

COMMONWEALTH OF PENNSYLVANIA

GAMING CONTROL BOARD

PUBLIC INPUT HEARING

IN RE: WOODLANDS FAYETTE, LLC (NEMACOLIN)

BEFORE: KENNETH ZIELONIS, HEARING OFFICER

GREGORY C. FAJT, CHAIRMAN

JEFFREY COY, COMMISSIONER

JAMES B. GINTY, COMMISSIONER

GARY A. SOJKA, COMMISSIONER

KENNETH T. MCCABE, COMMISSIONER

HEARING: Wednesday, September 8, 2010

9:58 a.m.

LOCATION: Wharton Township Municipal Building

114 Elliotsville Road

Farmington, PA 15437

WITNESSES: Jeffrey Nobers, Chris Plummer, Jim Perry,

Paul Keller, Virginia McDowell, Maggie Hardy Magerko,

Senator Kasunic, Representative Mahoney, Vince

Zapotosky, Vincent Vicites, James Means, John Lewis,

Lester Ward, Muriel Nuttall, Ronald Virag, Barry

Seneri, Kim Hankins, J.R. Shaw, Tara Coughenour,

Thomas Baxter, Cataldo Corrado, Harry Burd, William

Paulos, William Burd, Barbara Terry, John Hannan,

Sandy Wilson, Christine Blaine

Reporter: Kayla A. Godkin

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

HEARING OFFICER:

I am Kenneth Zielonis, and I am the Hearing Officer assigned to conduct today's public input hearing. Before we begin, please turn off all cell phones, pagers, BlackBerries, et cetera, so as not to disturb the speakers or those in the audience. And as the presiding officer, I call to order this public input hearing for a Category 3 Slot Machine License, Applicant Woodlands Fayette, LLC, docketed at 1566-2010. The date is September 8th, 2010, and the time is approximately 10:00 a.m. The location is the Wharton Township Municipal Building, 114 Elliotsville Road, Farmington, PA, 15437.

This public input hearing is convened by the Pennsylvania Gaming Control Board, pursuant to the directive and authority found in Section 1205(b) of the Gaming Act and the Board's regulations at 58 Pa. Code, Section 441a.6. This public hearing was advertised on the Board's website, announced at a previous public Board meeting, and advertised in the local newspapers.

The Board members present today for this hearing, from my left to right, Commissioner Gary

1 Sojka, Commissioner Jeffrey Coy, Chairman Gregory  
2 Fajt, Commissioner Kenneth McCabe, and Commissioner  
3 James Ginty. The Board and its staff would like to  
4 thank Wharton Township for making this building  
5 available for the hearing today.

6 This is the last public input hearing in  
7 a series of four hearings conducted by the Board, the  
8 purpose of which is to allow applicants for the  
9 remaining Category 3 Slot Machine License to present  
10 their plans before the Board and the public and to  
11 allow individual members of the public, community  
12 groups, elected officials and local government  
13 representatives to express their thoughts, share their  
14 concerns about the project with the Board.

15 The order of the speakers today is as  
16 follows: Applicant for the Category 3 Slot Machine  
17 License, Woodlands Fayette, then we will hear from any  
18 legislators, local government representatives,  
19 community leaders or their representatives and  
20 individual members of the public who have  
21 pre-registered to speak. Woodlands Fayette will have  
22 45 minutes to make their presentation. Each  
23 legislative official will have five minutes to speak.  
24 Each governmental body will be given up to 30 minutes,  
25 and you may split your time into which among those who

1 are here to speak for you today, community group  
2 leaders, ten minutes, and individual members of the  
3 public will each have three minutes to speak.

4           It's very important that each individual  
5 begin their remarks by stating their name, your  
6 municipality and the state where you reside, and when  
7 speaking on behalf of an entity, the name of that  
8 entity. All the public speakers will be sworn in, in  
9 the groups that I mentioned earlier before the start  
10 of their presentation. I will be timing your  
11 presentations, will ask you to wrap up your comments  
12 at the end of your allotted time. To assist all  
13 speakers in adhering to the time limits, we have an  
14 electronic stop light over here, a light which shows  
15 green, yellow, red. When the light turns green, your  
16 time has started. When the light turns yellow, for  
17 Woodlands Fayette, you have five minutes, for all  
18 other speakers, that will mean you have 30 seconds of  
19 the allotted time and you should begin to wrap up your  
20 comments. When the light turns red, you will hear a  
21 beeping sound, and you're expected to stop speaking at  
22 that time and leave the microphone.

23           If your time runs out and you have  
24 comments remaining, please submit them as written  
25 comments for the Board's consideration. You may

1 choose, if you wish, to submit written comments. That  
2 will be included as part of the evidentiary record at  
3 this public input hearing. Those written comments may  
4 be an alternative for live testimony today or in  
5 addition to live testimony, and they may be submitted  
6 at this hearing. You may also submit them via the  
7 Board's website, which can be found at  
8 [www.pgcb.state.pa.us](http://www.pgcb.state.pa.us), or you can mail or fax comments  
9 to the Board's clerk. We will be accepting written  
10 comments for 60 days after the close of the hearing  
11 today or at the close of business Monday, November  
12 8th, 2010, when the evidentiary hearing for this  
13 public input hearing will be closed.

14           If you are a speaker today and you have  
15 written notes or testimony which you will read from,  
16 when you are finished please give a copy to our court  
17 stenographer. That will help her to transcribe the  
18 document. In addition, a copy of the proposed conduct  
19 for the public input hearing has been available as you  
20 entered the hearing room and was also on the Board's  
21 website. I expect all in attendance today to please  
22 adhere to that code of conduct. Much will be said,  
23 and we are interested in hearing from everyone, and we  
24 respectfully request your assistance in complying with  
25 those rules out of courtesy for the speaker, and most



1 particularly, for the court stenographer. If we have  
2 more than one person speaking, it's going to be very  
3 difficult for her to transcribe your statement.

4                   This is an administrative hearing  
5 officially, so please treat it as if you were  
6 attending a court proceeding. Speak loudly and  
7 clearly into the microphone. I don't think I have to  
8 say this, spectators, please refrain from interrupting  
9 anyone who is speaking today. If the media is  
10 present, we ask that you please do not interfere with  
11 the speakers and conduct any interviews outside of the  
12 hearing room. I apologize for the size of the hearing  
13 room, but I think that we can have everyone at least  
14 to hear what's going on today. So we're ready to  
15 proceed with the presentation by Woodlands Fayette.  
16 All who will be speaking today, would you please rise  
17 to be sworn by the court reporter.

18 -----

19 WITNESSES SWORN EN MASSE

20 -----

21                   HEARING OFFICER:

22                   Thank you. You may be seated. And we're  
23 ready to proceed.

24                   MR. NOBERS:

25                   Good morning. My name is Jeff Nobers.

1 I'm a resident of Washington County, Pennsylvania, and  
2 I am the vice-president of Nemacolin Woodlands Resort  
3 and the 84 Lumber Company. I'd like to welcome  
4 Chairman Fajt, Commissioners Coy, Sojka, Ginty,  
5 McCabe, Hearing Officer Zielonis, the Board staff and  
6 the ladies and gentlemen of the public for being here  
7 with us today to hear what we believe are very  
8 exciting plans for the Lady Luck Casino and Nemacolin  
9 Woodlands Resort.

10                   Nemacolin Woodlands and 84 Lumber have a  
11 long history of community involvement, and it's  
12 important to note that both of these companies  
13 obviously operate in the State of Pennsylvania but  
14 were founded here, founded by Pennsylvanians and later  
15 owned and operated by residents in this state. When  
16 84 Lumber was first founded, Mr. Joe Hardy, the  
17 founder of that company, believed in giving back to  
18 the communities where this company did business. And  
19 that philosophy carried over to Nemacolin Woodlands  
20 some 25 years later, when Mr. Hardy purchased that  
21 property.

22                   In the recent past, Nemacolin has donated  
23 millions of dollars to charities in Fayette County,  
24 especially, most recently, we raised nearly \$90,000  
25 for the Boy Scouts of Fayette and Westmoreland County

1 through a golf tournament that is hosted by Mr. Hardy.  
2 And the Hardy family recently made a million-dollar  
3 pledge to the Uniontown Hospital Capital Campaign,  
4 just a few examples of the involvement of the family  
5 and the resort in this community. Clearly, we know  
6 that Nemaocolin Woodlands enhances the entire Laurel  
7 Highlands region and is a crown jewel for this area,  
8 as well as the State of Pennsylvania, and we are among  
9 the largest employers in Fayette County.

10                   Nemaocolin Woodlands is a world-class,  
11 award-winning resort. And you will get some more  
12 details on that in just a few minutes. It was  
13 developed by and has been run by the Hardy family for  
14 nearly 25 years. And when the resort was first  
15 purchased, it encompassed 400 acres of land and had a  
16 40-room hotel. Today we cover nearly 2,000 acres of  
17 land and we attract visitors from 44 states and six  
18 countries last year alone. Seventy (70) percent of  
19 the employees of Nemaocolin Woodlands Resort reside in  
20 Fayette County. And it's estimated that in 2010 we  
21 will generate approximately \$1.5 million through the  
22 room occupancy tax that goes to the Laurel Highlands  
23 Visitors Bureau to further market this region.

24                   Nemaocolin Woodlands Resort not only meets  
25 but exceeds the Gaming Act. We have 335 rooms,

1 suites, cabins and luxury homes, hundreds of amenities  
2 and activities, clearly more than any other resort  
3 property in the State of Pennsylvania, and quite  
4 frankly, perhaps more than any in this country.

5           The State and Nemacolin and Fayette  
6 County and Wharton Township have everything to gain  
7 from this casino being here. It would enhance what is  
8 already a well-established premier resort. It would  
9 have a positive impact on tourism locally and for the  
10 State. It would maximize the State and local tax  
11 revenues, produce substantial positive impact on local  
12 employment and spending and create the most complete  
13 resort with gaming in America. In fact, we believe it  
14 will become a model for other resorts in other states.  
15 Though Nemacolin is well established, it's also  
16 important to note it is ever evolving, and it evolves  
17 because of the day-to-day involvement and leadership  
18 of Maggie Hardy Magerko, our president and owner, and  
19 Mr. Joe Hardy, our founder. They have not only put  
20 lots of money into this resort, but they have put  
21 their life into it, their emotion, their creativity,  
22 and most importantly, their vision.

23 APPLAUSE

24 VIDEO PLAYED

25           MR. NOBERS:

1           And at this time I'd like to introduce  
2 the general manager of Nemaocolin Woodlands Resort, Mr.  
3 Chris Plummer. Chris Plummer. Chris has more than 15  
4 years of experience in the tourism and hospitality  
5 industry, including eight years with Caesars  
6 Entertainment & Gaming Industry. He is on the Board  
7 of Directors of the Laurel Highlands Visitors Bureau,  
8 and he, too, is a Pennsylvania native, hailing from  
9 the Chambersburg area. Chris?

10           MR. PLUMMER:

11           Thank you, Jeff. Chris Plummer. I'm a  
12 resident of Fayette County. Thank you, Chairman Fajt,  
13 Commissioners, Ginty, McCabe, Coy and Sojka, Board  
14 staff and all here in attendance for allowing us today  
15 to speak about something we're very passionate about  
16 in Fayette County, Nemaocolin Woodlands Resort. As you  
17 can see from the video and some of the information I'm  
18 going to provide to you, there's a lot to do at  
19 Nemaocolin. Our amenities and our people are what set  
20 us apart from our competition. Adding a casino to  
21 that amenity list will help us to continue to grow and  
22 prosper.

23           It's very important to note that our  
24 competition is not local. Our competition is regional  
25 and national in scope with resorts in Florida,

1 California, Colorado, West Virginia and Virginia.  
2 Currently, 60 percent of our guests come from outside  
3 of Pennsylvania, and 70 percent outside of western PA,  
4 with our top markets in the Baltimore and Washington,  
5 D.C. metro area. Because of our dedicated and  
6 talented associates and the vision of our owners, we  
7 have been very fortunate to be recognized by the top  
8 names in our industry. AAA and Mobil have awarded us  
9 five stars and five diamonds in Lautrec and Falling  
10 Rock. Mystic Rock is a Golf Digest Top 100 course,  
11 and Woodlands Spa is rated ninth best in the country.  
12 While we do like the awards, it is our associates and  
13 our guests that we care about most. They drive our  
14 extensive list of amenities, starting with our six  
15 different lodging options, including Falling Rock,  
16 Chateau Lafayette, The Lodge, our townhouses and  
17 condos, our private home collection and maybe one of  
18 the best recreational vehicle parks you'll ever find.

19                   Dining is a central part of the Nemacolin  
20 experience. We operate 15 unique dining facilities  
21 covering our entire 2,000 acres, including Lautrec,  
22 one of only 14 Mobil five-star, AAA five-diamond,  
23 award-winning restaurants in the world. Chef Kristin  
24 Butterworth is the culinary genius behind Lautrec.  
25 She's only 28 and currently the youngest and only

1 female five-star, five-diamond chef in the world, and  
2 she lives right here in the Laurel Highlands of  
3 Pennsylvania.

4 Corporate events are a vital part of our  
5 business, and this year there were over 40,000  
6 corporate room nights making up 50 percent of our  
7 revenue. Corporations use Nemaocolin to create  
8 relationships with clients and associates to increase  
9 their revenues and associate performance. We have  
10 over 31,000 square feet of meeting space, a dedicated  
11 team and unmatched team building programs. This  
12 engine is driven by a dedicated team, including our  
13 banquet captain, Kathy Simons, who was a finalist this  
14 year in the PA Spirit of Hospitality Award.

15 Guests come to Nemaocolin to reconnect  
16 with their families, friends and clients. All of our  
17 recreation opportunities are designed around this  
18 philosophy. We offer the finest in traditional resort  
19 amenities like golf at Mystic Rock, skiing at Mystic  
20 Mountain, horseback riding, fly fishing and mountain  
21 biking. There are a number of separate activities  
22 that set us apart, like the longest zip line in  
23 Pennsylvania, 18 miles of off-road driving, one of the  
24 finest shooting academies in the world of sporting  
25 clays, near the golf site. And we've developed great

1 partnerships with companies like Nike and Jeep to  
2 enhance these experiences.

3           The Woodlands Spa. The Woodlands Spa  
4 features 48 treatment rooms offering over 100  
5 different therapies and services 400 to 500 guests at  
6 a given day, traditional massage, facials, manicures,  
7 pedicures, as well as untraditional treatments like  
8 the use of scrubs, wraps, body kurs and acupuncture.  
9 Recently, the vision of our staff team uncovered a new  
10 market and presented a new idea, a spa completely  
11 dedicated to kids. Spa Voyage opened in 2009 to  
12 laughter, smiles, fun and a whole bunch of delighted  
13 parents.

14           Across our 2,000 acres guests get to  
15 enjoy the Hardy family art collection. The collection  
16 is literally around every corner and it includes  
17 famous pieces by Botero, Calder and Lautrec,  
18 interesting collectibles like a piece of the Berlin  
19 Wall, original Beatles photographs and vintage  
20 automobiles and aircrafts. So as you can see, the  
21 Hardy family likes to collect stuff.

22           So three or four years ago, when I  
23 received a phone call that we needed to start looking  
24 for a zookeeper, a veterinarian and started building  
25 animal habits, of course, I wasn't surprised. Not



1 much surprises me about Nemaocolin, and that's the  
2 beauty of it. Today, our Wildlife Academy is home to  
3 nearly 100 exotic animals for our guests to enjoy. It  
4 even includes a luxurious pet spa and full-service  
5 veterinary clinic.

6           Our expansive retail operation includes  
7 everything from men's and women's apparel, to a  
8 jeweler, to a cigar shop, to a fly fishing shop, where  
9 you can learn to tie your own flies. As far as  
10 amenities go, in the words of our founder, Joe Hardy,  
11 we've pretty much got everything except the ocean, but  
12 I'm working on that.

13           And now Pennsylvania has the opportunity  
14 to create the greatest amenity-driven casino in the  
15 country. I know of no other casino in the country  
16 that offers this portfolio of amenities. It's  
17 important to note that as the gaming market expands in  
18 PA and the surrounding states, this critical element  
19 will be crucial to the success of gaming operations.  
20 Putting this casino in Nemaocolin is 20 years ahead of  
21 the curve of the gaming industry and a model that will  
22 be mimicked across the country. Pennsylvania has the  
23 opportunity to be first.

24           Having the opportunity to add an amenity  
25 that will generate \$70 million in revenue, \$20 million

1 in wages and millions in taxes is very beneficial for  
2 this community. We call them game changers, and they  
3 do not come to Fayette County often enough. We care  
4 about this community. And aside from being the  
5 largest employer in the county, we also donate  
6 millions to local causes each year and contribute  
7 \$700,000 in terms of the occupancy tax to support the  
8 market in the region. And we're very, very proud to  
9 partner with the Isle of Capri to make this happen.

10           So again, everybody, thank you. I really  
11 appreciate the time to speak about Nemacolin. I hope  
12 you can see the passion that I have as well as from  
13 other associates have for this property. Now, I would  
14 like to introduce Jim Perry, chairman and CEO of Isle  
15 of Capri, to talk about their company. As you can  
16 see, Jim is a native of Newcastle, Pennsylvania. He's  
17 a former Gaming Industry CEO of the Year, former CEO  
18 of Argosy Gaming Company and Trump Enterprise, former  
19 trustee also of The Hill School in Pottstown,  
20 Pennsylvania. Thank you.

21           MR. PERRY:

22           Thank you, Chris. My name is Jim Perry,  
23 and I reside in Santa Barbara, California. It's a  
24 pleasure to be here today. I brought a little Santa  
25 Barbara weather with me today. I'm sure you're all

1 enjoying it. It's great here in western Pennsylvania.

2           The Laurel Highlands have always been an  
3 attraction for me having grown up in western  
4 Pennsylvania, and it's a great opportunity to partner  
5 for Isle of Capri with the Hardys in Nemacolin  
6 Woodlands. I do believe that this is the prototype of  
7 what gaming will become, as well as what the resort  
8 industry will become in the coming years.

9           Isle is a major regional operator of  
10 casino hotels. We operate 15 casinos from Colorado  
11 through the midwest down to Florida, and we generally  
12 operate under two brands, the Isle Brand and the Lady  
13 Luck Brand. The Isle Brand is one of the regional  
14 brands, which includes a major hotel, convention  
15 meeting space, as well as the casino. The Lady Luck  
16 Brand does not necessary have a hotels and is more of  
17 a local and a regional facility. We chose the Lady  
18 Luck Brand for this property because a hotel and a  
19 resort already exist in fine form at Nemacolin.

20           What does it mean to be a Lady Luck? We  
21 poll our customers all the time and ask them what is  
22 most important to them, and these are the responses  
23 that they've given us almost across the nation.  
24 Number one, they want an exciting atmosphere. That  
25 means value of the entertainment dollar, that means a

1 live band when appropriate, it means a sense of  
2 excitement on the casino floor.

3           Number two, it means the right selection  
4 of games, both table games and slots. It's very  
5 important that the product that you provide to your  
6 customers is a product that meets their needs, creates  
7 the excitement of gambling that they're looking for.

8           Third is acceptable service. We pride  
9 ourselves in our ability to communicate with our  
10 customers. We have a program which you'll hear more  
11 about today where we really reinforce this with annual  
12 bonuses to our employees for meeting the needs of our  
13 customers.

14           And finally, quality food and beverage.  
15 Quality food and beverage is wonderful, with fine  
16 dining and all the awards, but it's also important  
17 with the hamburger, the French fries and the other  
18 things that you may enjoy in a casino environment.  
19 Isle of Capri is committed to meeting these needs in  
20 this community. And from the first time I sat down  
21 with the Hardys last summer, we talked about the fact  
22 that we share the same vision of creating a great  
23 experience for the customers at our casino as part of  
24 the Nemaquin Woodlands experience.

25           Finally, this project is fully funded.

1 Isle of Capri has the financial capacity currently  
2 within its line of credit to build this project from  
3 the time we get the approval from the Gaming Board to  
4 be able to build this project within nine months from  
5 the time we hear that we are approved. With that, I'd  
6 like to introduce Paul Keller. Paul is our chief  
7 development officer. He, too, has been working in  
8 Pennsylvania, 25 years of experience in building  
9 casinos and other entertainment facilities. His  
10 awards are widespread, including architectural awards,  
11 a construction award for refitted, re-outfitting other  
12 properties. He is a graduate of Duke University, with  
13 an engineering degree, and the University of Michigan,  
14 with an M.B.A. Please welcome Paul. Thank you.

15 MR. KELLER:

16 Thank you, Jim. Good morning, members of  
17 the Board. My name is Paul Keller. I am a resident  
18 of St. Louis, Missouri, the headquarter city of Isle  
19 of Capri. It's my pleasure to talk today specifically  
20 about the casino itself, a very, very special  
21 facility, we believe, and we're going to talk a little  
22 bit in detail about it right now.

23 We have planned a \$50 million investment  
24 into our casino. All of that goes into the customer  
25 experience at the casino. None of it needs to go to

1 renovating the resort or creating amenities, because  
2 obviously all that is already done. It is already  
3 here. Much of the building is already there, so \$50  
4 million will create a very special experience in the  
5 gaming world.

6           The facility itself is locate  
7 conveniently right on Route 40, at the edge of the  
8 resort. It is convenient to visitors of the area.  
9 It is also convenient to resort guests who can partake  
10 of the 24/7 resort shuttle and bring them to the  
11 facility at any time from anywhere on the resort  
12 grounds.

13           The facility, in total, is 71,000 square  
14 feet. That includes back of house and customer areas.  
15 It is a specially-designed facility that will, in a  
16 smaller forum, create all of the casino amenities  
17 within the facility that you would normally expect.  
18 It is not simply a room full of slot machines.

19           The view of the existing exterior of the  
20 building, as it is today, and the exterior, as it will  
21 be. As you can see, we are making some changes. They  
22 are not tremendous changes, but we do have to expand  
23 the building in places to accommodate table games and  
24 some of our food and beverage amenities.

25           This is an aerial view of the inside of

1 the casino. We are taking our inspiration for the  
2 interior from Frank Lloyd Wright, who has a heavy  
3 influence not only on Nemacolin architecture but in  
4 this region and, really, in the country. One of his,  
5 if not his greatest, work is right down the road. And  
6 we thought it was appropriate to look at him for  
7 inspiration in terms of the interior architecture of  
8 the building.

9           Our casino building will include, as Jim  
10 said, a casual dining and restaurant. Otis & Henry's,  
11 that's a proprietary brand at Isle of Capri. We will  
12 have entertainment. Entertainment is a significant  
13 part of the Lady Luck experience, so we are designing  
14 a casino floor to accommodate local bands, private  
15 party rooms. We will have pool tables and other forms  
16 of entertainment.

17           In terms of traffic, every casino is ---  
18 every well-designed casino thinks about traffic. In  
19 our case, the traffic situation doesn't require much  
20 in the way of improvements. We will be putting a left  
21 turn light and a traffic light at the main  
22 intersection leading into the casino. There are  
23 actually three lanes into the resort property and the  
24 casino to distribute traffic, but we will be putting  
25 in a light. The light has been approved by PennDOT.

1 And our traffic engineers have concluded that there is  
2 no traffic issues that will be created from the  
3 casino.

4           You can see the location of the  
5 intersection where the traffic signals would go. And  
6 as stated from our traffic engineer, who studied this  
7 in 2005, 2006, and most recently, in 2009, stating  
8 that the project in terms of traffic flow will  
9 actually improve traffic on Route 40.

10           Parking, also critical to the customer  
11 experience in the casino, is something that we thought  
12 about. We have absolutely no issues with parking on  
13 this property. We will have 900 parking spaces  
14 adjacent to the casino. We'll have sufficient valet  
15 parking. The resort, itself, has 1,200 parking spaces  
16 throughout the resort so that when there are major  
17 events, we can easily accommodate people. And again,  
18 there's a 24-hour, seven-day-a-week shuttle, that  
19 works throughout the resort at all times to distribute  
20 those guests. On this slide you can see the close  
21 parking.

22           In terms of utilities and general  
23 infrastructure, again, there is no problem with this  
24 resort that is within the structure. The resort is  
25 very much a self-sufficient entity, with adequate



1 water, sewer, electric, gas, on property.

2           We do have to make some changes to the  
3 building, and it, too, will be expanded a little bit.  
4 We will be making interior renovations. We will pave  
5 the parking lot areas a little bit. But all that can  
6 be done within nine months from the date of award.  
7 We're comfortable with that. We do not have any land  
8 use issues. We do not have any zoning issues. The  
9 majority of the physical structure is already in  
10 place. So even if the award were to come in the  
11 winter, we can begin work on things inside almost  
12 immediately.

13           In terms of public safety, we have  
14 touched base with all of the service providers in the  
15 area, police, security, fire and emergency services.  
16 The resort is comfortable with what is available, the  
17 service providers are comfortable, and we have no  
18 issues with those. Again, essentially Nemaquin  
19 Woodlands is a self-supported resort, does not rely  
20 much on the community in terms of providing  
21 infrastructure. It sort of exists to itself.

22           So briefly, in conclusion, I would like  
23 to say that the plans are complete for a very, very  
24 special building and world-class facility. We  
25 believe, as Chris said, that Nemaquin could become

1 America's premier resort destination. There will be  
2 only minor traffic improvements. Utilities are  
3 adequately supplied. Public safety departments have  
4 adequate capacity. The project is ready to go. And  
5 finally, should the Board grant its approval for  
6 Nemaquin Woodlands to have the final license, we  
7 believe that we can build something very special that  
8 everybody in the Commonwealth will be very proud of.  
9 Thank you.

10                   And it is my pleasure to introduce our  
11 president and chief operating officer, a woman who  
12 this year was given a Lifetime Achievement Award in  
13 gaming, who has been named Gaming Executive of the  
14 Year --- Gaming Industry Executive of the Year in  
15 2009. She sits on the Board of Directors of the  
16 American Gaming Association as the only woman. She is  
17 on the Board of Trustees for the National Center for  
18 Responsible Gaming, a native of Montgomery County,  
19 Pennsylvania, and a proud graduate of Temple  
20 University, with 30 years in the gaming industry, I'd  
21 like to introduce Virginia McDowell.

22                   MS. MCDOWELL:

23                   Good morning, members of the Commission  
24 and staff. Thank you so much for this opportunity.  
25 I'd like to talk to you a little bit about Isle of

1 Capri. As a company, we are dedicated to workforce  
2 development. We believe that the best employees run  
3 the best businesses, which is certainly a philosophy  
4 and a sentiment that is shared by the Hardy family and  
5 our partners at Nemaocolin. We focus on employee  
6 retention, primarily through hiring and training  
7 programs, with an emphasis on diversity. We offer pay  
8 for skills and incentive pay and bonus pay. We  
9 believe that it's very important to bonus along the  
10 employee level, so we bonus according to standard  
11 control so that everybody gets to share in the success  
12 of the enterprise. And we're very, very proud of  
13 See.Say.Smile Courtesy Program. This is an  
14 award-winning program. Essentially we shop our  
15 employees' ability to interact with our customers at  
16 each of our properties, and we also shop the  
17 competition. And at every one of our 15 properties  
18 across the United States where we do shop for  
19 competition, our employees are recognized as being the  
20 most courteous or the most friendly at each of those  
21 facilities.

22                   We believe that they're a leader in  
23 responsible gaming. We do sit on the Board of the  
24 American Gaming Association and are very active. We  
25 also participate in a Code of Conduct of Responsible

1 Gaming. We were actually part of the committee that  
2 drafted the Code of Conduct a few years ago. We do  
3 conduct problem and underage gaming training annually  
4 for all of our team members, as well as alcohol  
5 awareness training, participate in the annual  
6 Responsible Gaming Week across the enterprise. We do  
7 include Responsible Gaming Hotlines in all of our  
8 advertising, as required by our various jurisdictions,  
9 promote self exclusion problems. And we have strict  
10 identification policies for patrons on the casino  
11 floor and a bounty hunter program specifically to make  
12 sure that the folks on the floor are of legal gambling  
13 age in our jurisdictions.

14                   We are a company that believes in  
15 community involvement. You've heard Jeff and Chris  
16 talk about Nemaacolin's commitment. We believe the  
17 same thing. This is just an example of the hundreds  
18 of organizations that we work with across the United  
19 States in terms of community involvement and support  
20 through our Community Aces Foundation. It's a  
21 charitable foundation that honors the legacy of our  
22 late founder, Bernie Goldstein, who truly believed in  
23 giving back to the communities where we're licensed  
24 and operate and do business. If you go to our website  
25 or to our Facebook page, you will see that there's a

1 whole variety of examples of the types of things that  
2 we do in our community, whether it's our corporate  
3 staff participating in Dragon Boat races to benefit a  
4 local pediatric center or painting a Boys & Girls Club  
5 in Waterloo, Iowa, or doing a cleanup in Marquette,  
6 Iowa. We truly believe in giving back to our  
7 communities.

8                   When you talk about creating a total  
9 casino experience, Jim Perry and I have been in the  
10 business between the two of us for over 60 years.  
11 Between the two of us, we have either been responsible  
12 for or have worked at over two dozen different gaming  
13 properties. Those properties include major resorts in  
14 Atlantic City and in Las Vegas. Now, we are familiar  
15 with world-class resorts. We are familiar with world-  
16 class gaming resorts that feature award-winning  
17 restaurants. We are familiar with award-winning  
18 museums. We're familiar with award-winning golf  
19 courses, all the things that major casino resorts  
20 offer across the United States. We're even familiar  
21 with major casino resorts that have white tiger cubs,  
22 although not white lion cubs, which I think is  
23 somewhat unique to Nemaquin. But I will tell you  
24 that there is no casino resort across the United  
25 States that offers all of these things, and the

1 opportunity for Nemaocolin to add gaming as an amenity  
2 gives us the ability to create a gaming resort that is  
3 unrivaled, unrivaled in the United States. And when  
4 customers make a purchasing decision with their  
5 leisure dollars, we believe they will come to  
6 Pennsylvania and that they will come to Nemaocolin.  
7 And with that, I'd like to introduce Jeff Nobers, who  
8 I don't think needs an introduction.

9 MR. NOBERS:

10 I think we've seen enough of that slide.  
11 So, you've heard about the resort. You've heard about  
12 Isle of Capri's plans. What I'd like to run you  
13 through here quickly are the benefits of Lady Luck  
14 Casino being a house here at Nemaocolin.

15 Fayette County traditionally has among  
16 the highest unemployment rate in the State, somewhere  
17 around ten percent right now. And if you take into  
18 account folks that aren't even signing up for  
19 unemployment or are not even bothering to look for a  
20 job because there aren't jobs, it may hover closer to  
21 20 percent. Lady Luck Nemaocolin will have a  
22 substantial impact on helping the unemployment  
23 situation in Fayette County. A new casino would  
24 create 400 jobs. The resort would create at least an  
25 additional 200 jobs. There would be 150 construction

1 jobs. And when you add that to the total of 1,200  
2 employees we have at the resort today, we would be  
3 creating 1,800 --- or adding to that, having 1,8080  
4 permanent jobs at Nemacolin Woodlands Resort. Well,  
5 what kind of jobs are those? They're not minimum  
6 wage, they're not low-paying jobs, they're not part  
7 time, although some may be. They are jobs in the  
8 casino that will include slot technicians, dealers,  
9 marketing and finance personnel, food and beverage,  
10 both in front and back of the house, and management  
11 employees. On the resort side, as we increase room  
12 nights, we'll have need for more focus in guest  
13 services, housekeeping, food and beverage, activities  
14 and amenities and employees in management to make sure  
15 it continues to run smoothly.

16                   From a tax revenue standpoint, casino  
17 operations at Nemacolin will create substantial new  
18 tax revenues, and that's very important to note. When  
19 we look at our first full year of operation, which  
20 would be 2012, we estimate that we would generate  
21 \$37.7 million in state tax revenues, \$2.9 million for  
22 Fayette County, \$1.3 million for Wharton Township, and  
23 an additional \$700,000 in other local taxes, such as  
24 income and wage taxes. So the total casino tax impact  
25 would be in the neighborhood of \$42 million in that

1 first year. And our studies, as we looked at the  
2 other casinos in the area, of our total revenue  
3 number, only three percent would be cannibalization of  
4 other casinos, about \$1.8 million of the \$67 million,  
5 far and away the least of the four applicants.

6 Other benefits of the Lady Luck Casino at  
7 Nemacolin is the local employment. At Nemacolin we  
8 have a very strong commitment to hiring people that  
9 reside in Fayette County or at least in the immediate  
10 area. We also have a strong commitment to buying  
11 locally absolutely whenever possible. We will  
12 generate revenues for Wharton Township where they're  
13 sorely needed, so they can upgrade their  
14 infrastructure, and we will increase tourism revenues  
15 for the Laurel Highlands region. We believe that we  
16 will attract in the neighborhood of 350,000 additional  
17 visitors to this region on an annual basis. And we  
18 also estimate that we will increase our room nights at  
19 Nemacolin by 30,000 rooms annually. That also has a  
20 tax implication. That would generate \$600,000 in  
21 additional sales tax and room occupancy tax. \$200,000  
22 of that \$600,000 would go into the Laurel Highlands  
23 Visitors Bureau, again, for continued marketing of the  
24 Laurel Highlands region.

25 We enjoy substantial local support.



1 We've had over 1,000 signatures of support in the past  
 2 several weeks. This project is supported by our local  
 3 elected officials. They are here today and they will  
 4 tell you why they support this. The projects are  
 5 supported by prominent local organizations, such as  
 6 the Fayette County Chamber of Commerce, Laurel  
 7 Highlands Visitors Bureau and the Fayette County  
 8 Economic Development Council. Clearly, we believe we  
 9 have the best and most substantial resort that meets  
 10 the requirements and the needs and would further what  
 11 is really first-class gaming in Pennsylvania. Before  
 12 I introduce our final speaker, I would like to request  
 13 that the balance of our remaining time be held for  
 14 potential rebuttal and a closing statement.

15                   Now I'd like to introduce the president  
 16 and owner of Nemacolin Woodlands Resort, Maggie Hardy  
 17 Magerko. Maggie grew up in the lumber industry and  
 18 the resort industry. She became the president of 84  
 19 Lumber back in 1992, and the sales have grown  
 20 substantially during her tenure. Between the two  
 21 companies, she oversees roughly 5,500 employees, and  
 22 she's been named one of the top woman in American  
 23 business. Maggie?

24                   MS. HARDY MAGERKO:

25                   Thank you. And I am a resident of

1 Fayette County. I just do want to say that, you know,  
2 after this presentation, I don't even know what more  
3 to say. You know, my dad took Nemacolin Woodlands, he  
4 brought it out of bankruptcy in 1987. And even when I  
5 sit here and see these slides, I'm in awe, and I deal  
6 with the day-to-day details. So I just have to say  
7 again to the Gaming Board --- and I hope again  
8 today --- I think you're going to be able to take a  
9 tour of the property. I don't see anyone else who  
10 compares to the amenity package that we have at  
11 Nemacolin. And me and my father are just so excited  
12 about the gaming and so committed long term to  
13 Nemacolin and to 84. I can't again see another  
14 appropriate applicant. And so I'm going to be real  
15 quick and short because I don't know how much time we  
16 have and they want to get the rebuttal in, but I just  
17 want to say on behalf of the 84 family, the Nemacolin  
18 family and everyone here, we're real excited to push  
19 this through. Thank you.

20 MR. NOBERS:

21 And next we'd just like to introduce Mr.  
22 Joe Hardy, the founder of Nemacolin Woodlands Resort.  
23 And thank you for your time. That concludes our  
24 formal presentation.

25 HEARING OFFICER:

1 Thank you. We have two legislators who  
2 have signed up, Senator Kasunic and Representative  
3 Mahoney. If you would please both stand to be sworn  
4 by the court reporter. Raise your right hand.

5 -----

6 WITNESSES SWORN EN MASSE

7 -----

8 HEARING OFFICER:

9 Go ahead, Senator.

10 SENATOR KASUNIC:

11 Good morning, and welcome to Fayette  
12 County, members of the Board, Chairman Fajt. I hope  
13 while you're here visiting the Laurel Highlands that  
14 you have an opportunity and take some time to see the  
15 treasures and the historic sites that we have  
16 throughout the area. If you don't have time today,  
17 I'm inviting you, please, come back and spend a few  
18 days here in the Laurel Highlands.

19 Today we sit here in Wharton Township, in  
20 the heart of the Laurel Highlands. Actually, this is  
21 the hub of the Laurel Highlands, and Fayette County  
22 serves as the heartbeat of the Laurel Highlands  
23 recreation and tourism community. I stand here today  
24 to wholeheartedly support the proposed plan to offer  
25 gaming at the Nemaocolin Woodlands Resort. I strongly

1 believe that Nemaocolin Woodlands Resort would maximize  
2 the economic development, tourism and job creation for  
3 the region and for the Commonwealth as well. It is my  
4 opinion that Nemaocolin Woodlands Resort, without  
5 question, without question, is the best location to  
6 fulfill the established year-round resort requirements  
7 that are in the law.

8           Unlike the other applicants, Nemaocolin  
9 Woodlands Resort is a world-class resort which would  
10 add a resort-style casino as an additional amenity,  
11 not a casino around which a resort would be built. I  
12 believe what is significant here and what we're going  
13 to present today, what we're talking about today is  
14 what the legislative intent was when we passed this  
15 piece of legislation. And the legislative intent, and  
16 I'll interpret what I view as legislative intent, is  
17 whose purpose was the enhancement of guest amenities  
18 at established resort hotels in order to protect and  
19 enhance tourism venues and to enhance the  
20 opportunities of the Commonwealth's resorts with those  
21 they're competing with outside of this Commonwealth.

22           Nemaocolin, as you have already heard and  
23 a lot of my testimony has already been stated, but as  
24 you've already heard, there's a variety of amenities  
25 that's available there in terms of dining, in lodging

1 options and the great golf courses that we have, the  
2 Shooting Academy, the skiing and so on. And we have  
3 received --- and I guess I shouldn't be saying we,  
4 Joe, because I'm not a part of that, but I look at it  
5 as part of it because I represent the area. Now, this  
6 resort has received many, many national and local  
7 awards, and in fact, more than any awards that any  
8 other resort has received in this Commonwealth.

9           Furthermore, Nemacolin is the only  
10 applicant, the only applicant for this license that is  
11 not relying on a casino to finance its continuing  
12 operation as a resort. As a casino --- a casino at  
13 Nemacolin will only serve to add another amenity to  
14 the long list it already provides its guests. It  
15 makes an already great resort even better, while also  
16 bringing good jobs and great economic development  
17 opportunities to our entire region. The Laurel  
18 Highlands that I, you know, started my conversation  
19 about is one of the top tourist designations in this  
20 Commonwealth. And I would say without question, and  
21 once again, probably being very biased on it, I think  
22 we have the most beautiful and most scenic area and  
23 region of this Commonwealth right here in southwestern  
24 Pennsylvania. Millions of people, millions of people  
25 come to this area right now. We have the largest

1 state park in Pennsylvania located within a few miles  
2 of this particular resort, Ohiopyle State Park, which  
3 provides such things as whitewater rafting, the Great  
4 American Passage. And for those of you who don't know  
5 what that is, that is one of the most significant and  
6 best bike trails, bicycling trails, anywhere in North  
7 America. It is fast becoming very popular not only  
8 with the eastern seaboard and the rest of the United  
9 States, but people are coming from New York to use  
10 this bike trail here.

11                   Nemacolin Woodlands is also very close to  
12 some other opportunities in terms of those who like  
13 hunting and fishing. We have all those opportunities  
14 here. Just a few miles to the east of us, we have  
15 Youghiogheny Reservoir. I didn't realize --- I  
16 thought I had ten minutes, Mr. Chairman. A few miles  
17 east of us, the boating center, we have probably, I  
18 would guess, at least three million visitors a year  
19 coming into this area right now. And the best part  
20 about that is all of those people --- most of those  
21 people, 70 percent of those people are coming from  
22 outside of southwestern Pennsylvania. Sixty (60)  
23 percent of them are coming from outside of the State.  
24 And the fact is that when we look at if there's a  
25 concern about competition, there really would be no

1 competition there because of the fact that these are  
2 people who are traveling here as a destination to  
3 visit the Laurel Highlands.

4           In addition to the Laurel Highlands in  
5 Pennsylvania, I must point out, too, that we are in  
6 close proximity to western Maryland, the mountains of  
7 western Maryland. And there's a facility up there  
8 called Deep Creek Lake that is fast becoming the  
9 playground for the people out of Baltimore and  
10 Washington, D.C., and well over a million people visit  
11 that facility, and it's only probably 30 miles from  
12 here, along with probably 20, 25 miles from here we  
13 have Morgantown, West Virginia, which is --- and don't  
14 laugh when I say West Virginia, because West Virginia  
15 is an up and coming state, certainly. And Mr. Hardy  
16 is a graduate of West Virginia University, so we don't  
17 want to make him mad. But it is noted as being ---  
18 recognized as one of the fastest growing metro areas  
19 in this entire country. And that's just 25 miles from  
20 here.

21           If awarded a license, the gaming facility  
22 at Nemacolin would offer an additional amenity that  
23 many tourists want when they're visiting an area.  
24 Combining the tourism aspect with the fact that  
25 Nemacolin already hosts 350,000 guests annually at the

1 resort, I believe that Nemaocolin offers the best  
2 opportunity of all the applicants to bring the most  
3 revenue to the Commonwealth.

4           It's bolstered the legalized gaming.  
5 Legalized gaming has been great for Pennsylvania. I  
6 think we can all agree on that. It's generated over a  
7 billion dollars already in property tax relief, and it  
8 has bolstered two industries that were hurting and  
9 actually one that was failing, that was the ag  
10 industry and the racing industry, and it helped  
11 communities in the areas to cut taxes and to reinvest.  
12 The industry has made it possible to be --- possible  
13 to fund the wealth programs across this Commonwealth,  
14 and it's brought thousands of job opportunities to  
15 people who have been struggling for work. Here, at  
16 Nemaocolin, I'm told establishing a casino will create  
17 400 jobs. And if you look at the data and review the  
18 kind of success casinos have had in other parts of the  
19 State, I think those projections are solid in the fact  
20 that these are life-sustaining jobs. These are good-  
21 paying jobs.

22           In closing, I want to reiterate to you  
23 that Nemaocolin Woodlands, without a doubt, is the best  
24 location to fulfill the intent of the legislature.  
25 Not only is it an established year-round resort, as



1 the law requires, but it offers by far the greatest  
2 variety of existing amenities, recreational  
3 activities, dining and lodging options. What we'd  
4 like to do is have an opportunity to put our people  
5 who are seeking jobs and seeking work, to put them to  
6 work and give them an opportunity to stay here in  
7 Fayette County.

8           I want to take this opportunity to say  
9 thank you to the Board for giving me this opportunity,  
10 giving Nemacolin and the people here who support this  
11 plan today to have this opportunity to speak to you.  
12 I look forward to working with you in the future as  
13 the gaming facilities are approved, become operational  
14 and create jobs and economic development opportunities  
15 for our fellow citizens. If there are any questions  
16 that you have, you know, I would be glad to answer any  
17 questions. If not, thank you for the opportunity to  
18 speak to you today. And once again, Nemacolin has put  
19 their best foot forward, and I think if we look at the  
20 intent of the law and the letter of the law, there's  
21 no question that this fulfills all the needs of the  
22 requirements. So thank you very much.

23                           HEARING OFFICER:

24                           Representative Mahoney.

25                           REPRESENTATIVE MAHONEY:

1                   Tim Mahoney, State Representative, 51st  
2 District, Fayette County. First of all, I'd like to  
3 thank you all for coming and having this open meeting  
4 for the public. I think it's very important.

5                   Second of all, I'm glad you said you  
6 saved the best applicant for last because, by far,  
7 Nemacolin Woodlands is probably the best applicant  
8 that you have in front of you at this time.

9                   Like my colleague, Senator Kasunic ---  
10 and by the way, I've never seen him talk so fast. He  
11 got everything in that he needed to get in. But the  
12 intent of this law was for a resort to have one of  
13 these licenses. And by far, Nemacolin Woodlands is  
14 probably one of the nicest resorts on the East Coast  
15 of the country. And it's not only a resort, it's  
16 family, it's like a family atmosphere, where people  
17 feel comfortable coming there, which Mr. Hardy has all  
18 the energy. They feel comfortable by being there.  
19 And by having Nemacolin have the opportunity for this  
20 license, it's a win, win, win. It's a win for  
21 Nemacolin, for Isle of Capri to partner up to do a  
22 casino the right way in the State of Pennsylvania, the  
23 way it was intended. It's a win for the local  
24 economy. It's a win for Fayette County as far as the  
25 number one industry is tourism, and we can build upon

1 the tourism trade in Fayette County by having this  
 2 casino here. And it's a win for the State just  
 3 because of the location being close to Maryland and  
 4 West Virginia, the draw from there, too. And like the  
 5 Nemacolin executive said, they do draw worldwide. And  
 6 it's just so massive when you come up here to  
 7 Nemacolin, the people that you meet from all over the  
 8 world. People from all over the world like to gamble,  
 9 and it's going to be a win for the State. So I don't  
 10 have too much more to say. You don't have to cut me  
 11 off, but I just hope you consider it and hopefully you  
 12 put it on top of the consideration because of all the  
 13 amenities and where it's at and what Fayette County  
 14 does need as far as the unemployment rate. Thank you,  
 15 and thank you for the time.

HEARING OFFICER:

16  
 17 Ladies and gentlemen, I request that from  
 18 henceforth please refrain from applauding. That will  
 19 speed things along more quickly as we get things done.  
 20 We have five local government representatives. If  
 21 those five individuals would please stand to be sworn  
 22 by the court reporter.

23 -----  
 24 WITNESSES SWORN EN MASSE  
 25 -----

1                   HEARING OFFICER:

2                   The first, we have Vince Zapotosky and  
3 also Vincent A. Vicites from the Fayette County  
4 Commissioners. Gentlemen, you have 30 minutes. You  
5 can split your time as you choose.

6                   MR. ZAPOTOSKY:

7                   Good morning. My name is Vincent  
8 Zapotosky. I currently serve as the Chairman of the  
9 Fayette County Commissioners. I would like to  
10 apologize for my voice, thus for the brevity of my  
11 remarks. I would like to welcome Mr. Chairman,  
12 members of the Board. Thank you for coming out today  
13 to beautiful Fayette County, allowing us to provide  
14 you with the reasons why we feel that Nemacolin does  
15 meet the intent of the gaming law and should be  
16 awarded the Category 3 License.

17                   Working as a congressional staffer for 12  
18 years, I think the goal of any legislative body and  
19 executive body is to write a law that fits and works.  
20 Well, this is an opportunity for the Commonwealth to  
21 award this Category 3 License to the only applicant,  
22 in my opinion, that meets those requirements. It's  
23 been discussed that Nemacolin is a destination point,  
24 and it truly is, but Nemacolin --- and I'll speak a  
25 little differently as a County Commissioner, on the

1 county as a whole. Nemaocolin has become a permanent  
2 part of our county landscape. And the word we was  
3 used, but it should be used because we are all in this  
4 together, and Nemaocolin has captured the hearts of  
5 many in Fayette County. This isn't about a gaming  
6 casino being built a few miles from where we are.  
7 This is about the impact that it will have on the  
8 county as a whole, the impact that it will have on the  
9 future of this county and allow for further growth and  
10 development to occur because of this investment, the  
11 jobs that it will create, the additional tax revenue  
12 that it will provide. This is about we. We, the  
13 people of Fayette County, support this. We, the  
14 people of Fayette County, know what the Hardy family  
15 has done up until today and what they will continue to  
16 do.

17                   And now, in conjunction with the Isle of  
18 Capri, again, to play with words, but it's a winning  
19 hand. And I urge you to take that message back, and  
20 as you discuss it among yourselves, understand that  
21 you're not making just a decision for slots and  
22 Blackjack, you're making a decision that rests in the  
23 hands of individuals that are truly committed to  
24 seeing this industry grow the right way and to be the  
25 --- as Mr. Plummer had alluded to, to be the prototype

1 for gaming not only in the Commonwealth but for across  
2 the country.

3           So I urge you to give every possible  
4 consideration in awarding this to Nemaocolin Woodlands  
5 and the Isle of Capri and fulfill and satisfy the  
6 intent of the law. And I entrust that you will not be  
7 disappointed because with the Hardy family and the  
8 Isle of Capri and the members in this room and the  
9 citizens across this county, it will not fail. It  
10 will only succeed, and you will see the byproduct of  
11 the success for many years to come. My voice is  
12 getting a little strained, so I will be brief, but I  
13 want to thank you for the opportunity. I do have  
14 written testimony that I'd like to provide for the  
15 record, but thank you very much. And again, Nemaocolin  
16 Woodlands is the jackpot in this one, so thank you  
17 very much.

18           MR. VICITES:

19           Members of the Gaming --- Pennsylvania  
20 Gaming Control Board, good morning. Mr. Chairman, as  
21 a four-term County Commissioner, I would like to  
22 express my full support, along with my colleague,  
23 Vince Zapotosky, for supporting Nemaocolin Woodlands  
24 Resort to receive this resort casino license.

25           If Nemaocolin Woodlands receives this

1 license, as you've heard, it could be as much as 600  
2 jobs, 150 construction jobs for Fayette County  
3 residents, and over \$3 million in tax revenue to  
4 county and local government, and also an increase in  
5 our hotel tax revenue, which we help develop and grow  
6 our tourism effort in Fayette County.

7           We have two million visitors that come to  
8 the Laurel Highlands of Pennsylvania every year. This  
9 casino is estimated to add, as said earlier, 350  
10 additional people --- 350,000 additional people come  
11 to Fayette County, which would help our tourism  
12 efforts even further. But more importantly, as a  
13 County Commissioner, I've always been focused on  
14 economic development in our county, and this will  
15 significantly impact our area in terms of economic  
16 development. Nemaocolin Woodlands Resort and their  
17 partnership with the Isle of Capri is a win-win for  
18 Fayette County.

19           Thanks to the Hardy family, Nemaocolin  
20 Woodlands has accomplished a tremendous amount. It's  
21 a world-class resort. People come from all over the  
22 world to this facility. It has the amenities, as  
23 mentioned earlier, which I won't get into, I'll  
24 provide in my written testimony. But the resort  
25 casino license will only enhance Nemaocolin and its

1 amenities. This will be a \$50 million investment to  
2 the local economy. Nemaocolin Woodlands is one of the  
3 top resorts in the United States, and it would really  
4 be fitting because they are a very generous supporter  
5 of local causes and charitable causes, too numerous to  
6 mention. They've helped Fayette County tremendously.  
7 The Isle of Capri currently operates 14 casino  
8 properties in six states, which serves as an excellent  
9 partner in this effort. With the three million people  
10 coming to the Laurel Highlands destination, this  
11 resort license would enable Nemaocolin, already a  
12 world-class destination, to become a one-of-a-kind  
13 resort casino facility. Nobody would have anything  
14 like it in the United States. Unlike any other  
15 casino, the amenities are too numerous, and it would  
16 just be something of a jewel, and it is really the  
17 crown jewels of Laurel Highlands, Pennsylvania.

18 In closing, I urge you to award this  
19 casino license to Nemaocolin Woodlands. This is the  
20 right decision for the Commonwealth of Pennsylvania.  
21 It's the right decision for Fayette County. And I  
22 will submit my written testimony.

23 HEARING OFFICER:

24 Thank you very much. Ladies and  
25 gentlemen, I remind you again, please, no clapping.



1 James C. Means and John H. Lewis, Wharton Township.  
2 Gentlemen, you may split your time as you choose.

3 MR. MEANS:

4 Yes, sir. Thank you. My name is James  
5 Means, Chairman, Wharton Township Supervisor, also the  
6 president of Fayette County Township Supervisors  
7 Association. I became a supervisor back in 1994 is  
8 when I started out in this. Without Nemaquin, our  
9 tax millage is 5 mill. We've been able to hold it at  
10 3.47, which is one of the lowest tax base in Fayette  
11 County. Thanks to Mr. Hardy and Pete and Maggie  
12 Magerko for helping out with the different projects in  
13 the community.

14 The rise in our senior citizens in the  
15 area, people retired coming to the area, something  
16 like this would give us a great shot in the arm, a  
17 boost, where it could do a lot of good. It's hard  
18 right now as we maintain approximately 73 mile of road  
19 and we have 90 square mile in the township. With  
20 everything going on, I personally think that this  
21 would be a great boost for the taxes and the economy  
22 in the township. As everybody knows, jobs are hard to  
23 come by. Things are getting tougher. People is  
24 having a hard time. So I really think and I feel that  
25 this would be a great help. I'll keep it short and

1 sweet. Thank you for coming. Thank you for the  
2 opportunity of letting me say something today. Have a  
3 good one. Thank you.

4 HEARING OFFICER:

5 Mr. Lewis, you're next.

6 MR. LEWIS:

7 John Lewis, Wharton Township Supervisor.  
8 I've also been a supervisor since 1996, been in  
9 Wharton Township since around 1947, and pretty well  
10 grew up and know what's going on. And I am highly  
11 in support of a casino. I think something like this  
12 would be a class act. As we've mentioned before,  
13 anything I've seen that Nemaocolin Woodlands have done  
14 has been done in the right way and been run right.  
15 And with the golf outings and everything, the people  
16 that they've brought into the township and everything  
17 and I got to talk to, never knowed such a beautiful  
18 place was in the world until they got to come up here.  
19 They've never been up here before.

20 So we're pretty well happy if you would  
21 consider letting this go through because we really  
22 need it. The money, the revenue and the jobs are  
23 highly needed. Wharton Township is growing fast, and  
24 it's costing a lot more money to run Wharton Township  
25 now. And we see where we're going to be, and we'll

1 have to raise taxes or something. So with something  
2 like this coming up, it would be a great, great help  
3 to keep us from having to do that, looking forward for  
4 that. Again, I support this project a hundred  
5 percent. Thank you, gentlemen, for letting me speak.  
6 And thanks again for coming to our township. And  
7 thank you very much for being in this small room. We  
8 don't have air conditioning, and we apologize. Thank  
9 you.

10 HEARING OFFICER:

11 Thank you, Mr. Lewis. Is Lester J. Ward  
12 here?

13 MR. WARD:

14 Here.

15 HEARING OFFICER:

16 Mr. Ward, did you have your hand raised  
17 to be sworn in?

18 MR. WARD:

19 Several times, sir.

20 HEARING OFFICER:

21 Go ahead.

22 MR. WARD:

23 Good morning to the ladies and gentlemen  
24 of the Gaming --- Pennsylvania Gaming Control Board  
25 and to the citizens of Wharton County and Fayette

1 County. I'm Lester Ward. I'm the new Mayor of  
2 Brownsville, Pennsylvania, of course. We're across  
3 the mountains. It's a small town, about 3,000 of us  
4 over there. And we --- our residents, we are a member  
5 of this community and we want to be treated as such.

6           Why I'm here this morning is that I  
7 represent the town council. There's seven. I will be  
8 --- we will be submitting to the Board of our support  
9 for this project. There has been statistics  
10 mentioned. All of them are true. There have been  
11 accolades given. All of them are true. So, we the  
12 Brownsville residents have been helped by the Hardy  
13 family, by Mr. Hardy, and we sincerely appreciate  
14 that. I'm here because this project itself represents  
15 jobs. In my community, that is what we need most. We  
16 need to put our people to work. We need to give our  
17 people something to do that allows them to support a  
18 family. Jobs first, second would be the taxes, third  
19 would be this would be an upgrade to our community  
20 itself.

21           We really need this --- I'll call it  
22 entity. I'll call it an economic entity. We really  
23 need this economic entity, this sparkplug in our  
24 community in order for us in Brownsville to support  
25 ourselves in a manner in which we would like to be

1 supported and also to become a really viable member of  
2 this economic community.

3           I, myself, have traveled on multiple  
4 continents of the world, and I have never seen an area  
5 that is as lovely as this area is. My wife is from  
6 this area. I am from the eastern shore of Maryland,  
7 but I have been gone from there all of my life. We  
8 settled here because here we see all of the --- we see  
9 everything. You got the mountains, you have the  
10 lakes, you got the rivers, you have Nemaquin. We do  
11 all of those things that we can find here. And if we  
12 win, you award us this economic pearl, then this will  
13 prove to us that we will join the elitists of the  
14 world because this is a great place, and we sincerely  
15 hope that you would consider awarding us this job  
16 opportunity.

17           I want to say in closing that I will be  
18 submitting a resolution from our community that  
19 supports this project and that I sincerely hope that  
20 you will, when considering this project, you will  
21 consider the effect that it will have upon the people  
22 of our community insofar as giving us the wherewithal  
23 to help ourselves. Thank you for your support, and I  
24 sincerely hope that you will look favorably upon us.  
25 Thank you all.

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HEARING OFFICER:

Thank you. We have community group members here. I'm going to call your name, and please rise to be sworn. Muriel G. Nuttall, Ronald M. Virag, Barry M. Seneri, Kim Hankins, J.R. Shaw and Tara M. Coughenour. Will the court reporter please swear them in? Please raise your right hand.

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WITNESSES SWORN EN MASSE

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HEARING OFFICER:

All right. The first person is Muriel. And I'll remind all community group members you have ten minutes.

MS. NUTTALL:

Good morning. My name is Muriel Nuttall, and I am the current Executive Director of the Fayette Chamber of Commerce. I am here today with my current Board president, Kristy Litavec, to represent the Board and membership. And I would like to thank you for this opportunity to present our testimony regarding Nemaocolin Woodlands' application for licensure. And I would also mention both Kristy and myself are lifelong residents of Fayette County.

When faced with taking a stand on gaming

1 in Fayette County, our Executive Committee decided  
2 that it would best serve the membership by providing  
3 accurate statistical information. The decision was  
4 made that we would be most representative of the level  
5 of support of our members by compiling a survey to be  
6 distributed to each of our members. I would like to  
7 present the results.

8           First of all, let me say that the Fayette  
9 Chamber of Commerce has a long history in Fayette  
10 County. Since our inception in 1925, we have grown  
11 from a localized chamber which encompassed only the  
12 City of Uniontown, to a broad membership of over 575  
13 businesses and organizations, representing more than  
14 17,500 employees throughout Fayette County and the  
15 surrounding region.

16           The Chamber's membership is diverse, with  
17 members in five major sectors. Twenty-three (23)  
18 percent are professional services, 20 percent are  
19 nonprofit/government/education entities, 18 percent  
20 are retailers and wholesalers, 15 percent represent  
21 the customer service sector, and 14 percent are  
22 hospitality and food service companies. Ranked by  
23 numbers of employees, our members range in size from  
24 the smallest to the largest, from sole proprietors on  
25 one end of the spectrum to nine of the ten largest

1 employers in the county on the other end.

2           As a whole, chambers of commerce are  
3 private membership organizations of business and  
4 professional people who choose to invest in  
5 maintaining their chamber to support the health and  
6 wellbeing of commerce, business, the economy and  
7 development in the communities where those members do  
8 business.

9           Specifically at the Fayette Chamber, our  
10 mission states that we are an action-oriented group,  
11 incorporated to promote a favorable business climate  
12 for members and their communities and to provide  
13 leadership and support for local business and their  
14 efforts to improve the local economy, education  
15 systems, political environment, and overall quality of  
16 life. Put into much more direct terms, we exist as a  
17 chamber in order to help our members succeed in  
18 business and to make sure that we maintain and develop  
19 a good quality of life for all Fayette County  
20 residents.

21           As the chamber charged with  
22 representation of the county business community, we  
23 are faced with issues on a daily basis which are  
24 poised to make a great impact on our area. Gaming has  
25 certainly been one of these issues. When an



1 organization has such a diverse membership as ours, we  
2 must continually work to be considerate of the  
3 membership at large. Each and every member has an  
4 opinion and each matters greatly.

5           Regarding our survey, our first question  
6 was simple, are you in support of a Class 3 Resort  
7 Gaming License at Nemaquin Woodlands Resort? And  
8 indeed, 80.8 percent of our respondents were in total  
9 support of gaming at Nemaquin Woodlands.

10           Of that, 82.8 and 72.7 respectively felt  
11 that Fayette County's greatest benefit will come  
12 through an increase in tax revenues received and an  
13 increase in tourism. This easily equates to high  
14 economic development expectations.

15           A healthy economy is rooted in many  
16 aspects of community life. Measures used to engage  
17 economic growth include investment, output,  
18 consumption and income. Economic development also  
19 includes a notion of changing the quality or nature of  
20 the economy, such as by changing investment choices or  
21 technology. And the effects of gaming in Fayette  
22 County can do that, adding new jobs, as a strong 48  
23 percent of our respondents cited, and new business  
24 growth, as reported by 38.4.

25           As one of our members very simply but

1 very emphatically put it, I think it will create new  
2 jobs, exclamation point. And as another said, we need  
3 to be optimistic and look for opportunities to build  
4 our tax base and economy.

5           A couple of our other members' comments  
6 included, the infrastructure development and the  
7 economic influence would be a positive impact for  
8 Fayette County. And regarding Nemaquin specifically,  
9 Nemaquin is one of the county's largest employers.  
10 The addition of the casino will provide employment  
11 opportunities for residents and newcomers alike, and  
12 we need all the businesses in Fayette County that we  
13 can get.

14           Now, tourism is vitally important to  
15 Fayette County. It represents our future and is  
16 currently one of our largest industries, consistently  
17 ranking first or second. The additional entertainment  
18 options afforded through the gaming operations will  
19 hopefully help to increase and boost our visitation.  
20 Our hotel occupancy tax or bed tax certainly helps to  
21 support the essential funding necessary for our  
22 tourism industry. As a Chamber of Commerce in very  
23 strong partnership with the Laurel Highlands Visitors  
24 Bureau, we are thankful to Nemaquin for the  
25 tremendous support that they bring to the industry and

1 are very hopeful of continued increase in support  
2 through taxes received by the tourists who choose to  
3 enjoy the amazing amenities at Nemaocolin Woodlands.

4           While the membership statistics showed  
5 majority support for the casino, conversely, our  
6 survey results pointed that there are members who are  
7 not supportive of gaming in Fayette. A total of 13.1  
8 percent of our respondents did not support the  
9 concept, while six percent were indifferent. The  
10 majority of those who were against the license were  
11 against the moral concept of gaming and not the  
12 location. As one member stated, people that cannot  
13 afford it, will give into the temptation to gamble  
14 their paychecks away, hoping to be a winner. And from  
15 another, we need positive, affordable family  
16 entertainment to keep families together and not ways  
17 to encourage parents to leave their homes and  
18 children.

19           Now, understanding those ethical  
20 concerns, I know that our social service agencies,  
21 like the Fayette County Drug and Alcohol Commission,  
22 as well as Nemaocolin Woodlands itself have designed  
23 specific programs, and I know they are very well  
24 prepared to deal with the social problems that may  
25 arise from the gaming industry. In addition, we all

1 seem to agree on the concept of passing on to the next  
2 generation the tools necessary to make the best moral  
3 and ethical decisions possible. In fact, a  
4 representative of the Fayette County Drug and Alcohol  
5 Commission added this comment to our survey, although  
6 we are an agency that treats individuals with gambling  
7 disorders, we feel that a casino will add to the  
8 overall economic growth of the community. Ninety (90)  
9 to 95 percent of the individuals that will attend this  
10 casino will not have a gambling problem. It is the  
11 five to ten percent of the individuals attending this  
12 casino that will be problem gamblers or addicted.  
13 This five to ten percent will find gambling facilities  
14 no matter where they're located. We feel that the  
15 economical growth brought by the Nemaquin clientele  
16 would be a much needed boost in increased tax revenues  
17 to Fayette County. Hopefully, these increases would  
18 enable Fayette County to treat more individuals with  
19 substance and abuse addictions and gambling  
20 addictions.

21                   Nemaquin Woodlands is a good neighbor,  
22 and the Hardy family has proven to the Chamber and to  
23 the County that they have the best interests of the  
24 area in mind as they create and operate their  
25 businesses.

1           Certainly gambling is never a sure bet,  
2 especially for the economies of the municipalities  
3 that stake their futures on it. Here in Fayette  
4 County, we view gambling as merely one piece of a much  
5 larger and much more expanding economy. One piece, if  
6 done carefully, handled fairly and with consideration  
7 to our existing social services and infrastructure,  
8 could help us to continue to pursue a brighter  
9 tomorrow.

10           The Fayette Chamber represents a strong  
11 voice. The businesses and organizations who choose to  
12 invest in the Chamber believe that in numbers there is  
13 strength. They understand that it is generally far  
14 more effective to act and speak collectively than as  
15 individual entities. They have chosen to be heard  
16 through our organization, and we have compiled and  
17 presented their opinion to you.

18           The bottom line is that while we do have  
19 a representative portion of our membership withholding  
20 support of gaming due to what might be best described  
21 as social concerns, the overwhelming majority of our  
22 membership supports Nemaquin Woodlands in their quest  
23 to obtain a Class 3 License. Again, thank you for  
24 allowing us to present the views of the Fayette  
25 Chamber of Commerce to you.

1                   HEARING OFFICER:

2                   Thank you. Ronald Virag?

3                   MR. VIRAG:

4                   I'm Ronald Virag. I'm the Executive  
5 Director of the Laurel Highlands Visitors Bureau. I  
6 reside in Westmoreland County. Honorable Commissioner  
7 Fajt --- Chairman Fajt and Commissioners of the  
8 Pennsylvania Gaming Control Board, as the Executive  
9 Director of the Laurel Highlands Visitors Bureau,  
10 whose mission is to foster tourism in the three-county  
11 region comprised of Fayette, Somerset and Westmoreland  
12 Counties, I am honored to address you today relative  
13 to and in support of the application of Nemacolin  
14 Woodlands Resort for a casino license.

15                   I am certainly cognizant of the other  
16 entities and regions seeking the last casino license  
17 that is currently available in the Commonwealth.  
18 However, in my estimation, of all those in contention,  
19 Nemacolin is the premier location and partner for a  
20 casino operation.

21                   In order for a casino to be successful,  
22 there are a number of criteria that are essential.  
23 First, there must be a strong, financially-secure and  
24 well-managed organization as the nucleus of the  
25 operation. That organization is Nemacolin. And, if

1 you have any doubts about its management and financial  
2 security, just tour the grounds and its facilities,  
3 observe its operations and form your own opinion.

4           Also, forming a part of the nucleus is  
5 the organization with which Nemacolin has partnered,  
6 namely the Isle of Capri. The Isle of Capri is an  
7 excellent choice for Nemacolin because of its stellar  
8 track record and because of the outstanding experience  
9 and expertise it brings to this venture.

10           Another integral component that will  
11 contribute to the success of a casino is the area in  
12 which it's located. Farmington, Pennsylvania is a  
13 quiet, clean, congenial, crime-free and  
14 visitor-friendly community that sits on the historic  
15 National Road. It is typical of the small communities  
16 comprising the Laurel Highlands which is permeated  
17 with a wealth of cultural, historical, natural outdoor  
18 attractions that bring out-of-state and out-of-country  
19 visitors to this region year round.

20           The world-famous architectural creations  
21 of Frank Lloyd Wright, namely Fallingwater and Kentuck  
22 Knob, are just a stone's throw away. Pennsylvania's  
23 most challenging and most visited State park with  
24 whitewater venue is located right here in its shadow,  
25 at Ohiopyle State Park.

1                   The fastest-growing attraction, not only  
2 in the Laurel Highlands but in the eastern United  
3 States, is the Great Allegheny Passage, as we call it,  
4 the GAP. This is a biking and hiking trail that  
5 extends from Washington, D.C., now all the way to  
6 Pittsburgh, Pennsylvania and passes right through  
7 Ohiopyle. The GAP alone has attracted 1.5 million  
8 visitors this year. As word spreads relative to the  
9 amenities of the GAP and the growth of the trail  
10 towns, that's the little towns that are attracting a  
11 variety of entrepreneurs along the trail, the number  
12 of visitors to our region will grow exponentially.  
13 Many of the visitors will, no doubt, have Lady Luck  
14 Casino on their things to do agenda of evening  
15 activities.

16                   One must also take into consideration  
17 some of the year-round outdoor recreation venues in  
18 the Laurel Highlands. In the spring, summer and fall  
19 a phenomenal array of golf courses, including the two  
20 located right at Nemacolin, attract golfers of all  
21 skill levels. Likewise, in the winter season, the  
22 skiing at Seven Springs, Hidden Valley and Nemacolin's  
23 own Mystic Mountain brings visitors to our region from  
24 all over the east coast. These and many of our other  
25 attractions, including lodging, eating and shopping



1 destinations will benefit by Nemaocolin having a  
2 casino. All in all, a casino at Nemaocolin will be a  
3 good fit for the region and certainly contribute to  
4 the attractiveness of the Laurel Highlands as a great  
5 place to visit and a wonderful place to reside.

6           Currently, Nemaocolin is the premier  
7 lodging destination for visitors in our region.  
8 Having a casino on the grounds of this world-class  
9 resort will certainly attract more visitors to  
10 Nemaocolin and the Laurel Highlands and have a  
11 far-reaching, highly-beneficial effect on the economy.

12           Although I was the former president and  
13 CEO of a banking and financial institution, I don't  
14 have to be an expert to see that the increase of  
15 visitors to Nemaocolin Casino will mean more dollars  
16 flowing into the local economy, creating more jobs,  
17 watching new businesses grow and seeing economic  
18 development in our entire region. That translates to  
19 more tax revenue for the Commonwealth, its political  
20 subdivisions and its school districts.

21           Tourism is the second largest  
22 revenue-producing industry in Pennsylvania, and  
23 perhaps, the leading revenue-producing industry in the  
24 Laurel Highlands. Therefore, as the Executive  
25 Director of the Laurel Highlands Visitors Bureau, I

1 strongly and wholeheartedly support granting a casino  
2 license to Nemaocolin Woodlands Resort.

3           If you spend any time at the Nemaocolin  
4 Woodlands Resort, you will see that the guests and  
5 visitors are treated like royalty and nothing is left  
6 done halfway. In that regard, Nemaocolin's reputation  
7 and track record of quality and integrity is  
8 outstanding. It speaks for itself. In view of these  
9 proven accomplishments, I have no doubts that  
10 Nemaocolin will operate a casino and conduct its  
11 business in similar fashion. Nemaocolin will develop  
12 into the gem of Pennsylvania casinos and set standards  
13 that others will aspire to emulate.

14           Hoping that you will favorably consider  
15 the application of Nemaocolin Woodlands Resort for a  
16 casino license, I thank you for the opportunity to  
17 share these thoughts with you. Thank you very much.

18           HEARING OFFICER:

19           Thank you. Berry Seneri.

20           MR. SENERI:

21           Good morning. My name is Barry Seneri,  
22 and I am the Economic Development Manager for the  
23 Fay-Penn Economic Development Council in Uniontown,  
24 Fayette County. Fay-Penn is a nonprofit organization  
25 whose primary mission is to maintain and increase

1 employment opportunities here in Fayette County in an  
2 effort to improve the quality of life for all of our  
3 residents.

4                   Fayette County, much more than  
5 Pennsylvania and the rest of the nation, continues to  
6 struggle with the process of replacing jobs lost over  
7 the past four decades in the mining and manufacturing  
8 industries. The decline of steel, coal and related  
9 industry employment and output began to stabilize in  
10 the late 1980s only to resume a decline in 1990,  
11 resulting, in a large part, from the nationwide  
12 economic recession. More recently, cutbacks in  
13 Federal Defense spending and additional bad news in  
14 the private manufacturing sector has delivered  
15 additional bad news for the County. In reviewing the  
16 most recent July 2010 unemployment statistics, the  
17 U.S. Bureau of Labor Statistics reported a ten-percent  
18 unemployment rate for Fayette County. The posted  
19 unemployment rate was the highest in the seven-county  
20 Pittsburgh metropolitan statistical area and was 19  
21 percent higher than the average for the region.

22                   The largest boon to Fayette County's  
23 growth and economy came from the vast deposits of  
24 bituminous coal underlying the County around the turn  
25 of the 20th Century. There is renewed hope as vast

1 deposits of natural gas lie below us in the Marcellus  
2 Shale formation. The future of Fayette County lies in  
3 our energy play, tourism, and industrialization based  
4 upon the efficient network of roads and rivers that  
5 crisscross our county.

6           The proposed Nemacolin Lady Luck Casino  
7 also provides an outstanding economic opportunity for  
8 the County. The gambling industry has emerged as an  
9 economic mainstay in many communities and plays an  
10 increasingly prominent role in state and even regional  
11 economies. Casino gambling delivers economic benefits  
12 such as job creation, capital investment, public  
13 sector revenue and increased tourism. The economic  
14 benefits of casino gambling have been especially  
15 powerful in economically-depressed communities like  
16 Fayette County, where economic development  
17 opportunities are limited.

18           I spoke to Bill McGowen, Executive  
19 Director of the Redevelopment Authority of the County  
20 of Washington, where the Meadows Racetrack and Casino  
21 is located. Bill stated, and I quote, since the  
22 inception of the Local Share Account Program in 2008,  
23 the local share of revenues from the Meadows have  
24 generated more than \$29 million for economic  
25 development, community improvement, public interest

1 and job-training projects in Washington County. As a  
2 result, many jobs have been created, civil and  
3 cultural projects have been undertaken, workforce  
4 development has been improved and new infrastructure  
5 has been developed.

6                   Nemacolin Woodlands Resort and the Isle  
7 of Capri Casinos are well-established, highly-regarded  
8 organizations that have a proven track record of  
9 providing outstanding venues and high-quality  
10 services. Nestled in the spectacular natural scenery  
11 of the Laurel Highlands, the proposed Nemacolin Lady  
12 Luck Casino would be a tremendous asset that the  
13 Commonwealth of Pennsylvania can be proud of. Our  
14 county is already recognized as an outstanding tourist  
15 destination because of its outdoor beauty and  
16 activities and its abundance of historical and  
17 cultural sites.

18                   The proposed location for the Nemacolin  
19 Lady Luck Casino is excellent. The facility has an  
20 outstanding east coast accessibility within three  
21 hours of major metropolitans, such as the Washington,  
22 D.C. and Baltimore area, which has a population of  
23 over seven million people, and the  
24 Pittsburgh/Cleveland area, which has a population of  
25 over eight million. Additionally, last year,

1 Nemacolin Woodlands attracted guests from 44 different  
2 states and eight different countries. This is  
3 extremely important, as true economic gain will come  
4 from spending associated with visitors from outside  
5 the region. Money spent by a tourist in a destination  
6 casino funds local suppliers supporting the casino,  
7 which in turn spends that income on other goods and  
8 services in the local economy, thus multiplying the  
9 effect of dollars spent.

10           The Hardy family has unselfishly given  
11 back millions of dollars to improve the quality of  
12 life for all of our residents, supporting numerous  
13 educational, healthcare, community improvement and  
14 public interest initiatives. They have supported  
15 economic development by investing millions of dollars  
16 in the revitalization of our downtown area. In 2004,  
17 Mr. Hardy received the Philanthropist of the Year  
18 Award from the Association of Fundraising  
19 professionals for his outstanding community leadership  
20 and monetary contribution, through personal funds, to  
21 the restoration of Uniontown, Pennsylvania.

22           Nemacolin Woodlands ranks as one of the  
23 top five private employers in Fayette County. The  
24 importance of community relations is recognized in the  
25 mission statement of Nemacolin Woodlands, and they,

1 too, have unselfishly donated millions over the years  
2 supporting projects that improve the quality of life  
3 for all of our residents.

4           Nemacolin Woodlands has proven to be an  
5 excellent neighbor and have always supported  
6 Fay-Penn's economic initiatives, such as our recent  
7 Buy Local initiative. Fay-Penn often utilizes the  
8 Nemacolin Resort facilities in our quest to attract  
9 new businesses to the area, and they are always  
10 willing to work with us in providing special rates and  
11 VIP attention. As an example, last week we hosted a  
12 couple of senior executives from a Houston,  
13 Texas-based Marcellus Shale-related business that  
14 recently signed a letter of intent to establish a new  
15 operating site here in Fayette County. I received an  
16 e-mail from their Vice President of Business  
17 Development stating that one of the best parts of  
18 their visit was their stay at the Nemacolin Resort.  
19 He simply described their stay as fantastic and asked  
20 if we could give them a contact at the resort, as they  
21 were planning multiple visits over the next few  
22 months.

23           The Nemacolin Resort also played an  
24 important role in attracting Johnson Matthey, a U.K.-  
25 based catalytic converter manufacturer that invested

1 \$43 million in a new state-of-the art manufacturing  
2 facility in Fayette County, which currently employs 95  
3 workers. Nemaocolin Woodlands played an important role  
4 in supporting Johnson Matthey's ability to attract  
5 their local operations manager to Fayette County from  
6 Johannesburg, South Africa, due in part to the great  
7 experience that he and his family had during their  
8 stay at the Nemaocolin Woodlands Resort during the  
9 Christmas season.

10                   Fay-Penn supports and encourages the  
11 Pennsylvania Gaming Control Board's selection and  
12 approval of a gaming license for the Lady Luck Casino  
13 at Nemaocolin. The proposed Lady Luck Casino at  
14 Nemaocolin will deliver significant beneficial outcomes  
15 for the township, the County and the Commonwealth,  
16 including significant direct tax revenue, creation of  
17 much-needed employment positions and enhancement of  
18 our tourism marketing efforts. Thanks so much for the  
19 opportunity to speak in favor of this significant  
20 investment for our community that is being made  
21 available through the outstanding partnership of the  
22 Nemaocolin Woodlands Resort and the Isle of Capri  
23 Casinos.

24                   HEARING OFFICER:

25                   Thank you very much. We are going to



1 take a short break. Please be back in your chairs at  
2 quarter to 12:00. Thank you.

3 SHORT BREAK TAKEN

4 HEARING OFFICER:

5 Ladies and gentlemen, I'm going to  
6 reconvene this public input hearing. The next person  
7 on the list is Kim Hankins.

8 MR. HANKINS:

9 Good morning, Commissioners. Good  
10 morning, Chairman Fajt. My name is Kim Hankins. I  
11 reside in Washington County. I am the Executive  
12 Director of the Meadows Standardbred Owners  
13 Association. The Meadows Standardbred Owners  
14 Association represents the owners, trainers and  
15 drivers and grooms that race at the Meadows Racetrack  
16 and Casino. Due to the proximity of Nemacolin Resort,  
17 we believe granting a Category 3 Gaming License to  
18 Nemacolin would negatively impact the slot play at the  
19 Meadows, thereby reducing the income to the purse  
20 account, breeders' awards, sire stakes and horsemen's  
21 retirement and health benefits. Although we recognize  
22 that a portion of Nemacolin's slot play would be  
23 contributed to the Pennsylvania Racehorse Development  
24 Fund, as has been seen with The Rivers Casino, the  
25 return to the Meadows does not overcome the impact of

1 reduced slot play at the Meadows. Also, one of the  
2 benefits of a Category 1 License at the Meadows is the  
3 exposure to live racing, live horseracing. A license  
4 at Nemacolin would lessen the number of patrons that  
5 will be exposed to live racing. One of the foremost  
6 components of Act 71 was the revitalization of live  
7 horseracing in Pennsylvania. For those reasons, the  
8 MSOA is opposed to the Category 3 License at  
9 Nemacolin.

10 If, in fact, the license is granted to  
11 Nemacolin, the MSOA respectfully requests that a  
12 stipulation of licensure would require Nemacolin to  
13 include a race booth in the facility with the Meadows  
14 Racing as the prominent sitting. Thank you for your  
15 attention.

16 HEARING OFFICER:

17 Thank you. J.R. Shaw.

18 MR. SHAW:

19 Good morning. I would like to thank the  
20 Pennsylvania Gaming Control Board for allowing us the  
21 opportunity and the time to comment upon the Nemacolin  
22 Resort gaming application.

23 My name is J.R. Shaw. I'm a resident of  
24 Washington County, specifically the City of  
25 Washington, Pennsylvania. I'm currently the Executive

1 Director of the Washington County Tourism Promotion  
2 agency and have been for the last three years. The  
3 Washington County Tourism Promotion Agency is a  
4 183-member organization that promotes tourism as an  
5 engine of economic growth for the residents of  
6 Washington County, enhancing their quality of life by  
7 providing jobs and lower local taxes.

8           For the year 2007, the latest year that  
9 figures are available, the tourism industry in  
10 Washington County generated \$347 million in direct  
11 visitor spending, paying over \$87 million in taxes,  
12 and supporting 7,600 jobs that paid wages of almost  
13 \$250 million.

14           In its mission statement, the  
15 Pennsylvania Gaming Control Board states that the  
16 objectives of limited gaming in the Commonwealth are  
17 to deliver a significant source of revenue, assist the  
18 horseracing industry, provide broad economic  
19 opportunities and enhance tourism. The Meadows  
20 Racetrack and Casino facility in Washington  
21 Pennsylvania is evidence that at least in that area of  
22 the Commonwealth, these goals have been met and the  
23 Board has achieved its mission. The Meadows has  
24 delivered significant tax revenues to the  
25 Commonwealth, as well as providing relief to area

1 communities through the local share program, as one of  
2 the previous speakers mentioned in his comments. The  
3 horseracing industry has benefited with larger purses  
4 and more races being offered to track fans, as the  
5 previous speaker cited as well. Economic  
6 opportunities have expanded as the Meadows has  
7 provided much needed jobs to area residents and  
8 spurred development of the tourism industry. Tourism  
9 has been enhanced as Washington County has become more  
10 of a destination for leisure travelers throughout the  
11 mid-Atlantic.

12                   Our opposition to Nemaocolin's application  
13 for the remaining Class 3 Resort License is not  
14 directed at the resort or at the Laurel Highlands. It  
15 is because the placement of another casino in  
16 southwestern Pennsylvania does not achieve the goals  
17 stated in the Gaming Control Board's mission. It  
18 would only dilute the successes that have already been  
19 achieved.

20                   A Laurel Highlands casino location would  
21 generate limited new revenues for the Commonwealth, as  
22 the location would significantly draw from existing  
23 businesses already in the region, namely at the  
24 Meadows Racetrack and Casino and The Rivers Casino in  
25 Pittsburgh. A Laurel Highlands casino location

1 provides no new assistance to the horseracing  
2 industry. In the Commonwealth it would conceivably  
3 take precious leisure spending away from the Meadows,  
4 possibly even Presque Isle Downs, siphoning revenues  
5 away from the already financially strapped horseracing  
6 industry. A Laurel Highlands casino location creates  
7 limited new broad economic opportunities to the  
8 Commonwealth and the region but enhances an already  
9 well-established existing facility in an established  
10 outdoor and rural destination.

11                   Finally, a Laurel Highlands casino  
12 location may have the potential to enhance tourism in  
13 the area, but will face challenges to create new  
14 tourism opportunities in the Commonwealth in a  
15 declining U.S. leisure travel market. In its just  
16 released 2010 Travel and Tourism Works for America  
17 Report, the U.S. Travel Association reports the U.S.  
18 travel economy contracted 8.9 percent in 2009 from  
19 2008 levels. Likewise, the American Gaming  
20 Association reports nationwide revenues from  
21 commercial casinos fell 5.5 percent in 2009. These  
22 figures point to a weak travel market, a flat gaming  
23 market, and do not support introducing competition  
24 into a region with already-established facilities.

25                   In sum, ladies and gentlemen, we feel the

1 Gaming Control Board would much better serve its  
2 mission by placing the last casino in an area  
3 currently unserved by an existing facility with unmet  
4 demand for gaming in another area of the Commonwealth.  
5 Thank you for your time.

6 HEARING OFFICER:

7 Thank you. Mr. Hankins, there was a  
8 question from the Board for you.

9 MR. HANKINS:

10 Yes.

11 HEARING OFFICER:

12 Are you asking for a simulcast room at  
13 Nemacolin?

14 MR. HANKINS:

15 Yes, if the license is granted to  
16 Nemacolin.

17 HEARING OFFICER:

18 Okay. Thank you. Our next speaker is  
19 Tara M. Coughenour.

20 MS. COUGHENOUR:

21 Good afternoon, Mr. Chairman and members  
22 of the Board. I am Tara Coughenour, Director of  
23 Member Services for the Washington County Chamber of  
24 Commerce. I reside in Canonsburg, which is in  
25 Washington County, Pennsylvania. It is my pleasure to

1 be here with you today to discuss the impact another  
2 casino would have on the southwestern Pennsylvania  
3 region. It is our belief that the opening of an  
4 additional casino would have detrimental effects on  
5 our efforts at job creation and property tax relief.

6           When the State passed gaming a few years  
7 ago, one of the main priorities that they had was to  
8 create jobs and opportunities for businesses operating  
9 in the Commonwealth. To date, the successful opening  
10 of both the Meadows and The Rivers casinos have  
11 created thousands of new jobs and established vendor  
12 relationships with the gaming venues. It has done  
13 exactly what the legislature has intended, bringing  
14 new jobs and increasing business to our region by  
15 tapping into a customer base that was leaving  
16 Pennsylvania to utilize gaming facilities in other  
17 states. We were successful in retaining those  
18 customers.

19           Now, with the potential to open another  
20 casino in southwestern Pennsylvania, we have the  
21 potential to dilute the very same customer base we  
22 have so strongly attempted to keep, as Mr. Shaw had  
23 just stated as well. We believe that further diluting  
24 the market in southwestern Pennsylvania with another  
25 casino, the Pennsylvania Gaming Control Board will

1 negatively effect, both directly and indirectly, the  
2 economic development in the region.

3           The direct impact of market dilution will  
4 be a reduction of customers of existing casinos,  
5 thereby leading to potential layoffs, competition of  
6 the remaining talent to the new casino and reduction  
7 of revenue. This is directly opposite of what the  
8 intent was for of gaming in Pennsylvania, the original  
9 intent to create jobs and reduce property taxes. By  
10 opening another casino in an already saturated market  
11 you're going to lose jobs at the existing casinos or,  
12 at best, have a zero net gain in job creation. This  
13 transferring of jobs from county to county does not  
14 create any economic activity or create wealth. It  
15 just moves it around regionally.

16           It will also have an impact as it will  
17 affect the economic infrastructure that has grown  
18 around the industry. Businesses such as hotels,  
19 stores, restaurants, all of which are experiencing  
20 increased business now because of the casinos'  
21 customer base, will lose those customers by the  
22 dilution of the market. This does not even account  
23 for the local businesses that are suppliers and  
24 vendors. As you lose customers and downsize to  
25 accommodate that reduction, the casinos will also



1 reduce the spending at existing local vendors.

2           The argument for a new casino is that it  
3 will lead to further job creation in our region. That  
4 argument is probably true. However, it will come at  
5 the expense of job losses at existing casinos. Again,  
6 while we will realize an increase in jobs at the new  
7 casino, the region will experience an overall decrease  
8 or neutral job creation number. Again, this does not  
9 benefit anyone as well as threatens an already  
10 successful economic infrastructure.

11           The opening of a new casino in  
12 southwestern Pennsylvania is not a competition between  
13 counties or between venues. It is a discussion about  
14 market dilution, job loss and no new gains in the  
15 economy. It is about keeping with the original intent  
16 of the gaming laws which was creating new jobs and  
17 wealth, not just shifting it around with no new  
18 regional gains. Thank you for your time.

19                           HEARING OFFICER:

20           Thank you. We have several individuals  
21 that pre-registered to testify. When I call your  
22 name, please stand to be sworn by the court reporter.  
23 Patrick Wick, Luke Minnick, Thomas Baxter, Cataldo F.  
24 Corrado, M.D., Harry Burd, William Paulos, William A.  
25 Burd, Ashwin Lavani, Barbara Terry, John Hannan, Cindy

1 (sic) Wilson, Christine Blaine. And we were informed  
2 before that Frank Salucci (phonetic) was not here.  
3 All right. Would you please all raise your right hand  
4 and be sworn by the court reporter.

5 -----

6 WITNESSES SWORN EN MASSE

7 -----

8 HEARING OFFICER:

9 Please be seated. And I note for the  
10 record that Mr. Lavani provided a written statement  
11 with the swearing in. That becomes a verified  
12 statement now. Thank you. The first person we have  
13 is Thomas Baxter. And I remind everyone you have  
14 three minutes for your time. The clock is there. And  
15 also I'd remind the audience, please, no clapping,  
16 applause, anything of that nature.

17 MR. BAXTER:

18 My name is Thomas Baxter. I'm a resident  
19 of Farming and Wharton Township, lifelong homeowner in  
20 Wharton Township, and I'm here to support the decision  
21 of the Category 3 Gaming License to Nemaquin  
22 Woodlands Resort.

23 The four applicants vying for the  
24 Category 3 License, do they all meet the pre-  
25 requirements of a resort? Holiday Inn, Mechanicsburg

1 is not listed as a resort for traveling. Eisenhower  
2 Hotel & Conference Center, Gettysburg, not listed as a  
3 resort for traveling. Fernwood Hotel & Resort, East  
4 Stroudsburg, is a resort with privately-owned condos  
5 and villas. It would be the second casino in that  
6 Pocono area. Nemaocolin Woodlands Resort, Farmington,  
7 is an established resort in 1987. The PGA Tour  
8 classified this resort as a world-class resort, with a  
9 Three-Star --- with AAA Five-Diamond rating.  
10 Nemaocolin is an all-year-round resort, which qualifies  
11 as a Category 3 License resort.

12                   Of the four applicants applying to  
13 operate the casinos, Isle of Capri would rank number  
14 one due to their expertise in operating 15 other  
15 casinos in the United States. The president and COO,  
16 Virginia McDowell, received the 2010 Lifetime  
17 Achievement Award from the Casino Journal written by  
18 Dennis Conrad. The award came from current colleagues  
19 and community leaders, recognizing her  
20 accomplishments.

21                   Of the four applicants, Nemaocolin  
22 Woodlands has the support from their local political  
23 leaders and community groups. From the testimony I've  
24 heard here today from our various legislators, local  
25 government representatives and our community groups,

1 yes, we have the support of the community.

2 All the applicants within the state  
3 definitely need economic help. Wharton Township is  
4 surrounded by thousands of acres of state game lands  
5 and state parks, which produces no tax base. Any  
6 business and land development is essential to our tax  
7 base, which helps the improvements of our school  
8 districts and relieves tax burdens on existing  
9 business and landowners. Fayette County unemployment  
10 rate is ten percent, which ranks fourth among the four  
11 applicants. Fayette County needs economical  
12 development and jobs now.

13 Of the four applicants, which applicant  
14 can support a year-round casino? Nemaquin is a  
15 premier, established resort destination located in the  
16 majestic Laurel Mountains in southwestern Pennsylvania  
17 corridor and is surrounded by Maryland and West  
18 Virginia. Tourism is our bloodline for our township,  
19 county and state. Within 15 minutes of Nemaquin,  
20 visitors can visit whitewater rafting down the  
21 Youghiogheny, the Frank Lloyd Wright wonders,  
22 Fallingwater and Kentuck Knob, or enjoy a day at  
23 Ohiopyle State Park. Let's give the visitors another  
24 reason to travel to southwestern Pennsylvania and  
25 grant Nemaquin Woodlands Resort and Isle of Capri the

1 Category 3 License and start this project now. Thank  
2 you for your time and consideration for this important  
3 decision.

4 HEARING OFFICER:

5 Thank you, Mr. Baxter. Dr. Corrado.

6 DR. CORRADO:

7 I am an emergency physician for the past  
8 40 years here, a lifelong resident, spent all of my 73  
9 years here in Uniontown. My father was a physician  
10 here in Uniontown. And for the past 90 years we know  
11 the economic travails of our patients here and what  
12 jobs would be for our area.

13 I also want you to consider one other  
14 thing. We have excellent medical support here. We  
15 have helicopters within the six miles of the casino.  
16 We also have an air strip right next to the casino,  
17 within 100 to 200 yards that could land the helicopter  
18 in case there's some kind of a medical emergency. We  
19 also have excellent medical backup.

20 Mr. Hardy and the Hardy family have been  
21 very supportive of the ambulance and the hospital and  
22 the emergency department and Uniontown Hospital. He  
23 was the largest donator to our Capital Campaign at the  
24 hospital, and he refused to take any recognition, in  
25 fact, dedicated the Emergency Department to me instead

1 of to himself, despite my urgings. I also always  
2 wonder where would Fayette County be without the Hardy  
3 family and Mr. Joe Hardy? So I think it's time that  
4 our residents deserve a break, and I think Mr. Joe  
5 Hardy has given us that break, and I hope we continue  
6 that through your awarding of the Class 3 License.  
7 Thank you.

8 HEARING OFFICER:

9 Thank you. Mr. Burd, Harry Burd.

10 MR. H. BURD:

11 My name is Harry Burd, Jr. I own and  
12 operate the Sunoco Aplus, which is directly across the  
13 highway from where the proposed Lady Luck Casino site  
14 would be. Since the Hardy family has always been an  
15 excellent neighbor and extremely generous to our local  
16 communities and they run a world-class operation. I'm  
17 looking forward to the local jobs and revenue the  
18 casino will bring to our area. I just want to thank  
19 you all for your time and support. Thank you.

20 HEARING OFFICER:

21 Thank you. William Paulos.

22 MR. PAULOS:

23 Good afternoon, Mr. Chairman and  
24 Commissioners, ladies and gentlemen, respectfully, Mr.  
25 Hardy. I am Bill Paulos, principal of Cannery Casino

1 Resorts, owners of the Meadows Racetrack and Casino.  
2 I reside in Las Vegas. I'm here today not only as a  
3 licensee but also as a long-term partner with the  
4 Commonwealth.

5           When we were licensed, we pledged to  
6 provide western Pennsylvania with a first-class  
7 facility for harness racing and first-class gaming  
8 experience. I believe everyone will agree we've kept  
9 our pledge with a rather substantial \$550 million  
10 investment.

11           The intentions of 2330 when passed in  
12 2004 was to provide a significant source of revenue  
13 for property tax relief and wage tax reduction, to  
14 provide assistance to the horseracing industry, to  
15 provide broad economic opportunities to the citizens  
16 of the Commonwealth and to enhance tourism. For those  
17 stated intentions, we believe that southwestern PA is  
18 not the most appropriate location for the final  
19 Category 3 License. Southwestern PA is now well  
20 served by its existing casinos. Comparably, an  
21 additional casino will only be minimally accretive to  
22 the State tax totals and most definitely dilutive to  
23 the existing Commonwealth partners.

24           West Virginia is having major layoffs  
25 because of market saturation. Another casino in

1 southwestern Pennsylvania will cause job losses at  
2 both the Meadows and The Rivers casinos. Low revenues  
3 at the Meadows will also be detrimental to the  
4 horsemen for whom this law was cast. And lastly,  
5 dilution could undermine the financial stability of  
6 one or more of the Commonwealth's existing partners.  
7 It is public record that Moody's has downgraded the  
8 debt of one present licensee for underperformance in  
9 this marketplace.

10                   When additional licenses were  
11 contemplated back in '04, forecasts for the  
12 southwestern Pennsylvania market were considerably  
13 higher than reality. There were all in the billion  
14 dollar range. In actuality, it is \$200 million short  
15 of that market value. Although the Meadows is  
16 surpassing the State's forecast, The Rivers has only  
17 attained 61 percent of the State's expectations.  
18 Fortunately for the Commonwealth, there are other  
19 options. There are other higher revenue opportunities  
20 on the other side of the State. The real opportunity  
21 for the Commonwealth is on the southeastern border of  
22 the state, where there is a minor chance of dilution  
23 and the ability to tap into the best and most  
24 underserved markets in the United States, parts of  
25 Maryland, with an operator that has major synergies in



1 that marketplace.

2           In conclusion, it would be a lost  
3 opportunity for the Commonwealth to create substantive  
4 tax revenue growth if it were to approve the final  
5 Category 3 License in southwestern PA. Thank you for  
6 your time.

7                           HEARING OFFICER:

8           Thank you. William A. Burd.

9                           MR. W. BURD:

10           My name is William Burd, and I've lived  
11 in this community all my life, Wharton Township. I'd  
12 like to speak today in favor of Nemacolin Woodlands.  
13 I've known the Hardy family to be outstanding, an  
14 American success story that we can all be proud of, no  
15 matter what county we live in.

16           Washington County today spoke of the  
17 benefits of not granting this. Well, Nemacolin spoke  
18 of their market as a worldwide --- excuse me, a  
19 worldwide market, covering the United States. And by  
20 Washington County's own testimony, they spoke of their  
21 regional draw. That's a different market.

22           My family came here. The first Burd in  
23 this area was a Scottish oat miller (phonetic) for  
24 General Braddock in the 1750s. People were gamblers  
25 back then. They gambled with their lives to come to

1 southwestern Pennsylvania. Today, I consider myself a  
2 conservative Christian. I found it a little hard to  
3 support gambling, but this gambling is regulated.  
4 There's illegal gambling currently going on throughout  
5 the State of Pennsylvania with numbers games. This  
6 will benefit our community. Tax revenues will benefit  
7 the community. I appreciate this Board today. I  
8 appreciate the State of Pennsylvania. We live in a  
9 beautiful, beautiful area. This is a clean industry.  
10 We're not tearing up the hills to strip mine. We  
11 appreciate the Isle of Capri and Nemacolin Woodlands.  
12 Thank you.

13 HEARING OFFICER:

14 Thank you. Barbara Terry.

15 MS. TERRY:

16 Good afternoon. My name is Barbara  
17 Terry, and I live in Wharton Township. We have no  
18 place to park. Crime will come. We have crime now.  
19 Are we able to afford six full-time police officers?  
20 Our fire department is understaffed. Can we afford to  
21 pay six full-time emergency personnel? The increase  
22 in our property tax for Wharton Township. And how  
23 many stoplights, restaurants and hotels are we going  
24 to have here in the next five years. What is going to  
25 happen to our National Road. The casino is on the

1 National Road now. If the license is approved, what  
2 percentage of this money is going to go directly to  
3 Wharton Township? We, the people, we have to deal  
4 with this every day. It's not like we're tourists  
5 that's coming from somewhere else. Are we going to  
6 receive a lot of money for this gambling casino? How  
7 is it going to grow in the years to come?

8           If the license is approved, are we going  
9 to be able to afford all the necessities that we need?  
10 Most of the people that live in Wharton Township are  
11 over 35, have families or they're elderly or lived  
12 here all their life. Having lived here all their  
13 life, they're not willing to move or sell. And what  
14 about the people that are coming into --- where are  
15 they going to live, the people that's going to come  
16 here to work at the casino? People in the mountains  
17 are not willing to sell. Are they going to come from  
18 another county? How is this going to happen for them  
19 to have housing? Thank you very much.

20           HEARING OFFICER:

21           Thank you. John Hannan.

22           MR. HANNAN:

23           Good afternoon to the Pennsylvania Gaming  
24 Control Board, and in all respect, to Mr. Hardy and  
25 Mrs. Magerko. As stated, my name is John Hannan, and

1 I'm the Chief Operating Officer of Verizon Hospitality  
2 Group. We are based in Washington County,  
3 Pennsylvania.

4                   We're a small business in Washington  
5 County, and we own and operate five hotels in western  
6 Pennsylvania, including three within five minutes of  
7 the Meadows Racetrack & Casino in Washington County.  
8 They include a Comfort Inn & Suites, a Cambria Suites,  
9 both which are located on Racetrack Road, and the  
10 Homewood Inn, which is included in the Southpointe  
11 Business Park in Canonsburg, just up the road, on I-  
12 79. The Cambria Suites is scheduled to open this  
13 month, at the end of September. The combined  
14 investment of our hotels in Washington County is over  
15 \$40 million and employs over 80 local Washington  
16 County residents.

17                   We've carefully undertaken these projects  
18 in response to the demand generated by the Meadows  
19 Racetrack & Casino and relying certainly on the  
20 traffic generated by that casino to sustain their  
21 viability in this difficult travel economy. It was  
22 certainly risky to develop the five hotels we  
23 undertook in this economy, and we certainly understand  
24 --- and we certainly can maintain an acceptable  
25 occupancy rate with the casino and certainly

1 understand, as hotel competition increases in the  
2 casino area, that we must accept that challenge.  
3 However, a greater risk for us and a concern is the  
4 possibility of another casino at Nemaquin Resort that  
5 will reduce the market area and our market share for  
6 the Meadows Racetrack & Casino.

7           We currently rely on visitors well beyond  
8 one-hour driving time from the Meadows that utilize  
9 our hotels. Granting this Category 3 Resort Casino  
10 License to Nemaquin will really have a significant  
11 impact on our hotels and what we would consider an ---  
12 consider unfair to our significant private investors  
13 that we have included to Washington County.

14           We urge the Pennsylvania Gaming Control  
15 Board this afternoon to consider other locations and  
16 not grant this casino license. I appreciate the  
17 opportunity and your opportunity to give us public  
18 opinion. Thank you.

19                   HEARING OFFICER:

20                   Thank you. Sandy Wilson.

21                   MS. WILSON:

22                   Members of the Pennsylvania Gaming  
23 Control Board, thank you for this opportunity to speak  
24 here today. My name is Sandy Wilson, and I'm a  
25 resident of Greene County. I am the Director of Sales

1 and Marketing at the Holiday Inn in Washington, and I  
2 also serve on the Board for Washington County Tourism.

3           In the seven years I've been Director of  
4 Sales at the Holiday Inn, since the opening of the  
5 casino, we've seen a major increase in our occupancy.  
6 There have been new hotels being built. There's been  
7 an increase of over 700 rooms since the inset of the  
8 casino. We're seeing proofs --- major proofs of the  
9 investments that the Meadows has put into the market.  
10 And not only are they an anchor tenant in the  
11 Washington County area, but there are a lot of more  
12 anchor tenants and area attractions, destinations to  
13 come to continue to promote tourism. They're awesome  
14 neighbors. I use them in all of my marketing and all  
15 of my advertising strategies to continue to attract  
16 area visitors from outside the county to not only  
17 spend money in the hotels and casino but the area as  
18 well. So I appreciate your time, and I hope that you  
19 will do all in your power to protect the Meadows  
20 Racetrack & Casino in our community. Thank you.

21                   HEARING OFFICER:

22                   Thank you. Christine Blaine.

23                   MS. BLAINE:

24                   Good afternoon. My name is Christine  
25 Blaine, and I am the Director of Marketing and

1 Communications for the Washington Wild Things, a Minor  
2 League baseball team located in Washington,  
3 Pennsylvania. I also currently serve as the president  
4 of the Washington County Tourism Promotion Agency  
5 Board of Directors.

6 I'm here today to ask you to reject the  
7 application for Lady Luck at Nemaquin. I fear that  
8 this project will adversely affect the progress  
9 Washington County has made in the tourism industry  
10 over the past few years. The Meadows, the Tanger  
11 Outlet Mall, and the Washington Wild Things are the  
12 top three tourist attractions in Washington County.  
13 Currently, we are in the thick of a marketing strategy  
14 that allows us to leverage these three major  
15 attractions as a keystone in drawing new visitors to  
16 the area. The combination of these attractions is  
17 wildly appealing and brings people who may not have  
18 previously considered Washington to be a tourism  
19 destination.

20 Visitors are currently traveling to our  
21 area and they are spending their money in businesses  
22 here, including restaurants, hotels, historical sites  
23 and more. Hotel stays in Washington County have grown  
24 significantly due, in great part, to the Meadows, who  
25 is a neighbor in Washington County. But hotels are

1 not the only ones who are garnering benefits from the  
2 Meadows. Several other businesses have opened and  
3 flourished as a result of the Meadows' success.

4           A decrease in business at the Meadows  
5 will directly impact the surrounding business. At a  
6 time when unemployment is a hot issue throughout the  
7 whole United States, the Meadows has put people to  
8 work. As I understand it, the expansion of gaming has  
9 increased the Meadows' payroll from 300 to about  
10 2,000, and they are currently probably the number one  
11 employer in Washington County. Those numbers, too,  
12 play a role in the success of companies in our area.  
13 The Meadows' employees and horsemen are Wild Things  
14 patrons. When they're not collecting a paycheck ---  
15 or when they are collecting their paychecks, they're  
16 frequenting venues like CONSOL Energy Park.

17           I implore you to look at the big picture  
18 today. Nemacolin Woodlands is already an  
19 award-winning and wonderful visitors site. Giving  
20 them a license may be the easiest route right now  
21 because it's ready to roll, it's a beautiful site, it  
22 will be easy to transform it to a casino, but if you  
23 look at the big picture, if it harms the Meadows, it's  
24 going to harm southwestern Pennsylvania. The  
25 Washington Wild Things baseball team believes another



1 casino in western Pennsylvania will be detrimental to  
2 those already in operation, and we ask you to reject  
3 this application. Thank you.

4 HEARING OFFICER:

5 Thank you very much. Consistent with our  
6 past practice of providing applicants who ask to  
7 reserve a portion of the time for rebuttal, Woodlands  
8 Fayette, you have your rebuttal time, and it is shown  
9 on the clock. Go ahead.

10 MS. MCDOWELL:

11 Thank you very much, members of the  
12 Board. I am sure you won't be surprised to hear that  
13 we view the competitive situation somewhat  
14 differently. There are a variety of different ways to  
15 evaluate the competitive situation. I'd like to draw  
16 your attention to a few.

17 The first would be drive time or  
18 proximity to the nearest casino. The nearest casino  
19 to Nemacolin Woodlands Resort would be the Meadows,  
20 which you've heard several folks talk about today.  
21 But we ask you to note that the drive distance is  
22 almost 57 miles, and the drive time is over one hour.  
23 This is consistent with the drive time between the  
24 applicant and Gettysburg and Hollywood Casino, which  
25 is a little bit more than an hour. But again, I ask

1 that I draw your attention to the fact that there are  
2 two applicants that have casinos that are less than a  
3 half-hour drive time away.

4 I'd also like to draw your attention to  
5 another statistic that we use, which is looking at the  
6 number of gaming positions per 10,000 adults. These  
7 are six mature gaming markets that we are very  
8 familiar with. I'd like to draw your attention to St.  
9 Louis, where we are headquartered. St. Louis is a  
10 mature market. It has about the same number of gaming  
11 positions as western Pennsylvania, but I call your  
12 attention to the fact that western Pennsylvania has a  
13 population that is almost one million larger, which  
14 means that, according to this chart, if you're looking  
15 in descending order, western Pennsylvania, even  
16 with --- and that number of 11,757 would include  
17 Nemacolin's gaming position, as allowed by the law,  
18 even with those positions, we would still have in  
19 western Pennsylvania the lowest number of positions  
20 per 10,000 adults, clearly not a saturated market when  
21 you look at these other markets that are very, very  
22 healthy.

23 Another way that we can look at this is  
24 what we like to refer to as our concentric circles.  
25 These circles represent a 25-mile radius. Our

1 experience, particularly in local markets, and again,  
2 we operate 15 casinos across the United States, is the  
3 majority of our revenue comes from within a 25-mile  
4 radius. We've heard many people talk today about the  
5 fact that they believe that there is saturation in the  
6 western Pennsylvania market. With all due respect, I  
7 draw your attention to the other end of the  
8 Commonwealth. Not only are there a lot of circles  
9 there, southeastern Pennsylvania is also currently  
10 dealing with the impact of the introduction of table  
11 games in West Virginia, table games in Delaware and  
12 the introduction of full-scale gaming in Maryland.

13           On the other hand, we need to recognize a  
14 couple of things, number one, that the resort license  
15 was designed to enhance an existing resort, in  
16 addition to whatever could be gained by the local  
17 drive-in market. The casino would be designed to  
18 serve as an amenity to the hundreds of thousands of  
19 guests who currently visit the Nemaquin Woodlands  
20 Resort, and we believe would attract hundreds of  
21 thousands more who would bring their money to spend in  
22 the Commonwealth.

23           Number two, as I just stated, remember  
24 that western Pennsylvania has a very dense population  
25 of almost 3 million people. Remember that the resort

1 license is not a Cat 1 License, is not a Cat 2  
2 License. This is 600 slot machines and up to 50 table  
3 games. And if you look at this particular chart, we  
4 believe that Nemamcolin not only stands alone, but we  
5 also believe Nemacolin would stand above the crowd.

6           So in closing we believe that Nemacolin  
7 has more to experience. You've heard about the  
8 absolutely fantastic resort and the wonderful  
9 amenities package that this resort has to offer, and  
10 we believe that the Commonwealth of Pennsylvania has  
11 everything to gain. We thank you for the opportunity  
12 to present today and respectfully request that our  
13 presentation materials from today be moved into the  
14 record.

15                     HEARING OFFICER:

16                     Thank you.

17                     MS. MCDOWELL:

18                     Thank you.

19                     HEARING OFFICER:

20                     The record created here today, including  
21 the transcript of the proceedings, any exhibits and  
22 any written comments received through the deadline of  
23 Monday, November 8th, 2010, will be included in the  
24 Woodlands Fayette application record and forwarded to  
25 the entire Board for its consideration. At a date in

1 the near future, the Board will schedule a public  
 2 licensing hearing to be held in Harrisburg. Check our  
 3 website for the date of that licensing hearing. While  
 4 the Board's licensing hearing will be open to the  
 5 public, no further public comment will be received by  
 6 the Board at that hearing. Thank you all for coming  
 7 today, for your cooperation, and this public input  
 8 hearing is now concluded and adjourned. Thank you.

9 \* \* \* \* \*

10 HEARING CONCLUDED AT 12:27 P.M.

11 \* \* \* \* \*

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15 CERTIFICATE

16 I hereby certify that the foregoing  
 17 proceedings, hearing held before Hearing Officer  
 18 Zielonis, was reported by me on 09/08/2010 and that I  
 19 Kayla Godkin read this transcript and that I attest  
 20 that this transcript is a true and accurate record of  
 21 the proceeding.

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