

COMMONWEALTH OF PENNSYLVANIA

GAMING CONTROL BOARD

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IN RE: VALLEY FORGE CONVENTION CENTER PARTNERS'
PETITION FOR APPROVAL OF GAMING FLOOR PLAN

* * * * *

PUBLIC HEARING

BEFORE: WILLIAM H. RYAN, JR., CHAIRMAN
Gregory C. Fajt, James B. Ginty,
Keith R. McCall, Anthony C. Moscato,
Gary A. Sojka, Kenneth I. Trujillo; Members
Christopher Craig, Representing Robert
McCord, State Treasurer
Robert Coyne, Representing Daniel P.
Meuser, Secretary of Revenue
Matthew Meals, Representing George Greig,
Secretary of Agriculture
HEARING: Wednesday, February 8, 2012
LOCATION: Strawberry Square Complex, 2nd Floor
Harrisburg, PA 17101
WITNESSES: Sal Scheri

Reporter: Joshua Lee Hess

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A P P E A R A N C E S (cont.)

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KEVIN C. HAYES, ESQUIRE
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ALSO PRESENT:
MELISSA NASS, Valley Forge Executive Office

I N D E X

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OPENING REMARKS

By Chairman

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PRESENTATION

By Attorney Hayes

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By Mr. Scheri

7 - 10

QUESTIONS BY BOARD

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CLOSING REMARKS

By Chairman

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NONE OFFERED

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CHAIRMAN:

We will now move to the second hearing regarding Valley Forge's second Petition for Approval of its Gaming Floor Plan. Any new persons testifying on behalf of Valley Forge who are not attorneys, who were not sworn in previously, should be sworn before we begin.

ATTORNEY HAYES:

Mr. Chairman, there will be no additional witnesses.

CHAIRMAN:

Mr. Hayes, you can begin.

ATTORNEY HAYES:

For the record, Kevin Hayes, H-A-Y-E-S. Members of the Board, Mr. Chairman, the second matter which we would like to present for your consideration is Valley Forge's Petition for Approval of its Gaming Floor Plan. The Gaming Floor Plan, which has been designated as OP3, was prepared by Valley Forge's architect, Cope Linder. It meets all the specifications set forth in Section 467(a)(1) for the Board's regulations. Specifically the floor plan designated as OP3 depicts the location of each slot

1 machine, table game, ticket redemption unit and ATM,
2 as well as the location and type of each surveillance
3 camera which will be positioned over the gaming floor.
4 In addition, this floor plan depicts the location of
5 all security areas in servicing gaming operations,
6 including the cage, count room, and armored car bay.
7 To describe this floor plan in further detail, I will
8 now turn it over to our CEO, Sal Scheri.

9 MR. SCHERI:

10 Thank you, Kevin. Sal Scheri, S-A-L,
11 S-C-H-E-R-I. I believe that our management team and
12 design teams have developed an innovative casino floor
13 design, which is unique in many respects to what is
14 currently available in Pennsylvania. Our gaming floor
15 will be 33,222 square feet which is more than ample
16 room to accommodate 600 slot machines and 50 table
17 games. The focal point of the casino floor will be a
18 64-seat center bar and lounge.

19 In compliance with the Clean Indoor Air
20 Act, we will permit smoking on 25 percent of our
21 gaming floor, with the remaining sections reserved for
22 nonsmoking. The smoking and nonsmoking areas will be
23 clearly designated with conspicuous signage. Valley
24 Forge has invested in a sophisticated HVAC system.
25 It's an energy recovery system, which will remove or

1 replace the air on the casino level, 14 times every
2 hour.

3 I am pleased to report that the Gaming
4 Board's offices are located immediately adjacent to
5 the gaming floor and the back of the house areas. We
6 believe that this is an ideal location, which provides
7 the casino compliance officers with easy access to the
8 gaming floor and the gaming public.

9 I would direct your attention to this
10 slide, which shows a public version of a gaming floor
11 plan. Here you see the main entrance, which is
12 located at the bottom of the slide. And you can see
13 the entrance and the electronic games where you will
14 enter the casino. It also depicts the center bar,
15 which is a good point of reference. The high limit
16 table games area to the right, all the way to the
17 right of the plan, the high limit slot area, which is
18 your top left of the plan. And if you were to look to
19 the left, it's not depicted on this screen because
20 it's part of the back of the house area. But the PGCB
21 offices are to the left of the high limit slot area.

22 On the next two slides you will see our
23 artists' renderings of our gaming floor plan. And the
24 focal point of our gaming floor is the 64-seat center
25 bar and lounge area. You can see that it is actually

1 is a very good depiction of the carpet which has
2 already gone down. And it's nearly --- I'd say it's
3 probably about 75 percent complete down. And really
4 when you see the carpet and how it comes together with
5 the flooring of the center bar, it really is a great
6 dynamic area. We're very excited. We can't wait to
7 see it with the table games there as well.

8 If you notice a little bit here and then
9 I think on our next --- maybe our previous slide, are
10 the ceilings. If you recall, Valley Forge Convention
11 Center --- there is the slide, thank you --- had some
12 very high ceilings. They were called coffers. We had
13 five of them. And the ceiling heights were very high,
14 actually a little too high for the operation. So, our
15 designer created this ceiling with four different
16 reliefs, if you will, or levels. And it's in a waved
17 pattern almost. And it matches up with the carpeting.
18 It matches up with the wall coverings. And it really
19 just all ties together. So, it's really dramatic. As
20 you walk into the facility and you reach these areas
21 with the higher ceilings, it just feels like it opens
22 up to you. And it's very welcoming. And that's
23 really the goal of what we're trying to create here.

24 Because we are a smaller facility, we
25 want to create an area and experience that was really

1 in line with a different kind of customer, a resort
2 customer. So, someone that's coming, staying in a
3 hotel, meeting at a convention or a wedding, something
4 like that where they would actually have an
5 opportunity to visit multiple times, we didn't want
6 them to feel that it was just repetitive. So, it was
7 almost like each area you go into is a little bit
8 different. And we're a little bit excited, so it kind
9 of keeps them coming back. They come back to visit us
10 either, you know, in a month, or maybe they're
11 attending an annual meeting. It doesn't get old. And
12 that was the whole design. And I think we're on our
13 way to accomplishing that.

14 Again, thank you for your time and I will
15 turn it back to Kevin. I'd be happy to field any
16 questions you may have regarding this petition.

17 ATTORNEY HAYES:

18 Thank you, Sal. In light of the
19 testimony which you've heard here today, I would
20 respectfully submit that the Board approve Valley
21 Forge's Gaming Floor Petition and permit the
22 Petitioner to make 50 tables and 600 slot machines
23 available for play during its test nights and upon the
24 opening of the licensed facility. Also in connection
25 with this petition was a Motion to Protect

1 Confidential Information which included the gaming
2 floor plan itself. I would respectfully request that
3 that be approved as well. At this time we would be
4 happy to field any questions from you or the Office of
5 Enforcement Counsel (OCC).

6 CHAIRMAN:
7 Enforcement Counsel?

8 ATTORNEY MILLER:

9 Mr. Chairman, we have no questions. We
10 also have no objections to the plan; however, subject
11 to 19 recommended conditions, which we filed as part
12 of our answer, and we have nothing further to say.

13 CHAIRMAN:
14 Any members of the Board?

15 MR. SOJKA:
16 Yeah, I have a couple.

17 MR. FAJT:
18 I have questions, too.

19 MR. SOJKA:
20 Again, thank you for the detailed floor
21 plan and your explanation of it. And I know it's ---
22 we've talked about this as we looked at the coming
23 together of the whole plan. But as we actually look
24 at this floor plan, with the central entrance point,
25 and the high limit slots, where our office will be and

1 everything, can you orient this in the hotel complex
2 for me? And could you tell me for sure that there is
3 one and only one entrance point, and that's the one
4 we're looking at?

5 MR. SCHERI:

6 Sure, absolutely. If we can go back to
7 the slide. So, just let's first --- address the first
8 part of your question, which is the orientation of the
9 casino. So, at the bottom of the screen, where we
10 have --- and that's our main entrance, the bottom of
11 the screen is the main entrance. And if you were to
12 just further go below that, that would take you
13 outside the building near the room --- do you remember
14 the scanacon entrance, right there? That's where you
15 are. Okay?

16 MR. SOJKA:

17 Okay.

18 MR. SCHERI:

19 So, if that helps orient where you are.

20 MR. SOJKA:

21 Okay. Great.

22 MR. SCHERI:

23 So, that is the main entrance of the
24 casino. Just outside of that main entrance and to the
25 left, you're still inside the building, okay, and that

1 is our food court area where we have a seating for 120
2 people. And there is a lead wall that separates that
3 area from the casino. So, the only way to gain
4 entrance from that area is to go through the
5 electronic gates. That's the only way to enter from
6 that bottom area. Okay.

7 Now you asked, your second part of your
8 question was if that's the only entrance, well, no, of
9 course, it's not the only entrance and it's not the
10 only exit. There are a number of exits that are
11 emergency only exits, as part of the agreement
12 required by code. Okay.

13 Now at the top of the diagram, where the
14 high limit slot area is, there is an entrance there.
15 Okay. That entrance is a use as needed entrance. So,
16 what we have done is we've created an entrance with
17 the ability --- with cameras, with surveillance built
18 in. That in the event we have overflow coming from
19 the Radisson side of the hotel, they come down the
20 stairs and they go in there, and the way we handle
21 that is we have a security guard would be manned
22 there. That position would be manned as the entire
23 time that that entrance would be open. They would
24 have a hand-held device that would sweep. Exactly,
25 exactly.

1 MR. FAJT:

2 Okay.

3 MR. SCHERI:

4 And there's one other entrance, I'll
5 bring your attention to it. It's all the way over.
6 So, if you follow the top of that diagram to the right
7 a little bit, you'll see there's a little bit of an
8 opening. That's the employee entrance. Okay. There
9 is an opportunity for us to escort VIPs, from either a
10 performance or guests that would be attending that
11 performance, into that entrance. We see that
12 happening very rarely. But in the event we do, we
13 have cameras, the exact same situation, staffed by a
14 security guard and with a portable swipe device. And
15 that person still has to meet all the access
16 requirements.

17 MR. SOJKA:

18 That's a very complete answer. And that
19 makes me feel better. Thank you. The other issue is
20 we repeatedly at virtually every one of our facilities
21 get complaints about air quality and smoking. And
22 you've got your data about how much. Mr. Hayes, you
23 mentioned 14 turnovers per hour of the total volume.
24 But you mentioned something about an energy
25 conservation system. Does that mean you're holding

1 the heat or you're holding the cooling?

2 ATTORNEY HAYES:

3 That was actually Mr. Scheri. HVAC is
4 well out of my expertise. So, I'm going to hand that
5 over to Sal.

6 MR. SCHERI:

7 The system that we have purchased it's a
8 very sophisticated and high tech system that uses a
9 combination of outside air and recovers the energy
10 that we are --- when we take air out of the casino, we
11 use that air to condition the air that's coming in.
12 The way that happens is it's not that oh, this is the
13 smoky air that we're taking out of the casino and it's
14 mixing with that air. No, it's not that at all. It's
15 the temperature. There's coils that go through it.
16 And it's warming or cooling the air as it comes in.
17 And that is actually a very efficient way to do it.

18 MR. SOJKA:

19 Okay. That is helpful. Again, just for
20 industry standards, is the 14 times turnover per hour
21 considered to be a very high flow, compared to what
22 most people would have?

23 MR. SCHERI:

24 We consider it to be very high.

25 MR. SONJKA:

1 It sounds like it. Thank you. That's
2 it.

3 CHAIRMAN:

4 Anyone else from the Board? Greg?

5 MR. FAJT:

6 Yeah. One quick follow up to Gary's
7 comment was about the air quality. And as I said to
8 you, Mr. Scheri, when we toured your facility, it is
9 still the number one complaint by far of casino
10 patrons. So, I appreciate what I heard today about
11 your ability to clean the air. Obviously there's some
12 concern because of the small nature of your gaming
13 floor, smoke doesn't stop at the end of the smoking
14 section. So, that's something that we will pay
15 attention to. So, thanks for your comment.

16 CHAIRMAN:

17 Okay. Anything else from the Enforcement
18 Counsel?

19 ATTORNEY MILLER:

20 No, sir.

21 CHAIRMAN:

22 Okay. Thank you all very much.

23 ATTORNEY HAYES:

24 Mr. Chairman, before the record
25 closes ---

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CHAIRMAN:

Yes.

ATTORNEY HAYES:

--- I just again would request that the PowerPoint presentation be entered into the record.

CHAIRMAN:

That will be taken into consideration, sir.

ATTORNEY HAYES:

Thank you very much.

CHAIRMAN:

The matter is now closed. We will also consider this during our executive session later this morning. Thank you all.

* * * * *

HEARING CONCLUDED

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CERTIFICATE

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I hereby certify that the foregoing proceedings, hearing held before Chairman Ryan, was reported by me on 02/08/2012 and that I Joshua Lee Hess read this transcript and that I attest that this transcript is a true and accurate record of the proceeding.



Court Reporter