

COMMONWEALTH OF PENNSYLVANIA

GAMING CONTROL BOARD

* * * * *

IN RE: PETITION OF PRESQUE ISLE DOWNS
TO CONDUCT TABLE GAMES

* * * * *

PUBLIC INPUT HEARING

* * * * *

BEFORE: Linda Lloyd, Presiding Officer

Greg Fajt, Chairman

HEARING: Wednesday, March 31, 2010

10:02 a.m.

LOCATION: Summit Township Building

8900 Old French Road

Erie, PA 16509

WITNESSES: Nick Rodriguez-Cayro, Robert Norton, David
Hughes, Fred Clark, Roseanne Thompson,
Robert Griffin, Jane Earll, Joseph Sinnott,
Ray Hamm, Donald Crenshaw, Marlon Coon

Reporter: Shannon C. Fortsch

Any reproduction of this transcript is prohibited
without authorization by the certifying agency.

A P P E A R A N C E S

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

NARCISCO RODRIGUEZ-CAYRO, ESQUIRE
Ruben & Aronson, LLP
321 North Front Street
Harrisburg, PA 17101
Counsel for MTR Gaming

I N D E X

1		
2		
3	OPENING REMARKS	
4	By Presiding Officer	5 - 8
5	TESTIMONY	
6	By Attorney Rodriguez-Cayro	9
7	By Mr. Norton	9 - 15
8	By Mr. Hughes	15 - 17
9	By Mr. Clark	17 - 19
10	By Ms. Thompson	19 - 22
11	By Mr. Norton	22 - 25
12	By Attorney Rodriguez-Cayro	25 - 26
13	By Mr. Griffin	26 - 27
14	QUESTIONS BY BOARD	27 - 36
15	TESTIMONY	
16	By Senator Earll	37 - 43
17	By Mayor Sinnott	44 - 49
18	By Mr. Hamm	50 - 52
19	By Mr. Crenshaw	53 - 55
20	By Mr. Coon	56 - 57
21	QUESTIONS BY BOARD	57 - 59
22	CLOSING REMARKS	
23	By Presiding Officer	59
24		
25		

E X H I B I T S

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

<u>Number</u>	<u>Description</u>	<u>Page Offered</u>	<u>Page Admitted</u>
	(Hearing Officer)		
One	Notice of Public Hearing	8	8*
Two	Written Comments	8	8*
	(MTR Gaming)		
One	Presentation	25	25*
Two	Letter from Mr. Mostoller	25	25*

*exhibits not attached

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 Presque Isle Downs to conduct table games at its casino. Before we begin, if we could turn off or to vibrate our cell phones, Blackberries, and other devices so we don't interrupt those who are speaking.

Presque Isle Downs filed their Petition for Approval and Issuance of a Certificate to Conduct Table Games, which was deemed complete and filed on March 29th, 2010 at Docket Number 1352. The date is Wednesday, March 31st, the time is 10:02, and the location is the Summit Township Building, 8900 Old French Road, Erie, Pennsylvania, 16509.

This public 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 previous Board meeting and advertised in local newspapers. Board members present for the hearing today are, to my left,

1 Chairman Greg Fajt.

2 The Board and its staff would like to
3 thank Summit Township for making this space available
4 to the Board for the hearing today. Staff's
5 cooperation has been essential in the organizing and
6 holding of the hearing. And I'm hoping my voice lasts
7 me throughout this hearing because I somehow found a
8 cold somewhere on Monday.

9 CHAIRMAN:

10 She sounds better than yesterday, so
11 that's good.

12 PRESIDING OFFICER:

13 The purpose of today's hearing is to
14 allow Presque Isle Downs to present to the public its
15 plan to operate table games at the casino and allow
16 individual members of the public, community groups and
17 elected officials and local government representatives
18 to express their thoughts and share any concerns about
19 the proposed project with the Board.

20 The order of speakers today is as
21 follows. Presque Isle Downs will make their
22 presentation first. We will then hear from any
23 legislators, local government representatives,
24 community representatives and individual members of
25 the public who have registered to speak.

1 Presque Isle Downs will have
2 approximately 20 minutes to make their presentation.
3 Each government official will have approximately ten
4 minutes, community group representatives approximately
5 five minutes, and individual members of the public,
6 approximately three minutes. Each speaker should
7 begin their remarks by stating and spelling his or her
8 name, and letting us know where you reside, and if
9 speaking on behalf of an entity, the name of that
10 entity.

11 If you are speaking today and have
12 written notes of testimony, which you will read from
13 during the hearing, when you are finished, if you
14 could give a copy to our court stenographer sitting to
15 my right, she would be appreciative.

16 This is an official administrative
17 hearing, so please treat this as if you were attending
18 a court proceeding. All witnesses speak loudly and
19 clearly. And we don't have microphones today, but
20 it's a small room so we shouldn't have any problem if
21 everybody keeps their voices up. And if you can hear
22 me, we shouldn't have a problem.

23 So let's begin by having anyone that has
24 registered to speak today or will provide testimony on
25 the behalf of Presque Isle, if you'd please stand and

1 raise your right hands to be sworn by the court
2 reporter.

3 -----
4 WITNESSES SWORN EN MASSE

5 -----
6 PRESIDING OFFICER:

7 Before we begin with testimony, I have
8 several hearing exhibits to enter into the record.
9 Hearing Exhibit Number One is a Notice of the Public
10 Hearing sent to Presque Isle Downs. Hearing Exhibit
11 Number Two are written comments received by the Board
12 by the deadline established, addressing Presque Isle's
13 Petition. The first written comment is in support of
14 table games, but wishes Presque Isle Downs would offer
15 poker tables. And that is from Michael Hadley,
16 H-A-D-L-E-Y. And the second is written comments from
17 Todd Mostoller, M-O-S-T-O-L-L-E-R, the executive
18 director of the Pennsylvania Horsemen's Benevolent and
19 Protective Association, and is in general support of
20 Presque Isle's Petition.

21 (Hearing Exhibit Numbers One and Two
22 marked for identification.)

23 PRESIDING OFFICER:

24 And with those entered into the record,
25 we can begin with Presque Isle's presentation.

1 ATTORNEY RODRIGUEZ-CAYRO:

2 Thank you, Ms. Lloyd, Chairman Fajt,
3 members of the public, and esteemed elected officials.
4 My name is Nick Rodriguez-Cayro; I'm the general
5 counsel for MTR Gaming. I thank you for this
6 opportunity to appear here pursuant to 1314A of the
7 Gaming Act, and we hope that you, at the conclusion of
8 this meeting, will be as excited as we are about
9 bringing table games to Presque Isle.

10 The speakers that will be speaking on
11 behalf of MTR Gaming today are Robert Norton, our
12 Chief Operating Officer; David Hughes, our Chief
13 Financial Officer; Frederick Clark, a Diversity
14 Consultant from Clark Resources and Roseanne Thompson,
15 the Director of Human Resources.

16 Without further ado, I'll introduce Mr.
17 Norton to start out the presentation. Thank you.

18 MR. NORTON:

19 Good morning. Rob Norton, MTR Gaming
20 Group, Inc. Today we're going to go ahead and cover
21 basically a general overview of our construction plan
22 for Presque Isle Downs table games implementation
23 plan, the number and type of table games that we're
24 going to offer, the economic impact, diversity plan,
25 hiring and training, compulsive gambling, community

1 involvement, and the integration of our racing and
2 gaming within the facility.

3 We're going to go ahead and start with a
4 brief overview of the construction plan. What we are
5 looking at here is an existing photo rendering of our
6 facility from the southeast looking northwest. As you
7 can see, the paddock is right here. This is our
8 existing racetrack, the existing patio structure and
9 our apron. This is obviously our entrance as we come
10 in.

11 At the conclusion, from an external view,
12 this is what the changes will look like. We'll be
13 extending the patio out, placing the new metal awning
14 on the exterior to cover the patio, replacing all the
15 existing bench seating that we have out there,
16 bringing the patio and the racing portions closer to
17 the racetrack and the paddock area.

18 To go inside each building and to show a
19 little more detail about what the construction will
20 look like, the red area represents the patio, and the
21 existing buffet seating and the racing and wagering
22 area of the facility currently. That's where almost
23 all of the new construction is going to take place;
24 that's where the majority is going to take place.

25 Talking through how we are going to

1 attempt to get this facility open on time for live
2 racing and for the implementation of table games in
3 July, we estimated on our original plan we would have
4 to start the process in early March. That early March
5 construction will be demolition and work on the patio
6 area in order to prepare it to be enclosed.

7 Somewhere in the middle of April, right
8 about the middle of April, right about the mid point
9 of April, we would have to close off the existing
10 buffet and the simulcast wagering area.

11 And in the beginning of June, we would
12 have to start renovating the existing casino space in
13 order to capture the new table games being placed on
14 the main floor. If all of that went to plan, our
15 original plans had opening on May 5th, the simulcast
16 and wagering area. There would still be construction
17 going on around it outside in the buffet area and the
18 casino area, but the simulcast wagering area would be
19 open and we would have access to the track, the
20 paddock and the apron.

21 Early part of June, we would open the
22 buffet and its new seating area, and we would get the
23 patio back, the new patio, the closer patio for the
24 track facility. In line with the opening of table
25 games in early July, the rest of the casino facility

1 would be prepared to open in the first part of July,
2 the latter part of June.

3 Just to walk through the plans in just a
4 little bit more detail, and again brief --- this is
5 the existing buffet area as it's converted to the new
6 gaming space. The existing paddock bar is reoriented
7 and redeveloped in order to integrate both the
8 simulcast wagering area and the new table games area
9 to accommodate an integration of both spaces. The
10 simulcast wagering area moves from its current
11 location approximately right here, more towards the
12 track and more towards the paddock, making that a more
13 accessible feature.

14 We relocate the wagering terminals to the
15 inside wall so that we open up the view to the paddock
16 from the simulcast wagering area, and we continue the
17 tables and chair arrangement that we currently have on
18 our patio, which is a very positive piece of our
19 business, and we put that back.

20 Over here, this is a complete glass wall
21 new seating area for our buffet. The glass comes all
22 the way around the facility, opening up and including
23 the line of sight to the racing facility. Probably
24 one of the more meaningful pieces for our racing
25 customers is the addition of the major corridor where

1 it's a family-friendly entrance, and we'll talk about
2 that as being one of the benefits later, but this is a
3 major corridor accessing the restaurants and to the
4 track.

5 It's just some views --- this is the
6 corridor that we are discussing, if you were standing
7 at the threshold of our casino looking out towards the
8 track, you would have the new buffet seating on your
9 left, you would have the casino on your right. That
10 doorway at the end would lead you out onto the new
11 patio and ultimately out to the track. As you can
12 see, the look of the scope is designed to be a nice
13 compliment to our existing facility.

14 To the left, we have the new entrance to
15 the Triple Crown Buffet, which has been relocated to
16 align more properly with the new casino entrance
17 that's located directly across and to work better with
18 the new seating. And just to point out again, the
19 glass windows, as you're looking through, you can see
20 the glass windows out to the patio area and again
21 hopefully looking at the track.

22 As we've discussed before, this is the
23 look and the feel of the new paddock bar. It's
24 angled, you can see the simulcast wagering area over
25 here (indicating) with all the TVs, the windows

1 overlooking the paddock there. And if you're standing
2 from this perspective as one of the new employees
3 would be turning inside the pit looking toward the
4 paddock bar, with a connector here connecting to the
5 other section of the casino.

6 This is just a representation of the new
7 race wagering area. As you can see, the number of
8 terminals remains the same. The seat counts have
9 increased. The proximity from the paddock has been
10 improved. The number of TVs in this area has remained
11 the same.

12 In order to accomplish this plan, we will
13 have to go through a series of slot moves in the month
14 of June to --- which will effectively eliminate 320
15 positions briefly while we are making these minor
16 renovations, and at the end of the project, those 320
17 positions will come back with the possibility of a
18 couple additional ones finally done. All of this will
19 be --- is targeted to be July 1st, but more accurately
20 when the state is ready to implement table games is
21 when we'll be ready to go.

22 At the end of the day, we will end up
23 with 26 Blackjack, six Craps, four Roulette, four
24 Three-Card Poker, two Four-Card Poker, two Let It
25 Ride, two Texas Hold'Em Bonus poker, one Mini-Bacc,

1 one Pai Gow Poker, and we'll remain --- we'll have one
2 electronic Blackjack game remaining on our floor.

3 With that, I'll turn the presentation
4 over to David Hughes, our Chief Financial Officer.

5 MR. HUGHES:

6 Thank you, Rob. I'm David Hughes, Chief
7 Financial Officer for MTR Gaming Group. Thank you for
8 the opportunity to present to you today the economic
9 impact that it will have on the local community as
10 well. Our economic impact, MTR Gaming takes our
11 investment in the facility very seriously. We always
12 make sure an investment is in alignment within
13 reasonable markets, and Presque Isle Down is the same.

14 In addition to our local investment of
15 \$233 million, we paid a \$15 million license fee to the
16 State of Pennsylvania. Direct investment in the area,
17 in addition there were \$250,000 in charitable
18 donations, land \$64 million, building \$103 million.
19 And furniture and equipment, much of it purchased in
20 the local area, \$66 million.

21 We have a strong historical impact. The
22 gaming taxes and fees alone, this facility has donated
23 over \$304.6 million to the Commonwealth of
24 Pennsylvania, particularly \$171.5 million in state
25 gaming taxes. The local share assessment alone on

1 those taxes, \$39.1 million. The Race Horse
2 Development Fund was \$60.5 million, of which \$48.3
3 million went into purses. We also put into the
4 Breeder's Fund and \$2.5 million into the Health and
5 Pension Fund.

6 Economic development and tourism, a very
7 important area, especially in particular in Erie
8 County, \$25.2 million. Additionally, for
9 administrative fees, we have \$8.3 million. Also,
10 local economic impact, real estate taxes, payroll and
11 other items, \$7.6 million. Sales and use tax alone,
12 \$1.5 million, and also over \$1 million in indirect
13 goods.

14 Table games. Table games economic
15 impact. In addition to a license fee of \$16.5 million
16 to the State of Pennsylvania, estimated annual table
17 games taxes will be \$6.2 million. There will be an
18 additional \$9 million in wages. And particularly
19 about these wages, there's a lot of different
20 positions from dealers to management, which would give
21 a lot of opportunity for high paying positions. That
22 will have a trickle effect on the local economy
23 because we'll see houses, automobiles, clothing, all
24 things that we purchase from the local community. So
25 this direct payroll investment of table games will be

1 quite a significant attribute to the local community.

2 Additionally, construction/FF&E, over \$8
3 million. 30,000 man hours of construction labor,
4 payroll taxes annually of \$400,000. With that, I'll
5 turn it over to Fred Clark.

6 MR. CLARK:

7 Thank you. My name is Fred Clark. I'm
8 the President and CEO of Clark Resources. We are a
9 CDS and nationally-certified MBE/WBE consulting firm.
10 We originally began the project with Mountaineer about
11 four years ago, and monitoring their diversity plan.
12 It has changed since then to be more reflective of
13 inclusion, and that's more of a commitment from
14 Mountaineer Gaming. We'll be responsible for
15 monitoring the workforce, the supplying and
16 contracting on this five-month project.

17 Over this period of time, Presque Isle
18 Downs' project has the highest MBE/WBE participation
19 of any of the casinos in the Commonwealth of
20 Pennsylvania. Historically contracting, we look at
21 this project and process moving forward, reaching that
22 27 percent MBE/WBE participation came from the
23 commitment from the staff here at Mountaineer Gaming
24 and Presque Isle Downs. When we talk about the
25 reporting, during that period of time, away from their

1 internal staff that's committed to this project, Clark
2 Resources will be monitoring the enforcement and
3 compliance to reach those participation numbers.

4 Understanding the good faith effort, that
5 is the level of commitment that we have towards this
6 four-month project. We are going to go out, do
7 outreach, we're going to have participation, we're
8 going to be speaking with the local vendors to get as
9 much minority and women's participation as possible.

10 The senior management at Mountaineer
11 Gaming and Presque Isle Downs, the most impressive
12 thing I have to say is that they're 100 percent
13 committed to minority and women participation. And I
14 really don't care how much policies and procedures you
15 have in place; if you don't have a committed CEO and
16 management staff really dedicated to MBE/WBE
17 participation, you'll never reach that number. That
18 27 percent participation was a reflective commitment
19 of the internal staff here at Mountaineer Gaming and
20 Presque Isle Downs.

21 We'll be working with Mozelle Daniels at
22 the Pennsylvania Gaming Control Board while we're
23 doing the reporting and doing the monitoring, and
24 doing enforcement.

25 This project, working with Mr. Norton

1 directly, is 100 percent committed, 100 percent
2 committed to doing everything humanly possible to get
3 as much inclusion during this process. And I want to
4 thank Mountaineer Gaming for continuing that
5 commitment to MBE/WBE participation.

6 At this time, I'd like to introduce one
7 of the colleagues of mine who I've been working with
8 at Presque Isle Downs, and she won't say this, but
9 when you look at the internal hiring, almost 20
10 percent, almost 20 percent of the hirees at Presque
11 Isle Downs are persons of color and that's the
12 commitment that Roseanne Thompson has made from day
13 one. Roseanne?

14 MS. THOMPSON:

15 Hi. As Fred said, I'm Roseanne Thompson.
16 I'm the Director of Human Resources of Presque Isle
17 Downs and Casino. I'm an Erie resident my entire
18 life, and I'm really excited about this opportunity
19 that table games will bring to the community. We
20 actually estimate adding about 500 new jobs to the
21 Erie area, 400 full time and 100 part time. About 358
22 of those jobs will be brand new opportunities into the
23 Erie area directly related to table games, and the
24 remainder are support employees and security,
25 surveillance, food and beverage, the other areas that

1 already exist around the casino.

2 In order to get people ready for these
3 358 new jobs, we have to start a dealer school. We
4 submitted our training plan to the Gaming Control
5 Board and it was approved on March 16th of this year.
6 And we started our training school on March 22nd in
7 Erie County.

8 In order to find people for these jobs,
9 we held informational meetings for the public
10 regarding what does it take to become a dealer, what
11 skill sets are necessary, what's your opportunity for
12 progression, and what is it going to take for the
13 training. We advertise on our local radio program's
14 geared towards the minority population in Erie, and we
15 held a forum onsite at Presque Isle Downs to reach out
16 to community leaders, various minority support
17 services and educational groups.

18 In addition, we will be hosting a job
19 fair on April 19th at the Bayfront Convention Center
20 for the remainder of the positions. And again, we
21 will be working with our partners within the community
22 to ensure we get the outreach we'd like to the
23 minority communities.

24 The dealer training school, first of all,
25 we're providing the school free. There's no tuition

1 cost for the potential candidates. They're not paying
2 for materials or anything. Forty-nine (49) percent of
3 the candidates that are currently enrolled in the
4 school are currently unemployed. Demographic by
5 county, overall 98 percent of them are Pennsylvania
6 residents with 88 percent of that number being from
7 Erie County and the other 10 percent between Crawford,
8 Warren, Venango, Clarion, Allegheny and Mercer. And
9 then we have 2 percent from primarily Ashtabula, Ohio
10 and Chautauqua County, New York. This very closely
11 mirrors our current workforce where 99 and a quarter
12 percent of our current employees are Pennsylvania
13 residents.

14 In addition to the hiring and the
15 training plan, MTR Gaming and Presque Isle Downs has a
16 very serious commitment to compulsive gambling and
17 making sure we can provide assistance for any patrons
18 who may need it. We worked with the Council On
19 Compulsive Gambling of Pennsylvania to establish a
20 comprehensive compulsive gambling training plan for
21 all employees. This plan basically tells our people
22 if somebody needs assistance, what we can do to help
23 them.

24 That training is part of all new hires.
25 Before somebody comes to work for our property, they

1 will go through that training. In addition, we
2 provide annual refreshers for everybody in the company
3 from the senior management on down to again make sure
4 any potential problems are addressed. And we are a
5 yearly contributor to the Council On Compulsive
6 Gambling of Pennsylvania, not just with an annual
7 partnership fee, but we have provided support for
8 training programs for local providers and other
9 training seminars that they've done over the years
10 we've been in business.

11 With that, I'm going to turn it back to
12 Mr. Norton.

13 MR. NORTON:

14 At MTR Gaming and at Presque Isle Downs,
15 we pride ourselves on being active and productive
16 members of the community. In addition to the over
17 \$200,000 in direct turnover contributions, many of our
18 team members management contribute their personal time
19 volunteering for fundraisers, board members and
20 various other local organizations.

21 We also pride ourselves as being a leader
22 in the racino industry. When we develop a facility,
23 when we put racing into a --- a casino into a racing
24 facility, we take time to make sure that there is an
25 integration. Historically here at Presque Isle, the

1 facility was a state-of-the-art gaming and racing
2 facility. It was a trendsetter, bringing the racing
3 and the gaming under one roof. With that, we
4 introduced a top-of-the-line synthetic racetrack that
5 can only be found in a handful of places throughout
6 the world. And we operate over 800 live race days
7 --- or live races, I'm sorry, 800 live races May
8 through September, while we offer year-round
9 pari-mutuel wagering at over 600 tracks.

10 David has already mentioned the
11 contributions; again, \$4.83 million of that \$60
12 million is to purse money, \$9.7 to PA Breeder's Fund,
13 and \$2.5 million to the Health and Pension Fund for
14 the Horsemen.

15 Table games provides us an opportunity to
16 actually further the integration of gaming and racing.
17 Table games customers have a higher propensity to
18 cross over with the racing customer. With this, we're
19 taking the opportunity to further improve the
20 integration by improving the proximity of the patio
21 and the facility to the apron and the racetrack and
22 the paddock. We've improved visibility from the
23 buffet to the racetrack. We've added additional new
24 wagering locations, and we've added green space in the
25 corridor to try to improve the family friendliness of

1 the facility for the overall racing environment.

2 We presented this plan in its totality to
3 the PA Horseracing Commission, and it was approved on
4 March 29th. With that, I'd like to bring a couple of
5 conclusions and facts to this hearing as part of our
6 requirement.

7 Presque Isle Downs currently holds a slot
8 machine license which is in good standing in the State
9 of PA. The implementation of table games will have a
10 positive economic impact on the Commonwealth and its
11 residents. Presque Isle has adequate funding for the
12 expansion to accommodate table games, the
13 authorizations and the commencement of the table games
14 operation. And Presque Isle Downs, once the
15 construction is completed, will maintain or require
16 2,000 slot machines.

17 In conclusion, I'd like to say that this
18 really is a win-win. This is a win for the local
19 community, with over 500 new good paying jobs that are
20 coming to this town. It's a win for the state with
21 the license fees and the additional taxes that are
22 going to the state. It's a win for the racing
23 community as we continue to expand and further
24 integrate racing with our gaming environment and
25 improve our facility for the betterment of the racing

1 industry. And it's a link for our guests and our team
2 members as we provide another entertainment option,
3 and a new career path for many of the residents in the
4 local area. And with that, I thank you, and I'll turn
5 it back over to Nick.

6 ATTORNEY RODRIGUEZ-CAYRO:

7 Hearing Officer Lloyd, this will conclude
8 our testimony on this issue. I would ask that the
9 physical copy of the slide presentation be marked as
10 Exhibit One and move for its admission, if there's no
11 objections.

12 (MTR Exhibit Number One marked for
13 identification.)

14 PRESIDING OFFICER:

15 No. We'll enter that as Exhibit Number
16 One.

17 ATTORNEY RODRIGUEZ-CAYRO:

18 I'd also like to mark as Exhibit Two a
19 letter from Todd Mostoller to Michael Dillon at the
20 Racing Commission. I believe I've given you a copy of
21 that letter.

22 PRESIDING OFFICER:

23 Yes.

24 ATTORNEY RODRIGUEZ-CAYRO:

25 And I'd move for the admission if there

1 is no objection.

2 PRESIDING OFFICER:

3 And we'll mark that as Exhibit Number
4 Two.

5 (MTR Exhibit Number Two marked for
6 identification.)

7 ATTORNEY RODRIGUEZ-CAYRO:

8 Ms. Lloyd, before I turn this over to
9 Chairman Fajt to conduct the rest of this hearing, as
10 I've stated we conclude our testimony. However, I
11 believe our CEO and President of the company would
12 like a brief minute to address the crowd, if that's
13 permissible?

14 PRESIDING OFFICER:

15 Yes.

16 MR. GRIFFIN:

17 Thank you very much. Thank you. My name
18 is Robert Griffin. I am the President and CEO of
19 Mountaineer, and I just wanted to take a minute to
20 thank the Gaming Control Board, the Racing Commission,
21 and the Legislature, the Governor and our local
22 officials. The reasonable license fee and the
23 reasonable tax rate has given us the ability to really
24 do something special up here.

25 Last night, I spent about an hour talking

1 to about a hundred people at our dealer's school. And
2 you know, from the standpoint of the state, taxes are
3 always nice, but we met people last night, 49 percent
4 of the people in that school are unemployed. And I
5 talked to local residents who we have people out there
6 who are single mothers, we have people whose husbands
7 have been laid off for a year, construction and
8 transportation being gone. They are thrilled that
9 there are jobs coming to this area, and I can just see
10 that across the state. So from Mountaineer, I thank
11 you, and for the industry, I think it's a great thing.
12 So thank you very much.

13 PRESIDING OFFICER:

14 And I'll turn it over to Chairman Fajt
15 for questions he might have.

16 CHAIRMAN:

17 Thank you. First of all, great
18 presentation. So thank you. It's concise, clear. I
19 think you covered all the topics that we're interested
20 in from the Gaming Board standpoint, so good job. I
21 have several questions and whoever wants to answer
22 them can pipe in.

23 As I looked at your timeline there, is
24 the simulcast area down for a month? I saw that there
25 was construction, it looked like it was going to start

1 in April and then it was going to be back up again on
2 May 5th, I think the date was.

3 MR. NORTON:

4 Yeah. There are currently two simulcast
5 areas within our facility, and the one located
6 adjacent to the track on the lower level would be
7 closed down for a period while we renovate the area.
8 However, the upstairs area would be staffed and
9 maintained for a continuous simulcast operation.

10 CHAIRMAN:

11 Okay. I saw on the graphic, it didn't
12 look like there were any walls between the table games
13 area and the new simulcast area; am I correct, in that
14 assumption?

15 MR. NORTON:

16 There's actually a knee wall, it's a half
17 wall, but the intent is to maintain an open view. It
18 hasn't been completely determined whether it's open or
19 glass, but the intent is to maintain an open view.

20 CHAIRMAN:

21 Okay. Again, I think that's important,
22 and I'll get to this in a minute about the concept of
23 racing in Pennsylvania. I think there are great
24 synergy potentials between the table games player and
25 the wagerer in the horseracing industry. And as we

1 all know, the horseracing industry is an industry that
2 is not thriving, to be blunt about it. They need new
3 players, younger players, that's the demographic that
4 typically comes in to play table games. Again, I
5 think they're great synergy. So the more flow that
6 you have between the table games area and the
7 simulcast area, I think is a good thing.

8 The buffet area, how long is that going
9 to be down and then what are your other eating options
10 at the casino?

11 MR. NORTON:

12 Good question. We'll be down
13 approximately six weeks, right about the middle of
14 April to the first part of June. We are going to ---
15 we have a plan to run the temporary buffet and split
16 the clubhouse function for temporary buffet during
17 that time. So we still have our Little Al's (sic),
18 which is a concession stand, if you will. We still
19 have La Bonne Vie, which is our steakhouse. And the
20 clubhouse, we continue to operate, which is comparable
21 to a diner type of food choice.

22 CHAIRMAN:

23 Okay. Could you offer to the Board, and
24 you can do this, you know, in the next week or two,
25 one of the issues I'm interested in is the amount of

1 money that the casino spend both in the contiguous
2 counties around Erie, and then also throughout the
3 state? And I think something that gets missed in all
4 of the gaming arena is the amount of money that these
5 casinos spend for local businesses and in local
6 businesses.

7 You know, there's the florist, there's
8 the bakery, there's the dry-cleaning, there's the snow
9 removal, you know, and the food and beverage services,
10 on and on. And what we found is that casinos in
11 Pennsylvania are spending literally millions and
12 millions of dollars a year for small businesses, and
13 in keeping those businesses going, often allowing them
14 to expand. So if you could give to the Gaming Board
15 the amount of money that you spend by month in the
16 contiguous counties of Erie and then also in
17 Pennsylvania on a monthly basis.

18 MR. NORTON:

19 We'll provide you that written report and
20 then I'll share with the group today that that's
21 approximately about \$2 million a year.

22 CHAIRMAN:

23 Okay.

24 MR. NORTON:

25 Just in Erie County.

1 CHAIRMAN:

2 Right. Okay. Also, I'd like to see ---
3 I saw, Fred, your comments about the diversity of MTR
4 in the workforce in Erie, which is good. I'd also
5 like to see what the diversity is for the senior
6 management of MTR, because again, I think that's
7 indicative of, you know, the message that you send to
8 the workforce and that's something that we also pay
9 attention to; not only diversity of the workforce per
10 se, but also the management.

11 The table games hires, you know, again, I
12 hesitate to make this comment, but I will anyhow. We
13 do pay attention to the amount of PA residents that
14 are hired, and you obviously have done a great job in
15 MTR of --- I think your workforce right now is
16 somewhere around 97, 98 percent of Pennsylvania
17 residents. What we've heard from other operators is
18 that as to the supervisor level in the pit boss
19 positions in the table games area, many of them are
20 going outside PA just because of an experience factor.
21 And while it's fine to hire dealers, Pennsylvania
22 residents, we absolutely want that, we are concerned,
23 quite frankly, about cheating scams. And I've said
24 this publicly and I'll say it again, that we know that
25 there are people waiting to pounce on Pennsylvania as

1 soon as table games come in here.

2 We have cheating schemes in Vegas,
3 they're in Atlantic City, they're in West Virginia.
4 Those folks are looking at PA and saying, you know, I
5 can't wait to get in there and they're going to strike
6 early. We know that's coming. We will be prepared
7 for that. We're working with our partners at the
8 State Police and also in your facilities and our CCRs.
9 But one of the things that we've heard from other
10 casinos is that while the dealers may be new and we
11 certainly expect that, the supervisors, you know, who
12 have seen these schemes throughout the country will be
13 veteran supervisors. So that caused me a little bit
14 of concern, and if you could address that issue, I'd
15 appreciate it.

16 MR. NORTON:

17 I think it's a fair concern. And one of
18 the ways that we will address that is we will be
19 hiring most of our supervision from outside the local
20 area because there's not a lot of experience at that
21 level, and the same concern you have. But there are
22 some things to point out, that we expect the majority
23 of the folks to actually become residents to the local
24 area pretty quickly.

25 The second part is that as we speak to

1 the folks that are out there. And I think Bob alluded
2 to this in his presentation. There are people who are
3 not --- that are from this area that have moved away
4 to take part in gaming in other jurisdictions, that
5 are taking this as an opportunity to come back. So
6 although they may not be currently residents of the
7 community right now, we do believe there are people
8 that are looking to come home, and this provides them
9 that opportunity.

10 MR. GRIFFIN:

11 As mentioned earlier about meeting some
12 of the folks at the dealer school last night, the
13 gentleman that was running the school actually works
14 for us in West Virginia and he opened there the last
15 two-and-a-half years. He was born and raised in Erie.
16 He is now living with his sister while he's house
17 hunting, but he's coming home. So clearly, that's one
18 of the upsides.

19 One of the things I also talked to him
20 about is, you know, every time you open up somewhere
21 new, we're very concerned about game protection. And
22 what we will see is people from Pennsylvania, people
23 from this area moving on to other states, Ohio for
24 three years, one of our concerns is the people that we
25 train here in our group over to Cleveland, but it's a

1 positive thing for the industry, but certainly it's on
2 our radar.

3 CHAIRMAN:

4 Okay.

5 MR. NORTON:

6 And we can point out that the trainers
7 that we currently have working right now, 80 percent
8 of them are returning home that were once community
9 members here.

10 CHAIRMAN:

11 Okay. How did you pick your table games
12 mix?

13 MR. NORTON:

14 We actually picked table games based upon
15 our experience in West Virginia. And our personal
16 experience is, as far as what the proper mix is, based
17 on the demographics, there's a lot of overlap and we
18 feel pretty confident about our mix.

19 CHAIRMAN:

20 Okay. And how many total jobs will MTR
21 have at this facility after the additional 500 or
22 higher for table games? What are you at now?

23 MS. THOMPSON:

24 Well, currently, we have 630, so about
25 1,100.

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

CHAIRMAN:

Okay, 1,100. Okay.

MS. THOMPSON:

And then in addition, we have a seasonal component that's not in that number when we have live racing. We have about another 125 on top of that.

CHAIRMAN:

Okay. And how many current employers are going to go to the table games area?

MS. THOMPSON:

We have 22 that are going through the dealer's school right now. If they make it all the way through, we'd obviously replace their current positions and they would become dealers.

CHAIRMAN:

Great. Okay. And my last comment is just, you know, I do this at every Category 1 hearing, and that is to let you know that horseracing is important to Pennsylvania. I know that there was a recent issue that came up, it's been resolved, that's great. But I do want to say on the record that there are members of the Board, myself included, that place a high value on horseracing. And it is what brought you to the dance.

You know, the Gaming Act is called the

1 Horse Race Development Act for a reason. And but for
 2 horseracing, we wouldn't have slots, we wouldn't have
 3 table games, and so we are committed to making sure
 4 that horseracing in Pennsylvania is given a fair shake
 5 and is promoted. Not only just given a fair shake and
 6 be part of the mix but is promoted by you, it has a
 7 lot of ancillary benefits. Number one, you know,
 8 farmland preservation. Number two, it supports a lot
 9 of small businesses in Pennsylvania. The hay
 10 providers, the feed providers, the tack providers;
 11 there are a lot of jobs in that area. I know that
 12 that industry has done well under the new legislation
 13 with the amount of money that's gone into horseracing
 14 as a result of your success, but it is important, we
 15 do pay attention to it and I'd just ask you that you
 16 keep that in mind as we move forward. And that's all
 17 the questions I have. Thank you.

18 PRESIDING OFFICER:

19 Attorney Rodriguez, if you would file
 20 with the Board's clerk your written responses to the
 21 Chairman's questions, we'll make sure they get in the
 22 record and are distributed to the remaining Board
 23 members.

24 ATTORNEY RODRIGUEZ-CAYRO:

25 Absolutely. Would you like that as a

1 written response or as a supplement to the Petition?

2 PRESIDING OFFICER:

3 A written response is fine.

4 ATTORNEY RODRIGUEZ-CAYRO:

5 Written response. Will do. Thank you.

6 PRESIDING OFFICER:

7 We will now begin with the public comment
8 portion of our hearing. As I call your name, if you
9 could please come forward to the podium. A reminder
10 to state and spell your name for the court reporter.
11 And our first speaker is Senator Jane Earll.

12 SENATOR EARLL:

13 Good morning, everyone. My name is Jane
14 Earll, that's E-A-R-L-L, and I am the State Senator
15 representing the 49th District and have the good
16 fortune to have Presque Isle Downs in my District.
17 And I thank you gentlemen and your company for all the
18 investments that you have made here. It really is
19 much appreciated and it is so beneficial to this local
20 economy.

21 Mr. Chairman, welcome back to the
22 northwest.

23 CHAIRMAN:

24 Thank you.

25 SENATOR EARLL:

1 We appreciate having you here. And I
2 would like to note also that we have Chairman Hamm
3 here from the Racing Commission. And I would like to
4 thank the Racing Commission for the very positive
5 approval that you gave on Monday to the plan that we
6 all just heard. That certainly is one more step, one
7 more green light giving this project approval. And
8 time is of the essence. We would like to see table
9 games as quickly as possible, because again, it is so
10 important in terms of employment.

11 I know that I'm speaking not only on
12 behalf of myself, but also on behalf of Representative
13 Flo Fabrizio, who is with us in the audience. I don't
14 want to completely repeat some of the information that
15 we've heard, but some of it really deserves to be
16 reiterated. Now, I have had the opportunity to chair
17 the committee in the Senate that has oversight of the
18 gaming industry, the Senate Community Economic and
19 Recreational Development Committee, and I have chaired
20 that committee since gaming was legalized in
21 Pennsylvania. And I certainly had a front-row seat or
22 a bird's eye view watching how this new industry has
23 incorporated itself and has become part of the fabric
24 of our economy here in this commonwealth.

25 And while we don't have all of the 14

1 licenses up and running yet statewide, those that are
2 up and running are doing very well, and certainly that
3 is true in the case of Presque Isle Downs here
4 locally. And just to repeat or reiterate some of the
5 figures that we've heard, Presque Isle Downs itself is
6 paying between state taxes, local taxes, local share
7 assessments, the horserace development tax, the
8 economic development and tourism tax, the
9 administrative fees paid to the Department of Revenue,
10 some \$304 million. In addition to that, when you add
11 the payroll taxes, the state and local payroll taxes,
12 the --- just in taxes alone, this individual facility
13 is paying approximately \$312 million. That's a huge
14 amount of money. That doesn't even include the
15 licensing fee, nor does it include the benefit and the
16 additional taxes that would be generated through table
17 games licensure, and the additional licensing fee that
18 the legislature has required be paid for the table
19 games license. So obviously, that's some significant
20 money.

21 Here locally, because of those
22 assessments and particularly with the local share
23 monies, we have been able to invest those dollars ---
24 and I say we very broadly, have been able to invest
25 those dollars in many, many amenities that certainly

1 has helped, particularly in this struggling economy,
2 have helped in enhancing the quality of life here
3 locally, all from the Art Museum to the Erie
4 Philharmonic, the Flagship Niagara League, the
5 Flagship Niagara, Celebrate Erie 2009 was a
6 beneficiary of some of these funds, various grades,
7 the Public Safety Training Center which trains
8 volunteer firefighters, the food bank, the drug
9 courts, the significant transportation infrastructure
10 investment in our local airport runway extension
11 project. All of those things have been beneficiary of
12 the local share assessments that certainly have
13 enabled this community to, again, enhance some of the
14 amenities and some of the very important
15 infrastructure entities that we would not be able to
16 afford again, in this time when local governments are
17 struggling for revenue. It really has been very
18 beneficial to have this additional revenue.

19 Also, in terms of one of the questions
20 that you asked, Mr. Chairman, the local investment
21 also includes --- or the local expenditures, in
22 addition to those assessments, includes those revenues
23 that are spent by this company, benefiting all of
24 those small businesses here locally. And as Mr.
25 Norton indicated and my figures show, an approximate

1 \$2 million annual investment for the purchases of
2 goods and services from over 300 different vendors
3 here in Erie County; purchases including food and
4 beverages, office supplies, printing, landscaping,
5 snow removal, fuel, and the list goes on and on. So
6 in addition to the whopping tax assessments, we
7 certainly benefit here locally and a lot of small
8 businesses benefit.

9 The impact on tourism to this local
10 economy cannot be overstated either. We have an
11 approximate \$800 million tourism marketplace here in
12 Erie County that has already been very positively
13 impacted by this gaming industry here locally. It
14 allows us to attract more folks to the area,
15 increasing demand for hotels, restaurants, which in
16 turn makes sure that our --- that there are more
17 employees here locally being given employment
18 opportunities year-round in those other
19 establishments.

20 The entire operation at Presque Isle
21 Downs enhances our ability to continue to strive to be
22 a destination resort area in this tourism climate that
23 continues to grow here in Erie County. And Presque
24 Isle Downs has also very aggressively and positively
25 partnered with our local convention and business

1 bureau, our local tourism agency, the Visit Erie,
2 which they do joint advertising, joint marketing. So
3 again, that knowledge has helped the marketing for
4 this casino itself, but all of those other amenities
5 that are partnering in that marketing wouldn't be able
6 to afford to do it by themselves are benefiting from
7 that joint cooperative effort.

8 Again, I'm not going to repeat some of
9 the facts and figures that you heard related to the
10 additional employment that will be created by table
11 games, but I can't for the life of me imagine why we
12 wouldn't want and we wouldn't be able to be licensed
13 for table games because I see nothing but a
14 continuation of the very positive impacts that we have
15 had locally.

16 And again, I stand before you saying this
17 being one legislator that was fairly skeptical back in
18 2004 when we were debating, very vigorously, the
19 legalization of gaming in Pennsylvania. But again, by
20 virtue of having the opportunity to preside over the
21 set committee that it's overseen by oversight to the
22 industry, again, I want to echo or repeat that it's
23 not only been beneficial here locally to my senate
24 district, but throughout the Commonwealth, some of
25 those problems that people were suggesting would occur

1 as a result of legalized gaming, we're not seeing.
2 Increased crime rates or increased, you know,
3 addiction problems; not to diminish the potential for
4 that, but --- and we're paying very close attention.
5 We're not seeing that here locally and we're not
6 seeing it to any significant degree in any of the
7 areas of the Commonwealth where these establishments
8 are open and operating.

9 So with that, again, I want to thank
10 these gentlemen and their top staff here locally
11 because they really do do a good job. We're all
12 looking forward to see who the new general manager
13 will be to continue with the very good efforts that
14 have been doing very good oversight thus far. That's
15 critical, obviously a critical position. But with
16 that, I am very supportive and I know that I speak for
17 a great majority of my constituents in this district
18 and we're very anxious to see the approval of table
19 games and want to see them get up and running as soon
20 as possible.

21 CHAIRMAN:

22 Thank you.

23 PRESIDING OFFICER:

24 Thank you.

25 CHAIRMAN:

1 Can I just make one comment? Senator
2 Earll and I have known each other for a long time, and
3 I want to say publicly that, you know, she not only is
4 somebody who oversees this committee, the Oversight
5 Committee of gaming, but also is very actively engaged
6 in it. She and I talk often on matters that we're
7 allowed to talk about regarding gaming, but she is
8 very engaged and a great ambassador for this casino.
9 And also, Representative Fabrizio, again, he and I do
10 have discussions regarding gaming in general, and also
11 is somebody who sits on the Oversight Committee in the
12 House and does a great job. So to the residents of
13 Erie, the Mayor and others, I want you to know that
14 you are well-represented in Harrisburg on this issue.
15 Thank you.

16 PRESIDING OFFICER:

17 The next speaker is the Mayor of Erie,
18 Joe Sinnott.

19 MAYOR SINNOTT:

20 Good morning. Joe Sinnott,
21 S-I-N-N-O-T-T, Mayor, City of Erie. First, I'd like
22 you to say thank you to Chairman Fajt for being here
23 today to allow us to express our support for the
24 licensure for Presque Isle Downs. I'd also like to
25 say thank you to Presque Isle Downs for their

1 investment in this community. It certainly has turned
2 out to be a positive thing for Erie and the region as
3 a whole.

4 I think that Senator Earll's comments
5 were very comprehensive and very straight to the
6 point, and I would like to say that I agree with all
7 of them. So I'm going to keep my remarks very brief
8 and just call them in addition to her remarks on a
9 more municipal --- from a more municipal perspective.
10 I am the Mayor of what is currently the fourth largest
11 municipality in Pennsylvania, and a core municipality
12 in this region.

13 What we have been faced with as a
14 municipality is very much along the lines of what the
15 older industrial communities of Pennsylvania and
16 across this part of the country have faced over the
17 last couple of decades, and that is the evaporation of
18 a lot of our heavy industrial manufacturing, which
19 were the large support for this community for many,
20 many decades.

21 What has happened to our communities is
22 that it put us in a very significant predicament of
23 dealing with some of the results of trying to reinvent
24 ourselves as a community. We're currently facing, and
25 it's a major topic in this region right now, of

1 poverty, which is a great consequence of those changes
2 in the community. Across the United States, the
3 current poverty rate is about 13.3 percent.
4 Pennsylvania is about 12.1 percent. Erie County is
5 14.6 percent, and the City of Erie is 25 percent,
6 which makes us the community with the tenth highest
7 poverty rate in Pennsylvania, and the highest poverty
8 rate amongst cities of 100,000 people or more. It's a
9 very significant issue for us. Our unemployment rates
10 right now are between nine and ten percent. They
11 fluctuate seasonally, which is also above the national
12 rate.

13 Again, we have been charged with the
14 onerous task of trying to solve these issues for our
15 community. Part of doing this has been trying to
16 bring new things here. We continue to compete with
17 every city in America for new industries, but we also
18 have tried to bring new things here to supplement our
19 industrial base, and I believe that the jobs that
20 Presque Isle Downs have brought here have, with the
21 current setup, have made a difference in our poverty
22 rate. We have a lot of people from our community that
23 are now gainfully employed at the facility, making
24 family-sustaining wages. I think that the new jobs
25 are created through the construction through the

1 dealers and managers, through the food and beverage
2 office staff and all the ancillary services associated
3 with this, totaling nearly 500 new jobs to this area
4 will also make another significant in road into what
5 we're trying to do to put our people back to work and
6 to move away from those staggering poverty rates which
7 we've had to endure.

8 I think another important issue here is
9 that as we have tried --- this region has an advantage
10 that a lot of the other cities don't have, and that is
11 where we sit geography on the Great Lakes. We have a
12 tourism facet that we have been trying to enhance. We
13 certainly have one of the finest peninsula and beach
14 areas in the country. But that standing alone is not
15 as good of a tourist attraction as it can be if we
16 continue to add more attractions to the area. I look
17 at it as a puzzle. With one piece of the puzzle, you
18 don't have one, but as you continue to add more of
19 these other things, it makes the entire region
20 attractive to people coming here for a multitude of
21 reasons.

22 I think the casino has been a great part
23 of that, and I think that the expansion in the table
24 games is critical to perpetuating that we --- bringing
25 the table games to this region will help us to level

1 the playing field with New York State that already has
2 table games on its reservation casinos.

3 It will also help us to capture a lot of
4 the people from Ohio and other areas that come right
5 past us to go to those New York casinos, because they
6 have a propensity towards table games instead of maybe
7 slots or horseracing. And it also will make us ---
8 continue to allow us to be more competitive because as
9 Ohio has now approved gaming in certain of their
10 cities, you know, we're looking at lowering our slot
11 machine pull of draw. And I think that this helps us
12 to maintain that attraction to people that might be
13 deterred because of what's going on in Ohio.

14 It also helps, like I said, to expand our
15 entertainment options in this community. The longer
16 we're able to encourage the visitors to come here and
17 utilize these various attractions, the longer they'll
18 stay in our community, the more dollars that they will
19 commit to our restaurants, our hotels, our other
20 entertainment venues and things of that nature. Not
21 simply in one municipality, but across the entire
22 spectrum. It's very good for our hotels that sit in
23 the various municipalities and through our hotel tax
24 locally, as I believe Senator Earll mentioned, that
25 helps to support both our tourism but also our

1 convention center which has been developing and
2 renovating several of its venues very much to the
3 benefit of the region as a whole.

4 So I think that when you look at it
5 comprehensively and you look at it regionally, this
6 has been a great addition to our area. I think from a
7 community standpoint, Presque Isle Downs has been a
8 very good community partner. They've been involved in
9 some of our local events like our Roar on the Shore,
10 which is a charity event that we do each year.
11 They've been involved in our Celebrate Erie event,
12 which is our largest community event throughout the
13 entire region. And they've been a very, very good
14 community partner.

15 I was also concerned when gaming first
16 came to this community because there was a lot of
17 debate about the negatives that gaming could bring to
18 a region. I agree with Senator Earll when I say that
19 I don't believe that we see that. I think that we've
20 seen all positive results from having Presque Isle
21 Downs in this community, and I think that there are
22 many more to be had with this expansion and I am fully
23 in favor of it. I think it would be a great thing for
24 our region, and I hope that it becomes a reality very
25 soon for Erie. Thank you very much.

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

CHAIRMAN:

Thank you.

PRESIDING OFFICER:

Thank you. Our next speaker, Ray Hamm.

MR. HAMM:

Good morning.

CHAIRMAN:

Good morning.

MR. HAMM:

My name is Ray Hamm. We pronounce it Hamm, it's a German name. My wife and I spent some time in Germany when we were stationed in Saudi Arabia. We went to visit the City of Hamm, H-A-M-M. We had our picture taken by the placard. H-A-M-M.

I am here today as a Commissioner of the Pennsylvania State Horseracing Commission. I'm here today also to represent the entire commission; Chairman Sweeney, Commissioner Hannum and myself. We along with the Secretary of Agriculture, Russell Redding, are very pleased with the recent table games legislation. We're particularly pleased with what is referred to as Section 1211. Section 1211 provides the opportunity for the Category 1 facilities to give us any reports as to how they will enhance live racing and breeding in the State of Pennsylvania. We expect

1 the Category 1s to put their best foot forward to
2 demonstrate their commitment to live racing and
3 breeding in Pennsylvania.

4 As Chairman Fajt has indicated, the
5 breeding and racing of horses in Pennsylvania are the
6 keystones as to why Act 71, the Pennsylvania Racehorse
7 Development and Gaming Act, was passed by the General
8 Assembly and signed into law by Governor Rendell.
9 With the enactment of Section 1211, there will be
10 closer scrutiny as to what the Category 1s will be
11 doing to promote live racing and breeding in
12 Pennsylvania. We expect the Category 1 license
13 holders to promote live racing in a robust and
14 sustained manner at their facilities.

15 Specifically, we expect Presque Isle
16 Downs and Casino to provide good housing for the
17 grooms living on the backside. We expect Presque Isle
18 Downs and Casino to maintain a safe and clean backside
19 for the well-being of the horses and humans who work
20 and live on the backside. Specifically, and this is
21 very important, we fully expect the Category 1 license
22 holders to support the offering of a significant
23 number of races, restricting entry to Pennsylvania
24 bred horses, and we recommend at least one race on
25 every racing card.

1 As a result of the Section 1211, the
2 respective commissions will have an active role at
3 both its Category 1 facilities and their racetracks to
4 monitor the progress regarding enhancement of live
5 racing at all six Pennsylvania tracks; the three
6 thoroughbred tracks, Presque Isle Downs, Penn
7 National, Philadelphia Park and the three harness
8 tracks; the Meadows, Pocono Downs, and Harrah's
9 Chester Casino and Racetrack.

10 Mr. Chair, we look forward to the bright
11 future of live racing and horse breeding in
12 Pennsylvania, and the promotion and enhancement of
13 Agriculture in our Commonwealth.

14 Chairman Sweeney, Commissioner Hannum and
15 I thank you for your strong consideration and your
16 support. I would ask that you kindly file these
17 remarks for the record.

18 CHAIRMAN:

19 Thank you. Will do.

20 PRESIDING OFFICER:

21 Thank you.

22 MR. HAMM:

23 Thank you very much.

24 CHAIRMAN:

25 Thank you.

1 PRESIDING OFFICER:

2 Our next speaker, Donald Crenshaw.

3 MR. CRENSHAW:

4 Thank you. My name is Donald Crenshaw,
5 C-R-E-N-S-H-A-W, and I would like to just start off by
6 thanking everyone here as assembled today, Chairman,
7 elected officials, Mountaineer, MTR and Clark
8 Resources, to coming together and having a vision and
9 having the diligence with all of the challenges to
10 come forth and make a dream actually come true. I can
11 remember in 2004 as well when things were
12 questionable, but I come to emphasize the
13 participation level that is involved in the entire
14 facility from top to the bottom.

15 As it has been stated, there has been
16 great successes in the participation level with this
17 project, and I would just like to publicly today thank
18 all of those that had anything to do with those
19 participation levels being what they are; especially I
20 feel Fred Clark and Clark Resources, and the things
21 that have been done as a whole on this project to try
22 to equalize the playing field of society today.

23 As our Mayor has stated, one of the
24 challenges that we have in this area is poverty. And
25 with 25 percent of the City of Erie, individuals in

1 poverty, it is quite challenging. But I must say to
2 each and every one of you, as we look at and address
3 these issues from a diversity standpoint, it is very
4 important that we never forget the challenges that are
5 before us. And as diversity is addressed, I myself as
6 a minority developer for low-income housing take
7 poverty and diversity very seriously. And as we've
8 worked hard to try to level the standards of living
9 for all, I look forward to the continuing
10 opportunities that we would have here at Crenshaw
11 Brothers Construction who has worked on this
12 particular site as part of the diversity workforce in
13 the actual construction field.

14 I look forward to the opportunities I
15 feel that will continue to be granted to us as helping
16 those individuals of color that would otherwise not
17 have opportunities to work on some of these types of
18 projects. So I just would like to, again, thank all
19 of those individuals that have come together and have
20 taken it seriously to heart that diversity is very
21 important, and I as not only individual coming out of
22 originally low-income housing and rising up to
23 actually be a developer, contractor, entrepreneur of
24 multiple entities, never think for a minute that even
25 though in today's time things have changed, that we

1 actually have a minority, a man of color, in the
2 highest position in this country as president. There
3 are still the challenges before us that we must never
4 forget, as one has made it to the full ability of
5 opportunity here in the United States. There are
6 still so many others that without the continuing
7 commitment of making sure that diversity is never
8 overlooked and never taken serious, that otherwise if
9 this is not taken place, there will still be so many
10 that will not have those opportunities.

11 So I just want to say again, to all of
12 you as a whole, I thank you for your commitment. I
13 look forward towards your continuing dedication and
14 commitment to making a difference in this United
15 States in which we all live in. I thank you.

16 PRESIDING OFFICER:

17 Toni Crenshaw.

18 MR. CRENSHAW:

19 Toni Crenshaw is under the weather this
20 morning, and she will not be able to make it.

21 PRESIDING OFFICER:

22 Okay. Thank you. Mike Jeffreys? Mr.
23 Jeffreys? No Mr. Jeffreys. Okay. That is the list
24 of speakers that I've been provided this morning. If
25 there's anyone here that believes they were registered

1 to speak this morning and have not been called, could
2 you raise your hand? Sir?

3 MR. COON:

4 Marlon Coon, supervisor of Summit.

5 PRESIDING OFFICER:

6 Come on up, or come on down.

7 MR. COON:

8 I apologize for not ---.

9 PRESIDING OFFICER:

10 That's quite all right.

11 CHAIRMAN:

12 We like to be nimble in this business, so
13 we're happy to have you speak to us.

14 MR. COON:

15 I might be very brief.

16 CHAIRMAN:

17 We like you even better then.

18 MR. COON:

19 Good morning to the Gaming Control Board
20 and my fellow elected officials with us at the Racing
21 Commission. And all of us are good people. My name
22 is Marlon Coon, C-O-O-N, one of three elected
23 supervisors of Summit Township in which Presque Isle
24 Downs and Casino is located.

25 I have proudly served this community for

1 15 years and I'm the only supervisor here from the
2 first day our township was approached about developing
3 this horserace track at that time here in Summit.
4 Summit worked long and hard with PIDI and PennDOT and
5 this development became a reality.

6 I truly believe that Presque Isle Downs
7 and Casino has become the largest economic development
8 not only through our township and school district, but
9 the entire Erie community in my lifetime. And I
10 truly, truly believe that. I could go on and on about
11 the many benefits Summit and Erie County had received
12 from PIDI, and most likely will miss many of those
13 benefits. But with most developments, the benefits
14 come with adverse conditions that the community has to
15 put up and deal with.

16 Summit Township is not experiencing any
17 adverse effects from this operation. We do not have
18 traffic problems. We do not have crime problems. We
19 do not have undesirable businesses located nearby.
20 All which was predicted when this came about. To say
21 Summit Township is proud to be the municipality in
22 which Presque Isle Downs is located is a half
23 statement. Summit Township is not only proud, but
24 also grateful for the many benefits to us and our
25 county.

1 We ask you to grant this license so that
2 Presque Isle Downs can become all that they can be.
3 Thank you very much.

4 CHAIRMAN:

5 Marlon, I have a question or two. Do you
6 know offhand how much money Summit Township gets on an
7 annual basis from the two percent share?

8 MR. COON:

9 Summit Township, because we've got a
10 budget at that time of \$2 million, we receive a
11 million dollars plus the increase in --- cost of
12 living increase. So, we received approximately a
13 little over a million dollars a year.

14 We had expanded our parks and recreation
15 considerably. We have donated \$1 million for the
16 construction of a brand new state-of-the-art fire
17 department in our community. We've got many plans for
18 these dollars that are greatly appreciated. Our roads
19 will receive a great deal of improvement. And right
20 now, the municipal tax to the residents for the second
21 year has been forgiven, people in the Homestead Act.

22 So, we certainly are appreciative of
23 those dollars, and we are trying to use it to the very
24 best of the benefit of the community.

25 CHAIRMAN:

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

Thank you.

PRESIDING OFFICER:

And since I managed to miss Mr. Coon, is there anyone else I missed that is here today to speak? No? Okay. The record created here today, including the transcript of the proceeding, any exhibits, and all the written comments received by the deadline for submission will be forwarded to the entire Board for its consideration. The Gaming Act requires that the Board act on Presque Isle Downs' Petition within 60 days of its deemed complete date so the Board will be taking up and considering the petition at a public Board meeting in the very near future.

I want to thank you all for coming today and for your cooperation. This public input hearing is now concluded and adjourned. Thank you.

* * * * *

HEARING CONCLUDED AT 11:11 A.M.

* * * * *

CERTIFICATE

I hereby certify that the foregoing proceedings, hearing held before Presiding Officer

1 Lloyd, was reported by me on 03/31/2010 and that I
2 Shannon C. Fortsch read this transcript and that I
3 attest that this transcript is a true and accurate
4 record of the proceeding.

5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25



Court Reporter