

COMMONWEALTH OF PENNSYLVANIA

GAMING CONTROL BOARD

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IN RE: CATEGORY 3 SLOT MACHINE LICENSE

APPLICANT, BUSHKILL GROUP

DOCKET NUMBER 1567-2010

\* \* \* \* \*

PUBLIC INPUT HEARING

\* \* \* \* \*

BEFORE: MICHAEL EDMISTON, Presiding Officer

Raymond S. Angeli, Commissioner

Kenneth I. Trujillo, Commissioner

HEARING: Thursday, September 2, 2010

10:09 a.m.

LOCATION: Country Club of the Poconos Clubhouse

1445 Big Ridge Drive

East Stroudsburg, PA 18302

WITNESSES: Andrew Worthington, Steven Snyder, John Finamore, John J. Siptroth, Jenifer Wise, Ralph Wunder, Suzanne McCool, Richard Berkowitz, Carl G. Wilgus, Charles Leonard, Anthony Konn, Elizabeth Koster, Wayne Bolt, James Tust, Peter Derrenbacher, Charles Vogt, Patricia Litts-Young, Matt Rumph, James Hischar, Salvatore Manda, Rose Capitelli, Amielynn Martell, David Sutton, David Escalet, Arthur Berry, Nancy Shukaitis, Mark Hodgson

Reporter: Kenneth D. O'Hearn

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Present for Bushkill Group

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## P R O C E E D I N G S

PRESIDING OFFICER:

1  
2 -----  
3  
4 Good morning. If you would be kind  
5 enough, please, to take your seats so that we might  
6 commence today's hearing. I'm Michael Edmiston, the  
7 presiding officer assigned to conduct today's public  
8 input hearing. Before we begin, please turn off all  
9 cell phones, beepers and Blackberries so as not to  
10 disturb the speakers or other attendees. Thank you.

11 Pennsylvania Gaming Control Board public  
12 input hearing for Category 3 Slot Machine License,  
13 Applicant Bushkill Group, Docket Number 1567-2010, is  
14 called to order. The date is September 2, year 2010.  
15 The time is 10:09 a.m. And the location is the Middle  
16 Smithfield Township Country Club of the Poconos  
17 Clubhouse, at 1445 Big Ridge Drive, East Stroudsburg,  
18 Pennsylvania, 18302. This public input hearing is  
19 convened by the Pennsylvania Gaming Control Board,  
20 pursuant to the directive and authority found in  
21 Section 1205(b) of the Gaming Act, and the Board's  
22 regulations at 58 Pennsylvania Code, Section 441A.6.

23 This public input hearing was advertised  
24 on the Board's website, announced at a previous  
25 meeting of the Board and advertised in local

1 newspapers. The Board members present today for this  
2 hearing are, on my right, Commissioner Raymond Angeli,  
3 and on my left, Commissioner Kenneth Trujillo.

4 At this early stage of the hearing I  
5 would like to note that I'm certain there are other  
6 Board members who would have preferred to be here with  
7 you today. However, they are attending the funeral of  
8 one of the Gaming Control Board lawyers, who was taken  
9 away from us somewhat unexpectedly, a nice young man  
10 and a good lawyer, whose name is Troy Beaverson, who  
11 is being buried in Harrisburg this morning.

12 The Board and Board staff thank Middle  
13 Smithfield Township for making its facilities  
14 available today for this hearing. This is the third  
15 public input hearing in a series of four hearings  
16 conducted by the Board for the purpose of allowing  
17 applicants for the remaining Category 3 Slot Machine  
18 License to present their plans before the Board and  
19 the public and to allow individual members of the  
20 public, community groups, elected officials and local  
21 government representatives to express their thoughts  
22 and share their concerns with the Board about the  
23 proposed Category 3 slot machine projects.

24 The order of today's speakers will be as  
25 follows. The first presentation will be made by the

1 Applicant for a Category 3 Slot Machine License,  
2 Bushkill Group. Then, in the following order, we will  
3 hear from legislators, local government  
4 representatives, community representatives and  
5 individual members of the public who have registered  
6 to speak. The time period permitted for each category  
7 of the speakers is as follows. Bushkill Group will  
8 have 45 minutes to make their presentation. Each  
9 legislative official will have five minutes to speak.  
10 Representatives from the local government bodies will  
11 be given 30 minutes to speak. Community group leaders  
12 will have ten minutes each. Individual members of the  
13 public will each have three minutes to speak. Your  
14 presentations will be timed, and you'll be asked to  
15 wrap up your comments at the end of your allotted  
16 time. If your time runs out and you have comments  
17 remaining, please submit them as written comments for  
18 the Board's consideration.

19 I would like also to remind everyone, if  
20 you choose, you may submit written comments that will  
21 be included as part of the evidentiary record of this  
22 public input hearing. Such written comments may be as  
23 an alternative to live testimony today or in addition  
24 to live testimony and may be submitted at this hearing  
25 or any of our other public input hearings. You may

1 also submit such written comments via the Board's  
2 website, which can be found at [www.pgcb.state.pa.us](http://www.pgcb.state.pa.us),  
3 or you may mail or fax written comments to the Board's  
4 clerk. We will be accepting written comments for 60  
5 days after the close of this hearing today, that is at  
6 the close of business on Monday, November 1st, 2010,  
7 when the evidentiary hearing for this public input  
8 hearing will be closed.

9           As to protocols for the speakers, each  
10 speaker should begin their remarks by stating his or  
11 her name, the municipality and state where he or she  
12 resides, and if speaking on behalf of an entity, state  
13 the name of that entity. All public speakers will be  
14 sworn in as a group before the start of the public  
15 comment portion of this hearing. If you are a speaker  
16 today and have written notes from material from which  
17 you read during your testimony, when you are finished,  
18 please give a copy of that written material to the  
19 court stenographer, who is the gentleman seated on my  
20 far right. That would be helpful.

21           In addition, a copy of the Code of  
22 Conduct for this public input hearing was available as  
23 you entered the hearing room and was also available on  
24 the Board's website. All in attendance today are to  
25 adhere to the Code of Conduct for this public input



1 hearing.

2                   During the hearing today, much will be  
3 said that we are all interested in hearing, so I  
4 respectfully request your assistance in complying with  
5 the procedures as a courtesy to each speaker, the  
6 court stenographer and one another. As I'm sure you  
7 understand, more than one person speaking at a time  
8 will make the stenographer's task unnecessarily  
9 difficult, if not impossible, so let's avoid having  
10 more than one person speaking at one time.

11                   This is an official administrative  
12 hearing, so let's all conduct ourselves as though we  
13 are attending a court proceeding. All witnesses are  
14 requested to speak loudly and clearly into the  
15 microphone provided. Spectators are cautioned against  
16 interrupting or speaking out loud during the  
17 proceeding. Those who disrupt the proceeding will be  
18 asked to leave. In addition, representatives of the  
19 news media present, we ask that you not interfere with  
20 the speakers and that those interviews you wish to  
21 conduct take place outside of the hearing room.  
22 Anticipating your courtesies and cooperation, thank  
23 you.

24                   Let's begin by having the witnesses that  
25 will provide testimony for Bushkill Group stand and

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

3 -----

4 WITNESSES SWORN EN MASSE

5 -----

6 PRESIDING OFFICER:

7 Bushkill Group, if you're ready, you may  
8 begin. Just by way of reminder, you have 45 minutes.

9 ATTORNEY JONES:

10 Thank you. Good morning, Commissioners,  
11 Hearing Officer Edmiston, Marie Jones from Fox  
12 Rothschild here on behalf of the Bushkill Group. With  
13 me today for our presentation is Andy Worthington,  
14 president, chief executive officer and shareholder of  
15 Bushkill. Next to him is Holly Freeman, Director of  
16 Special Projects. We also have in attendance a number  
17 of the shareholders of Bushkill Group; Mark Turner,  
18 Gina Bertucci, Kevin Lavelle and Thomas Casale. Josh  
19 Herschlag is also present. All of these individuals  
20 are residents of Monroe County. And this is not only  
21 their business but where they live and an important  
22 community to them. With us is also our management  
23 company, Penn National Gaming. We have Steven Snyder,  
24 Senior Vice-President of Corporate Development; John  
25 Finamore, Senior Vice-President of Regional

1 Operations; Carl Sottosanti, Vice-President and Deputy  
2 General Counsel; and Thomas Auriemma, Vice-President  
3 and Chief Compliance Officer. You will not be hearing  
4 from all of them today.

5           We would like to thank the Board, the  
6 public officials and the public for being here today.  
7 We're pleased to be before you to continue pursuit of  
8 the Category 3 License. Bushkill clearly is the type  
9 of resort facility that the legislature intended to  
10 hold a Category 3 License. However, this is the last  
11 Category 3 License they can apply for. There has been  
12 a limited additional license added with the new table  
13 games legislation that becomes effective in 2017, but  
14 there was an increase in mileage limitations. So  
15 Bushkill is diligently continuing their pursuit of  
16 this license.

17           As you will hear, the Bushkill project  
18 has been enhanced since our last presentation. We're  
19 pleased to have Penn National Gaming with us, who will  
20 bring their vast gaming management experience, as well  
21 as financing the project. You will also be hearing  
22 from them during our presentation.

23           Based on the recent addition to the  
24 legislation and the addition of table games, the  
25 Bushkill project will include the same. This will

1 increase the number of jobs, bring additional revenue  
2 to the township, the county and the Commonwealth and  
3 will overall make this a better experience for the  
4 Bushkill Group. I would like to reserve time at the  
5 end of the presentation for any rebuttal or concluding  
6 remarks, and I would now ask Mr. Worthington to begin  
7 the presentation. Thank you.

8 MR. WORTHINGTON:

9 Good morning, Commissioners,  
10 Representative Siptroth, Commissioner McCool, township  
11 representatives and members of the community. As  
12 Marie said, my name is Andy Worthington. I'm  
13 president of the Applicant, Bushkill Group and  
14 Fernwood Hotel & Resort.

15 I would like to begin our presentation by  
16 thanking Middle Smithfield Township supervisors for  
17 their support and for agreeing to host this meeting  
18 today. I would also like to recognize our many  
19 employees who are in attendance today. Many of them  
20 asked to speak on our behalf, but in the interest of  
21 time you'll only be hearing from one of them today. I  
22 want to publicly thank all of our employees for their  
23 support throughout this process. There are also  
24 several individuals from the community, including  
25 Robert Phillips, CEO of the Pocono Mountain Chamber of

1 Commerce, who came out today just for our license  
2 application. Bob spoke on our behalf at the last  
3 hearing. He'll be submitting written comments on our  
4 behalf after this hearing.

5 I would also like to acknowledge Tom  
6 Meyerer (phonetic), representing CapitalSource Bank.  
7 CapitalSource Bank, in the spring of this year, became  
8 our new commercial lender and has provided us with an  
9 ongoing source of funds to expand our business. Even  
10 though Tom is not speaking today, we appreciate him  
11 coming from New York City to support our application  
12 and to answer any questions the Board might have of  
13 him. We'd like to begin our presentation with a brief  
14 video that describes the resort, our proximity to New  
15 York and New Jersey and our year-round amenities.

16 VIDEO PLAYED

17 MR. WORTHINGTON:

18 Three years ago we applied for the  
19 Category 3 Resort License after Nemacolin and Seven  
20 Springs withdrew their applications. We did so  
21 because we believe we ideally fit the legislation as a  
22 well-established resort with at least 275 rooms and a  
23 full range of amenities. We have customer visits in  
24 excess of 425,000 people annually, primarily from out  
25 of state. We can demonstrate a history of successful

1 operations, are good community citizens and have a  
2 diverse employee and vendor base. The addition of a  
3 casino will be an ideal resort amenity available to  
4 guests and to those who spend a \$10 minimum on our  
5 440-acre property.

6           From this slide you can see a layout of  
7 the resort and some of our extensive amenities. The  
8 proposed casino location is in the upper right-hand  
9 corner of that map, right at the Fernwood Hotel, in an  
10 existing building. The remainder of the property is  
11 mainly our villas surrounded by our golf course.  
12 Also, it's interesting and important to note that on  
13 three sides our property is surrounded by part of the  
14 70,000-acre Delaware Gap National Recreation Area.  
15 We've always had a very close relationship working  
16 with the park and their superintendent and officials.  
17 We continue to have that sort of relationship. We  
18 expect that to continue in the future. They have not  
19 opposed our application, and we're very proud to say  
20 that we support the National Park Service in what  
21 they're doing in the Delaware Gap National Recreation  
22 Area.

23           As we've presented before, the casino  
24 will be developed in the Fernwood Events Center, an  
25 existing structure, using existing infrastructure, and

1 will help us support the local economy through jobs,  
2 taxes and philanthropy. I'd like to emphasize that no  
3 additional zoning permits are required to begin  
4 construction. As a result of placing the casino in an  
5 existing building on the resort, we're able to receive  
6 building permits and begin construction immediately  
7 after the award and license. Based on these factors,  
8 we will be the applicant best able to be operational  
9 quickly. Property tax relief from the project will be  
10 approximately \$10 million per year. Furthermore, we  
11 will generate \$10.4 million in taxes annually, almost  
12 doubling the \$5.4 million we now pay. And that's for  
13 state, local, you know, sales, employment taxes. So  
14 it's a significant increase.

15                   Construction of the gaming facility will  
16 produce approximately \$36 million for the Pocono  
17 region and support approximately 180 on-site  
18 construction jobs. Stabilized casino operations will  
19 result in approximately 900 new jobs, which includes  
20 360 new casino employees and 535 new regional jobs.  
21 The local and regional economy can expect indirect  
22 spending of approximately \$72 million and indirect  
23 spending of \$27 million. And of course, you know, one  
24 of the things we pride ourselves on is our  
25 philanthropic efforts, and we fully expect those to

1 increase as a result of the addition of the casino.

2           We are a good community citizen, and  
3 through testimony and many letters of support, we'll  
4 offer examples and demonstrate that commitment. The  
5 resort and its employees have contributed to many  
6 local organizations, such as the United Way, Meals on  
7 Wheels, the American Cancer Society, Bushkill  
8 Outreach, Fitzmaurice Community Services, the Trooper  
9 Miller Memorial Fund and Toys for Tots. A complete  
10 list of organizations benefiting from our charitable  
11 efforts was submitted with our application, and these  
12 efforts will undoubtedly be increased when we receive  
13 a license.

14           I think it would be appropriate now to  
15 provide some information about the Pocono Mountains  
16 and its proximity to major metropolitan markets. As  
17 the current chair of the Pocono Mountain Visitors  
18 Bureau, I contribute to the efforts of the Bureau in  
19 guaranteeing the sustainability and viability of the  
20 Pocono Mountains brand. The Poconos are located just  
21 70 miles from New York City. Currently, the region  
22 draws over 23.8 million visitors annually. The  
23 adjoining Delaware Gap National Recreation Area itself  
24 draws five million visitors. There are over 7,000  
25 guest rooms within Monroe and Pike Counties. There



1 are 38,000 vacation homes within a five-mile radius of  
2 the resort. As far as our marketing goes, we have an  
3 existing data warehouse that allows us to mail, e-  
4 mail, text, and call into a market area of over 26-  
5 and-a-half million adults who reside within a hundred-  
6 mile radius of the resort. We are clearly a drive-to  
7 resort, and we are very easy to get to from the major  
8 metropolitan areas of New York and Northern New  
9 Jersey.

10                   As one of the major resorts in the Pocono  
11 Mountains, we sent over two million e-mails annually,  
12 experience 350,000 visits to our website, and attract  
13 84 percent of our 425,000 customer visits from outside  
14 of Pennsylvania. Here's a breakdown of those visits.  
15 We think this is a very important part of our  
16 application. We've been providing vacations to the  
17 Pocono Mountains from guests out of state for many,  
18 many years, and as you can see, 84 percent of our  
19 guests will be coming to spend money at the Bushkill  
20 Group Casino from out of state, almost half of them  
21 from New York if we can maintain our current customer  
22 base. And that's certainly where our marketing is  
23 focused. We currently spend about \$5 million on  
24 marketing to potential guests. Gaming will add  
25 another \$6 million to those efforts. And of course,

1 that will be directed by Penn National, using their  
2 extensive databases and expertise in gaming marketing.

3           We're pleased to have Penn National as  
4 our gaming operator. As the Board is well aware, Penn  
5 National Gaming has agreed to provide management and  
6 development services for the casino and funding for  
7 the project. Their proven experience in gaming  
8 operations throughout the country makes them the ideal  
9 manager for the project. I would now like to turn  
10 this over to Steven Snyder from Penn National.

11           MR. SNYDER:

12           Thank you, Andy. Thank you, members of  
13 the Board, the Hearing Officer, and thank you for the  
14 public for being in attendance at such an important  
15 consideration here in the township. As Mr.  
16 Worthington mentioned, we have been involved in this  
17 project now for over nearly a year. We met with Mr.  
18 Worthington, his management team, his ownership team  
19 last year and began discussions around this project as  
20 a result of the last round of Category 3 applications,  
21 not this most current submission that began in April  
22 but began these conversations even before that  
23 commenced. So that's how these discussions between  
24 Penn National and the Bushkill Group began. We view  
25 our responsibilities with Mr. Worthington and his team

1 as he said as the developer for the casino. We've had  
2 our project construction folks spend a great deal of  
3 time on the campus, at the facility, identifying  
4 critical issues such as how this will relate to the  
5 existing resort amenities, how customers will get in  
6 and out of the facility, how the facility will be  
7 serviced and serve the public patrons that will be  
8 coming into the casino enterprise.

9           We also recognize our role to be the  
10 financing source. That has been one of the challenges  
11 historically for the Category 3 applicants, given the  
12 financial market turmoil that has taken place here in  
13 the United States over the last 18 to 24 months. We  
14 will provide 100 percent of the financing necessary to  
15 complete the casino project. So if you do select this  
16 applicant to proceed, you can know with assurance that  
17 the project will be constructed, the project will be  
18 opened, and it will be opened on a very timely basis,  
19 again, based on the experience we bring to the table,  
20 as well as the facility. And finally, we will serve  
21 as the manager and the operator of the casino  
22 facility. Mr. Worthington had mentioned the new  
23 financing source for the balance of the resort. We  
24 are looking at providing financing for the casino  
25 operations, the casino development and the operations

1 of that facility.

2           As I mentioned, we began our  
3 participation and our discussions with Mr. Worthington  
4 and his management team last year. We got very  
5 excited as we learned more about the demographic  
6 opportunities here, about the nature and the character  
7 of this facility and its existing customer base, its  
8 fit with the intent of the original racetrack  
9 enhancement legislation that led to the slot machine  
10 casino facilities here in the Commonwealth of  
11 Pennsylvania and really the ability for this project  
12 to be a catalyst not only for the further build-out of  
13 the Fernwood facility, with its existing timeshare and  
14 ancillary amenities, but also the entire region by  
15 driving incremental traffic here into Monroe County.

16           Just to move a little bit more into our  
17 background, you have before you a slide of the Penn  
18 Management team. I would like to think that we are  
19 second to none in the industry in terms of depth of  
20 the management team, in terms of experience as a  
21 senior management team. We have well over a hundred  
22 years of experience in the gaming industry, again, as  
23 a testament to the ability to get this project  
24 completed if this project is selected.

25           I'd like to introduce John Finamore, who

1 is our Senior Vice-President of Regional Operations.  
2 John will be the person at Penn National responsible  
3 for the direct oversight of this project.

4 MR. FINAMORE:

5 Thank you, Steve. Commissioners, good  
6 morning. Hearing Officer Edmiston, good morning. I  
7 know that you're very familiar with Penn National  
8 Gaming, but I just want to take a few moments to talk  
9 to you about the company. I think you know we're the  
10 largest pari-mutuel operator of facilities in the  
11 United States. We're also the third largest  
12 publicly-traded company in the U.S. And we are very  
13 familiar with properties in this region of the  
14 country, of course. We operate Hollywood Casino at  
15 Penn National Racecourse, Hollywood Casino at Charles  
16 Town Races, and we will be opening Hollywood Casino in  
17 Perryville, Maryland later this month. So we're very  
18 familiar with this region in particular. All told, we  
19 operate 22 facilities in 16 jurisdictions throughout  
20 the United States and Canada. As this next slide  
21 shows, we are very proud of our diversified locations.  
22 And again, as I said, we are the third largest  
23 publicly-held company in the gaming industry.

24 Here's some comments that have been made  
25 by Wall Street analysts, primarily Wall Street

1 analysts and investment bankers regarding our company.  
2 I think it speaks to the reputation our company has as  
3 being, again, very diversified, a company with a very  
4 strong and healthy balance sheet, a company with a  
5 very strong and experienced management team, as Steve  
6 Snyder indicated earlier.

7           Our workforces in our respective  
8 properties are reflective of the surrounding  
9 communities, and we're very proud of our record in  
10 these communities. All told, on a national basis our  
11 workforce is comprised of 52 percent women employees  
12 and 28 percent minority. We consistently meet or  
13 exceed the goals put forth on projects and workforce  
14 targets around the country. Quite simply put, our  
15 priority is to hire locally and to purchase locally.  
16 And that is the way our properties operate within  
17 their communities.

18           This is an update on some of our most  
19 recent construction projects that, again, highlights  
20 our MBE and WBE practice --- business practices in  
21 these communities. We're very proud of the goals, as  
22 you see down the right side of the slide, and the  
23 progress we've attained in hitting these goals with  
24 MBE and WBE purchases. And a number of these --- in  
25 fact, all of these projects were built with

1 substantial union labor as well.

2           Something we're probably most proud of as  
3 a corporation is our Penn National Gaming Foundation.  
4 This foundation was originally started by the company  
5 right after Hurricane Katrina, and it was done in an  
6 attempt to reach out and help our employees who lost  
7 their homes on the Gulf Coast and our properties and,  
8 indeed, lost their jobs for an extended period of  
9 time. But it has evolved from much more than that.  
10 It is a 501(c)(3) private foundation. It is  
11 administered by a Board of our corporate executives  
12 with quarterly meetings. And it has evolved, as I  
13 said, into a supplement to the charitable activities  
14 at each of our existing properties.

15           In 2009 Penn National Corporation and its  
16 casinos provided \$3 million in donations across the  
17 country. And I think something we're even more proud  
18 of is Penn National's employees donated over 5,000  
19 hours of community service in 2009 as well.

20           Let me ask Steve Snyder to come back up  
21 and continue the presentation.

22           MR. SNYDER:

23           I think that's more than enough about us.  
24 I think it's more important now in this public input  
25 hearing to get into the facility itself and what the

1 facility itself will produce for the Commonwealth of  
2 Pennsylvania and for Monroe County. What you see in  
3 front of you on the slide is the master plan of the  
4 corner of the facility. Again, that's one of the  
5 things that we found most attractive when we began our  
6 discussions around this project. This is simply one  
7 component of a multifaceted destination facility.  
8 You'll see at the corner of River Road and Highway 209  
9 in this overhead the location for the casino facility.  
10 It's labeled as the existing building. It was  
11 originally constructed as a tennis facility, a tennis  
12 barn. It is now used for mixed-use purposes, for  
13 really a number of various uses. But as Mr.  
14 Worthington mentioned, because of its existing  
15 infrastructure and the fact that it is there and it's  
16 current zoning, it is something that we feel upon  
17 selection we can mobilize very quickly and be open as  
18 quickly, in fact, more quickly than any of the other  
19 Category 3 applicants.

20           The existing building at the corner is  
21 where the casino will be located. We'll drill into it  
22 on a later slide. It is immediately across from the  
23 existing public areas, which provide the restaurant,  
24 the meeting space, guest registration, check-in, those  
25 types of things. So that you can see, everything is



1 very convenient. It's all within a very short  
2 distance and a very easy walk. We have, as a result  
3 of the table games legislation, which was not in place  
4 before --- or when we first started these  
5 conversations, looked at expansions of the building to  
6 the right and to the left, which would be the north  
7 and to the south, to accommodate not just what was  
8 originally contemplated to be 500 slot machines, but  
9 now the potential for table games. So that's why you  
10 see those additions on each wing of the building, to  
11 accommodate the full complement of what is now  
12 authorized for the casino at the Fernwood facility.

13           The other attraction, as was mentioned in  
14 the video, this has a drop-off point for the trolley  
15 system. So we can very easily move the guests of the  
16 resort back and forth to the gaming facility, as well  
17 as currently exists with the other amenities of the  
18 resort development itself. As we sort of zoom in,  
19 this takes you right to what will be the casino  
20 facility. The white building to the right or in the  
21 right-hand corner is the existing public area, with  
22 the meeting space, restaurants, guest check-in, et  
23 cetera. The browner building is what will be the  
24 casino, what currently exists now as the recreation  
25 center, the gaming center --- the arcade, excuse me,

1 not that kind of gaming, and with the expansion on  
2 both sides of the building, including that  
3 porte-cochere around that round circular driveway that  
4 drops people off right at the entrance to the casino  
5 facility.

6           Moving in, as we get into the building,  
7 and again, our architects, our design team, have spent  
8 quite a bit of time on this facility so that we know  
9 it has the capability to accommodate this footprint.  
10 As you move into the facility from that porte-cochere  
11 on the right, for all those in the audience, as well  
12 as the Board, you will come to a gate because of the  
13 sensitivities with respect to the guest requirement  
14 for a patron of this casino, so that there will be a  
15 security checkpoint immediately inside the front door.  
16 No one will be able to get onto the casino floor until  
17 they have been identified as a patron of the resort,  
18 as required under your rules and regulations.

19           Moving into the building, sort of the  
20 upper right-hand corner, you'll see a footprint for a  
21 ten-table poker room. You'll see a floor layout that  
22 includes 500 slot machines with room to grow. There's  
23 plenty of space in the aisle ways to add additional  
24 games. And in the middle of the facility you will see  
25 that 16 table game pit, all of which have room to

1 grow, depending on market demand. But it is this  
2 footprint that we've utilized and employed in coming  
3 to our revenue projections for both our opening and  
4 interim years of operation. So we feel very  
5 comfortable that the facility can accommodate the  
6 necessary gaming positions and equally comfortable, as  
7 we'll see in a later slide, as to the revenue  
8 projections of this facility, based on the population  
9 and the capacity of the facility.

10           The last item I will point out, in  
11 addition to all of the --- the back of the house and  
12 the service areas on the left side of the building is  
13 a food and beverage operation, a restaurant right off  
14 of the casino floor, which is the lighter shade of  
15 brown. Sort of it's in the bottom middle, off ---  
16 just slightly to the left of center. So that we do  
17 believe that we can provide all the necessary  
18 amenities on the casino floor or immediately adjacent  
19 to the casino floor for casino patrons, as well as the  
20 multiple offerings of the balance of the resort that  
21 do currently exist.

22           With that I think it's important to look  
23 at what are the economics? We've talked about us as  
24 the operator. We've talked about the facility, the  
25 speed, the market of the facility. What is the

1 economic opportunity for the Commonwealth of  
2 Pennsylvania and for this facility? We've looked at  
3 initial-year visitation for the casino of slightly  
4 over 800,000 patrons. We will get to the next slide  
5 which shows you where they're coming from in a minute.  
6 But based on that level of visitation, and that is  
7 based on demographics of folks that do live within a  
8 60-mile drive time of this facility, we feel the  
9 facility can open in its first year and reach nearly  
10 \$65 million in gaming revenue. And as the facility  
11 matures because of its location, because of its  
12 proximity to New Jersey and to New York and because of  
13 --- as the director of the Lottery Commission of the  
14 State of New York mentioned just the other day, the  
15 lack of current gaming penetration in the New York  
16 metropolitan market, we feel that this facility can  
17 easily exceed \$100 million of gaming revenue within  
18 five years, as it approaches a stabilized operating  
19 environment.

20                   We think that's important again because  
21 it does not take revenue from existing gaming  
22 facilities in the Commonwealth. It produces revenue  
23 from neighboring locations. And as we look at the  
24 next slide, which really is a map, and I apologize,  
25 it's not very easy to read, but those demographics

1 that we've identified in that previous slide and that  
2 revenue potential is strictly in that ring of 60-  
3 minute drive times to the east, not to the west,  
4 because of course, of the existence Pocono --- Mohegan  
5 Sun at Pocono Downs and the existence of Mount Airy.  
6 So we look at the ability to penetrate the New Jersey  
7 marketplace into New York. And quite frankly, as this  
8 facility matures, it will be the only gaming facility  
9 in the mid-Atlantic region that has a timeshare  
10 component to it. There, of course, are timeshare  
11 units available in Atlantic City, but they are not at  
12 or in conjunction with any of the casinos, making this  
13 a very unique destination, not only in the mid-  
14 Atlantic region but throughout the United States.

15                   With that level of amenities, that  
16 ability for timeshare sales and that facility with a  
17 casino, we feel very strongly that we can penetrate  
18 even more deeply into the outer boroughs of New York  
19 and the New York suburban counties, Bergen and Passaic  
20 in New Jersey, as well as Westchester, Rockland and  
21 Orange in New York, to really not only achieve those  
22 revenue projections that you've seen, but probably end  
23 up being a bit conservative and exceed those revenue  
24 projections in future years. So we thought that it  
25 was important for the Board, as well as the public, to

1 recognize as we look at this economic model where we  
2 see the opportunity coming.

3           The challenge, of course, will be, as it  
4 always is, what happens in New Jersey. And I think,  
5 very comfortably at least for the foreseeable future,  
6 given the reports that have come out of the current  
7 administration with respect to casino gaming in the  
8 State of New Jersey, I would not envision that there  
9 would be any facility in Northern New Jersey that  
10 would come about that would compete with this facility  
11 before such time as it is able to mature as a full-  
12 blown destination with those timeshare amenities as  
13 really a unique destination here in the Poconos of the  
14 Commonwealth of Pennsylvania. So with that, I'd like  
15 to turn it back to Andy.

16           MR. WORTHINGTON:

17           Thanks, Steve. To conclude our  
18 presentation, we'd like to do some --- just cover all  
19 of our bases in terms of what we need to present to  
20 the Board for our local impact. We are a strong  
21 supporter of Middle Smithfield Township's plan growth.  
22 We have a longstanding agreement with the township,  
23 where we provide trash and snow removal on the roads  
24 surrounding the resort. Our proposed plan supports  
25 the county's growth objectives for open space

1 preservation. And as I stated earlier, the  
2 infrastructure on our resort and in the township are  
3 more than sufficient to support the addition of the  
4 casino. And we have some bullet points supporting  
5 that on the screen.

6 I'd like to say police, fire and safety  
7 services are provided on the property by the  
8 Pennsylvania State Police, Bushkill Ambulance Corps,  
9 Bushkill Fire Company and our in-house public safety  
10 department, and we have close working relationships  
11 with all of those organizations. Those services  
12 already exceed the required service levels and will  
13 continue to be more than sufficient with the addition  
14 of the gaming facility.

15 With respect to traffic, we've operated  
16 our existing event center for many years, and we've  
17 brought in many national acts, including Bill Cosby,  
18 Gladys Knight and lots of ESPN televised boxing.  
19 Those events have drawn as many as 2,000 people to the  
20 center, with a concentrated arrival and departure  
21 time, all of which pose no excessive traffic load. By  
22 contrast, gaming traffic patterns reflect random  
23 arrivals. And with the use of our resort shuttle,  
24 guests will park once and go to the casino from their  
25 rooms. Additionally, the construction of the final

1 phase of the Route 209 bypass project began last  
2 month. That project will alleviate any remaining  
3 traffic issues in Marshalls Creek when it is  
4 completed.

5           With respect to responsible gaming, we're  
6 committed to working proactively to address the issue  
7 of problem gaming. We drew up a comprehensive plan,  
8 addressing both issues of problem and underage gaming.  
9 Our employees will be trained in the necessary aspects  
10 of responsible gaming and identification of underage  
11 gamblers. We will treat persons who request help with  
12 confidentiality, professionalism and respect. We are  
13 committed to working with the Board staff to maintain  
14 policies and programs.

15           One of the things we're proud of is the  
16 diversity of our existing workforce and our active  
17 Diversity Committee. We're committed to maintaining a  
18 talented staff of employees who reflect the diversity  
19 of our region and of our guests. We employ approved  
20 vendors and suppliers to ensure a fair representation  
21 of minority and women-owned businesses. We offer our  
22 employees many benefits, such as a company-sponsored  
23 401(k), paid vacation, holiday and sick time,  
24 company-paid life and health insurance. We offer  
25 tuition reimbursement to our employees, health fairs



1 with free medical screenings, assistance with smoking  
2 cessation and weight management and discounts on  
3 property amenity usage. We also believe in higher  
4 education and work closely both with Northampton  
5 County Community College and East Stroudsburg  
6 University in developing student internship programs  
7 and on-the-job training. In addition, we've made  
8 contributions to their capital campaigns and  
9 scholarship programs. The addition of the gaming  
10 facility will enhance our commitment to the community,  
11 provide an additional amenity for our resort guests  
12 and add jobs, all of which will help strengthen the  
13 local, regional and state economies.

14                   Gaming at Fernwood will create almost 900  
15 new jobs for this region,, will generate \$10 million  
16 in annual property tax relief, will draw mainly out-  
17 of-state players, will be the only applicant in this  
18 state with more rooms than authorized gaming  
19 positions, which I think is important for a Category 3  
20 License to be able to show that they will be  
21 generating enough traffic from the guests at their  
22 resort. And we will generate approximately \$46  
23 million annually in state tax revenues. Again, our  
24 zoning is already approved, and that means we'll be  
25 the quickest to market as well. So that's the end of

1 my presentation. But as Marie said, I would like to  
2 reserve any remaining time for rebuttal. Thank you.

3 PRESIDING OFFICER:

4 At this point in the proceeding, we're  
5 going to move to the public comment portion. By way  
6 of a reminder as to time limits, and the fact that the  
7 period to provide testimony is being timed by clock.  
8 As I noted earlier, there are time limits for each  
9 category. We'll abide by those limits. As the  
10 speaker approaches in close proximity to the limit,  
11 they'll hear a warning by way of a beeping sound,  
12 indicating that you'll have 30 seconds to wrap up your  
13 presentation. Legislators will have five minutes  
14 each. Representatives of local government entities  
15 will have 30 minutes each. If there's more than one  
16 representative of a single local government entity,  
17 they will share that 30 minutes as they discern.  
18 Incidentally, by way of reminder generally to the  
19 speakers, those are the maximum time periods. You're  
20 certainly are not obliged to consume all of the time.  
21 So we have discovered I have a sense of humor.

22 All right. By way of reminder further,  
23 community groups have ten minutes and individuals have  
24 three minutes. As to witnesses that are scheduled to  
25 speak in this public comment section, in the

1 legislative category I understand that we have State  
2 Representative John J. Siptroth and no other  
3 legislator. Representative Siptroth, if you would  
4 please rise and we'll have the stenographer administer  
5 the oath.

6 -----

7 REPRESENTATIVE JOHN SIPTROTH, HAVING FIRST BEEN DULY  
8 SWORN, TESTIFIED AS FOLLOWS:

9 -----

10 REPRESENTATIVE SIPTROTH:

11 Good morning, Hearing Officer Edmiston,  
12 members of the Pennsylvania Gaming Control Board. I  
13 appreciate you giving me this opportunity to present  
14 before you. My name is John J. Siptroth. I am State  
15 Representative for the 189th Legislative District for  
16 Monroe and Pike Counties. I am here today to present  
17 the case for awarding the final Pennsylvania Category  
18 3 Gaming License to the Bushkill Group for the  
19 Fernwood Hotel & Resort Casino.

20 I have been a lifelong resident of the  
21 region and after serving in the United States Navy  
22 began my career in public service 40 years ago as a  
23 volunteer firefighter. I served as a Smithfield  
24 Township Supervisor for 15 years and was elected to  
25 the Pennsylvania House of Representatives in 2005. In

1 this capacity I stand before you today.

2           My support for the Bushkill Group  
3 application is both for their experience in the Pocono  
4 Mountain hospitality industry and the economic  
5 benefits that would be returned to Monroe and Pike  
6 Counties with the addition of gaming venue within its  
7 borders. Unlike other counties who receive tax  
8 revenue from gaming, Monroe County is unique in its  
9 mandate to share the gaming tax with surrounding  
10 counties. This fact adds to the argument that  
11 awarding a license in the Poconos benefits a larger  
12 geographic area.

13           I have known the owners of the Bushkill  
14 Group for many years and can vouch for their  
15 integrity, expertise and civic pride. Fernwood Hotel  
16 & Resort is a recognized leader in resort vacation  
17 experiences and has been operating in the Pocono  
18 Mountains since the 1920s. It draws its customers  
19 from primarily outside of the Commonwealth of  
20 Pennsylvania, therefore the taxes taken from its  
21 current operation, compounded with the addition of  
22 gaming, will represent tax revenue to the Commonwealth  
23 of Pennsylvania that is primarily paid by nonresidents  
24 without the traditional associated service costs.

25           The Fernwood Casino project is expected

1 to bring into the state gross gaming revenues of over  
2 \$107 million per year when stabilized. This  
3 translates to a state tax contribution of over \$46  
4 million and projected property tax relief of \$10  
5 million. In a time when our state budget has  
6 significant deficient issues, this is much needed  
7 revenue. The awarding of a license to Fernwood will  
8 also bring an additional 360 casino jobs, 180  
9 construction jobs and additional resort operation jobs  
10 to Monroe and Pike County in a time when our  
11 unemployment is in double digits.

12 I recognize that there are residents who  
13 think the addition of the casino on the Fernwood site  
14 will create additional traffic congestion. I  
15 respectfully disagree. I have personally attended  
16 many events at the Fernwood Center --- Event Center,  
17 with over a thousand people in attendance and never  
18 experienced any difficulty getting here. Fernwood  
19 Resort hosts numerous festivals throughout the year  
20 which attract large crowds in addition to its  
21 registered guests and those families vacationing in  
22 the timeshare units.

23 Significant road improvements have  
24 already been made at Fernwood as a part of the first  
25 phase of the Marshalls Creek bypass project, including

1 enhancements to the intersections and traffic lights  
2 here on Route 209 and the addition of turning lanes  
3 into the resort. These improvements have resulted in  
4 greater public safety and better traveling conditions  
5 on Route 209 through the resort throughout the year  
6 and during special events and festival days. And  
7 traffic conditions are set to improve further. This  
8 month's groundbreaking or the final phase of Route 209  
9 project represents the accumulation of years of my  
10 hard work in Harrisburg on behalf of my constituents  
11 to complete this longstanding road improvement.  
12 Construction of the traffic relief project will begin  
13 shortly and continue through 2011 and will result in  
14 superior flow of traffic to and from Bushkill and the  
15 Marshalls Creek exit on Interstate 80. This traffic  
16 corridor is used by a large proportion of the current  
17 and anticipated out-of-state guests to Fernwood  
18 Resort, who use this interstate to enter Pennsylvania  
19 at the Delaware Water Gap toll bridge.

20                   As you are aware, this is the Bushkill  
21 Group's last chance in receiving a Category 3 License.  
22 When the table games legislation was passed, a third  
23 Category 3 License was added. But also added were  
24 changes in the distance requirements that will  
25 permanently prevent Fernwood from ever being eligible

1 to receive a license if this one is not awarded to  
2 them now. After four years and working with the Board  
3 to fulfill the requirements, find partners and to  
4 secure financing in a severely depressed economy, the  
5 Bushkill Group is ready to move forward with a great  
6 project. Another applicant will have the chance to  
7 apply for the third license. Fernwood will not. It  
8 will be a terrible blow to all of the great people at  
9 Fernwood and this region to not award them a license.

10 PRESIDING OFFICER:

11 Thank you, Representative.

12 REPRESENTATIVE SIPTROTH:

13 I would wholeheartedly support this  
14 application and respectfully request your full  
15 consideration in anticipation of a successful outcome.  
16 Thank you very much. The rest of my testimony is in  
17 the written form.

18 PRESIDING OFFICER:

19 Excellent. Thank you. The next category  
20 of speakers will be local government representatives.  
21 There's three such individuals scheduled to speak,  
22 Jennifer Wise of Middle Smithfield Township, Ralph  
23 Wunder of Middle Smithfield Township. They have a 30  
24 minute period of time being divided among them by way  
25 of reminder. And also Suzanne McCool, on behalf of

1 Monroe County Commissioners. Those three individuals,  
2 will you please rise and be sworn at this point?

3 -----

4 WITNESSES SWORN EN MASSE

5 -----

6 PRESIDING OFFICER:

7 I'm prepared to receive in the order  
8 mentioned Jennifer Wise's testimony.

9 -----

10 JENNIFER WISE, ESQUIRE, HAVING BEEN PREVIOUSLY SWORN,  
11 TESTIFIED AS FOLLOWS:

12 -----

13 ATTORNEY WISE:

14 Members of the Pennsylvania Gaming  
15 Control Board, good morning and welcome to Middle  
16 Smithfield Township's Country Club of the Poconos  
17 Clubhouse. I am Attorney Jennifer Wise, designated as  
18 speaker number 1713, and I reside in Scotrun,  
19 Pennsylvania. I am the Solicitor to Middle Smithfield  
20 Township, the host municipality for the Category 3  
21 Casino Application License filed by the Bushkill  
22 Group, Inc., doing business as the Fernwood Hotel &  
23 Resort, which I will be referring to as the Fernwood  
24 license throughout my presentation.

25 I've been designated to make this



1 presentation on behalf of Middle Smithfield Township.  
2 And for the record, the Township Supervisors are Scott  
3 R. Schaller, Mitchell K. Marcus and Robert S. Spano,  
4 Sr.; all three of whom are present here today. Also,  
5 for the record, a courtesy copy of my testimony was  
6 provided to your stenographer prior to the inception  
7 of today's hearing.

8           Middle Smithfield Township is a  
9 second-class township and is governed by the  
10 Second-Class Township Code. And the Code charges the  
11 supervisors with several responsibilities, and among  
12 those are governing the township, executing  
13 legislative, executive and administrative powers to  
14 assure sound fiscal management, and securing the  
15 health, safety and welfare of its citizens.

16           In 2008 I testified before this Board  
17 that the elected officials of the host municipality  
18 unanimously supported the Fernwood application at that  
19 time. And although the membership of the Board has  
20 changed, the position of the Board has not. Middle  
21 Smithfield Township's elected officials continue to  
22 remain unanimously in support of and fully endorse  
23 this Category 3 License application for Fernwood.

24           In their governance of Middle Smithfield  
25 Township, the supervisors understand that if this

1 license is awarded to Fernwood, the license approval  
2 is another link in the chain of the sound fiscal  
3 management for the township. And that sound fiscal  
4 management goes hand in hand with securing the health,  
5 safety and welfare of its citizens. The decision to  
6 unanimously support this application was thoroughly  
7 vetted by each of the supervisors individually, and it  
8 was a very easy one in the end for them to decide to  
9 unanimously support it as a Board. First and  
10 foremost, the supervisors reviewed the township's own  
11 regulations and determined that the township zoning  
12 ordinance already allows for casino use at this site.

13           The Fernwood Hotel & Resort has been  
14 developed over the past 80 years to provide  
15 opportunities for a mix of commercial, resort,  
16 residential and other compatible uses. The resort's  
17 master plan promotes unified and coordinated  
18 development with interior traffic access, and the  
19 overall resort has been designed to promote  
20 development that does not create conflicts with  
21 neighboring zoning districts and strives to preserve  
22 unique environmental features of the land. By  
23 following a unified and coordinated development  
24 scheme, Fernwood is able to boast a full-scale hotel  
25 with endless amenities, tantalizing restaurants,

1 exciting nightclubs, a Winter Fun Center, challenging  
2 18-hole golf course and more. The opportunity for  
3 continued well-managed growth at the resort exists  
4 with undeveloped land, simply waiting to add endless  
5 amenities. For these very reasons the Fernwood Hotel  
6 & Resort was approved in 2004 as a resort complex  
7 commercial resort development in Middle Smithfield  
8 Township. And the 2010 Zoning Ordinance of Middle  
9 Smithfield Township specifically provides that gaming  
10 uses, including casinos, may be allowed as part of a  
11 resort complex if the establishment is licensed by the  
12 Commonwealth.

13                   Secondly, the township reviewed its  
14 subdivision land development ordinance. This project,  
15 as presented, will fully comply with these  
16 regulations. During the spring of 2010 the township  
17 approved a lot consolidation plan so no new  
18 subdivision applications are necessary for the  
19 applicant. Since the applicant intends to retrofit an  
20 existing arena structure into a casino, no new land  
21 development applications will be required either. The  
22 host municipality commends the resort on its  
23 development approach which strives to balance economic  
24 and environmental impacts with social vitality. Their  
25 strategy to reconstruct an existing facility fully

1 supports the smart growth objectives promoted by  
2 Monroe County. If awarded this license, Fernwood will  
3 not be delayed by township zoning, subdivision or land  
4 regulation, and they have sufficient sewer and water  
5 capacity at site. This project is shovel ready. And  
6 that simple fact of being shovel ready matters.

7           In Auditor General Jack Wagner's 2009  
8 Special Performance Audit, the Department of Auditor  
9 General found that gaming jobs were indeed filled by  
10 Pennsylvanians and that diversity hiring, i.e. women  
11 and minorities, has been positive, but the pace at  
12 which the gaming jobs were being filled was slower  
13 than anticipated because, at the time of the report,  
14 only 8 out of 14 casino licenses were open and  
15 operating. Fernwood's preexisting compliance with the  
16 township regulations, its partnership with Penn  
17 National, a financially sound company and an industry  
18 leader in diversity hiring, are all reassuring factors  
19 to the township that this applicant, if awarded this  
20 license, will further the Commonwealth's goal, as well  
21 as this township's goal to hire a diversified  
22 Pennsylvanian workforce, and the township is reassured  
23 that Fernwood will begin construction on this project  
24 in a prompt and efficient manner.

25           Thirdly, the officials examined the

1 projected revenues expected to be derived if Fernwood  
2 is awarded this license. The anticipated revenue that  
3 will be generated by the issuance of a Category 3  
4 Gaming License in Middle Smithfield Township is  
5 significant. The resort is already the township's  
6 largest employer, with over 500 employees, and it is  
7 anticipated that the reconstruction of the arena into  
8 a first-class gaming facility will bring an estimated  
9 \$28 million in revenue to the region, plus another \$11  
10 million in revenue from machines and other equipment  
11 which will attribute to both the region and other  
12 areas and will support approximately 180 local  
13 construction jobs. The project, once completed, will  
14 create an estimated minimum of 360 full-time jobs.  
15 That's 360 full-time gaming jobs, plus hundreds of  
16 additional resort and local area businesses will also  
17 generate jobs, resulting from increased activity.

18           The addition of the gaming facility will  
19 also generate significantly higher tax revenues. The  
20 applicants project that if they are issued this  
21 license, the Fernwood casino will result in an  
22 additional \$10.4 million per year toward statewide  
23 property tax relief and in excess of \$4 million per  
24 year in additional local tax relief to help offset  
25 local property taxes.

1                   Approval of the Fernwood Gaming License  
2 is also expected to generate an additional 151,000  
3 visitors per year to the resort, a substantial  
4 increase from their already 425,000 annual guests.  
5 The host municipality is excited that the proposed  
6 expansion is projected to create both temporary and  
7 permanent jobs and additional tax revenues,  
8 particularly because 34.8 percent of the land in this  
9 township is tax exempt. Stated differently, 11,493  
10 acres out of 32,960 acres is not subject to taxation.  
11 And this is because that land is comprised of state  
12 game land, state forest, National Park Service  
13 property and so forth. Awarding Fernwood this license  
14 will generate much needed revenue for the municipality  
15 and it will allow the township to continue making  
16 municipal infrastructure improvements while  
17 maintaining sound fiscal management and it will bring  
18 additional revenue to local businesses by increasing  
19 the anticipated number of visitors per year.

20                   Township officials then shifted their  
21 focus to the health, safety and welfare of its  
22 residents because they want to be certain that the  
23 services provided before the issuance of the license  
24 and the services provided after the issuance of this  
25 license remain at a minimum status quo, and more

1 preferably, would be improved for its residents. It's  
2 very important to the supervisors of Middle Smithfield  
3 Township that the issuance of the gaming license in  
4 their municipality does not overburden local emergency  
5 service providers, be they firefighters, ambulance  
6 crew members, police officers, and that the additional  
7 tourists generated by the license do not overburden  
8 our local road system.

9           The host municipality is served by the  
10 Pennsylvania State Police. It is served by four EMS  
11 providers and three volunteer fire companies. The  
12 township contributes both financially and with in-kind  
13 contributes to support these service providers.  
14 Revenue from the gaming facility will allow the  
15 township to be even more generous with their annual  
16 contributions. Officials believe that since the  
17 proposal is for the conversion of an arena facility to  
18 a gaming facility, no additional new burden will be  
19 imposed on the service providers. The existing  
20 service levels for emergency services at the Fernwood  
21 site currently exceed level needs. Township officials  
22 believe that future service level needs will also be  
23 fully met and that this license will not burden EMS  
24 providers. The license will also not burden the local  
25 road system.

1           In the past several years road  
2 improvements have been made to Route 209, leading to  
3 and from the Fernwood Resort. And the recent start of  
4 the final phase of the Marshalls Creek bypass, now  
5 commonly called the traffic relief project, PennDOT's  
6 road improvements to Route 209 can and will adequately  
7 handle all additional traffic generated by the gaming  
8 facility and will not overburden local roads.

9 Fernwood has been working for the past several years  
10 with the host municipality through public and private  
11 partnership on road repair, snow removal, trash  
12 removal and maintenance, along with portions of  
13 roadways that lead to and adjoin their facility.

14           Once the municipal officials determine  
15 that the governing ordinances permitted this proposed  
16 project, that sound fiscal management supported this  
17 project and that the health, safety and welfare of the  
18 residents of the community was supplemented by this  
19 project, the Board looked at Fernwood's community and  
20 corporate spirit.

21           The host municipality is very proud of  
22 all of its community and civic-minded residents and  
23 businesses. The Bushkill Group, Inc., and the  
24 Fernwood Hotel & Resort and its employees are fine  
25 examples of corporate and individual generosity within



1 this community. Corporate contributions to  
2 organizations like the United Way of Monroe County,  
3 Meals on Wheels, Bushkill Outreach and Pocono Healthy  
4 Community alliance, just a small smidgen of  
5 organizations that benefit from their contributions.  
6 They help to support these programs that benefit  
7 children and others in need throughout Monroe County.  
8 As Governor Rendell has noted, and I quote, the future  
9 of Pennsylvania's great places in part depends on our  
10 ability to transform local economies and great jobs  
11 through tourism revenue. It is up to key stakeholders  
12 on the front lines of economic development in their  
13 communities to work together to promote tourism in a  
14 way that preserves heritage and embraces progress.

15 Middle Smithfield Township is one of  
16 Pennsylvania's great places. It is the gateway to the  
17 Delaware Water Gap National Recreation Area. This  
18 community is and has always been a year-round resort  
19 destination. By supporting Fernwood's application,  
20 the host municipality is embracing an economic  
21 opportunity that will transform its local economy, as  
22 well as the state's economy, by bringing new and  
23 temporary and permanent jobs, increasing tax revenue  
24 and increasing tourism revenue. With 26.5 million  
25 adults living within a 100-mile radius of the Fernwood

1 site, the opportunities are endless.

2 I started my presentation with a  
3 reference to the Second-Class Township Code because  
4 elected officials must be guided by the laws that  
5 govern them when they are making decisions on whether  
6 to lend their support to a project. But with all  
7 decisions comes common sense and personal intuition.  
8 The supervisors, like myself, know the individuals  
9 that operate the Fernwood Hotel & Resort on both a  
10 personal and a professional level, and we know them to  
11 be highly educated, highly motivated and highly  
12 ethical individuals.

13 As members of the Gaming Board, you have  
14 two tasks. Your first task is determining who gets  
15 the license and where gambling facilities will be  
16 located throughout the Commonwealth. The Board should  
17 be pleased that you have an applicant before you that,  
18 to my recollection received no opposition at the first  
19 hearing, and to my knowledge, remains virtually  
20 unopposed. If awarded this license, Fernwood will not  
21 be delayed by township zoning, subdivision or land  
22 regulations. It is financially sound, and it is  
23 shovel ready.

24 As members of the Gaming Board, your  
25 second task, once the license is awarded, is equally

1 imposing. And to quote your Chairman Fajt, your  
 2 second task is, as I quote, to closely watch casino  
 3 operations to protect the interests of all  
 4 Pennsylvanians by implementing a fair regulatory  
 5 framework to ensure that the gaming industry in this  
 6 Commonwealth is held to the highest ethical standards.  
 7 Middle Smithfield Township officials believe that by  
 8 awarding a license to Fernwood, you will have  
 9 completed your first task and you will have made your  
 10 second task that much easier because you can rest  
 11 assured that Fernwood's corporate officers will  
 12 operate their casino to the highest ethical standards.  
 13 For all these reasons, Middle Smithfield Township  
 14 respectfully requests the Gaming Board to award  
 15 Fernwood Hotel & Resort the Commonwealth's final  
 16 Category 3 License.

17                   On behalf of Middle Smithfield Township,  
 18 the Middle Smithfield Township Board of Supervisors  
 19 and myself personally, I thank each and every one of  
 20 you for your time today and for the opportunity to  
 21 make this presentation. Thank you.

22                   PRESIDING OFFICER:

23                   Thank you. Ralph Wunder?

24 -----

25 RALPH WUNDER, HAVING BEEN PREVIOUSLY SWORN, TESTIFIED

1 AS FOLLOWS:

2 -----

3 MR. WUNDER:

4 Good morning, members of the Gaming  
5 Commission, Gaming Control Board and distinguished  
6 guests. My name is Ralph Wunder, and I'm the Public  
7 Affairs Director for Middle Smithfield Township,  
8 speaking on behalf of the members of the Middle  
9 Smithfield Township Board of Directors and  
10 Supervisors. And by the way, Suzanne, I promise I'll  
11 be very short.

12 The township may have to redo its own  
13 sign ordinance to post our message large enough to the  
14 Bushkill Group. Your project is welcome here. The  
15 applicants for this casino license, the Bushkill  
16 Group, are people very well known to us in this  
17 community. As the owners/operators of the historic  
18 Fernwood Resort, we know what a class act they are as  
19 individuals and what a well-managed establishment they  
20 run. Fernwood has long catered to family vacationers,  
21 providing them safe healthy, wholesome, quality family  
22 entertainment. Their pride in the resort is  
23 exemplified by the immaculate condition in which the  
24 resort is kept, the professional skill with which it  
25 is operated and by the loyalty of generations of

1 returning patrons. There's no guess work about  
2 whether your experience during a visit to Fernwood  
3 will be a positive one. Today they seek a casino  
4 license. We have every reason to believe they will  
5 excel at the operation of such an enterprise as well.  
6 In fact, there is evidence aplenty that these are  
7 exactly the kind of trusted neighbors you would want  
8 at the helm of a locally-owned and operated casino.

9           Andy Worthington worked for years as a  
10 member of the company who ran the locally-founded  
11 Fernwood Resort before acquiring the resort through  
12 his own investment partnership, and is a well-known  
13 and respected member of our community. The same is  
14 true with the other members of the Bushkill Group.  
15 These are exactly the kind of neighbors and local  
16 community leaders you want operating a casino. To put  
17 an even sharper point on it, what they are not is a  
18 group of drive-by investors running the operation from  
19 a tax-sheltered hammock in the Caribbean. These are  
20 our neighbors, friends we've known for years, people  
21 we trust and whose efforts bear the hallmark of  
22 integrity and quality.

23           Middle Smithfield Township welcomes the  
24 Bushkill Group's efforts to operate a casino at  
25 Fernwood. Thanks in large measure to the vigilance of

1 the Pennsylvania Gaming Commission, the history of  
2 gaming in Pennsylvania is that of a well-managed  
3 endeavor, free of a lot of the problems that have  
4 plagued casino operations in other states. And that's  
5 no small consideration as we weigh the impact of such  
6 an enterprise on our township.

7           And speaking of impact on our township,  
8 let me underscore what the economic impact of the  
9 casino will be to our community, although I think a  
10 lot of people have touched on this already on several  
11 occasions. At a time when the county and state are  
12 losing jobs at a historic and alarming rate, this  
13 business will bring an estimated 900 new temporary and  
14 permanent jobs to the community, a number of them  
15 well-paying positions. The impact of this enterprise  
16 to us is significant. It is estimated the new casino  
17 will bring \$107 million in annual revenue to the  
18 community. Once this region generated a great deal of  
19 income for the state in its heyday as a resort and  
20 entertainment mecca in the '50s, '60s and '70s,  
21 rivaling other renown entertainment centers, such as  
22 New York's legendary Catskills Resorts and similar  
23 areas. But after a period of contraction and change,  
24 the natural evolution of business, the Poconos are  
25 beginning to blossom anew as today's investors see a

1 new vision for the area. Data centers, financial  
2 services, high-tech laboratories, medical facilities  
3 are beginning to diversify the economic profile of the  
4 region. Even the nature of the entertainment industry  
5 itself is changing, as evidenced by this popular  
6 resorts casino application.

7           Indeed, statistics prove that only two  
8 years ago as much of the rest of the state was  
9 experiencing flat or negative growth, Northeastern  
10 Pennsylvania was leading the entire state with roughly  
11 three-percent positive annual growth. And I would  
12 suggest to the Gaming Board that the very reason for  
13 that positive growth is also the reason this casino  
14 will very likely prove to be the most successful  
15 business generator for the state out of all the  
16 applicants currently under consideration. The reason  
17 has a name. It is called Route 80. Or perhaps I  
18 should call by its formal name, Route 80, the New York  
19 to Eastern Pennsylvania Commuter Corridor. Every day  
20 30,000 new Pennsylvania residents commute from their  
21 homes in Pennsylvania to jobs in New Jersey and New  
22 York and every weekend even many more come from  
23 America's greatest metropolitan population center to  
24 vacation, shop and find entertainment in Eastern  
25 Pennsylvania. It's very clear to see from looking at

1 a map of our region how strategically it is located to  
2 serve tens of millions of people, new revenue brought  
3 to Pennsylvania from beyond the state's borders. I  
4 believe the Fernwood Casino is strategically located,  
5 even predestined, to be a success. And our success is  
6 Pennsylvania's success.

7                   It is the spirit of hardworking  
8 entrepreneurs willing to take --- make investments and  
9 take risks for the greater good that built this nation  
10 into the economic beacon it has become. That  
11 entrepreneurial spirit is personified in the character  
12 of the applicant's for this casino license. They are  
13 citizens of integrity, honor, class and devotion to  
14 their community, and it is with great enthusiasm that  
15 I and the members of the Board of Supervisors of  
16 Middle Smithfield Township endorse the Bushkill  
17 Group's application for this casino license today. If  
18 Fernwood wins, Pennsylvania wins. Thank you for the  
19 opportunity to speak on behalf of the casino  
20 applicants in Middle Smithfield Township. Thank you.

21                   PRESIDING OFFICER:

22                   Thank you. The next scheduled speaker,  
23 on behalf of Monroe County Commissioners is Suzanne  
24 McCool.

25 -----



1 SUZANNE MCCOOL, HAVING BEEN PREVIOUSLY SWORN,  
2 TESTIFIED AS FOLLOWS:

3 -----

4 MS. MCCOOL:

5 Good morning, members of the Commission  
6 and Hearing officer. Could you tell me how much time  
7 I have? I wasn't quite clear on whether I'm the  
8 three-minute or the five-minute type speaker.

9 PRESIDING OFFICER:

10 The period of time you may use is 30  
11 minutes.

12 MS. MCCOOL:

13 I won't do that to anybody. Okay. My  
14 name is Suzanne McCool. I'm the Chair of the Monroe  
15 County Board of Commissioners. I live in East  
16 Stroudsburg. I have lived in Monroe County my entire  
17 life. I'm a retired educator, and I flunked  
18 retirement and became a County Commissioner, one of  
19 the reasons why I'm here today.

20 A County Commissioner wears many hats,  
21 and we have a plan for our county. And years ago we  
22 wrote a plan called Monroe 2020. What will our county  
23 look like in the year 2020? I believe we have  
24 fulfilled one part of that plan in a very big way and  
25 that is the open space program that we've had. We

1 have preserved almost 20 acres of beautiful open space  
2 and agricultural lands since we did that. Another arm  
3 of our plan is for economic development and to make  
4 sure that our citizens have jobs. And I believe that  
5 economic development at this point is one of our  
6 number one --- or is our number one priority. And  
7 that is why I am really in favor of the Fernwood  
8 Bushkill Group getting this Category 3 License. I  
9 know what it will do. I know what has happened with  
10 the Mount Airy Casino taking a brown field and making  
11 a beautiful resort there. And the monies we've  
12 received in the county we have been able to put to  
13 very, very good use through our local share account.  
14 And I have to admit, I am one of those people that  
15 contribute to that share account every week when I go  
16 up to Mount Airy with my girlfriends.

17                   Now, Fernwood, of course, with a Category  
18 3 License, this will be more like an amenity to the  
19 people coming here to this beautiful resort. And many  
20 people come here for the horseback riding or the  
21 winter sports or the beautiful hiking. But you know,  
22 in every family they have different interests. Some  
23 of the people will like to play the slot machines,  
24 like I do, or they may want to do the table games.

25                   Fernwood is a well-known resort, and the

1 people that have been involved with it, it's been like  
2 well over 23 years. So we know them. We really  
3 respect them. They have so much integrity, and they  
4 have given back so much to the community. I just  
5 believe it's an ideal location. Knowing how things  
6 have gone so well with Mount Airy and the easy access  
7 for travelers, the people that come here, and they  
8 have 900 rooms already, will have no trouble getting  
9 here, because they do serve the New York and New  
10 Jersey markets. And Pennsylvania really, I won't go  
11 through all the figures that were given to you, but  
12 stands to gain a great deal of revenue from this  
13 resort.

14                   The Poconos is just such a wonderful  
15 place to live, and there are so many things happening  
16 here. There's so much to choose from to do. And I  
17 know with Mount Airy and the wonderful talent that  
18 they get there in the clubs, my friends and I have  
19 enjoyed it. And I know Fernwood has had many  
20 festivals and many of the other great talent that  
21 comes to the area. So we don't always have to travel  
22 anymore out of our area to get, you know, some of the  
23 best entertainment there is.

24                   I don't have prepared remarks, because  
25 I'm the type of person that gets up in front of people

1 and I wing it, but I would like to say some people  
2 make gaming into a moral issue. And maybe I did at  
3 one time until I was honest with myself and realized  
4 that people have played games for centuries. Gaming  
5 is something people do, you know, whether it's  
6 Christmas morning and you're trying out all the new  
7 board games or video games with your kids or whatever.  
8 People like to be entertained. And slot machines and  
9 table games are just another form of entertainment.  
10 And I don't look upon it as a moral issue. I'm a  
11 person that goes to church and a type that sings in  
12 the choir and things like that, and yet I truly enjoy  
13 going and seeing people having a good time, you know,  
14 up at, let's say, Mount Airy, where I go.

15                   Now, I know people in different regions  
16 feel differently about it. I have relatives in  
17 Gettysburg, and their tourism is heritage tourism.  
18 And I understand there's a group --- a large group  
19 that is opposed to that because they look upon the  
20 battlefield as hallowed ground, and I do, too. And I  
21 visit my relatives every couple of years, and we  
22 always visit the Visitors Center and the battlefield.  
23 So I'm not sure that that is what Gettysburg needs,  
24 and I know we're shovel ready to go up here. I don't  
25 know much about the other resort that is vying for it

1 from Southwestern Pennsylvania. I do believe all of  
2 these places want the economic growth and the --- you  
3 know, the money that will come to their area. But if  
4 the State of Pennsylvania is to make the most money,  
5 they should go with the venue that is really going to  
6 do that.

7                   Now, we have been crying the blues on the  
8 budget woes that are hitting us in the county. Our  
9 human services has been cut back so greatly. And I do  
10 want to thank the Fernwood and people like that that  
11 have been giving too many of our human service  
12 organizations, and they have helped us greatly, but  
13 the Governor is having a hard time and the legislature  
14 balancing this budget. And I have to keep economic  
15 development in the forefront. I talk to people up at  
16 the resorts, well, at Mount Airy, whether they're  
17 cleaning the restrooms or working in the gift shop or  
18 security on the floor, and they tell me about they all  
19 get benefits and that it's the first time they've had  
20 a job with secured benefits in a long, long time, if  
21 ever. So I know how important these jobs are and will  
22 help people get employed in our region.

23                   So tourism, again, is one of our number  
24 one products. The Poconos has always been noted for  
25 tourism. Our tourism has changed. You know, it used

1 to be everybody thought of us as heart-shaped bathtubs  
2 and a honeymoon resort, but it really has become  
3 environmental, family-oriented. I mean, we have such  
4 a wonderful system of trails now. So there's so many  
5 things bringing people to the Poconos. And I have to  
6 say I want to see Fernwood fill up those 900 hotel  
7 rooms. I'd be less than honest if I didn't tell you  
8 that we have benefited from the hotel tax that we  
9 have, and we are able to give some of that money to  
10 entities that are promoting tourism, promotion and  
11 development, like our historical societies and people  
12 like that, and it has really greatly helped them. I  
13 think this is the right venue for this.

14                   The fact that you've heard from your  
15 township officials that the permitting is not going to  
16 be a problem --- so many times people say, oh, don't  
17 go to the Poconos. It's terrible to get anything  
18 through with the permitting. Everything is ready to  
19 go here and I really think that it would be an ideal  
20 location for it. And I will be happy to see the tax  
21 revenues as a result of all of that. So if I were a  
22 gambling person, which I am, I would place my money on  
23 Fernwood as the best bet. Thank you.

24                   PRESIDING OFFICER:

25                   Thank you. As to how we're going to

1 going to go forward here, in the remainder of the  
2 meeting, remainder of our hearing. The next phase,  
3 we're going to hear from community groups. Before we  
4 do that, however, we'll take a five-minute break. I  
5 would like to remind us that we'll be hearing from  
6 Richard Berkowitz, Carl Wilgus, Charles A. Leonard,  
7 Anthony Konn, Elizabeth Koser (sic) and the community  
8 group sections. And we are in recess for five  
9 minutes.

10 SHORT BREAK TAKEN

11 PRESIDING OFFICER:

12 If I may have your attention, please.  
13 Take your seats, we are ready to begin. I would like  
14 to ask that Richard Berkowitz, Carl Wilgus, Charles  
15 Leonard, Anthony Konn and Elizabeth Koser remain  
16 standing for the administration of the oath by the  
17 stenographer. And I will tell the stenographer when  
18 we're ready for that. However, I do want to remind  
19 each of the speakers that you are allotted a maximum  
20 of ten minutes for your comments, your spoken comments  
21 for today. And further, that you are to identify the  
22 community group that you are representing when you  
23 identify yourself at the commencement of your  
24 testimony. There are four. We are now ready for the  
25 administration of the oath to the community group

1 representatives who have registered to speak here  
2 today. And the court stenographer may proceed.

3 -----

4 WITNESSES SWORN EN MASSE

5 -----

6 PRESIDING OFFICER:

7 Mr. Berkowitz, we're ready for your  
8 testimony.

9 -----

10 RICHARD W. BERKOWITZ, HAVING BEEN PREVIOUSLY SWORN,  
11 TESTIFIED AS FOLLOWS:

12 -----

13 MR. BERKOWITZ:

14 Good afternoon, Gaming Control Board. My  
15 name is Richard Berkowitz, and I am the president and  
16 CEO of the Sherman Theater in Stroudsburg,  
17 Pennsylvania, which is the Regional Performing Arts  
18 Center for Monroe County. And I originally had a  
19 great deal of spiel written out about how great the  
20 individuals that run Fernwood are, their Executive  
21 Board and their involvement in the community, but I  
22 think a lot of people have covered that already. And  
23 I'm sure, looking at the list, that more will as well.

24 I look at what we do as a performing arts  
25 center as we're an economic generator. What we try to



1 do is bring business to downtown and to the Pocono  
2 region. And one of our great partners in doing that  
3 has been the Fernwood Resort. And the reason is  
4 because 46 percent of our people come from outside of  
5 Monroe County. They are generated by hotels and  
6 resorts who are attracting people to our region and  
7 those people want to have world-class entertainment or  
8 other things to do. And by them coming to our  
9 facility, of course, they then patronize the  
10 restaurants and other great things in our community.  
11 And I think it's important that as the Poconos  
12 continues to develop, as it changes back to a leader  
13 in tourism, I think we were away for a little while,  
14 as we start to come back from that, it's important  
15 that we have things that attract people to our region,  
16 and of course, indirectly or directly attract them to  
17 our performing arts center, which is funded by ticket  
18 sales completely. So it's important that there's new  
19 people coming to our region, that they enjoy what  
20 they're going to do and that they have choices. And  
21 we'd like to be one of those choices.

22                   With Fernwood's application, with  
23 their --- I believe that they'll have more rooms  
24 filled. We are certainly a benefactor of the hotel  
25 tax in attracting people, and so I believe that, you

1 know, it's going to continue to support what we do as  
2 an organization and what our focus and goal is, which  
3 is economic development for our entire region.  
4 Definitely, Fernwood is --- I looked at the  
5 applicants. I'm sure they're all great. But when we  
6 look at what Fernwood does in our community, before  
7 they ever even thought about getting a gaming license  
8 and perhaps what they'll do after getting a gaming  
9 license, I think that they stand head and shoulders  
10 above all the rest.

11                   When we talk about tourism, and I'm sure  
12 that other folks will talk about it, but again, we  
13 think a little bit more selfishly, I guess, because we  
14 recognize that tourism is what drives our performing  
15 arts center. The ability to attract world-class acts  
16 often is based on our proximity to world-class  
17 facilities. In this day and age, people look for  
18 other entertainment items, and gaming is certainly one  
19 of them. So again, I think that certainly Fernwood  
20 has great people. You're going to hear that all day  
21 long. I don't believe anybody will stand here and say  
22 that these are not upstanding citizens of our  
23 community. I don't believe anybody could stand here  
24 and honestly say that Fernwood is not going to be a  
25 responsible member of our community. I would hope

1 that everyone will stand here and say that the  
2 finances of our community in some ways are riding on  
3 Fernwood's success. They're not the only one, but  
4 success from one resort begets success.

5           And I can just use this little example.  
6 If I look at --- over the last 80 years, and Sherman  
7 has been around for 80 years as well, of all the  
8 resorts that were in this region, at this moment, in  
9 this particular corridor of Middle Smithfield, this is  
10 the only resort still standing. It's the largest  
11 resort. It helps bring lots of people to our region.  
12 And we get to get a little piece of that and so do all  
13 the businesses in downtown Stroudsburg and the  
14 businesses in Smithfield Township. And of course,  
15 through the support of the county and the hotel tax  
16 and other issues, other areas are going to be  
17 affected. So although Middle Smithfield is excited to  
18 have this, so should be the rest of our county and  
19 community, as we continue to build our infrastructure  
20 with support from gaming funds, with support from  
21 corporate partners like Fernwood Resort, and we  
22 continue to build the reputation of the Pocono  
23 Mountains. And by default, the rest of us also get  
24 that reputation.

25           So it's important, I think, again, beyond

1 all the simple parts of gaming and the immediate  
2 response to those that are very close, township and  
3 county, I think the rest of us that survive in this  
4 community based on tourism need the support of  
5 Fernwood. We need you to support Fernwood's bid to  
6 continue to grow, to be successful, and to be a great  
7 corporate partner. I appreciate it.

8 PRESIDING OFFICER:

9 Thank you. The next scheduled speaker we  
10 have is Carl Wilgus.

11 -----

12 CARL WILGUS, HAVING BEEN PREVIOUSLY SWORN, TESTIFIED  
13 AS FOLLOWS:

14 -----

15 MR. WILGUS:

16 Good morning. My name is Carl Wilgus. I  
17 live in Tannersville, Monroe County, and I am the  
18 president and CEO of the Pocono Mountain Visitors  
19 Bureau. On behalf of the nearly 27,000 people  
20 employed in the hospitality industry, I'd like to  
21 welcome the Pennsylvania Gaming Control Board to the  
22 Pocono Mountains of Northeast Pennsylvania.

23 We are the official tourism promotion  
24 agencies for the counties of Carbon, Monroe, Pike and  
25 Wayne. We represent the tourism, visitor and

1 hospitality industry in the region. As you may know,  
2 but it does bear repeating, tourism is the state's  
3 second largest industry. And in the Pocono Mountains  
4 it is the number one industry. The economic impact of  
5 a tourism-based economy in the 2008 data tells us that  
6 more than \$2.1 billion in visitor spending took place,  
7 resulting in \$302 million in federal, state and local  
8 taxes and an \$811 million payroll. While these are  
9 impressive numbers, we know that the travel and  
10 tourism industry is a very competitive business. And  
11 just because our past has been successful, it does not  
12 automatically mean our future will be. We must always  
13 be striving to pay attention to our customer needs and  
14 expectations.

15                   The Pocono Mountains are going through a  
16 renaissance of some significance these days.  
17 Historically well known as the destination of choice  
18 for honeymooners, our survival as a destination  
19 requires that we be highly regarded in other facets.  
20 Sizable investments in private industry in the  
21 hundreds of millions of dollars over the past few  
22 years and into the future, in new lodging facilities  
23 and attractions, are laying a foundation for a new and  
24 improved tourism experience for visitors to the Pocono  
25 Mountains. But even with all of this, the visitor

1 experience is not complete without an equally robust  
2 supply of amenities, such as shopping, dining and  
3 various entertainment options. For more than 24  
4 million persons, 78 percent of which are adults, who  
5 visit the Pocono Mountains on an annual basis, we  
6 desperately need to make available a plethora of  
7 options for these millions of visitors to gleefully  
8 part with their hard-earned cash. The addition of  
9 gaming to the Fernwood Resort, which I understand  
10 draws 84 percent of their nearly half a million annual  
11 visitors from out of the Commonwealth, will be a  
12 welcome enhancement to its already rich amenity  
13 environment.

14                   In a 2006 report done by the Travel  
15 Industry Association of America on domestic travel, it  
16 clearly indicated that six percent of the nation's 234  
17 million leisure trips take part in gaming. That is a  
18 market opportunity of more than 62 million household  
19 trips. For this group of travelers, gaming can be  
20 seen as a recreation and/or entertainment expense that  
21 is integral to their overall travel experience. From  
22 both a professional and personal perspective, it's my  
23 observation that the Bushkill Group day in and day out  
24 have continually stepped up to the plate as one of the  
25 most philanthropic community-focused businesses in the

1 Pocono Mountains. As a well-established locally-owned  
2 business that has been operating since 1921, they know  
3 and appreciate the importance of giving back to the  
4 community and practice it on a daily basis. I know  
5 they will act as a responsible operator, conduct  
6 themselves professionally and provide a quality  
7 experience for our visitors.

8 I'm speaking for the more than 500  
9 business members when I say granting a gaming license  
10 to the Bushkill Group will continue to improve the  
11 positioning of the Pocono Mountains as a favorable  
12 destination for leisure travelers and will improve the  
13 business climate not only for the Fernwood group but  
14 also for the businesses throughout the region. Thank  
15 you.

16 PRESIDING OFFICER:

17 Thank you. Our next scheduled speaker is  
18 Charles A. Leonard.

19 -----  
20 CHARLES A. LEONARD, HAVING BEEN PREVIOUSLY SWORN,  
21 TESTIFIED AS FOLLOWS:

22 -----  
23 MR. LEONARD:

24 Good morning. I appreciate the  
25 opportunity to appear in front of you today. My name

1 is Chuck Leonard, Tobyhanna, Pennsylvania. I have  
2 been in the --- spent 30 years in the economic  
3 development business. I presently am the Executive  
4 Director of Pocono Mountains Economic Development  
5 Corporation. And we have a number of affiliates in  
6 which I'm in charge of, and they include Monroe County  
7 Industrial Development Authority, Pocono Mountains  
8 Industrial Park Authority and Pocono Mountains  
9 Industries, all of which I represent today in support  
10 of this application.

11                   A lot of what I was going to say has  
12 already been said. And I'm going to try to edit  
13 myself so I'm not redundant today. There are a lot of  
14 people here that don't think I can do this in ten  
15 minutes. But I think as a result of the fact I can do  
16 some editing, I think I will stay within my time  
17 frame.

18                   Obviously, our interest in this project  
19 is related to the jobs and the tax base it will  
20 generate for the community. These things are very  
21 critical at this time. We're in a down economy, and  
22 any jobs that we can attract to this community is  
23 absolutely critical for our future. Add to that the  
24 county and the municipal revenue. It's estimated \$4  
25 million on an annual basis. It's critical to our



1 local municipalities and our county government  
2 stability to deliver services to the people of Monroe  
3 County.

4           This project will --- and this gaming  
5 license will help grow the business and it will  
6 attract dollars here that we don't presently have.  
7 Everyone has mentioned the jobs, the 360 casino jobs.  
8 I saw a number, 900. That was a new number to me.  
9 But I think that definitely the spinoffs that we'll  
10 enjoy from this project will be significant. And we  
11 need every job we can attract in the community. And  
12 the reason for that is that in recent months we've had  
13 closings and downsizings that have laid over 1,100  
14 people off. And so as a consequence, and we're  
15 running around a 10.5 percent unemployment rate, and  
16 any job that we can attract is important.

17           I should mention, as a matter of  
18 disclosure, our agency, the Monroe County Industrial  
19 Development Authority, is an eligible applicant for  
20 the local share account monies that have been made  
21 available through the Mount Airy facility. And this  
22 money has been absolutely critical to around 17  
23 projects that will ultimately create somewhere between  
24 1,500 and 2,500 jobs. And so we're very enthusiastic  
25 about the potential for increasing that pool to do

1 projects within Monroe County.

2           Carl has already handled the tourism side  
3 quite well, but I'll have to --- in order to use up  
4 some of my time I do want to add some emphasis to what  
5 he said. You know, travelers have been visiting the  
6 Poconos for more than a hundred years. And as he  
7 indicated, most of those years it was extremely  
8 successful. And while some of our competitors have  
9 frayed as the years have gone by, the Poconos still  
10 remains the number one rated attraction in the State  
11 of Pennsylvania. And I think that that's a  
12 significant issue in regard to the building on Market  
13 Place and the attraction of people to the community  
14 and the success of the future casino.

15           Our community also retains a series of  
16 advantages that will deliver a positive return to the  
17 State of Pennsylvania in regard to visitors, as we've  
18 mentioned already, and it's related to the Delaware  
19 Water Gap National Recreation Area. Millions of  
20 people come to that. I don't think anyone mentioned  
21 the Pocono 500 and the NASCAR races that are here.  
22 And millions of people come to the Poconos and  
23 millions of people --- that's potentially millions of  
24 people that can entertain themselves at the future  
25 casino.

1           To grow the tourism marketplace that Carl  
2 mentioned in previous testimony that they've undergone  
3 --- we've undergone a renaissance in the Poconos.  
4 We've had new amenities come. We've had some  
5 attractions, new attractions come to the community.  
6 We've had some destination hotels come to the  
7 community. And in order to continue to grow  
8 Fernwood's market share and base of 425,000 guests per  
9 year, the casino will be a critical component in  
10 growing that marketplace.

11           It's already been mentioned that more  
12 than 84 percent of the customers come from outside the  
13 state. It's an export industry. We're exporting  
14 services to New Jersey, New York and other locations.  
15 I think that the fact that we're sending services to  
16 other states and bringing their dollars here I think  
17 is a critical aspect of the quality that we can  
18 deliver here at Fernwood. It will help the state  
19 maximize a return on putting a license here in Monroe  
20 County. And we also hope that Bushkill --- the  
21 Bushkill Group will receive the recognition that they  
22 deserve for being persistent and pursuing this  
23 license. I think that they've worked very hard and  
24 have done a great job staying in there and slugging it  
25 out as we go forward.

1                   Now, this is truly a homegrown business.  
2 I think as we go through the campaign coming up,  
3 you're going to hear a little bit more about that from  
4 the two gubernatorial nominees who both, in their  
5 economic development papers, have emphasized growing  
6 local industries. These people live here, they work  
7 here. They have decades of experience in this  
8 business and they contribute to the community, and we  
9 hope that that is an issue that this committee will  
10 take into serious consideration as you make your  
11 decision.

12                   In closing, we believe that the Bushkill  
13 Group is your best applicant. They are a  
14 Pennsylvania-based tourism enterprise with a  
15 successful track record selling Pennsylvania to  
16 thousands of visitors every week. We believe that the  
17 Poconos and the Bushkill Group will deliver the best  
18 return to the State of Pennsylvania for this license.  
19 People of the Poconos are accustomed to welcoming the  
20 world to our location. It has been our business for  
21 more than a hundred years. We urge you to award the  
22 license to Bushkill Group. Thank you very much.

23                   PRESIDING OFFICER:

24                   Thank you. We're ready to receive the  
25 testimony of Anthony Konn.

1 -----  
2 ANTHONY KONN, HAVING BEEN PREVIOUSLY SWORN, TESTIFIED  
3 AS FOLLOWS:  
4 -----

5 MR. KONN:

6 Good morning. Thank you for having me  
7 here to talk about my representation of the United Way  
8 of Monroe County. I'm the past president, as well as  
9 a current Board member. My family has lived in Monroe  
10 County since 1973, when there was only three banks in  
11 town. I'm a commercial loan officer. Now there is  
12 over 12 banks, and there are 30 branches in Monroe  
13 County. When I moved here, there were only ten. So  
14 that's a testimony to the growth of this fine  
15 community.

16 Working as a commercial loan officer for  
17 the last 30 years, I witnessed firsthand the  
18 unconditional financial support and time commitment  
19 the Bushkill owners and employees have made to the  
20 Monroe County community and the resort industry. They  
21 are a critical component to the ongoing business  
22 success and community enrichment of the Poconos.  
23 About 11 years ago --- after 11 years of the United  
24 Way not having a golf tournament, the United Way went  
25 to Andy Worthington and asked him to help restart the

1 golf tournament. He offered his complete commitment  
2 and support to that event. In two weeks the Fernwood  
3 Resort will host the Tenth Annual United Way Golf  
4 spectacular. This event has become the largest  
5 special event that the United Way has each year and  
6 totally has raised over \$200,000 towards their annual  
7 campaign. This event would not be possible without  
8 the gracious donations of the golf course for the  
9 event and the assistance of key company employees who  
10 donate their time to make this event a very great  
11 success. Sixty-five (65) percent of the revenue from  
12 that tournament comes from local vendors and the  
13 contacts that Fernwood Resort has outside of Monroe  
14 County. The Chief Legal Counsel, head of purchasing  
15 director and manager of financial services, and the  
16 golf course manager have put many hours in in  
17 preparation of obtaining golfers, sponsors and prizes.  
18 It has evolved to become the top fundraising golf  
19 event in the Poconos.

20 Combined with their annual corporate  
21 financial support, the employee campaign at the  
22 Bushkill Group continually ranks among the top five  
23 businesses every year in total dollars given to the  
24 United Way. Employees also donate hundreds of hours  
25 every year of approved time off for participating in

1 the Annual United Way Day of Caring and assisting  
2 local nonprofit social service agencies. United Way  
3 is truly gracious for the support the Fernwood Group  
4 has given to us over the years.

5           On a personal note, my wife Ann is a job  
6 coach with the Intermediate Unit 20. She is assigned  
7 to provide special needs students in all the Monroe  
8 County schools with social --- with work life  
9 experiences outside of the classroom. Over the past  
10 five years Fernwood has generously allowed her special  
11 needs students to work hand in hand, face to face, in  
12 the financial services area, the resort and in the  
13 kitchen area with their employees to obtain valuable  
14 skills that can be used when they graduate from high  
15 school. There's not many employees comfortable doing  
16 that. Fernwood is one who thankfully does. The  
17 resorts group clearly follows the United Way's  
18 national mission to give, advocate and volunteer as  
19 part of their daily corporate policy. Thank you.

20                   PRESIDING OFFICER:

21                   Thank you. Elizabeth Koser?

22 -----

23 ELIZABETH KOSTER, HAVING BEEN PREVIOUSLY SWORN,  
24 TESTIFIED AS FOLLOWS:

25 -----

1                   MS. KOSTER:

2                   Good morning. My name is Elizabeth  
3 Koster, and I am the president and CEO of Fitzmaurice  
4 Community Services. I have been a resident of Monroe  
5 County most of my life and have been leading  
6 Fitzmaurice Community Services since 1966, which was  
7 founded by my family -- I've been leading since 1976,  
8 which was founded by my family in 1966. I testified  
9 on Fernwood's behalf three years ago, and I'm here  
10 again in support of their application, a fact that is  
11 even more significant now that this is Fernwood's last  
12 opportunity for a license.

13                   At Fitzmaurice Community Services we  
14 provide community support for individuals with  
15 developmental disabilities and mental illness. Our  
16 services include community housing, personal care  
17 homes, independent living supports, clinical supports  
18 and recreational services. Most of our work is  
19 conducted through contracts with Carbon-Monroe-Pike  
20 Mental Health/Mental Retardation programs and directly  
21 with the State of Pennsylvania. These funded services  
22 provide for the basic needs of individuals, and so if  
23 a need arises beyond the basics we depend on the  
24 generosity of the community to help fund those needs.  
25 Some recent examples of this would be helping an



1 individual pay for his dental bill, paying for  
2 medication for an individual while she's waiting for  
3 her insurance coverage, purchasing bus tickets for  
4 individuals. We recently had an individual referred  
5 to one of our homes who had virtually no usable  
6 clothing. Our fundraising dollars paid for a complete  
7 start-up wardrobe for him until he could get on his  
8 feet. And it's interesting, I was preparing these  
9 remarks last week, and just yesterday I signed another  
10 fundraising approval --- fundraising request for  
11 another individual who came to us just yesterday with  
12 nothing, who needed our support to get on his feet.

13           Over recent years we have been recipient  
14 of the generosity of Fernwood with the snow tubing  
15 fundraiser that they have conducted for us during the  
16 months of January and February. These fundraisers  
17 have raised over \$10,000 for our special needs  
18 account, and we are very appreciative. A certain  
19 amount of each ticket that was sold was donated for  
20 Fitzmaurice on a designated night each week, and when  
21 our fundraising evenings came around, they invited our  
22 consumers to take part in the snow tubing at no  
23 charge. I have to say that those nights are very  
24 special for our folks, and it is my belief that you  
25 can --- the staff and employees of a business truly

1 reflect the philosophy and the culture of management.  
2 And when we come to our snow tubing events, our  
3 clients are not a typical resort participant. Their  
4 differences are very apparent. I can tell you that  
5 all the staff, from the person manning that snow  
6 tubing machine on a cold Thursday night to the people  
7 in the food area, serving our folks, that there is a  
8 culture of acceptance, benevolence and compassion and  
9 customer service throughout Fernwood, and I think it  
10 is a reflection of the management team. I know we've  
11 all talked about how great they are. We've known them  
12 for years. It permeates the organization.

13           The snow tubing fundraiser has ended, but  
14 the welcoming of our consumers to the slopes  
15 continues. They're always welcome and warmly  
16 received. Fernwood continues to extend their  
17 financial generosity to us in other ways and are  
18 always willing to partner with Fitzmaurice in  
19 fundraising ideas. They always keep our consumers in  
20 mind when special activities come up that they know  
21 they're going to be interested in, such as the  
22 professional wrestler events, which is really tops on  
23 the list for a lot of the folks. Fernwood is on the  
24 phone with the VIP tickets for them.

25           Fernwood has a reputation for being very

1 supportive of nonprofits and the work that we do in  
2 the community. And I have to say this support started  
3 long before the gaming hearings. This is the culture  
4 of Fernwood. I'm very proud to be associated with  
5 them and can vouch that they are good corporate  
6 citizens and good people who are a deserving recipient  
7 of this license. Thank you.

8 PRESIDING OFFICER:

9 Thank you. Before you leave the  
10 microphone, would you please spell your last name?

11 MS. KOSTER:

12 Sure. K-O-S-T-E-R.

13 PRESIDING OFFICER:

14 Thank you. I thought I mispronounced it.  
15 I was relying on the misspelling I had.

16 MS. KOSTER:

17 Thank you for checking it. Thank you.

18 PRESIDING OFFICER:

19 We are now ready to take the individual  
20 presentations in the public input portion of this  
21 hearing. By way of reminder, each speaker is reminded  
22 to begin by stating and spelling their name so we  
23 don't have another mispronunciation and misspelling  
24 and certainly for the benefit of the court reporter.  
25 Identify the municipality and state that you reside in

1 acknowledgement to your remarks. Now, I'm going to  
 2 run --- this is a list of individuals that I would  
 3 like to ask to please stand for the administration of  
 4 the oath. The oath will be administered by our court  
 5 stenographer. Wayne Bolt, James D. Tust, Luke B.  
 6 Minnick, Peter Derrenbacher, Anthony Coscia, Robyn  
 7 Coscia, Charles Vogt, Patricia Litts-Young, Matt  
 8 Rumph, James J. Hischar, Salvatore L. Manda, Rose  
 9 Capitelli, Terry Treglia, Amielynn Martin (sic), David  
 10 Sutton, David Escalet, Arthur Berry, Nancy M.  
 11 Shukalitis (sic), Mark Hodgson. If the stenographer  
 12 would please administer the oath.

13 -----  
 14 WITNESSES SWORN EN MASSE  
 15 -----

16 PRESIDING OFFICER:

17 Mr. Bolt, you may approach the  
 18 microphone. And before we put you to the timer, I'm  
 19 just going to remind us it's a three-minute maximum  
 20 for each individual. We're ready to receive your  
 21 testimony, sir.

22 -----  
 23 WAYNE BOLT, HAVING BEEN PREVIOUSLY SWORN, TESTIFIED AS  
 24 FOLLOWS:  
 25 -----

1                   MR. BOLTZ:

2                   Wayne Bolt, resident of Middle Smithfield  
3 Township for 23 years. Members of the Pennsylvania  
4 Gaming Board, as I said, my name is Wayne Bolt. I'm a  
5 retired New York City homicide detective. And as a  
6 second career, I was assistant general manager of the  
7 Fernwood Hotel & Resort, from which I am also retired  
8 two years. I have served on the community as a Middle  
9 Smithfield Township Supervisor, Chairman of the Middle  
10 Smithfield Township Planning Commission. I am  
11 currently active with many area nonprofits, including  
12 the Prince Hall Golf Tournament at East Stroudsburg  
13 University, which serves --- gives two full  
14 scholarships to inner-city kids, completely full  
15 scholarships, which Andy Worthington is a member of  
16 that Board. I am Chairman of the Julianna V. Bolt  
17 Scholarship at East Stroudsburg University, I'm on the  
18 Board of Directors of the United Way, and I'm also on  
19 the Bushkill Diversity Group.

20                   I've known the owners of Bushkill Group  
21 for many years. And as a retired police officer,  
22 community active, and a business person, I can vouch  
23 for their integrity, sincerity and benevolence. They  
24 give back whenever asked to. Organizations such as  
25 Meals on Wheels, Bushkill Outreach, the United Way,

1 East Stroudsburg University, the Pocono Medical Center  
2 and others, I spoke on their behalf three years ago  
3 and I'm back again because I believe in these people.

4           The Bushkill Group provided jobs for over  
5 500 employees from the tri-county region, people who  
6 have paid taxes and raised their families through  
7 various touch economic times. The awarding of this  
8 license can only be a positive force in the local  
9 economics and increase their ability to pay good wages  
10 and offer medical benefits and continue to give  
11 charity groups. It will bring new jobs, generate  
12 taxes and help reduce property taxes, which we all  
13 have a problem with in this township.

14           In my years of experience in the police  
15 force, township politics and tourism, I have met many  
16 people and consider myself an experienced judge of  
17 character. There are no political insiders. They are  
18 hard-working, tax-paying people, who have, for the  
19 past several years, been trying to bring economic  
20 growth to the Bushkill area. I ask you, as a member of  
21 this community, to grant this license for these people  
22 because they are genuine and they help out a lot. I  
23 have to say the Julianna V. Bolt Scholarship is my  
24 wife's scholarship, and with the help of the Bushkill  
25 Group it has paid. Thank you very much.

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PRESIDING OFFICER:

Thank you, sir. Before we hear from James D. Tust, who is invited to the microphone now, I do want to offer a moment's explanation to this public input hearing process in that the only voice you've been hearing from this side of the room is my own. The two Commissioners here present and representing their colleagues as well have the responsibility to listen, to have benefit of your input here today. At the close of the hearing you will hear me make very brief remarks about the licensing hearing process, where the commission members might well be expected to be much more animated, outspoken, interactive, should they be so inclined. But the purpose of their presence here today is to hear you.

All right. I'm ready to receive Mr. Tust's testimony. We're ready to commence with the timer.

-----

JAMES D. TUST, HAVING BEEN PREVIOUSLY SWORN, TESTIFIED AS FOLLOWS:

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MR. TUST:

Good afternoon. My name is James Tust. I'm the administrative manager and a corporate officer

1 of Ski Shawnee, Inc., the owner and operator of nearby  
2 Shawnee Mountain ski area. I am also a long-time  
3 resident and homeowner here in Middle Smithfield  
4 Township. I would like to again welcome the members  
5 of the Pennsylvania Gaming Control Board to our  
6 Eastern Pocono region. I am pleased to be here today,  
7 as I was three years ago, to speak in support of the  
8 Bushkill Group in their quest for a resort gaming  
9 license.

10 Over the years I have had the privilege  
11 of working with several of the owners of the Bushkill  
12 Group on various Shawnee and Fernwood joint marketing  
13 efforts and tourism-generating projects, including  
14 ski-and-stay packages, special events, major festivals  
15 and many successful regional marketing initiatives  
16 generating overnight guests from the lucrative markets  
17 of Metro New York, Long Island and Northern New  
18 Jersey.

19 Here in the Eastern Pocono region, we're  
20 less than 80 miles from Manhattan and the majority of  
21 our resort business comes from out of state, while  
22 generating significant in-state tax revenue. I have  
23 always found the Bushkill Group to be very  
24 knowledgeable, cooperative, capable, and above all,  
25 professional resort business people of high character,



1 good corporate citizens. I have long witnessed the  
2 many --- witnessed the Bushkill Group giving  
3 generously to many local charities, most recently,  
4 again, donating the Fernwood Resort facilities, staff  
5 and resources, while hosting the 2010 Pocono Wing-Off,  
6 the critically important annual fundraiser for Monroe  
7 County Meals on Wheels.

8                   The Bushkill Group is a leader in our  
9 Pennsylvania resort industry. And in these difficult  
10 economic times, now more than ever I am proud to  
11 highly recommend the Bushkill Group for a Pennsylvania  
12 resort gaming license. Thank you.

13                   PRESIDING OFFICER:

14                   Thank you, sir. Our next witness will be  
15 Luke B. Minnick. Mr. Minnick? We'll move on to Peter  
16 Derrenbacher. And by way of reminder, Mr.  
17 Derrenbacher, if you would please spell your last name  
18 and identify the municipality in which you reside.

19 -----  
20 PETER DERRENBACHER, HAVING BEEN PREVIOUSLY SWORN,  
21 TESTIFIED AS FOLLOWS:

22 -----

23                   MR. DERRENBACHER:

24                   Peter Derrenbacher, that's  
25 D-E-R-R-E-N-B-A-C-H-E-R, Pike County, Pennsylvania.

1 Good morning. I'm a retired --- I am retired and I've  
2 lived in this area for five years full time, but I've  
3 owned a home for 25 years. I'm the former president  
4 of the Saw Creek Estates Community Association, which  
5 comprises 2,900 homes and about 10,000 residents.  
6 Many of the residents in this area, I'm not sure if  
7 you're aware, they commute to their jobs in New York  
8 and New Jersey, many taking the Motts bus system into  
9 the --- or Route 80 into the city. The area, needless  
10 to say, has been negatively affected by the current  
11 economic environment. Many of our homeowners are in  
12 foreclosure. And certainly the unemployment rate is  
13 extremely high.

14                   This area of Pennsylvania has also had  
15 some recent disappointments. The much touted Wall  
16 Street West project never came to fruition. The  
17 closing of Mount Laurel Performing Arts Center. And  
18 recently, resort closings at Pocmont and Penn Hills,  
19 which puts an added tax burden on the local residents.  
20 The state was very prudent in adopting casinos. I've  
21 lived in New York most of my adult life, and citizens  
22 went to New Jersey and Connecticut casinos, and then  
23 revenues and, you know, regional development taxes  
24 left the state. My recent school tax bill reflected  
25 an almost \$400 tax credit, thanks to you, gentlemen,

1 and the state. I've been at Mount Airy, The Sands,  
2 and Pocono Downs, and I marvel at the development of  
3 those casinos and the surrounding areas.

4           This area depends heavily on tourism, and  
5 certainly granting the Bushkill Group a Category 3  
6 License will provide substantial capital investment,  
7 an additional attraction for visitors to stay in the  
8 area, additional employment opportunities for our  
9 local residents and certainly additional tax relief.  
10 I have no vested interest in the Bushkill Group.  
11 Having said that, they are good neighbors and are  
12 generous to the surrounding communities. They run  
13 carnivals, craft fairs, wing-off, tubing events and a  
14 host of other events which provide entertainment to  
15 both visitors, and importantly, to the local  
16 residents. I realize you must evaluate many factors  
17 in your decision to grant a license. I would ask for  
18 your special considerations in this area. We really  
19 need a win. Thank you.

20                           PRESIDING OFFICER:

21           Thank you. Anthony Coscia? Mr. Coscia.  
22 Scheduled after Anthony Coscia is Robyn Coscia. Would  
23 you please approach the microphone, Ms. Coscia? The  
24 next scheduled speaker after we have heard from Ms.  
25 Coscia is Charles Vogt.

1 -----  
2 CHARLES VOGT, ESQUIRE, HAVING BEEN PREVIOUSLY SWORN,  
3 TESTIFIED AS FOLLOWS:  
4 -----

5 ATTORNEY VOGT:

6 Thank you, Commissioners, Hearing Officer  
7 Edmiston. My name is Charles Vogt. That's spelled V  
8 as in Victor, O-G-T. I'm an attorney. I'm a resident  
9 of Pocono Township in Monroe County. I'm the past  
10 president of the Monroe County Bar Association, also  
11 past chair of the Monroe County Planning Commission,  
12 and a member of the Executive Committee of Monroe  
13 2020, the county-wide planning process which  
14 resulted ---.

15 PRESIDING OFFICER:

16 Mr. Vogt, excuse me. If you would lean  
17 into the microphone and boost your volume up a little  
18 bit, please.

19 ATTORNEY VOGT:

20 Okay.

21 PRESIDING OFFICER:

22 Very good. Thank you.

23 ATTORNEY VOGT:

24 Shall I start over or ---?

25 PRESIDING OFFICER:

1                   No, no.

2                   ATTORNEY VOGT:

3                   Okay, the county-wide planning process  
4 which resulted in the current Monroe County  
5 comprehensive plan. My practice has concentrated over  
6 the past 36 years in the real estate and resort  
7 industries. I'm a lifelong resident of the Pocono  
8 Mountains and have grown up in neighboring Pike County  
9 and have resided in Monroe County for the last 30  
10 years.

11                   I've known and worked with most of the  
12 shareholders of the Bushkill Group for decades and can  
13 vouch for their honesty, professionalism and business  
14 expertise. They are recognized for their benevolence  
15 and for doing what is right and have deep-rooted ties  
16 to their employees and to this community. Their  
17 dedication to their business and this application  
18 process is reflected by their continued pursuit of  
19 your approval despite changes in the gaming  
20 legislation that made it possible for others to  
21 reapply and get a second bite of the apple. If they  
22 do not receive the license now, they will not be able  
23 to reapply because of the changes in that legislation.  
24 This is it for them. In my years of experience in law  
25 and real estate and the resort industry, I have known

1 many business leaders who can safely say that you will  
2 be well represented by this group of hardworking,  
3 experienced individuals. I urge you to send a message  
4 to the residents of the Commonwealth that hard work  
5 and perseverance can, should and will be rewarded.

6           Monroe County and Pike County have  
7 unemployment rates that continue to rise and in 2010  
8 are in excess of ten percent. Home foreclosures  
9 continue to rise. They are projected by the Monroe  
10 County Prothonotary to reach almost 2,200 in 2010.  
11 That's four times the level of 2005, only five years  
12 ago. Awarding of a license to the Bushkill Group will  
13 give the local economy a badly-needed boost. It will  
14 bring new jobs to the area, generate additional taxes  
15 and help with growing a very important tourism  
16 industry. As mentioned earlier, 35 percent of Middle  
17 Smithfield Township is tax exempt federal, state or  
18 charitable land, and the township needs increased tax  
19 rates, such as this facility, to help relieve the  
20 tax burden on its residents. Thank you very much.

21                           PRESIDING OFFICER:

22                           Before you leave the microphone, sir, are  
23 you aware of when the Monroe County 2020 plan was  
24 completed?

25                           ATTORNEY VOGT:

1                   The 2020 plan began about 1996, and we  
2 completed it in about 2003, 2004.

3                   PRESIDING OFFICER:

4                   Thank you. Our next witness will be  
5 Patricia Litts-Young. Ms. Young?

6 -----

7 PATRICIA LITTS-YOUNG, HAVING BEEN PREVIOUSLY SWORN,  
8 TESTIFIED AS FOLLOWS:

9 -----

10                   MS. LITTS-YOUNG:

11                   Yes. Good afternoon, Chairman and  
12 members of the Board. My name is Patricia  
13 Litts-Young, spelled L-I-T-T-S, hyphen, Y-O-U-N-G, and  
14 I am here to testify in support of the Bushkill Group  
15 and Fernwood Hotel & Resort's bid for the remaining  
16 Category 3 Resort Gaming License.

17                   I was born and raised in this area and  
18 still live here today, in East Stroudsburg. Over the  
19 years I have enjoyed all that Fernwood has to offer,  
20 including golf, restaurants, live shows and the many  
21 festivals they host. Through my personal knowledge of  
22 the owners and many of the employees, I can  
23 confidently say that the company is operated  
24 professionally and ethically by a hardworking,  
25 hands-on team. They will, without a doubt, represent

1 the Gaming-Board well by operating a successful casino  
2 with the utmost integrity. The company is one of the  
3 largest employers in our area, providing jobs and  
4 excellent company benefits for many local residents.  
5 The resort also produces much-needed revenue for the  
6 local area and gives back to the community by  
7 supporting numerous charities, such as Meals on  
8 Wheels, the United Way, the Trooper Joshua Miller  
9 Memorial Fund and one that is especially close to my  
10 heart, the donation of the golf course for a  
11 tournament in memory of my nephew, Gershom Litts, to  
12 raise money for his daughter's college fund. A casino  
13 at Fernwood would provide much needed local property  
14 tax relief, give a significant boost to the overall  
15 economy in this area of the Pocono Mountains and would  
16 allow the resort to further their philanthropic  
17 efforts.

18 I spoke at Bushkill Group's last public  
19 hearing almost two-and-a-half years ago. I am glad  
20 their perseverance has stood the test of time in this  
21 process. I felt I would be remiss if I did not come  
22 before you again today to demonstrate my support and  
23 reiterate how much the resort and this area deserves  
24 this license. Thank you for your time.

25 PRESIDING OFFICER:



1 Thank you. Matt Rumph?

2 -----  
3 MATT RUMPH, HAVING BEEN PREVIOUSLY SWORN, TESTIFIED AS  
4 FOLLOWS:  
5 -----

6 MR. RUMPH:

7 Good afternoon. Thank you. My name is  
8 Matt Rumph. I reside in Stroudsburg, Pennsylvania,  
9 down in Monroe County. I am here today representing  
10 the Pocono Family YMCA, which we're located in  
11 Stroudsburg, Pennsylvania, as a community partner with  
12 Fernwood. Over the years I've been working, the  
13 support that Fernwood has given the YMCA has been  
14 overwhelming, not only financially but also through  
15 their employees' involvement with our association. We  
16 need community partners, community leaders, to help us  
17 guide the YMCA. And they've stepped forward with  
18 several of their people to come on our Board,  
19 volunteered to be on committees and also volunteer  
20 their services to further our mission here in Monroe  
21 County.

22 In looking at the benefits of Fernwood  
23 and what you've been talking of today, the YMCA  
24 also --- in the back end, we're also one of those  
25 people that would benefit greatly by this. We did

1 this year receive part of the fair-share money from  
2 the Mount Airy. If this would increase --- of course,  
3 we would be one of the entities in the community that  
4 would benefit from that increased money coming into  
5 the community. Two would be --- it would decrease the  
6 people that we serve right now technically with our  
7 financial assistance, because if more people are  
8 employed, the unemployment rate would go down. We  
9 have several people that we do give financial  
10 assistance to, to go through our programs, childcare  
11 and also just general membership. That money, of  
12 course --- to subsidize that money, we do look for  
13 support from Fernwood, which they've been gracious to  
14 do that over the years.

15           The families that they serve would  
16 greatly support that, too, because the increased tax  
17 dollars coming in there --- because right now we're  
18 seeing a strain in East Stroudsburg and this area and  
19 a tax burden in the school district. That burden on  
20 the taxpayers just to support the school district is  
21 also coming on us because then they can't afford our  
22 services. Now, with our mission of doing --- we turn  
23 no one away due to the inability to pay, that does put  
24 a burden on us because we have to continue offering  
25 those services to those people who are in need.

1                   Now, Fernwood has always been a good  
2 partner and also they have been guiding us through  
3 because we've turned to several of their leaders to  
4 guide us through the hard financial times. I do  
5 support Fernwood with their structure and what they're  
6 looking to do, and I think it would be a great asset  
7 to this community. Thank you.

8                   PRESIDING OFFICER:

9                   Thank you. James J. Hischar?

10 -----

11 JAMES J. HISCHAR, HAVING BEEN PREVIOUSLY SWORN,  
12 TESTIFIED AS FOLLOWS:

13 -----

14                   MR. HISCHAR:

15                   Good morning, Mr. Chairman, members of  
16 the Board.

17                   PRESIDING OFFICER:

18                   If you can lean into the microphone and  
19 speak up, sir.

20                   MR. HISCHAR:

21                   Okay. My name is James Hischar of  
22 Blackwood, PA. I recently retired after serving over  
23 25 years with the Pennsylvania State Police. The last  
24 20 years of my career I was assigned to drug law  
25 enforcement, and the last six-and-a-half was full time

1 with the Drug Enforcement Administration as a task  
2 force officer. During that time I've worked with the  
3 FBI, IRS, ATF, Customs and Immigration, Secret Service  
4 and many other agencies, state and local, on various  
5 cases, including drugs, stolen vehicles, organized  
6 crime, arson, burglary, credit card fraud, robbery,  
7 murder. In those cases I've conducted interviews of  
8 persons arrested for felonies and gleaned intelligence  
9 information on other cases and persons of interest  
10 committing crimes. Not once was a member of anyone in  
11 the Bushkill Group or their resort mentioned as  
12 committing any type of unscrupulous acts.

13           The Pennsylvania State Police had a close  
14 relationship with the Fernwood Police Department,  
15 which was the only professional police department at a  
16 resort community in the Poconos. The Fernwood Police  
17 were the go-to agency when we needed information in  
18 Eastern Monroe County. They were always very  
19 cooperative and would go out of their way to help us.  
20 In or about 1992 I had the extreme pleasure of meeting  
21 with the applicant, Andrew Worthington. At the time  
22 he was an Assistant District Attorney with the Monroe  
23 County DA's office, and I worked several cases very  
24 closely with Mr. Worthington. He was a hardworking  
25 prosecutor, and he would work day and night, guiding

1 the State Police through legal steps in the  
2 investigative process. Mr. Worthington ensured that  
3 cases were done both legally and ethically from start  
4 to finish. I, as a State Trooper, learned a lot from  
5 Mr. Worthington on how to build a successful case,  
6 which would result in a conviction.

7           In 1997 Mr. Worthington moved on to a  
8 position with Fernwood as a corporate attorney and  
9 later on as CEO. During that time I called on Mr.  
10 Worthington without hesitation for advice and  
11 assistance with investigations in the Fernwood Resort  
12 area. I also had the pleasure to meet other members  
13 of the Bushkill Group that were as dedicated as Mr.  
14 Worthington to running a clean business and ridding  
15 the community of the criminal element. I believe Mr.  
16 Worthington misses the days of being a prosecutor, and  
17 to this day has law enforcement in his blood. I'd  
18 like to cite one particular case with an Albanian  
19 national organized crime figure who lived near  
20 Fernwood. I called on Mr. Worthington and the  
21 Fernwood Police, who provided all sorts of assistance  
22 with surveillance and maps and ownership information,  
23 anything they could do to help. That person received  
24 14 years in a federal prison.

25                           PRESIDING OFFICER:

1 Mr. Hischar, if you can wrap up, please?

2 MR. HISCHAR:

3 In closing, I ask the Board to consider  
4 the Bushkill Group application over other applicants  
5 because of the thorough knowledge I have of the  
6 character, honesty and dedication to community that  
7 they have. I'm certain you'll find these qualities in  
8 your background investigation as I have found over the  
9 last 23 years.

10 PRESIDING OFFICER:

11 Thank you. Our next speaker scheduled is  
12 Salvatore L. Manda.

13 -----  
14 SALVATORE L. MANDA, HAVING BEEN PREVIOUSLY SWORN,  
15 TESTIFIED AS FOLLOWS:

16 -----  
17 MR. MANDA:

18 Good afternoon. My name is Salvatore  
19 Manda. I reside in Schuylkill Township, Monroe  
20 County. Good afternoon. I am the president of  
21 Property Management Professional, Inc.

22 PRESIDING OFFICER:

23 Mr. Manda, if you can please speak up.

24 MR. MANDA:

25 Okay. I'm sorry. My company represents

1 over 3,000 timeshare owners at a timeshare resort  
2 approximately six miles from the Fernwood. It's known  
3 as Eagle Village Property Owners' Association. It is  
4 obvious that our guests and owners will openly welcome  
5 gaming at Fernwood, as they presently use and have  
6 access to many of Fernwood's amenities, such as the  
7 18-hole golf course, snow tubing, horseback riding,  
8 live entertainment and many of their restaurants.

9           In 30 years as a resident --- it seems a  
10 lot of us have been here 30 years, as a resident of  
11 the Pocono Mountains, I have seen substantial  
12 commercial and economic growth. However, where I live  
13 and where Fernwood is and where I work, the 209  
14 corridor north over Marshall Creek has unfortunately  
15 not seen the same type of growth. In fact, the region  
16 has experienced some negative economic impacts  
17 resulting from the closing of the Old Tannerwood  
18 (phonetic) Resort, the Mountain Laurel Center for the  
19 Performing Arts and the Pocmont Hotel. All have  
20 occurred in the last five years or so. Allowing  
21 gaming to come to this region will not only help  
22 Fernwood but will promote employment, help many of the  
23 local businesses survive and prosper in these  
24 economically challenging times and be the start we all  
25 hope of a new beginning to this region of the Pocono

1 Mountains.

2           My experience managing properties for the  
3 last 20 years or so in the region gives me insight to  
4 the market potential of adding another gaming facility  
5 to this part of the state, particularly this part of  
6 the county. Because of our proximity to the state  
7 line, most of the guests at Fernwood and the guests at  
8 my resort come from outside the State of Pennsylvania  
9 and are primarily from the significant New York and  
10 New Jersey markets. In addition, there are residents  
11 in the gated communities surrounding Fernwood that own  
12 or rent their vacation homes and they're very close in  
13 proximity, of course, to the proposed casino. These  
14 are people who, on a regular basis, return to spend  
15 leisure time in the Poconos and are looking for things  
16 to do.

17           Lastly, you've heard it before, but I've  
18 been associated with the principals of the Bushkill  
19 Group as long as I've been a resident. I know them as  
20 honest, hardworking individuals, dedicated to their  
21 families and their communities, and their goal to  
22 carry on Fernwood's history as a major employer ---

23                           PRESIDING OFFICER:

24                           Mr. Manda, please wrap up.

25                           MR. MANDA:



1 --- and a recognized leader in the  
2 hospitality industry. Thank you.

3 PRESIDING OFFICER:

4 Thank you. Three minutes wasn't enough.  
5 Rose Capitelli, if you would please approach. Before  
6 we start to receive Ms. Capitelli's remarks, part of  
7 the reason for the insistence on compliance with the  
8 three-minute allotment is in fairness to predecessor  
9 speakers for the most part who have been able to have  
10 fit within the three minutes. And we're ready to  
11 proceed with your testimony, ma'am.

12 -----  
13 ROSE CAPITELLI, HAVING BEEN PREVIOUSLY SWORN,  
14 TESTIFIED AS FOLLOWS:

15 -----

16 MS. CAPITELLI:

17 Thank you for having me. My name is Rose  
18 Capitelli, and I live in Tamiment. And I also would  
19 like to start by saying I do not have anything against  
20 gambling. I just have a problem with where the  
21 gambling will be, right on 209. Now, the pictures  
22 were beautiful, showing the resort, but it doesn't  
23 show the traffic. Now, there are plenty of resorts,  
24 but they're off of the main area. And if there are  
25 people that say there is no traffic here, well, then

1 you'll have to just come one day and see for yourself.

2           Another factor is I have pictures here  
3 which I will leave that going on 209 you pass every  
4 church along the road. You pass also the schools.  
5 And you also pass the shopping centers, the doctor's  
6 appointments, which the people in the community will  
7 have to face every day. A lot of people could not be  
8 here because they work 10:00 a.m. in the morning, but  
9 I do have over 300 signatures of the people around  
10 this community that do not want the gambling. I,  
11 myself, volunteer in schools, libraries and in  
12 hospitals, and we generate money in a different way.  
13 It doesn't always have to be about gambling.

14           If I lived in Jersey or New York or even  
15 Long Island, if I wanted to gamble, I would go to  
16 Mount Airy, because that's where the gambling is. I  
17 wouldn't come up here to fight all the traffic. If we  
18 are doing so well here in the Fernwood on how we're  
19 doing, why can't we just continue doing it, improve  
20 ways of doing it and not have to do it with gambling.

21 I believe that within a year or so the rule about if  
22 you sleep over, then you can gamble, that's going to  
23 change, and I believe then the public will be  
24 gambling. The people around here that can't afford to  
25 gamble will be gambling. Once you get your license,

1 there's no taking back. And I also believe that if  
2 you're looking for a house to sell, you're not going  
3 to be able to --- I would not want to buy a house  
4 within blocks. Thank you for listening.

5 PRESIDING OFFICER:

6 Thank you. Ms. Capitelli, was it your  
7 intention to leave your photographs?

8 MS. CAPITELLI:

9 Yes.

10 PRESIDING OFFICER:

11 And the signature petition?

12 MS. CAPITELLI:

13 Yes.

14 PRESIDING OFFICER:

15 You may leave them with the court  
16 reporter. And if we might have Terry Treglia approach  
17 the microphone. Terry Treglia? After Terry Treglia  
18 we are scheduled to hear from Amielynn Martell. If  
19 you would please approach.

20 -----

21 AMIELYNN MARTELL, HAVING BEEN PREVIOUSLY SWORN,  
22 TESTIFIED AS FOLLOWS:

23 -----

24 PRESIDING OFFICER:

25 Good afternoon, Ms. Martell.

1           MS. MARTELL:

2           Good afternoon.  Amielynn Martell.

3           PRESIDING OFFICER:

4           Amielynn?

5           MS. MARTELL:

6           Yes.

7           PRESIDING OFFICER:

8           M-A-R-T-E double L?

9           MS. MARTELL:

10          Yes.

11          PRESIDING OFFICER:

12          You may proceed.

13          MS. MARTELL:

14                 I am a single homeowner residing in  
15 Delaware Township, Pike County, PA.  I'm here today to  
16 speak in favor of Fernwood Resort receiving a Category  
17 3 License.  My reasons are as follows.  For the past  
18 two years my property taxes have decreased by 20  
19 percent.  This year I received a three percent  
20 decrease on my school tax bill from the Delaware  
21 Valley School District.  These decreases are due to  
22 the Act I Exclusion Bill, which is funded primarily by  
23 the gaming revenues of the state, and this benefits me  
24 greatly.  I worked for Fernwood in my high school  
25 career and my college years in the recreation

1 department. I've also worked in their corporate  
2 offices before I pursued employment in my career. I  
3 can speak firsthand that as an employer they were more  
4 than fair providing healthcare and a safe workplace.  
5 I point this out because they are committed to hiring  
6 locally. And with the job losses in the recent years,  
7 it would serve our area greatly for them to increase  
8 workforce employees.

9           I have read the papers, and I do not  
10 agree with the naysayers about the increase in  
11 traffic. A Category 3 License is for guests of the  
12 resort who already patronize Fernwood. You cannot  
13 just drive up and play, unless you're already a resort  
14 customer. Also, in a recent study done for the  
15 improvement of Bushkill Falls Road, it showed that  
16 most traffic coming up Route 209 North in fact  
17 continues past Fernwood and up into the communities of  
18 the mountain. Therefore, traffic is not of a  
19 significant concern.

20           In conclusion, I am a tax-paying citizen  
21 that supports awarding a Category 3 License to  
22 Fernwood. I know the owners. They are good people,  
23 excellent employers, and they give a lot of their time  
24 and their energy back to the community. In my  
25 opinion, they will very successfully run this casino.

1 Thank you.

2 PRESIDING OFFICER:

3 Thank you. David Sutton?

4 -----

5 DAVID SUTTON, HAVING BEEN PREVIOUSLY SWORN, TESTIFIED  
6 AS FOLLOWS:

7 -----

8 MR. SUTTON:

9 Good afternoon. My name is David Sutton.  
10 I'm an employee of the Bushkill Group. I'd like to  
11 thank you for the opportunity to speak. I'm just  
12 going to read what I wrote. Okay? My name is Dave  
13 Sutton. I'm the Guest Service Director for the  
14 Fernwood Hotel & Resort. I'm speaking on behalf of  
15 the Bushkill Group and because I have a longtime  
16 relationship with the owners. I've known them for  
17 over 20 years, about 20 years. I've worked at  
18 Fernwood about 15 years. I'm speaking on behalf of  
19 them.

20 I began working for the company about 15  
21 years ago as a front desk clerk. Eventually I became  
22 front desk lead, supervisor, and two years ago I  
23 returned to become the Guest Service director. I left  
24 Fernwood to pursue other opportunities, and after a  
25 few years applied and received my supervisory job back

1 at the front desk. I came back because they pay well,  
2 they offer lots of benefits, really good benefits.  
3 I'm just going to speak from --- you know, from my  
4 heart. I don't want to continue to read. I wrote a  
5 bunch of things that people already said.

6 I think Fernwood --- the Bushkill Group  
7 is a really good group of people. For the last two  
8 years they've been trying to enhance our property. We  
9 have a lot of guests that come from the New York area.  
10 I happen to work at the check-in desk. I see most of  
11 our guests who come in, and I know that they would  
12 benefit from us having additional amenities. The  
13 gaming would be a plus for our property and for the  
14 employees on the property. We strive to make everyone  
15 feel comfortable when they come to our place, and we  
16 do. I think we do.

17 I think this group of people here, the  
18 owners and the people that I'm representing right now,  
19 are fair-minded. They treat all their employees well.  
20 I know employees who have started in high school and  
21 become managers. I know employees who have left and  
22 returned several times, given another opportunity to  
23 enhance their education. Fernwood pays benefits.  
24 They give us opportunities to enjoy not only other  
25 families, but you can bring your family on occasion

1 and enjoy the amenities on the property. I think that  
2 if you award the gambling license to Fernwood, that  
3 it's going to benefit the entire community. I happen  
4 to live in this community here, and every time I go to  
5 work I feel like I'm going to a resort. And when I  
6 come home I enjoy the same privileges. And that's all  
7 I have to say right now. Thank you.

8 PRESIDING OFFICER:

9 Mr. Sutton, do you wish to leave a copy  
10 of your prepared remarks with the stenographer?

11 MR. SUTTON:

12 Yes.

13 PRESIDING OFFICER:

14 Our next scheduled speaker is David  
15 Escalet.

16 -----  
17 DAVID ESCALET, HAVING BEEN PREVIOUSLY SWORN, TESTIFIED  
18 AS FOLLOWS:

19 -----

20 MR. ESCALET:

21 Good evening, Board members. My name is  
22 David Escalet, E-S-C-A-L-E-T.

23 PRESIDING OFFICER:

24 Mr. Escalet, can you please raise your  
25 volume?



1                   MR. ESCALET:

2                   Okay.

3                   PRESIDING OFFICER:

4                   A little bit more.

5                   MR. ESCALET:

6                   Okay. I've been living in the community  
7 of Lehman Township, Pike County, for approximately  
8 four years. My background is in law enforcement.  
9 I've retired from the Pennsylvania State Police. I  
10 was a member for 26 years. Eight of those last eight  
11 years was as a member of the Organized Crime Division  
12 of Northeast Pennsylvania. I know firsthand how  
13 valuable it is to have the members of an organization  
14 that's applying for such a prestigious license to have  
15 integrity. And I can personally vouch for the members  
16 of the Bushkill Group. I have worked with them as a  
17 law enforcement officer.

18                   And Andy Worthington, Tom Casale, they  
19 were very well respected in the District Attorney's  
20 Office. What impressed me about them mostly is that  
21 they're very community minded. For instance, when I  
22 was a young trooper --- this is going back 20-odd  
23 years ago, we could always count on Fernwood to help  
24 out the local community, whether it was a stranded  
25 motorist who had no money, we can always count on

1 Fernwood to give them a place to stay. And I think  
2 that proved volumes of what type of people they are.  
3 Also, even fire victims, people who were burned out of  
4 their house, you could always count on Fernwood to put  
5 them up. And this is something --- I think what's  
6 great about them is that it's not done for public  
7 attention. The other organizations that came here,  
8 the United Way, you know, we read about them in the  
9 paper, but these are things that are personal. You  
10 can call them up and say, listen, this guy is in need.  
11 It's not going to be in the paper. It's not going to  
12 be anywhere, but --- that's the type of people I would  
13 want to have a license. And they serve it. They've  
14 worked hard and they're wonderful people. Thank you.

15 PRESIDING OFFICER:

16 Thank you, sir. Our next scheduled  
17 speaker is Arthur Berry. Mr. Berry?

18 -----  
19 ARTHUR BERRY, HAVING BEEN PREVIOUSLY SWORN, TESTIFIED  
20 AS FOLLOWS:

21 -----  
22 MR. BERRY:

23 Good afternoon, Gaming Board. Arthur  
24 Berry, A-R-T-H-U-R, B-E-R-R-Y. I reside in Pocono  
25 Township, Monroe County, Pennsylvania. I own and am

1 president of Camelback Mountain Resort in  
2 Tannersville, Pennsylvania, as well. I've lived in  
3 Monroe County for 45 years, in Pocono Township.

4           I speak to you today on behalf of the  
5 Applicant, Bushkill Group. The commitment to this  
6 resort to the gaming license is certainly demonstrated  
7 by their pursuit and patience right from the beginning  
8 of the process until today. And I can assure you that  
9 their patience and persistence will carry through in  
10 the future. The Pocono Mountains are poised and  
11 positioned as the perfect destination for casinos. We  
12 have been delivering genuine hospitality for over 100  
13 years. And as most of you know, we were once known as  
14 the Honeymoon Capital of the World. And we delivered  
15 on that promise and notoriety for over 30 years. The  
16 Pocono Mountains have reinvented itself throughout  
17 time, and I truly believe the Bushkill Group will  
18 continue that tradition and bring casino gambling to  
19 our region and deliver the promise of genuine  
20 hospitality that we have been known for for so many  
21 years.

22           The Bushkill Group has the talent,  
23 experience and drive to be successful as a casino  
24 owner and operator, along with Penn National. I've  
25 been a proponent of gambling in the Pocono Mountains

1 from the beginning, and I believe that Northeast  
2 Pennsylvania has the formula for success. We are an  
3 amenity-rich area where you can be canoeing the  
4 Delaware or be skiing at Camelback. And after all  
5 that fun, you're right back at Fernwood Resort for a  
6 fun evening of gambling. All in all, we have a niche  
7 like no other tourist destination in Pennsylvania.

8           I have firsthand experience of the  
9 effects of a casino on surrounding communities.  
10 First, obviously, jobs. Very important to the  
11 economic strength of our local communities. Second,  
12 reinvestment of casino dollars back into the  
13 infrastructure of our local communities. I personally  
14 live four miles from Mount Airy Casino and have seen  
15 nothing but positive impacts on our local communities,  
16 as well as a great place to go for entertainment, fine  
17 restaurants and, of course, gambling a little bit from  
18 me. I also have a business about ten miles away, and  
19 we have seen a positive impact on our recreational  
20 visits. As I said before, we offer a niche unlike  
21 anywhere else. Guests coming to Pocono Mountains come  
22 because they enjoy the outdoors, whether it's golfing,  
23 snow tubing with their families or hiking along the  
24 beautiful streams and rivers, and then, of course, a  
25 little gambling before the night is over.

1 I have known the Bushkill Group for many  
2 years, and not only are they savvy, intelligent resort  
3 owners, they are truly good people. Thank you for  
4 your time, and I believe you will find the Bushkill  
5 Group the right choice for a gaming license. Thank  
6 you.

7 PRESIDING OFFICER:

8 Thank you. Nancy M. Shukalitis? Please  
9 approach, ma'am. Hold on for a moment. I've been  
10 quite impressed thus far in this hearing with the  
11 cooperation the audience has extended courtesy to the  
12 speakers by way of not speaking while a scheduled  
13 speaker is using their allotted time or a portion of  
14 it. However, I have noted that in the last few  
15 minutes there has been some distractions by way of  
16 conversation in the room. So that if there are  
17 conversations that are necessary, I would encourage  
18 anyone wishing to participate in them to please leave  
19 the room. And then certainly you're welcome to return  
20 when you've finished your conversation. Ma'am, we're  
21 ready to receive your testimony now.

22 -----  
23 NANCY SHUKAITIS, HAVING BEEN PREVIOUSLY SWORN,  
24 TESTIFIED AS FOLLOWS:  
25 -----

1                   MS. SHUKAITIS:

2                   Thank you very much. My name is Nancy  
3 Shukaitis, S-H-U-K-A-I-T-I-S. I live in Smithfield  
4 Township. I spent 16 years as a county commissioner  
5 here and more than 30 years of coordinator of the  
6 Delaware Valley Conservation Association, a group who  
7 was active and proactive in bringing about the Water  
8 Gap National Recreation Area and defeating the Tocks  
9 Dam, which was a poor geology lease.

10                   Monroe County has a casino. Most of us  
11 didn't know you could have more than one casino in a  
12 county. The map you show on your website shows nine  
13 major casinos in Pennsylvania, all well spread apart,  
14 looking like an intelligent way to deal with casinos.  
15 I think a great consideration today which is going to  
16 be --- in my case make me an opponent of the Fernwood,  
17 although I'm very good friends with the Fernwood  
18 founders and all of the generations that followed  
19 because I lived not far from them. I've known them  
20 very well, and all of the good things you heard today  
21 are true. So I happen to be looking at this whole  
22 scene from a different angle.

23                   The Fernwood Resort was one of the few  
24 major resorts that the government did not bulldoze in  
25 this National Park; this National Park, 72,000 acres,

1 over 12,000 private tracts of land taken, huge  
2 communities. Maybe you know the history. And the  
3 Fernwood is inside the boundary of this park, within  
4 the Act itself and the maps that were with it from the  
5 beginning, 1965, which makes it a much different scene  
6 from afar and brings up the view of all National Parks  
7 and recreation areas and what is going to be okay and  
8 what is not. The government --- it's private  
9 property. The government did not buy it. And there  
10 are other instances of the same. But those that  
11 remain in some parks, National Parks, are called  
12 in-holdings, and they are permitted to stay. Am I  
13 finished?

14 PRESIDING OFFICER:

15 You have 30 seconds.

16 MS. SHUKAITIS:

17 Well, I better say this. Good health is  
18 the issue. Casinos, that's a good word --- health is  
19 something you cannot quantify through money. So  
20 casinos are in the millions of dollars, and the  
21 Fernwood is worth millions, but this National Park  
22 goes into the billions or maybe more.

23 PRESIDING OFFICER:

24 I have to ask you to wrap up, please.

25 MS. SHUKAITIS:

1 Well, I would like your values to see the  
2 big picture here because a precedent is being set when  
3 this is passed because you're dealing with a property  
4 that is inside the boundary.

5 PRESIDING OFFICER:

6 Thank you for your testimony.

7 MS. SHUKAITIS:

8 Thank you.

9 PRESIDING OFFICER:

10 If you have anything prepared in  
11 writing ---

12 MS. SHUKAITIS:

13 Yes.

14 PRESIDING OFFICER:

15 --- if you wish to submit it, you  
16 certainly may. And in fact, some of you will recall  
17 my opening remarks in that public comments may be  
18 submitted in writing until the end of business on the  
19 first day of November. Thank you.

20 MS. SHUKAITIS:

21 Thank you.

22 PRESIDING OFFICER:

23 Our next scheduled speaker is Mark  
24 Hodgson.

25 -----



1 MARK HODGSON, HAVING BEEN PREVIOUSLY SWORN, TESTIFIED  
2 AS FOLLOWS:

3 -----

4 MR. HODGSON:

5 Good afternoon. I'd like to thank you  
6 for the opportunity to express my support for the  
7 Category 3 License by the Bushkill Group that is being  
8 presented before you. I've had the opportunity to  
9 deal with the owners, Andy, Tom and Kevin Lavelle, on  
10 a personal level and also on a professional level.

11 As you've heard by the local nonprofits,  
12 they have been very supportive of the nonprofit  
13 community here in Monroe County. Visiting Nurse  
14 Association and Hospice, which is the largest  
15 nonprofit home health and hospice agency here in  
16 Monroe County, has been one of the recipients of their  
17 support. They supported us on numerous times for our  
18 annual hospice golf tournament. One of the major  
19 things that we've built was our general inpatient  
20 facility for our hospice patients, and they've stepped  
21 up to the plate and were one of the first few  
22 organizations or companies that came forward with  
23 funds for our project. They also supported our  
24 Children's Bereavement. As you heard, they're very  
25 supportive of the children in our community and also

1 other fundraising events. They've been a great  
2 corporate citizen here in Monroe County and give  
3 whenever asked both on a personal and also on a  
4 corporate level. Not only do they contribute  
5 monetarily, but they also donate their time to  
6 nonprofit organizations, providing guidance, their  
7 expertise and helping organizations that are  
8 struggling in Monroe County.

9           By awarding the Bushkill Group this  
10 license, I am confident that you will see their  
11 efforts in supporting the community for contributions,  
12 volunteerism and community service continue to grow,  
13 and I would hope that you would seriously consider  
14 their license application because, as you've heard  
15 from the members of this community, there is  
16 definitely some opportunity here for growth,  
17 opportunity for the nonprofit sector to benefit from  
18 this, and also the community at large. So thank you  
19 for your time.

20                           PRESIDING OFFICER:

21           Thank you, Mr. Hodgson. As I noted  
22 earlier, as we advanced through the public input  
23 session, there were several individuals who were  
24 called to the microphone who were not here. Just by  
25 way of double checking, is Luke Minnick here and

1 prepared to present oral testimony here today? Is  
2 Anthony Coscia here and likewise prepared to present  
3 oral testimony, or for that matter, Robyn Coscia? The  
4 last individual who was registered and scheduled to  
5 speak today is Terry Treglia. Is Terry Treglia here  
6 and prepared to present oral testimony today? And  
7 finally, by way of the individual public input  
8 portions, is there anyone here present today who has,  
9 in fact, registered to speak whose name I have not  
10 called? Very good. Thank you.

11           The record created here today will be the  
12 transcript of this proceeding. All exhibits and  
13 written comments that are received through the  
14 deadline of the close of business on Monday, November  
15 1st, 2010, will be included in the Bushkill Group's  
16 application record and forwarded to the entire Board  
17 for consideration. And Bushkill's able representative  
18 has stood to remind me of the reserved rebuttal  
19 period. Before you commence, my timekeeper advises me  
20 that there's a maximum of 12 minutes available.

21           ATTORNEY JONES:

22           And I will be briefer than that. First I  
23 would like to take care of a couple of administrative  
24 matters and move into evidence our PowerPoint  
25 presentation, our exhibits over there showing the

1 facility. And I have several letters, additional  
2 letters of support, which I will provide to the clerk.

3           First, as a matter of clarification, the  
4 project is not within the boundaries of the National  
5 Park. It is adjacent to them. We have a wonderful  
6 working relationship with the National Park. They  
7 support us. We support them. It's a great overall  
8 project.

9           In addition to that, we would like to,  
10 again, thank the Board and its staff. And after our  
11 last public input hearing, there was a quote in the  
12 paper that said it was a love fest. And I believe  
13 that applies again today. Have any of you ever seen a  
14 better public input hearing than what you've seen  
15 today? This group of people and from my personal  
16 experience of working with them are an outstanding  
17 group of people. They have continuously worked hard  
18 for this license. They continuously now work with  
19 Penn and have the financing in place, and we are ready  
20 to go on this wonderful project that will enhance this  
21 community. Again, we would like to thank the public  
22 officials and the public for being here today in  
23 support of our project. Thank you. Told you, less  
24 than 12.

25                           PRESIDING OFFICER:

1           That was the fastest 12 minutes I've ever  
2 experienced. Returning to the formal aspects of our  
3 business, at a date in the near future the Board will  
4 schedule a public licensing hearing which will be held  
5 in Harrisburg. In fact, that's the type of a hearing  
6 that I made reference to earlier where the Board  
7 members might be expected to be a bit more  
8 interactive. You may wish to visit the Pennsylvania  
9 Gaming Control Board website at [www.pgcb.state.pa.us](http://www.pgcb.state.pa.us)  
10 for information as to the date, time and the location  
11 for the public licensing hearing. While that  
12 licensing hearing will be open to the public, at that  
13 hearing no further public comment will be received by  
14 the Board.

15           Thank you for your participation and  
16 cooperation today. From my personal vantage it has  
17 been quite striking in the courtesy you have extended  
18 to the representatives of the Gaming Control Board  
19 here present and that you have extended to one  
20 another. Thank you for your participation, and this  
21 public input hearing is now concluded, and we are  
22 adjourned.

23                           \* \* \* \* \*


24                           HEARING CONCLUDED AT 1:00 P.M.

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CERTIFICATE

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I hereby certify that the foregoing proceedings, hearing held before Presiding Officer Edmiston, was reported by me on 09/02/2010 and that I Kenneth Dominic O'Hearn read this transcript and that I attest that this transcript is a true and accurate record of the proceeding.

  
\_\_\_\_\_  
Court Reporter