this area? Are you aware of the fact
25 that this city was named after the birthplace of

1 Jesus and this city has a rich moral and spiritual
2 heritage? Are you aware of the fact that since 1937
3 Bethlehem has been known around the world as
4 Christmas City, U.S.A., and that thousands of people
5 come here each Christmas to capture something of the
6 true meaning of Christmas? Can you see why a
7 gambling casino in Bethlehem is totally out of
8 character for this community? Can you see why adding
9 table games at the Sands Casino will only take this
10 community further down the slippery slope of becoming
11 known as Casino City instead of Christmas City? Will
12 Bethlehem become the Las Vegas of the east? Are you
13 aware of the fact that within three years after
14 gaming --- gambling casinos arrived, Atlantic City
15 went from 50th to number 1 in the nation in per
16 capita crime? Are you aware of the fact that
17 gambling breeds greed and that greed breeds crime and
18 corruption?

19 If more jobs and more tax relief is our
20 greatest concern, how long do you think it may be
21 before Pennsylvania holds Public Hearings seeking to
22 legalize prostitution as many parts of Nevada already
23 have? Do you believe you will be held accountable
24 before God some day for your decision regarding table
25 games, the casino in Christmas City, U.S.A.?

1 I pray that you will take the higher
2 road in your decision. Thank you for considering my
3 questions. And I also would like to say thank you
4 for not approving a casino in Gettysburg.

5 PRESIDING OFFICER:

6 Thank you. Next speaker, Paul
7 Pierpoint.

8 -----
9 PAUL PIERPOINT, HAVING BEEN PREVIOUSLY SWORN,
10 TESTIFIED AS FOLLOWS:

11 -----
12 MR. PIERPOINT:

13 My name is Paul Pierpoint. That's
14 P-I-E-R-P-O-N-T. I'm from 3545 Moravian Court,
15 Bethlehem, 18020. I'm also the Vice President of
16 Community Education at Northampton Community College
17 and responsible for the training programs and the
18 partnerships that we're doing with the Sands
19 Corporation. In addition to Vice President, I'm Dean
20 of Northampton Community College's Fowler Family
21 Southside Center in South Bethlehem located less than
22 a quarter of a mile from the casino.

23 NCC Southside Center was created in an
24 old Bethlehem Steel office building with a specific
25 mission of ensuring that the people who live in South

1 Bethlehem will be able to benefit from whatever new
2 occupations arise in the old Steel property as it was
3 developed. We provide many services for our
4 community, and none is more important than providing
5 the opportunity for residents of Bethlehem and the
6 rest of the region to learn the skills that will
7 prepare them for decent-paying jobs right here in
8 Bethlehem.

9 Since opening last May, Sands Casino
10 has created hundreds of jobs for people in this
11 community. And with the license to open table games,
12 we will see hundreds more jobs created at a time when
13 they are desperately needed. Jobs that pay well,
14 include benefits, offer career advancement. These
15 are jobs that many people will fill --- will be able
16 to fill with less than three months' training.

17 I had the pleasure to work with Bob
18 DeSalvio and many of the other executives and staff
19 at the Sands since shortly after they were awarded
20 the Slots License. These individuals and the entire
21 corporation have been terrific neighbors.

22 The Sands Casino Resort Bethlehem has
23 shown that first class, legal gaming can exist in our
24 beautiful city without the dire consequences
25 opponents feared. Expanding the operation to include

1 table games will bring more people to our city, help
2 to finance the completion of the hotel and the rest
3 of the project, and potentially help to promote the
4 additional investment in the rest of the 120-acre
5 development in the future. These are all valuable
6 benefits to our city with very little downside risk.

7 I sincerely hope that the Pennsylvania
8 Gaming Control Board will decide in favor of the
9 Sands' application for this Table Games License.

10 Thank you very much.

11 PRESIDING OFFICER:

12 Thank you. Eddy Rodriguez?

13 -----
14 EDWIN RODRIGUEZ, HAVING BEEN PREVIOUSLY SWORN,
15 TESTIFIED AS FOLLOWS:

16 -----
17 MR. RODRIGUEZ:

18 Eddy Rodriguez, I am a resident of
19 Bethlehem. My name is spelled E-D-W-I-N
20 R-O-D-R-I-G-U-E-Z. You know, the one thing that
21 troubles me is the signage that is desperately needed
22 in our city, throughout our city. That's one thing
23 that we need. Because I am tired of seeing and
24 trying to help, people --- which I do every day as
25 the community activist that I am --- asking me where

1 is the Sands Casino? With such a big sign that we
2 have in front of the Sands and yet they don't know
3 how to get to the Sands Casino. That's problematic.
4 So, Mr. DeSalvio, would you please take care of that
5 somehow?

6 MR. DESALVIO:

7 Yes, sir.

8 MR. RODRIGUEZ:

9 Okay. You know, I used to be
10 anti-casino? You know that? And as a community
11 activist, I did not like, you know, what I saw. I
12 might not be as edumicated (sic) as yous (sic) are,
13 but I will proceed with making my comments here
14 because I am one that's very active in the community
15 and I see every day, because I'm in that community.
16 Every day I see the negative. I see what happens in
17 the immediate sections of our city. And you know, I
18 haven't seen anything at all, because before the
19 Sands came --- way before the Sands came, we had our
20 crime, we had our prostitution, we had our robberies,
21 we had our thefts, we had our vandalisms. We had all
22 that. But because they came --- as I said, I was
23 anti-casino. But when they came, I never saw any
24 increase in any of this at all. That's why I now
25 turned the tables around and I am now for the Sands

1 Resort Casino.

2 And you know, if anything that I would
3 say now today is that the nearby vicinities that have
4 been here throughout all these years, I truly believe
5 --- throughout all these years, I truly believe that
6 the problems that we're having is because of the
7 addictions and behavior conduct, and wish that funds
8 would be provided into the treatment and
9 rehabilitation of addicts and their addictions. And
10 that's something that I haven't seen.

11 But I believe also that because of
12 what's happening, I believe that it is something
13 that's good for our community. I believe --- I got a
14 twitch in my eye that's kicking me. No, I really do.
15 It's affecting me and it's bothering me, so pardon
16 me. I truly believe that something that they're
17 doing for our community is that they're bringing more
18 jobs. It is a thing of beauty in comparison to the
19 brown fields that we had before, and now we see the
20 thing of beauty where we have the construction of
21 buildings. All I want from me to the Sands Resort
22 Casino is that try to get this hotel as soon as
23 possible, the mall, the convention mall, because when
24 people come to this city, they want a place to stay.
25 Even if it's a day, a week, they need a place to

1 stay. And if we don't have those things, they're
2 just going to go in and out and that's not going to
3 be good. So I think that is something that is very
4 --- of vital importance to our community.

5 And again, it is not because they're
6 here. It is something that was here before. Thank
7 you very much.

8 PRESIDING OFFICER:

9 Thank you.

10 MR. TRUJILLO:

11 Mr. Rodriguez, thank you for your
12 testimony. I did want to relay one fact based at
13 least a piece of testimony that we heard at the
14 renewal hearing for the Sands. I don't think you
15 were present here. But the State Police when they
16 testified --- and you just mentioned the issue about
17 the crime. And I believe the testimony of the State
18 Police was that in each of the communities where
19 casinos had been up and running in Pennsylvania over
20 the last couple of years, that the various District
21 Attorneys from those regions had not seen any
22 appreciable increase in crime in those communities.
23 So, I think it says ---.

24 MR. RODRIGUEZ:

25 I read that report, ---

1 MR. TRUJILLO:

2 Thank you again.

3 MR. RODRIGUEZ:

4 --- and you're right. Thank you.

5 PRESIDING OFFICER:

6 Andy Parker?

7 -----

8 ANDY PARKER, HAVING BEEN PREVIOUSLY SWORN, TESTIFIED
9 AS FOLLOWS:

10 -----

11 MR. PARKER:

12 Good morning. My name is Andy Parker,
13 P-A-R-K-E-R. I'd like to thank the Board for your
14 time this morning. I'm the Vice President of T.
15 Frank McCall's. I'm filling in for Lisa Witomski,
16 President of McCall's, who's unable to attend today.

17 We are a 134-year-old distributor of
18 janitorial supplies located in Chester, Pennsylvania.
19 T. Frank McCall's began in 1876 as a feed and grain
20 concern selling seed, grain and various farming
21 supplies. In the 1940s and '50s as the area became
22 more urban, our product mix grew to include paper
23 products, additional cleaning supplies and building
24 maintenance products. McCall's was Scott Paper's
25 first distributor and continues to this day to

1 distribute Scott products now owned by Kimberly
2 Clark.

3 T. Frank McCall's was owned by the
4 McCall's family until 1957, when Charles Witomski and
5 his brother, Edmund, purchased the business. Today
6 Lisa Witomski, Charles' daughter, is the President
7 and runs day-to-day operations.

8 T. Frank McCall's is a Certified
9 Minority Business Enterprise and a Certified Women's
10 Business Enterprise, as well as being certified and
11 registered with the Pennsylvania Gaming Control
12 Board. Through these affiliations, Lisa made her
13 connection with the Sands. At a diversity fair in
14 Harrisburg, Pennsylvania in 2008, Lisa met Fran
15 Abuisi, Director of Purchasing for the Sands Casino.
16 Since that time, Lisa, Fran and I have enjoyed a
17 wonderful working relationship. Fran has been fair,
18 even keeled and forthright with McCall's in all of
19 our business dealings. McCall's has been fortunate
20 to win many bids for paper or janitorial supplies at
21 the Sands since its opening in the spring of 2009.

22 We are definitely in favor of approving
23 table games for the Sands Casino, because of the jobs
24 it would create, additional products we will have the
25 opportunity to sell to the Sands, as well as the

1 additional products and services that other vendors
2 will be fortunate to provide to the Sands.

3 Furthermore, T. Frank McCall's does
4 business with other casinos in the State of
5 Pennsylvania and I can honestly say that the Sands
6 Casino is at the top of the list when it comes to
7 integrity, fairness and professionalism. It is an
8 honor to recommend the Sands for approval of table
9 games. Thank you.

10 PRESIDING OFFICER:

11 Mr. Parker?

12 CHAIRMAN FAJT:

13 Mr. Parker?

14 MR. PARKER:

15 Yes?

16 CHAIRMAN FAJT:

17 One quick question. Are you at liberty
18 to say how much business you receive annually from
19 the Sands?

20 MR. PARKER:

21 I thought you'd probably ask me that.

22 CHAIRMAN FAJT:

23 I hate to disappoint.

24 MR. PARKER:

25 Yeah. I mean, I actually have the

1 numbers right here. We did about \$275,000 last year.
2 And that started in March and that was through --- we
3 do our fiscal October 1 to September 30th. So, from
4 March through September, we did \$275,000. And then
5 year to date, we have done --- from October 1 to end
6 of February --- I don't now have the March numbers
7 --- we've done \$143,000.

8 CHAIRMAN FAJT:

9 Thank you very much.

10 MR. PARKER:

11 Thank you.

12 CHAIRMAN FAJT:

13 And let me say for the record, Bob,
14 could you give the Gaming Board your local investment
15 of business, such as T. Frank McCall's, on an annual
16 basis? In other words, how much money does the Sands
17 Casino spend in the local community? And you know,
18 you can define that as contiguous counties to Lehigh
19 County, and then also, how much you spend in the
20 State of Pennsylvania.

21 MR. DESALVIO:

22 And I think the best thing we could do
23 would be to --- we'll do a written report back to the
24 Board. I don't know the number off the top of my
25 head, and I certainly don't want to guess at it.

1 CHAIRMAN FAJT:

2 Sure.

3 MR. PARKER:

4 But we'll prepare both a local number
5 and a Commonwealth number and submit that to the
6 Board.

7 CHAIRMAN FAJT:

8 Great. Thank you.

9 MR. TRUJILLO:

10 One other request to add to that, Mr.
11 DeSalvio. And this relates back to Mr. Krick's
12 testimony on problem and underaged gaming. And I
13 know that you've worked with Nan Horner from our
14 office and you have that planned. But I guess the
15 issue that arises to me is the impact on --- because
16 as I understand who is going to be the likely ---
17 more likely players or the population that is
18 attracted to table games, it does include a different
19 geographic mix, including younger, typically also, as
20 I understand it, more affluent, but a younger group
21 of players. I would be interested to know, you know,
22 what your plan is now or how or whether your problem
23 gaming and underaged gaming plan is affected by or
24 changed by the new mix of this population? And
25 again, I understand you don't have it necessarily

1 right now, but if you could address that as well?

2 MR. DESALVIO:

3 We could submit that as well,
4 absolutely.

5 MR. TRUJILLO:

6 Thank you.

7 MR. DESALVIO:

8 Sure.

9 PRESIDING OFFICER:

10 John Beena? Mr. Beena? Okay. That
11 completes the list of people that I had registered.
12 Is there anyone here today who believes they were
13 registered to speak and their name has not been
14 called? If you could raise your hand.

15 Seeing no one, the record created here
16 today, including the transcript of the proceedings
17 and the exhibits and all the written comments
18 received by the deadline will be forwarded to entire
19 Board for its consideration. The Gaming Act requires
20 that the Board act on the Sands' petition within 60
21 days of its filing. So, the Board will be taking up
22 and considering this petition at a Public Meeting in
23 the near future.

24 I want to thank you all for coming
25 today and for your cooperation. And the Public Input

1 Hearing is now concluded and adjourned. Thank you.

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HEARING CONCLUDED AT 11:19 A.M.

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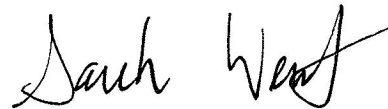
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CERTIFICATE

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3 I hereby certify that the foregoing proceedings,
4 hearing held before the Pennsylvania Gaming Control
5 Board, was reported by me on 03/11/2010 and I Sarah
6 Wendorf read this transcript and that I attest that
7 this transcript is a true and accurate record of the
8 proceeding.

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