

COMMONWEALTH OF PENNSYLVANIA

GAMING CONTROL BOARD

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IN RE: HSP GAMING, LP, (SUGARHOUSE)

PETITION FOR APPROVAL OF GAMING FLOOR PLAN

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PUBLIC HEARING

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BEFORE: Gregory C. Fajt, Chairman
Raymond S. Angeli (via phone),
Jeffrey W. Coy, James B. Ginty,
Kenneth T. McCabe, Gary A. Sojka,
Kenneth Trujillo
David Barasch, Deputy Secretary of the
Department of Revenue, Representative;
Daniel Tufano, representing Russell
Redding, Secretary of Agriculture

HEARING: Thursday, September 16, 2010
10:00 a.m.

LOCATION: North Office Building
Hearing Room 1
Harrisburg, PA 17120

WITNESSES: Randi Beck, George Mancuso
Reporter: Cynthia Piro Simpson

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CHAIRMAN:

Good morning, everyone. I'm Greg Fajt, Chairman of the Pennsylvania Gaming Control Board. And I'd ask everyone, as is our normal practice, to please turn off all your cell phones, Blackberries and PDAs, as they tend to interfere with our communication system here. Thank you. Joining us today is Dave Barasch, representing Secretary of Revenue, Dan Hassell; and Dan Tufano, representing Secretary of Agriculture, Russell Redding. Thank you both for being here.

I'd also like to note for the record that Commissioner Ray Angeli is participating in these proceedings via teleconference. Welcome, Ray.

MR. ANGELI:

Thank you very much.

CHAIRMAN:

A quorum being present, I'll call today's meeting to order. The first order of business, I'd like to ask everyone to stand and join me in the Pledge of Allegiance.

PLEDGE OF ALLEGIANCE RECITED

CHAIRMAN:

1 As the first order of business today I'd
2 like to recognize my fellow Commissioner, Commissioner
3 Coy, for a matter of personal privilege.

4 MR. COY:

5 Thank you, Mr. Chairman, and good
6 morning. On August 29th, the Pennsylvania Gaming
7 Control Board lost not only a good employee but a
8 tremendous person and a true friend. Troy Beaverson,
9 an attorney in the Office of Chief Counsel, passed
10 away following a brief illness at the age of 43.
11 During his time with the Board, Troy made numerous
12 contributions toward our mission of ensuring the
13 integrity of legalized gaming through the strict
14 enforcement of the law and regulations. His many
15 contributions include the drafting of regulations for
16 both slots and table game operations, which are the
17 cornerstone to ensuring the public's trust in the
18 Commonwealth's regulated gaming industry. Troy also
19 served with the Pennsylvania Gaming Control Board
20 staff as a liaison to the Board-appointed trustee at
21 the Mount Airy Casino & Resort from 2008 to 2009. In
22 this role Troy worked closely with the trustee and his
23 legal counsel to keep the Board apprised of ongoing
24 operations at Mount Airy during the transitional
25 period of its ownership.

1 Troy and I shared a connection in having
2 both graduated from Shippensburg University and hold
3 our alma mater in high regard. Personally, I enjoyed
4 getting to know him and working with him over the past
5 several years. His professionalism as an attorney,
6 his razor-sharp wit among friends are among the things
7 that I will remember the most about him.

8 Troy leaves behind a young wife, Anna,
9 and twin daughters, Susan and Jane, both age four.
10 Our constant prayers go out to Troy's wife and
11 beautiful daughters, his family, his colleagues here
12 at the Gaming Control Board and his many friends.
13 Thank you, Mr. Chairman.

14 CHAIRMAN:

15 Thank you. We have two items before the
16 Board today by way of public hearing, which will take
17 place prior to our public meeting. These public
18 hearings pertain first to HSP Gaming, LP's Petition
19 for Approval of its Gaming Floor Plan; and second, the
20 renewal of Greenwood Gaming & Entertainment, Inc.'s
21 Category 1 Slot Operator License. For each matter we
22 will hear from each entity as well as the Office of
23 Enforcement Counsel. The Board will then be given the
24 opportunity to ask questions of both parties and any
25 witnesses. At the conclusion of all of that, the

1 Board will then take a recess to conduct quasi
2 judicial deliberations on these matters before
3 returning to conduct our regularly-scheduled meeting.

4 Having explained all that, I see that we
5 have representatives from HSP Gaming. Prior to your
6 presentation, could all witnesses that are going to be
7 presented today for either HSP or the Office of
8 Enforcement Counsel please stand and be sworn in? And
9 I would also ask that all persons speaking please
10 state your name and spell your name for the
11 stenographer before beginning your comments. And if
12 you're going to have any non-lawyer witnesses today,
13 if they could please stand to be sworn in.

14 -----

15 WITNESSES SWORN EN MASSE

16 -----

17 CHAIRMAN:

18 And with that, HSP, you may begin.

19 ATTORNEY SKLAR:

20 Thank you. Good morning, Chairman,
21 Commissioners. We are extremely happy to be here this
22 morning. As you've noticed, it's been a much longer
23 road than anyone had envisioned, but we think we now
24 have a facility that is ready to open. Sorry, it's
25 Michael Sklar, S-K-L-A-R. We think we have a facility

1 that everyone can be proud of, the Board, the city and
2 the Commonwealth. We'd also like to especially thank
3 all the Board staff for all the hard work that they
4 have expended in getting us to this point.

5 With me this morning is Randi Beck, who's
6 vice-president of operations, and George Mancuso,
7 vice-president of slots. Randi is going to give you
8 an update on the facility and the project and go
9 through some photographs of the facility, and George
10 is going to go over the gaming floor. And with that,
11 Randi?

12 MS. BECK:

13 Thank you very much. Randi, R-A-N-D-I,
14 Beck, B-E-C-K. Good morning. Thank you so much for
15 having us here. We received our temporary Certificate
16 of Occupancy. It was issued on August 30th, 2010. So
17 all construction has been completed, and we just
18 continue to work through a list of punch items. And
19 with your approval today, we'll be real happy and
20 ready to be open in one week from today.

21 The total development cost of the project
22 was \$385 million, hard construction at \$82 million.
23 The payroll would be associated construction just shy
24 of \$37 million, and 492 construction jobs were
25 created.

1 So this picture here is the porte cochere
2 for the valley entrance, also calling it our main
3 entrance. The porte cochere is beautiful. Roughly 50
4 cars, I believe, can be in the porte at any given
5 time, and we expect that a portion of our guests will
6 enter through this entrance.

7 This is pit two, I believe. As you can
8 see, the lighting has just been entered. It's color
9 changing, beautiful lighting, really excellent
10 features. Our high-limit lounge will take care of our
11 VIP guests, where they can relax and watch a game, for
12 instance, eat, just take a break from the gaming.

13 This is a picture of the gaming floor
14 with our signage, directional signage. And our rear
15 table pit, which is just in front of our restaurant,
16 which is The Refinery. This is our self-park
17 entrance. And this is the scaping along the back of
18 the casino, along the Delaware River, public access.
19 It's beautiful, just gorgeous.

20 So right now we have --- our team member
21 count is 1,005, with the expected number to be 1,081.
22 The current breakdown, 38 percent minorities, 46
23 percent women, 55 percent Philadelphia residents, 68
24 percent Pennsylvania residents. Our management team
25 is roughly 60 people. And again, the current

1 breakdown, 28 percent minorities, 47 percent women, 20
2 percent Philadelphia residents, 33 percent
3 Pennsylvania residents. 156 dealers graduated from
4 dealer's school. We're real excited about that
5 number. Thirty-nine (39) percent minorities, 40
6 percent women. Seventy-four (74) percent Philadelphia
7 residents, 90 percent Pennsylvania residents.

8 Our total purchases through Q2 is \$77
9 million. And 98 percent of those total purchases were
10 from minority women and local business vendors.
11 SugarHouse is committed to working with the local
12 vendors. We can see some of our vendors on here. My
13 favorite one, which is not on here, is Groves Bakery.
14 That's the one we left off, and they have the best
15 cupcakes. So we'll be having them.

16 The SSD District, we're excited that
17 we're able to give money to this district. We made a
18 payment of \$175,000 last year, October 8th, and we
19 will be giving our first post opening payment of
20 \$500,000 this October. So we're excited about that,
21 being a part of the community.

22 Our test nights are coming up to this
23 Monday, 4:00 to 10:00, and Wednesday, 2:00 to 8:00.
24 All proceeds from our test night go out to our charity
25 departments. We have the Abramson Cancer Center,

1 University of Pennsylvania, Fraternal Order of Police
2 Survivor's Fund, the Greater Philadelphia Traditions
3 Fund and the Philadelphia Veteran's Multiservice
4 Education Center. George, do you want to walk them
5 through the ---?

6 MR. MANCUSO:

7 And again, my name is George Mancuso,
8 M-A-N-C-U-S-O. And I realize that the gaming floor is
9 a lot to look at on a small screen, but I'll try to
10 give you a sense of where we stand right now. We have
11 1,600 new slots. We didn't lose a single location.
12 And 40 table games at four separate pits. If you look
13 to the left of your screen up there, that's our main
14 entrance, where most of our valet customers will come
15 in and enter the casino.

16 You can see through the main aisle. We
17 tried going down through the middle of this casino
18 because we don't have some square footage of some of
19 the other gaming floors in the state at this point.
20 We've got a nice ten-foot aisle right through the
21 center of the casino. So we feel customers are going
22 to flow through very easily.

23 And then some of the secondary arteries,
24 as you get to the middle of that screen, to the left
25 of the cage or to the right, to our valet exit,

1 actually are going right down to our restaurants. We
2 have all eight-foot aisles at those locations. All
3 the sides are nine foot, very comfortable, with slot
4 seating in all the games.

5 The different pits are scattered
6 throughout the floor. There's one coming in at the
7 main entrance to your right. You'll see a gaming pit
8 there. And then just forward of that --- it's hard to
9 see on the screen, but we have high limit area for our
10 customers with eight slot machines and eight table
11 games in there, well separated from the rest of the
12 floor, a wall that we can serve a different level of
13 customer in that space, a little higher wagerer and so
14 forth, but very nice and we're very happy to have that
15 space in this current environment.

16 Going forward down to the back of the
17 casino, which leads you to The Refinery, which would
18 be the water fountain all the way to your right, is
19 where the rest of our floor is and mostly slots. We
20 have two pits in that back area, so you get a really
21 nice sense of open space in there. And we really feel
22 that this casino has a lot of energy, excitement, and
23 I think that our guests will feel very comfortable in
24 here and we all feel proud when you see this property
25 at the level of detail and the finishes, and again,

1 feel very good about this.

2 As far as smoking, we divided it up
3 initially within 25 percent into three different
4 areas, three distinct areas, one --- the biggest area
5 being down near by the water fountain to the right of
6 your screen, including that table put, that long table
7 pit that you see, and just above that, that whole
8 space altogether. High limit --- our high limit area,
9 which is the center of the floor, half that space
10 initially will be smoking. And then just outside of
11 that space, we have a pocket of about 80 to 100 games
12 where there's smoking to begin with. And then we'll
13 proceed after we get 90 days to see if we can expand
14 it to 50 percent.

15 I would also like to say, like Michael
16 said, it's kind of refreshing coming from Atlantic
17 City and being in this business for 30 years the
18 support we received from all the various regulators
19 and help in getting this operation where it is today.
20 I was used to more of a kind of very competitive, you
21 know, asking for things and being challenged. Most of
22 the time they're very, very supportive, helpful and
23 there for us, and we worked together to get to where
24 we are today. And again, it's very refreshing and
25 helpful, and I want to thank you for that. And other

1 than that --- that's just a quick kind of feel of our
2 casino. If you've got any specific questions, I'd be
3 glad to answer them.

4 CHAIRMAN:

5 Thank you. The Office of Enforcement
6 Counsel.

7 ATTORNEY MILLER:

8 Thank you, Mr. Chairman. Dale Miller for
9 the Office of Enforcement Counsel, D-A-L-E,
10 M-I-L-L-E-R. And good morning. Mr. Chairman, we have
11 reviewed the petition of HSP. We reviewed the diagram
12 of the gaming floor. We visited the casino and walked
13 the gaming floor. We have worked with HSP. And the
14 Office of Enforcement Counsel has absolutely no
15 objection to the approval of this gaming floor for
16 HSP. We do have 16 conditions that we would ask that
17 the Board impose on them. Those are pretty much
18 standard conditions we do for every casino. And we
19 wholeheartedly endorse the facility at this point.
20 Thank you.

21 CHAIRMAN:

22 Thank you. Does HSP have any questions
23 for Enforcement Counsel?

24 ATTORNEY SKLAR:

25 No.

1 CHAIRMAN:

2 Thank you. Questions from the Board?
3 Commissioner McCabe?

4 MR. MCCABE:

5 I just have two questions. One is do you
6 have enough gaming employees licensed at this time to
7 be able to open or do we need to get some more
8 employees licensed?

9 ATTORNEY SKLAR:

10 We're working through with staff getting
11 the requisite number of employees licensed.

12 MR. MCCABE:

13 Including managers?

14 ATTORNEY SKLAR:

15 Including managers, supervisors.

16 MR. MCCABE:

17 The second question is, have you done any
18 pre-registration for players' cards or are they all
19 going to have to all do it on opening day?

20 MS. BECK:

21 We have not done any pre-registration.
22 We're going to do that on opening day.

23 MR. MCCABE:

24 From some of our experiences in the past,
25 that's a mess on opening day. You'll have lines all

1 over the place and people getting upset if they have
2 to wait two or three hours to get a players'
3 scorecard.

4 MS. BECK:

5 We do have --- we have 65 handheld units
6 that I guess they could call --- we'll have staff that
7 are back of the line feeders to kind of keep people
8 off. We also have satellite stations that were
9 approved to expedite the process of signing up. And
10 we understand we are going to make as much as
11 possible.

12 MR. MCCABE:

13 Good. Thank you. We're a little bit
14 more experienced today than we were three or four
15 years ago. Counting temporaries, for opening night.
16 Thank you.

17 CHAIRMAN:

18 Commissioner Sojka?

19 MR. SOJKA:

20 Yes. I just have a few quickies. You
21 gave us some employment numbers, 1,009 and more than
22 that. Are those FTEs or headcounts?

23 MS. BECK:

24 Those are headcounts.

25 MR. SOJKA:

1 Do you know how many full-time FTEs that
2 translates into?

3 MS. BECK:

4 I guess if I had a calculator, I would
5 say .94

6 MR. SOJKA:

7 494.

8 MS. BECK:

9 .94.

10 MR. SOJKA:

11 .94. It's that high?

12 MS. BECK:

13 So every headcount --- every person is
14 equivalent to .94 of an FTE. So ---.

15 MR. SOJKA:

16 So you're pretty close to a thousand
17 FTEs?

18 MS. BECK:

19 A thousand I would say.

20 MR. SOJKA:

21 So that's a real impact. The access to
22 the river, which is a very important thing because the
23 citizenry of Philadelphia has not had access to the
24 Delaware River for a long time, does your access back
25 there connect to any other walking opportunities or

1 does it end at your property line on both ends?

2 MS. BECK:

3 I believe it ends and there's CSO ---
4 there's a CSO or the gully of water. So because of
5 that, it doesn't connect to the park, which I guess
6 ultimately we'd love it to connect to the park. So it
7 really just does wrap around. And then it has the
8 public walkways going up to Delaware Avenue.

9 MR. SOJKA:

10 And those are accessible by people who
11 may not have anything to do with the casino? This is
12 simply the people who want to access the river?

13 MS. BECK:

14 Absolutely.

15 MR. SOJKA:

16 Okay. How many different ways can you
17 get onto your gaming floor? You have the big way
18 through the porte cochere.

19 MS. BECK:

20 Right. So we have the porte cochere,
21 then we have the self-park entrance, and we have valet
22 departure, which you can certainly get in. So I would
23 say that would be three from a public access ---.

24 MR. SOJKA:

25 Okay. So you'll be able to limit your

1 access to three places because in each of those it
2 looks like the gaming floor is right up against the
3 entrance. Do you have any special plans for being
4 able to control the crowd coming in to check for age
5 and so on?

6 MS. BECK:

7 So very early on we will have many
8 officers at those posts. So the valet departure is
9 very small. We don't expect that to be accessed.
10 There's only one parking lot across the departure for
11 guests to come in there. So we expect that to be
12 somewhat limited. However, it will be posted.

13 MR. SOJKA:

14 Okay. That's good.

15 MS. BECK:

16 And then the large entrance at the valet
17 porte, we would post between four and five officers to
18 --- with ID checkers, and they will ---.

19 MR. SOJKA:

20 And banding ---?

21 MS. BECK:

22 Yes. So we have --- I actually saw the
23 board today to be --- so when the police come in, they
24 will see a security notification board, and it will
25 have the wristband color of the day and also the date,

1 which a guest could be on our gaming floor. So really
2 seeing it is different than --- every day you see that
3 date, you know what you're looking for. With that
4 said, all of our officers who are at the entrance post
5 will have ID checkers which will pick up underage and
6 non-valid, with the officers absolutely being trained
7 on gaming, to not rely on just the age you need to
8 look at the picture, too. So that's some of our in-
9 depth training we're going through now.

10 MR. SOJKA:

11 And I have one final question. You have
12 parking. We have had some issues. Before you open
13 the door to any customers, are you going to have any
14 signage or any information telling people they should
15 not leave their children in the car when going to a
16 casino? Will you have that before there's a problem?

17 MS. BECK:

18 Yes. We haven't --- we talked about this
19 just like everybody else in the State. It's ongoing.
20 And as a casino employee and a parent, I am, well,
21 appalled. We are posting in the parking lot, in all
22 of the parking lots. We're calling it gentle signage,
23 as you know, we're going to be here tomorrow. Please
24 enjoy your children today. We patrol the areas. We
25 have bike patrol. We also have golf cart patrol and

1 vehicle patrol. So we are taking this exceptionally
2 seriously, exceptionally seriously.

3 CHAIRMAN:

4 Commissioner Ginty?

5 MR. GINTY:

6 Just one follow-up. Are you coordinating
7 with the Philadelphia Police Department on this matter
8 as well?

9 MS. BECK:

10 Yes. We have --- our Director of
11 Security, Anthony DiLacqua, has been in touch with ---
12 had to bring the paperwork. There's so many people.
13 The traffic unit will be here from a control
14 standpoint. Mike Crand (phonetic) of the 26th Police
15 District will help us patrol. Inspector Webstaff from
16 Civil Affairs will be there to help us look as a ---
17 we'd like to say we see people coming in with children
18 in the car. I think that the best thing that we will
19 do with their support is really get our guys out there
20 and have a very systematic up and down the aisle
21 approach to children. But we do have the support of
22 the Philly PD. And actually the State Police as well
23 will be there for the first couple of weeks to assist
24 us with that. We are exceptionally serious about
25 that.

1 CHAIRMAN:

2 Commissioner Trujillo?

3 MR. TRUJILLO:

4 I guess I'd like to hear a little bit
5 more than --- more detail about what you're going to
6 do. I'd like to know in detail when the patrols are
7 going to be out there. And then separately from
8 patrolling and signage, I'd like to know what you're
9 going proactively with respect to any of the
10 information you might have about the player. And
11 specifically what I'm concerned about is falling. You
12 are located in the most --- the saturation of
13 population in Pennsylvania.

14 What I am becoming increasingly concerned
15 about is that casinos in Pennsylvania are very
16 different than Las Vegas. If a family goes to Las
17 Vegas or a company goes to Las Vegas and they lose a
18 hundred to two hundred dollars a day and then they
19 come back, then that's one thing. If you are half a
20 mile away from a casino, it is --- it is not a
21 destination. It's in your backyard. And so it seems
22 to me that there has to be a different approach with
23 respect to problem gambling and with respect to the
24 connection of children in this respect. And so what I
25 would like to know is beyond --- one, I do want to

1 know when you're patrolling every 15 minutes, every 30
2 minutes, every hour, I want to know precisely what the
3 sign says.

4 And third, I'd like to know what, if
5 anything, you're doing with respect to the information
6 available to you whether by your players, the card.
7 For instance, you will maintain some level of
8 information about the amount of play players are
9 engaged in. Will that cause any red flags to go up if
10 you have somebody who is spending every single day
11 there, and in that case, do you intend to do anything
12 with respect to intervention about somebody
13 potentially having a problem with problem gambling. I
14 know that's a multi ---

15 MS. BECK:

16 That is a ---

17 MR. TRUJILLO:

18 --- part question, but ---

19 MS. BECK:

20 --- big question.

21 MR. TRUJILLO:

22 --- it's really in three parts. It's
23 specific as to the patrols, signage, and then
24 proactive measures you might be taking.

25 MS. BECK:

1 So I would have to give you the specific
2 verbiage on the sign. That is going to be definitely
3 sent to you. I don't really have it in front of me.
4 And they are in production and they are in all of our
5 parking lots. So we did place them. You can imagine
6 that --- so everybody --- the in and out of parking
7 lot is when they're rolling in or rolling out of
8 either parking lot. And it is as a guest would be
9 walking out, the signage is facing them. So it's
10 really as in-your-face as it can be. But I will have
11 to get you that exact verbiage, which I can send to
12 you.

13 MR. TRUJILLO:

14 Okay.

15 MS. BECK:

16 The responsible gaming piece, all of our
17 employees, as we speak, starting today, are going
18 through responsible gaming training and are training
19 to listen for --- I guess you could say warning signs
20 that a guest might be in trouble, that it is a high
21 frequency market, to my knowledge. We don't typically
22 go in and purge and say who has been here every day.
23 To my knowledge, we don't do that. But we do listen
24 for those key words that customers say that pertain to
25 mortgage or something like that. And our employees

1 are trained to react and get their supervisor. Well,
2 we don't overreact. We do not just have a
3 conversation with guests, see that they might be in
4 trouble and then we take measures through just a
5 couple of key managers on property who are super
6 trained to deal with those guests. So to my
7 knowledge, we don't look for high, frequent trip
8 gamers, to my knowledge. I'm sorry.

9 MR. TRUJILLO:

10 Yes, patrol and also if you're going to
11 take any other proactive measure ---?

12 MS. BECK:

13 Yes. So I would be --- to say that
14 patrol will be constant, I know that's not really that
15 good. Our bike patrol is 24/7. I will tell you that.
16 We will really aim to put two bike patrol. I'd like
17 to see two people on bikes at any given time just so
18 they support each other. Our golf cart will be
19 manned. The bike will be very effective, though,
20 because you can look. The golf cart, you're kind of
21 going in and out. But bike patrols can actually
22 really drive up and peer in windows and look for
23 children. Again, I would say that it's patrolled
24 constantly.

25 And also, the surveillance cameras, while

1 they won't detect --- they could potentially detect a
2 child in a car. They couldn't zoom in to see the foot
3 that was over at the Hampton waterfront. So they do
4 --- they are able to zoom. Will they be able to pick
5 up children? I'm not sure. They can certainly pick
6 up a guest, though, who is kind of dabbling in maybe
7 their backseat, which is kind of awkward and throw out
8 the red flag to send security right over.

9 MR. TRUJILLO:

10 And are there any other proactive
11 measures you're taking beyond the patrolling and the
12 signs then?

13 MS. BECK:

14 Other than, you know, looking at every
15 car as they're coming in. I would say that that would
16 be an extreme measure. If we have an issue --- we
17 believe that we are going to have a very good handle
18 on it. I would say if by some reason --- we could
19 post an officer and really stop --- you know, with
20 cars coming a little bit, you kind of --- you know,
21 thank you. That could happen, I would say.

22 MR. TRUJILLO:

23 But that's not going to happen ---?

24 MS. BECK:

25 We are not posting the entrances, no.

1 MR. TRUJILLO:

2 I think given what's happened in the past
3 three months, I think it's incredibly unwise. And
4 given the space constraints that your facility has,
5 and we have talked I think two months ago we spoke, in
6 fact, when the Board voted on the expansion to the
7 1,600 machines, we talked about the fact that our
8 expectation would be likelihood space constraints and
9 that appears to be the case, given what we've seen
10 with table games. So I would like --- you know, I
11 feel that it would be incredibly unwise to wait until
12 something happens before you start posting the
13 entrances. That's all I have, Mr. Chairman.

14 CHAIRMAN:

15 Thank you. I have a couple questions.
16 Can you give us an update on the road construction? I
17 know that was an issue with the city, with the
18 neighborhoods and what you've done to Delaware Avenue
19 and the ingress and egress.

20 MS. BECK:

21 Delaware Avenue is up and running. All
22 the lights are operational, both --- from both
23 directions. The I-95 ramps that were under
24 construction are now open and fully operable to the
25 traffic flow of --- both from the north and south are

1 coming out on Delaware Avenue now. And the signage is
2 going up as we speak, directing guests to the right
3 --- how to get to SugarHouse. We will also have
4 directional cars for our guests so they can easily get
5 out of SugarHouse and know which way they are going.
6 So that is --- has been completed.

7 CHAIRMAN:

8 I was down there the other day, as you
9 know, and I don't have a reference because I'm not
10 from Philadelphia, but was the road --- I mean, as I
11 understand it, as I recall, I think it's three lanes
12 now in front of the casino. Was it always three lanes
13 or was it two lanes before and now made three lanes
14 or --- can you give us a little update on that and
15 some background?

16 MR. MANCUSO:

17 There was three lanes before.

18 CHAIRMAN:

19 Okay.

20 MR. MANCUSO:

21 The only thing that I've noticed done out
22 there currently is maybe some landscaping done in the
23 center, separating those two lanes of the highway.
24 But I can tell you it's much better. It's been
25 improved, the road condition, getting on and off. The

1 access we're creating to get in the property and
2 safely and to be able to cue some traffic, which at
3 times, you know, during opening that's going to be the
4 difficulty, which we wish we could have put different
5 measures in to check for children. But the challenge
6 will be getting customers in quickly and also checking
7 cars. But there's some point I'm sure that we can
8 achieve that goal as well, maybe a little bit further
9 in once they get off the road. It's much improved.
10 Been there three years and traffic flows very quickly
11 there. There's times which traffic is getting out
12 from the State, and at that point, all the issues of
13 95 and getting out should be staying out of the
14 neighborhood, which was a big concern. So much
15 improved.

16 CHAIRMAN:

17 On the current employment numbers that
18 you have, a couple comments. Number one, I do want to
19 congratulate you on the number of minorities and
20 women. You know, your numbers --- of the total team
21 member count and the management count, which we pay
22 attention to, as you know, and is very important to
23 this Board, are some of the highest we've ever seen,
24 and so I congratulate you on that.

25 The Pennsylvania resident number on both

1 the team member and the management team are not what
2 we typically see. And can you talk a little bit about
3 why those numbers are what they are. The team member
4 PA counts is 58 percent. Our average is about 94
5 percent. And then also the management team is 33
6 percent. And obviously, I suspect that most of those
7 folks are coming from New Jersey. But can you tell us
8 a little bit about why those numbers aren't what we
9 typically see?

10 MS. BECK:

11 Yeah. Roughly, in the team member count,
12 roughly 200 table games people had to come from
13 somewhere else based on the experience necessary to
14 deal or supervise in the State. So that's for us ---
15 it's roughly 200 people --- 20 percent are just in
16 that table game count. So you know, it's a little
17 ---. We thought about it too but then when we did the
18 math, it was just the table game, particularly the
19 supervisor number. There's nowhere else to pull from
20 at this time. We expect, though, we are really
21 committed to growth from within. A really big deal
22 for us. It's great for morale. It's just great for
23 advertising. And we expect that that number --- as
24 table game positions open up in the supervisor ranks,
25 that that would come from these new dealers. These

1 new room dealers, the dealers who hear from Atlantic
2 City. They are not really interested in becoming
3 supervisors. That's why they'll do great to cultivate
4 any growth. And we expect those numbers over time
5 shortly after to skew up.

6 CHAIRMAN:

7 On your procurement numbers, the \$77
8 million that you purchased to date, we --- and I know
9 that we've done this before or if you've provided
10 this, and if you have I apologize, but we like to see
11 how much of that money is being spent in Pennsylvania.
12 So I'm going to ask you for three numbers. I would
13 like the total procurement in Philadelphia, the total
14 procurement in contiguous counties to Philadelphia,
15 and then the total procurement in Pennsylvania. So of
16 that \$77 million Philly, contiguous counties to
17 Philly, and then Pennsylvania, a number. And you can
18 send that directly to me if you want.

19 My last comment, just to follow up on
20 Commissioner Trujillo's comments about the parking lot
21 patrols, I do agree, you know, a bike patrol, you
22 know, --- having been there this week, a bike patrol I
23 think would be effective. I would like to say that,
24 you know, these patrols are often diverted into doing
25 other activities, what we found in other casinos in

1 Pennsylvania. This is something that we are going to
2 pay attention to. And it is an issue of deep concern
3 to the Board. I would like to have a commitment from
4 you that --- and I want to back up for a second. Did
5 I hear you say that there were going to be two bike
6 patrols 24/7 or one bike patrol 24/7?

7 MS. BECK:

8 Well, in my --- I don't really like to
9 put an officer outside on a bike by himself. That's
10 my experience from Atlantic City. So I will tell you
11 we will commit to two 24/7.

12 CHAIRMAN:

13 If there are going to be two bike patrols
14 24/7, obviously that's better than one, and we like to
15 hear that, but I want a commitment from you today that
16 those bike patrols will be exclusively used for
17 patrolling the parking lot, that those folks are not
18 going to be diverted to go run some errand for
19 somebody or to, you know, go on some other issue,
20 they're going to be bike patrol and they're going to
21 be devoted to security in the parking lots. I want
22 that commitment to be hard and fast and that those
23 folks are not going to be diverted to do other duties
24 at the casino. Yes, Commissioner Sojka?

25 MR. SOJKA:

1 Yes. I have one small concern, Chairman
2 Fajt, with regard to that. I am completely in
3 agreement with you in asking that commitment, that
4 there be two officers committed to security, but you
5 know that I'm excited about and pleased about the
6 access to the riverfront. But that's open all the
7 time, too. And it seems to me that maybe rather than
8 ask for the commitment absolutely for the parking lot,
9 that there ought to be realization that that area
10 needs to be patrolled as well.

11 CHAIRMAN:

12 All right. I'm fine with that. Can we
13 have that commitment?

14 MS. BECK:

15 Yes.

16 CHAIRMAN:

17 Thank you. That's all the questions I
18 have. Anything else?

19 MR. TRUJILLO:

20 I have just one follow-up, not on that
21 precisely, but what individual at SugarHouse is
22 responsible for your problem gaming?

23 MS. BECK:

24 I think our responsible gaming --- I
25 think we call it the ambassador, I believe is Rose

1 Cook. Do you think so, George?

2 MR. MANCUSO:

3 I haven't been given that, Randi, so I'm
4 not sure.

5 MS. BECK:

6 I think it's our table games director,
7 Rosemarie Cook, but we can follow up.

8 MR. TRUJILLO:

9 If you can confirm that.

10 MS. BECK:

11 Absolutely.

12 MR. TRUJILLO:

13 Thank you.

14 CHAIRMAN:

15 And I do have one last question. I
16 apologize. The number of cameras in the lot, did I
17 hear you say that you do have cameras in every parking
18 lot?

19 MS. BECK:

20 Yes, we have surveillance in every
21 parking lot.

22 CHAIRMAN:

23 And you also have surveillance out on the
24 back promenade?

25 MS. BECK:

1 We have surveillance on our --- The
2 Refinery has the patio, so I'm going to assume,
3 because they're can tilt cameras, that we do, but I
4 will confirm how many are out there.

5 CHAIRMAN:

6 If you could, please.

7 MS. BECK:

8 Absolutely.

9 CHAIRMAN:

10 Any other questions? Okay. Thank you
11 very much.

12 MS. BECK:

13 Thank you.

14 MR. MANCUSO:

15 Thank you.

16 ATTORNEY SKLAR:

17 Can we move the PowerPoint into evidence?

18 CHAIRMAN:

19 Yes, Counselor, we'll move that into
20 evidence. Thank you. That will conclude our first
21 hearing.

22 * * * * *

23 HEARING CONCLUDED AT 10:45 A.M.

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CERTIFICATE

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I hereby certify that the foregoing proceedings, hearing held before Chairman Fajt, was reported by me on 09/16/2010 and that I Cynthia Piro Simpson read this transcript and that I attest that this transcript is a true and accurate record of the proceeding.



Cynthia Piro Simpson
Court Reporter