

COMMONWEALTH OF PENNSYLVANIA

GAMING CONTROL BOARD

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IN RE: LICENSE RENEWAL PUBLIC INPUT HEARING

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HEARING

\* \* \* \* \*

BEFORE: LINDA S. LLOYD, Presiding Officer  
David M. Barasch, Chairman  
Sean Logan, Commissioner  
Obra S. Kernodle, IV, Commissioner  
Dante Santoni, Jr., Commissioner  
T. Mark Mustio, Commissioner

HEARING: Monday, May 6, 2019  
3:10 p.m.

LOCATION: Penn State at the Navy Yard  
Building 7R  
1101 Kitty Hawk Avenue  
Philadelphia, PA 19112

WITNESSES: Reginald Wilkins, Joe Weinberg, Zed  
Smith, Richard Hayden, Saul Ewing  
Reporter: Danielle Breslin

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JAMES ARMSTRONG, ESQUIRE

PA Gaming Control Board

1001 East Hector Street

Conshohocken, PA 19428

Counsel for OEC

MARK S. STEWART, ESQUIRE

Eckert, Seamans, Cherin & Mellott, LLC

213 Market Street

8th Floor

Harrisburg, PA 17101

Counsel for Live! Casino & Hotel

ALSO PRESENT:

Zed Smith, Coo, The Cordish Companies, Principal in  
Stadium

Travis Lamb, General Manager, CFO

Richard Hayden, Esquire, Saul Ewing Arnstein & Lehr

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

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PRESIDING OFFICER: Good afternoon,  
everyone. I'm Linda Lloyd and I'm the Presiding  
Officer here to conduct this portion of the Category  
2 License Renewal hearing for Stadium Casino, LLC.

So, before we begin, if we could all  
please turn off our - to vibrate all of our various  
electronic devices.

This is a court proceeding, so - and  
it's being recorded today by a court reporter, and  
it's also being recorded on video and being streamed  
live on our Board's website.

So, I call the hearing to order. The  
date is Monday, May 6th, 2019, the time is 3:02 in  
the afternoon. And the location is Penn State at  
the Navy Yard at 1101 Kitty Hawk Avenue, Building 7R  
in Philadelphia, Pennsylvania.

The Pennsylvania Racehorse Development  
Gaming Act, as amended, requires, at Section 1326,  
that an Operator's License shall be subject to  
renewal by the Board every five years. This License  
Renewal hearing is convened by the Board pursuant to  
the mandate found at Section 1205(b)(1) of the  
Gaming Act, that requires, as part of the renewal

1 process, a public hearing in the municipality where  
2 this licensed facility is located.

3 This public hearing was advertised on  
4 the Board's website, announced at the Board public  
5 meetings and advertised in local newspapers.

6 Present with us today, Board Members  
7 to my immediate left is Chairman Barasch. And down  
8 the line is Chairman Kernodle - or I'm sorry,  
9 Commissioner Kernodle, and Commissioner Logan. To  
10 my immediate right is Commissioner Santoni, and next  
11 to him is Commissioner Mustio.

12 The hearing will begin with the  
13 presentation by Stadium Casino. And after that the  
14 Board's Office of Enforcement Counsel (OEC) and  
15 Board Members will have an opportunity to ask  
16 questions of Stadium witnesses. And after that, our  
17 OEC will be provided an opportunity to make any  
18 presentation they wish to make.

19 After the closing of testimony and  
20 evidence from the parties, those individuals who  
21 have registered to speak today during the public  
22 comment period will - heard as their name is called,  
23 all registered speakers will have five minutes for  
24 their comments.

25 This is an official administrative

1 hearing, so please treat this as if you were  
2 attending a court proceeding. Please speak loudly  
3 and clearly into the microphone, so that the court  
4 reporter and others can hear what you have to say.

5 So, let's begin by having all  
6 witnesses from Stadium and the OEC, who will testify  
7 today, please stand and raise your right hand to be  
8 sworn by the court reporter.

9 ---

10 WITNESSES SWORN EN MASSE

11 ---

12 PRESIDING OFFICER: And please begin.

13 MR. WEINBERG: Well, thank you, and  
14 good afternoon. My name is Joe Weinberg, and I'm a  
15 Principal in the Cordish Companies and managing  
16 member of Stadium Casino, LLC.

17 To my right, with us is Zed Smith, who  
18 is the Chief Operating Officer of The Cordish  
19 Companies and a Principal in Stadium. And to my  
20 left is Travis Lamb, who is the General Manager and  
21 also corporate CFO. And to his left, Mark Stewart,  
22 who is General Counsel.

23 Thank you so much for having us here  
24 today. It's hard to believe five years have tolled  
25 since we started this process, but we're very

1 excited to be in the position that we are, where  
2 we're under construction and moving on the project.

3 I'm going to start by just giving you  
4 a quick recap on who we are as a company. As I  
5 think you all may remember, The Cordish Companies,  
6 we're over a hundred year old privately-held  
7 company. We work in a lot of different product  
8 areas in addition to gaming. Everything from hotel  
9 and hospitality to restaurants, office, residential.

10 We do a lot of work with major league  
11 sports franchises around the country, building major  
12 entertainment, mixed-use districts around sports  
13 complexes. We're partners with the St. Louis  
14 Cardinals in St. Louis, with a very large  
15 entertainment district called Ballpark Village.

16 We opened not too long ago with Texas  
17 Rangers, between the Texas Rangers Stadium and  
18 Dallas Cowboys Stadium, Texas Live. And so this  
19 project of the Live! Casino & Hotel that we're  
20 developing in the Stadium District in Philadelphia  
21 utilizes a lot of the elements and expertise of the  
22 company from all these product types.

23 And our overall vision, as you'll see  
24 here, this is the overall Stadium District site  
25 where the new casino hotel will be located. But our

1 vision for the overall Stadium District is to create  
2 a very unique one-of-a-kind entertainment sports  
3 gaming hospitality district.

4                   And so I'll talk a little bit about  
5 some of the development we're doing outside the  
6 casino parcel and move into the casino parcel as  
7 well.

8                   We are developing, as part of our  
9 joint venture with Comcast Spectacor, on the parcels  
10 adjacent to Wells Fargo. We have Xfinity Live on  
11 that parcel and we've also announced the development  
12 of a 200,000 square foot office building called  
13 Pattison Place, which you see in front of you.

14                   Pattison Place will be part of  
15 creating a pedestrian district around the Wells  
16 Fargo. You see some images here of the  
17 streetscapes.

18                   In addition, we've announced the  
19 development of what will be the first dedicated  
20 e-sports arena in the country. It's called Fusion  
21 Arena. This will be adjacent to Xfinity Live. This  
22 will be a 3,500-seat arena dedicated to e-sports.  
23 And here's some of the renderings of what that  
24 facility will look like.

25                   So, before we get into the actual

1 hotel casino itself, again, the overall district is  
2 going to be one that has every major league sports  
3 franchise represented, e-sports, a mix of  
4 complementary entertainment office and retail uses,  
5 as well as the hotel casino. So, it would really be  
6 a one-of-a-kind destination.

7           Just to give you a little bit of  
8 background, just to remind you of the history of the  
9 project. We obtained our zoning use approvals in  
10 January of last year. We closed on the Holiday Inn  
11 property in January of last year. Submitted  
12 construction drawings to the city in April. We  
13 obtained Arts Commission approval, which is part of  
14 the Building Permit process in September. And  
15 obtained our Building Permit in December of 2018.

16           We started relocation of some cell  
17 towers that were on the site and completed the  
18 demolition of the Holiday Inn in March. And we  
19 started the foundations on the property, including  
20 all our cast pylons, a lot of deep foundations in  
21 March as well, and for substantially through the  
22 foundations at this point in time.

23           When we were before you all, you know,  
24 five or so years ago, the initial budget for the  
25 project was \$450 million. The current budget for

1 the property is \$700 million. And - well, we're not  
2 here to talk about the Category 4 and the additional  
3 \$150 million for the Category 4 project.

4 So, we have a commitment of \$850  
5 million in investment in the site, which does not  
6 include any of the development we're doing on the  
7 Wells Fargo parcels with Comcast Spectacor. So,  
8 combined, well over a billion dollars of development  
9 in this Stadium District location. We have over  
10 \$234 million of equity invested to date.

11 As I mentioned, we started the  
12 demolition of the Holiday Inn in the early part of  
13 the year. Now we are completely done with  
14 demolition and foundations that are substantially  
15 complete.

16 Here is actually our first footing  
17 that was - that was poured on the site.

18 As I - sure.

19 CHAIRMAN: One quick question.  
20 Looking at the existing site, it's the lower  
21 left-hand corner is where -?

22 MR. WEINBERG: Yes, that's correct.

23 As you know, we entered into an  
24 agreement with The Phillies for shared parking on  
25 the site. As we're getting closer to construction,

1 it occurred to both us and The Phillies that there  
2 was a lot of surface parking that was not being -  
3 that use was not being maximized.

4           And so we have reduced down the size  
5 of our garage. And we'll be having a complement of  
6 both surface and structured parking on the site,  
7 which gives us the best of all worlds on this slide  
8 that you have on your deck.

9           We've broken down the parking to event  
10 days and non-event days. And so during event days  
11 we will have control of the parcels that are  
12 outlined in red in front of you. And on non-event  
13 days, substantially all of the parking that you see  
14 in red and blue.

15           So, during the majority of the year  
16 we'll now have access to substantially more parking  
17 than was originally contemplated.

18           Just to remind you, the architectural  
19 design of the project before you is a rendering of  
20 the project, looking from 10th and Packard. We have  
21 a 210-room hotel. And you know, the design is very  
22 upscale. It'll be, you know, the highest quality  
23 and be a real attraction for the area.

24           This is looking at the porte cochere  
25 of the site. You can also start to see, we have a

1 great high-impact video art piece that's under our  
2 porte cochere. It's being done by an artist named  
3 Jennifer Steinkamp, who's a very well-known national  
4 artist that's done a lot of work in the City of  
5 Philadelphia and will give a great arrival scenario  
6 for the project.

7                   Here's elevation of the project  
8 looking from 10th and Packard. And also elevation  
9 you would see if you're heading from 76. Again,  
10 because the project is so visible from all sides,  
11 it's - all four sides of the project are, you know,  
12 finished in a very upscale manner.

13                   Here's a close-up of the porte cochere  
14 and the video art that's part of the porte cochere  
15 entry.

16                   Now, I'm going to have Travis Lamb,  
17 who will take you through the gaming floor and the  
18 interior structure.

19                   MR. LAMB: Good afternoon. In front  
20 of you, you can see a layout of the casino floor and  
21 the surrounding restaurants. Just to get  
22 perspective, Packard is on the right, and 10th  
23 Street - 10th Avenue is on the top side of the page.  
24 And our porte cochere is at the bottom.

25                   Our casino floor will have 2,200 slot

1 machines, as well as 125 table games. And we have a  
2 30-table poker room. We, also, on the top side of  
3 the drawing, we have a Sportsbook, slash, sports  
4 bar. A combination of food offering, and then we  
5 plan on doing the sports - sports betting in there.

6 It will be, you know, a great  
7 experience for our guests. We have several  
8 restaurants throughout the property. On the  
9 previous slide you can see that they have exterior  
10 exposure to the public, also with signage to draw -  
11 not only the amenity to the gamers, but also to draw  
12 in new clientele for the great food and beverage  
13 offerings that we'll provide.

14 CHAIRMAN: If I could, it's very hard  
15 - we can't see that from where we're sitting.

16 MR. LAMB: Yes.

17 CHAIRMAN: In looking at the drawing,  
18 which colors represent the restaurants?

19 MR. LAMB: So, the bluish - the bluish  
20 purple, those - at the bottom is the porte cochere.  
21 To the right there's a white space, that's the fine  
22 dining.

23 MR. WEINBERG: We'll call it the white  
24 spaces.

25 MR. LAMB: Yeah, the white spaces are

1 the food and beverage. The tan space in the middle,  
2 obviously, is the gaming floor. And then our  
3 high-limit gaming areas are - it looks like an aqua  
4 color.

5 High-limit tables is on the left-hand  
6 side and high-limit slots is on the top right  
7 corner. And poker - the 30 poker tables is on the  
8 right-hand side, right off the main floor.

9 CHAIRMAN: Okay.

10 So, the white area - I'm looking at  
11 the top of the drawing, that white area between the  
12 blue or the purple and blue, that's all restaurants?

13 MR. LAMB: That is -.

14 CHAIRMAN: Left or right.

15 MR. LAMB: Yes.

16 CHAIRMAN: And then just south of the  
17 -.

18 MR. LAMB: It's a restaurant as well.

19 CHAIRMAN: That's a cage or -?

20 MR. LAMB: Yes. The cage is just  
21 south of that top right corner, where the high-limit  
22 slots are -.

23 CHAIRMAN: At the bottom right - what?

24 MR. LAMB: The bottom right is the  
25 fine dining.

1                   CHAIRMAN: That's fine dining?

2                   MR. LAMB: Yes.

3                   CHAIRMAN: Thank you.

4                   MR. LAMB: And that's - the hotel  
5 tower kind of sits over the bottom right, extending  
6 up. You can see, when you go in the porte cochere,  
7 there's a bluish space, and then a white space in  
8 the middle. And that is - that's a combination of  
9 our hotel check-in area, as well as a - yes, right  
10 there.

11                               As well as on the gaming floor side,  
12 that will be our Players Card Center.

13                   CHAIRMAN: Thank you.

14                   MR. LAMB: And the top left corner of  
15 the drawing, that's our market place. It will be a  
16 combination of six or seven different restaurants.

17                   CHAIRMAN: Heading off to the left?

18                   MR. LAMB: Heading to the left, the  
19 top left. And then that is the 10th Avenue side of  
20 the building there.

21                   CHAIRMAN: Thank you.

22                   MR. LAMB: Sure.

23                               The next couple slides give you an  
24 idea of just the level of finishes that we plan on  
25 for the public areas, as well as the hotel rooms.

1 So, our gaming floor and amenities will, you know,  
2 all have a very fine level of detail. And to make  
3 it comfortable place and really stand out from other  
4 products in the area.

5                   We have - our hotel tower consists of  
6 200 hotel rooms, and a fine level of detail here.  
7 This (indicating) is a king - king room, with great  
8 views and just great accommodations. Finest level  
9 of technology in the hotel rooms for our guests to  
10 enjoy.

11                   We also have a fitness center in the  
12 hotel tower for our guests to enjoy, as well as the  
13 next couple slides we have of our fine-dining  
14 restaurant. This really gives you a sense - you  
15 know, there will be a bar atmosphere as well as  
16 dining in this venue.

17                   This is a picture of the bar in the  
18 fine-dining restaurant. And this - this will be  
19 accessible off of the hotel lobby as well as the  
20 casino floor.

21                   This is our mid-scale casual  
22 restaurant. And as you can see, as Joe mentioned  
23 earlier there's going to be great artwork throughout  
24 the property, provides a great experience for our  
25 guests.

1                   This is a snapshot of our marketplace,  
2 yep, the Sportsbook. You can see the sports  
3 televisions in the back, not just the sports betting  
4 parlor, but provides food offerings and  
5 entertainment as well.

6                   Here's a closer look at our sports bar  
7 and Sportsbook.

8                   And with that, I will hand it over to  
9 Zed.

10                   MR. SMITH: Good afternoon.

11                   I just wanted to just take a minute to  
12 kind of run you through our Community Benefits  
13 Agreement. We spent a year, almost a year and a  
14 half working with the various communities around the  
15 sports Stadium District.

16                   If you're familiar with this area,  
17 it's very densely populated, a lot of older homes,  
18 people that have been in the community for a number  
19 of years. So, we thought it was very important to  
20 our record, to ensure that we created, in  
21 partnership with them, a benefits plan that was very  
22 meaningful to the community.

23                   So, we took our time after a lot of  
24 community meetings, many late nights. We've  
25 developed what we believe to be a very comprehensive

1 plan that addresses some of the concerns that the  
2 community has had over many years.

3                   Just a big picture, the overall  
4 economic impact to the city is 2 point - I'm sorry,  
5 \$2 billion. A hundred million dollars of that tax  
6 revenue goes to the city for the first five years of  
7 operation, including 25 to Philadelphia public  
8 schools.

9                   Contributions to these community  
10 groups over the first ten years will be \$15 million,  
11 between the construction jobs as well as the ongoing  
12 gaming operations jobs, with a total of 5,000 jobs.

13                   We really have been engaged with local  
14 contractors. I think the fact that we've been  
15 operating in Philadelphia for over ten years at  
16 Xfinity Live in and around the ballpark sports  
17 district, we have been able to really identify those  
18 quality vendors and contractors that we've enjoyed  
19 working with, we have a long-term relationship with.  
20 And we hope to engage them, as well, the Philly Live  
21 Casino.

22                   An estimated \$145 million in wages,  
23 local and diverse workforce. We've made a  
24 tremendous commitment here for the State of  
25 Philadelphia as well as for the City of - I'm sorry,

1 the State of Pennsylvania, as well as the City of  
2 Philadelphia.

3 And also, we've committed to a wage of  
4 \$12 per hour. It's a starting wage for those 12 -  
5 for those 2,000 permanent jobs.

6 Moving on to diversity and inclusion.  
7 Again, this has been a big part of what we've done  
8 as a company over many years working with multiple  
9 cities across the country.

10 The goals that you see here are very  
11 achievable. We put in a very good framework with  
12 our general contractors, with our professional  
13 service providers. Again, we've assembled the right  
14 team, I believe. And that's very important to us.  
15 It starts with the general contract, and it starts  
16 with our architects and us making the commitment  
17 upfront that these are the goals that we want to  
18 achieve.

19 So, everyone's on board with our  
20 contract duty and professional service goals. And  
21 on the hiring side, it's going to be a tremendous  
22 outreach effort on our part. We've done this  
23 before, we've - at multiple properties over many  
24 cities, I think we've got it pretty - pretty down  
25 pat.

1 Starting with apprenticeship programs,  
2 working with community colleges in the area, local  
3 universities, as well as local workforce agencies.  
4 So, we've got a pretty good program in place. Now  
5 it's just a matter of execution over time.

6 MR. WEINBERG: We have a short video  
7 that we'd like to show you that outlines our  
8 commitment to community involvement and some of the  
9 work that we've done around the country.

10 ---

11 (WHEREUPON, VIDEO PRESENTATION WAS PLAYED.)

12 ---

13 MR. WEINBERG: Thank you for bearing  
14 with us on the video, because it's an area that, you  
15 know, it is very important to us as a company and  
16 core to what we do and what we see is a privilege to  
17 do in the community.

18 Just to give you a sense of the timing  
19 on development of the Live! Casino & Hotel, we are  
20 on track to substantially complete the project in  
21 December of next year, and to open by the end of  
22 2020. As I said earlier, foundations are  
23 substantially complete. We have steel that will  
24 arrive on the site and start erecting in June.

25 We expect to be completely order-tight

1 towards the end of the year, and be up and running  
2 on the interior. So, we're on an aggressive but  
3 very achievable schedule. And everything is on  
4 target, as we speak.

5                   So, just to summarize. And I'm happy  
6 to take any of your questions. The Live! project is  
7 really going to be a world class integrated hotel  
8 casino project that is part of an overall  
9 entertainment district that doesn't exist - there's  
10 nowhere else in the United States where you have  
11 four major league teams and a world class hotel and  
12 casino all in one onsite.

13                   So, this is really going to be a  
14 unique destination for the Commonwealth as well as  
15 for the City of Philadelphia. We're very excited to  
16 be a part of it. We have a major investment, you  
17 know, in the project. \$700 million in the Live!  
18 Casino & Hotel, another \$150 million in the Cat 4 in  
19 Westmoreland County. As well as significantly more  
20 investment as part of our Comcast Spectacor  
21 relationship to the development of the office, in  
22 the e-sports arena.

23                   We have over \$234 million invested to  
24 date. And we look forward to get the project open  
25 next year. So, with that, any -?

1                    CHAIRMAN: Before we go to OEC, just  
2 some clarifying questions for the record.  
3 Initially, I guess, at the time that you got the  
4 permit, the estimated investment was going to be  
5 \$450 million. And now you're indicating it's \$700  
6 million.

7                    How much of that is an expansion of  
8 what you're doing versus cost increases that have  
9 happened over the last five years?

10                   MR. WEINBERG: Well, the initial  
11 project, we were going to keep the former Holiday  
12 Inn and renovate that. And as you'll recall, that  
13 building sat in the middle of the site, which  
14 couldn't have been in a worse location.

15                   And so as we got into the design of  
16 the project in more detail, it just became apparent  
17 to us that if we were going to have that type of,  
18 you know, project that we do as a company and that  
19 we felt was right for the market, if we should tear  
20 down the Holiday Inn, start from scratch and -.

21                   So, we quickly redesigned the project  
22 as a result of -.

23                   CHAIRMAN: Well, net-net, -

24                   MR. WEINBERG: Yeah.

25                   CHAIRMAN: - once you did that, is the

1 footprint larger? Is it bigger? Is it smaller than  
2 what you originally intended, now that you've moved  
3 it?

4 MR. WEINBERG: I will say,  
5 substantially, the cost is from increasing the scope  
6 and quality, and a small percentage of it is just  
7 escalation.

8 CHAIRMAN: And I guess a bunch of, I  
9 guess, net - tearing everything down instead of  
10 renovating was more expensive?

11 MR. WEINBERG: A lot more expensive,  
12 yeah.

13 CHAIRMAN: So, most of this has to do  
14 with moving the property, I guess, -

15 MR. WEINBERG: Yeah.

16 CHAIRMAN: - as opposed to making a  
17 much bigger casino or something like that?

18 MR. WEINBERG: The casino itself is  
19 not bigger, but the - you know, I think the  
20 amenities are more intense. And the hotel itself is  
21 a much more significant cost and structure -.

22 CHAIRMAN: Is the new hotel  
23 significantly larger, in terms of number of rooms  
24 than the hotel that you tore down?

25 MR. WEINBERG: It's not, no.

1                    CHAIRMAN:    Okay.

2                    Which relates to a related question,  
3 I'm not that familiar with that little corner of  
4 Philadelphia. Are there other significant hotels  
5 within walking distance of your casino?

6                    MR. WEINBERG:    No. Nothing at all.  
7 There's nothing at the Stadium District. There's a,  
8 you know, hotel that's part of the Naval Yard that's  
9 here. And then there's a lot of older stock near  
10 the airport.

11                   CHAIRMAN:    Uh-huh (yes).

12                   But as you head towards South Philly  
13 or further into Philly, there's nothing -?

14                   MR. WEINBERG:    Not until you really  
15 get into the Center City.

16                   CHAIRMAN:    I see. Okay.

17                   And then, last question I had was, you  
18 showed the parking of what was available on event  
19 days versus non-event days. What you adjust it  
20 with, red versus pink or red versus blue, I guess it  
21 was.

22                   The red area of parking spaces, is  
23 that what you committed to when you got the license?

24                   MR. WEINBERG:    We have - between the  
25 garage that we're building and the - it's called the

1 exclusive parking area that we have for both event  
2 and non-event days, that's, approximately, the same  
3 number of spaces that we originally -.

4 CHAIRMAN: That was in your permit.  
5 That was in your presentation for the permit?

6 MR. WEINBERG: Right.

7 And then so, we always have that. And  
8 then - but for most of the year we have, you know,  
9 about 1,500 spaces more than we would have had.

10 CHAIRMAN: Those are spaces that would  
11 probably, basically, would have been empty, in terms  
12 of The Phillies?

13 MR. WEINBERG: Correct.

14 CHAIRMAN: I see.

15 But in terms of meeting your  
16 requirements for the permit, you're not dependent  
17 upon those spaces? Or maybe that's a question for  
18 Counsel. I don't know.

19 ATTORNEY STEWART: No. I mean,  
20 obviously, as was indicated, the red spaces are  
21 available every day of the year under the agreement.  
22 There's still a substantial parking garage structure  
23 that also affords covered parking to patrons, if  
24 that's their desire. And many patrons prefer  
25 surface lot parking.

1           So, you have a combination of both,  
2 the number of spaces that are in that are  
3 substantially the same at the time that we're  
4 awarded the license. In terms of the garage -.

5           CHAIRMAN: Since you're saying - I'm  
6 not splitting hairs with you, but since you're  
7 saying substantially, I presume there's a  
8 difference.

9           Is it slightly more, slightly less, do  
10 you know?

11          ATTORNEY STEWART: I would have to do  
12 it subject to check. I have to pull out the - I'd  
13 have to pull out the documents to see.

14          MR. WEINBERG: Yeah, it's about the  
15 same number of spaces that we're required to have by  
16 permit. And - but for most of the year we're now  
17 significantly -.

18          CHAIRMAN: Yeah. I understand that  
19 with The Phillies parking you'll have a great deal  
20 more. I guess, maybe OEC can fill in the record of  
21 that, if you know.

22           And I think you answered the last  
23 question I had. You referred to 5,000 jobs, 3,000  
24 is construction, 2,000 is permanent?

25          MR. WEINBERG: Yes.

1                    CHAIRMAN: Okay. Thank you very much.  
2 I don't know if anybody else -.

3                    MR. WEINBERG: And just before I - I  
4 just want to, also, point out that while, you know,  
5 we're not really here to talk about the Category 4,  
6 but just to give you a quick, you know, briefing on  
7 that.

8                    We've been working with all of our  
9 design and planning for that project, working  
10 closely with the - Hempfield Township. And so it's  
11 our intent to be ready to start construction on that  
12 project upon approval from the Board.

13                   PRESIDING OFFICER: Any other Board  
14 Members with questions? Commissioner Logan?

15                   MR. LOGAN: No. Thank you.

16                   PRESIDING OFFICER: Mr. Kernodle?

17                   MR. SANTONI: Yeah. I have a quick  
18 question, if I could. The construction schedule for  
19 the hotel and the casino is the end of next year.  
20 Is that - is the Fusion Arena project, Pattison  
21 Place, is that all going to be done at the same  
22 time, or what's -?

23                   MR. WEINBERG: They're all on  
24 different -

25                   MR. SANTONI: Okay.

1                   MR. WEINBERG: - on different times.

2                   MR. SANTONI: And the Pattison Place  
3 is a - could you tell me what that -?

4                   MR. WEINBERG: An office building.

5                   MR. SANTONI: An office building.

6 Okay. Okay.

7                   That's it.

8                   MR. WEINBERG: But the idea is to -  
9 you know, in addition with their role, the District  
10 is to - to create a district, you know, a mixed-use  
11 district that has just, you know, great venues in  
12 every area, so they feed off of each other.

13                   MR. SANTONI: Thank you.

14                   PRESIDING OFFICER: Commissioner  
15 Mustio?

16                   MR. MUSTIO: I think the Chairman  
17 covered it.

18                   PRESIDING OFFICER: Okay.

19                   Then we'll turn it over to the OEC for  
20 any questions you might have.

21                   ATTORNEY ARMSTRONG: Thank you,  
22 Director.

23                   James Armstrong for the OEC. I'd just  
24 like to clarify some of the things on the  
25 presentation, so we could switch to the slides that

1 I asked about.

2 MR. LAMB: Sure.

3 PRESIDING OFFICER: And Mr. Armstrong,  
4 if you could move the microphone over in front of  
5 you?

6 ATTORNEY ARMSTRONG: Still?

7 PRESIDING OFFICER: Thank you.

8 ATTORNEY ARMSTRONG: If you could move  
9 it to slide ten.

10 This is the projected history of  
11 licensure. I noted that the \$40.1 million paid for  
12 the Cat 4 License, that was the winning bid amount  
13 offered by Stadium for the Cat 4 License.

14 Isn't that correct?

15 MR. WEINBERG: Correct.

16 ATTORNEY ARMSTRONG: Okay.

17 That wasn't a license fee imposed by  
18 the Board, but what was offered as your bid -

19 MR. WEINBERG: Correct.

20 ATTORNEY ARMSTRONG: - to get the  
21 license?

22 Okay.

23 And the \$24.75 million paid for the  
24 Table Games Certificate, that was paid on June 27th  
25 of 2018, a day before it was due, the maximum due

1 deadline. Is there a reason for why it took that  
2 long for it to be paid?

3 MR. WEINBERG: I don't recall.

4 ATTORNEY ARMSTRONG: Thank you.

5 And may you go to slide 11? Can you  
6 elaborate on what constitutes the term there, Arts  
7 Commission approval?

8 MR. WEINBERG: Yeah, we had submitted  
9 - part of the Philadelphia permitting process is  
10 that there's a public art requirement as part of the  
11 Building Permit process. And a condition to getting  
12 the Building Permits, you have to outline your  
13 public art.

14 So, we went through the process of  
15 submitting to the Art Commission our public art  
16 proposal and having that approved. So, that's when  
17 we got the official approval from the Arts  
18 Commission.

19 ATTORNEY ARMSTRONG: Thank you.

20 Can we have slide 12? And I think  
21 we've asked this several times. The Commissioner  
22 has asked it as well.

23 Just for the clarification, the \$850  
24 million that you're expending is for the two casinos  
25 only.

1 Is that correct?

2 MR. WEINBERG: Correct.

3 ATTORNEY ARMSTRONG: The Fusion Arena  
4 and Pattison Place, they have their own separate -

5 MR. WEINBERG: Yeah.

6 ATTORNEY ARMSTRONG: - budgets?

7 Okay. Thank you.

8 Can we have slide 16, please? That's  
9 this expanded parking. Did Stadium encounter any  
10 issues with its neighbors regarding the expansion of  
11 the parking?

12 MR. WEINBERG: We worked with the -  
13 with the neighborhood groups. And we have a letter  
14 of support for the neighbors when this agreement was  
15 proposed.

16 ATTORNEY ARMSTRONG: My next question  
17 is for slides 17, 18 and 19, the elevation.

18 If I can just ask a question. You  
19 don't necessarily have to go to the slides. Has  
20 Stadium had any issues with its neighbors regarding  
21 the height of the hotel?

22 MR. WEINBERG: No.

23 ATTORNEY ARMSTRONG: Will the height  
24 of the hotel and the parking garage impact the view  
25 of the Center City Skyline from Citizens Bank Park?

1                   MR. WEINBERG: No. In fact, one of  
2 the - one of the things we did in terms of our  
3 agreement with The Phillies was to reduce down the  
4 size of the garage.

5                   ATTORNEY ARMSTRONG: Okay.

6                   If we could go to slide 30? And the  
7 claim there of \$2 billion in economic stimulus to  
8 the city. That's a projected figure.

9                   Correct?

10                  MR. WEINBERG: Correct.

11                  ATTORNEY ARMSTRONG: Can you elaborate  
12 on how this figure was arrived at?

13                  MR. WEINBERG: It came from the  
14 economic benefits analysis that was done as part of  
15 the project proposal. It goes back several years as  
16 part of -.

17                  We did an economic benefits analysis  
18 with a third-party consultant that outlined the -  
19 all the economic benefits of the project.

20                  ATTORNEY ARMSTRONG: Thank you.

21                  Now, the Community Benefits Agreement,  
22 the \$100 million in tax revenue to the city in the  
23 first five years, that figure is based on projected  
24 revenue -

25                  MR. WEINBERG: Correct.

1                    ATTORNEY ARMSTRONG: - figures?

2                    The \$25 million to the Philadelphia  
3 School District, how was that figure arrived at?  
4 And is it the obligation Stadium agreed to in the  
5 Community Benefits Agreement to pay the school  
6 district \$5 million a year?

7                    MR. WEINBERG: No, that's not a part  
8 of the Community Benefits Agreement. It should be  
9 an imputed calculation based on the projected  
10 revenues.

11                   ATTORNEY ARMSTRONG: So, the \$25  
12 million is in addition to the \$5 million that's  
13 presented in the Community Benefits Agreement as  
14 well. Is that what you're saying?

15                   MR. LAMB: The Community Benefits  
16 Agreement does not address the city schools issue.  
17 That's solely the agreement with the neighborhood  
18 groups.

19                   This number is what we computed the  
20 city schools we get, based on the projected revenues  
21 from the casino.

22                   So, a piece of the local share  
23 percentage all of the gaming revenues that gets  
24 directed towards the schools.

25                   ATTORNEY ARMSTRONG: Okay.

1                   You're saying right now that there's  
2 not a requirement under the Community Benefits  
3 Agreement for a \$5 million payment to the school  
4 district? I don't know where I saw that now. I'll  
5 have to check that.

6                   MR. WEINBERG: That's a statutory tax  
7 requirement.

8                   ATTORNEY ARMSTRONG: Now, the figure,  
9 5,000 new jobs, could you explain this figure within  
10 the context of the last bullet point that Stadium  
11 will provide 2,000 permanent jobs?

12                   MR. WEINBERG: The delta is  
13 construction jobs, both directly and indirectly  
14 related to the project.

15                   ATTORNEY ARMSTRONG: Well, how was the  
16 5,000 new jobs arrived at?

17                   MR. WEINBERG: That was also as part  
18 of a - calculating an economic benefits of the  
19 project. We looked at both jobs as well as  
20 expenditures.

21                   ATTORNEY ARMSTRONG: Okay.

22                   But that 5,000 new jobs, most of them  
23 aren't permanent or more than half are only going to  
24 be -

25                   MR. WEINBERG: Correct.

1                    ATTORNEY ARMSTRONG: - the 2,000  
2 projected -

3                    MR. WEINBERG: Correct.

4                    ATTORNEY ARMSTRONG: - permanent jobs  
5 at the casino?

6                    When - Stadium entered into the  
7 Community Benefits Agreement on August 15th of 2015?

8                    MR. LOGAN: What was the date?

9                    ATTORNEY ARMSTRONG: August 15, 2015.  
10 And remains in that agreement today?

11                    You're still in the Community Benefits  
12 Agreement?

13                    MR. WEINBERG: Yes. Yes.

14                    ATTORNEY ARMSTRONG: And agreements  
15 with about five local civic groups?

16                    MR. WEINBERG: Correct.

17                    ATTORNEY ARMSTRONG: And are they the  
18 South Philadelphia Community Civic Association, the  
19 Whitman Council, Veterans Stadium, Neighbors  
20 Association, the Sports Complex Special Services  
21 District and Stadium Community Council, Inc.?

22                    MR. WEINBERG: Yes.

23                    ATTORNEY ARMSTRONG: I just - I wanted  
24 to get that on the record who they all are.

25                    MR. WEINBERG: Yeah.

1                   ATTORNEY ARMSTRONG: Are any members  
2 from those organizations going to speak on behalf of  
3 Stadium today?

4                   MR. WEINBERG: I don't believe anybody  
5 is here to speak.

6                   ATTORNEY ARMSTRONG: Stadium's  
7 compliance with the Community Benefits Agreement, is  
8 now one of its four special conditions and its  
9 statement of conditions agreed to with the Board on  
10 November 17th, 2017.

11                   However, the agreement allowed for  
12 Stadium to automatically terminate the Community  
13 Benefits Agreement if it had not obtained all final  
14 approvals, licenses, zoning and permits necessary to  
15 construct the project by December 31st, 2016.

16                   Did Stadium obtain all of the permits  
17 and zoning and licenses by December 31st, 2016?

18                   MR. WEINBERG: We did not. But we  
19 sent the members in the Community Benefits  
20 Association a letter verifying that the agreement  
21 was still in full force.

22                   ATTORNEY ARMSTRONG: Okay.

23                   So, even though those - that term  
24 wasn't met, -

25                   MR. WEINBERG: Yes.

1                   ATTORNEY ARMSTRONG: - you decided to  
2 - you remained in the Community Benefits Agreement,  
3 even though you had the ability, under the  
4 agreement, to terminate?

5                   MR. WEINBERG: Right. So, we sent a  
6 letter, just confirming that it was - it continues  
7 enforcing it.

8                   MR. LOGAN: Do we have a copy of that  
9 letter?

10                   ATTORNEY ARMSTRONG: I'm sorry?

11                   MR. LOGAN: Do we have a copy of the  
12 letter that you just referenced?

13                   MR. WEINBERG: We'll make sure you get  
14 a copy of it.

15                   ATTORNEY ARMSTRONG: No. Just so it's  
16 clear on the record here, the Community Benefits  
17 Agreement, it's still in effect. It is actually  
18 part of their statement of conditions.

19                   Can you update the status of  
20 negotiations with the city - I'm sorry, I got ahead  
21 of myself. Regarding matters outside the  
22 construction of the casino hotel, but impacting the  
23 local area, local community, can you update the  
24 status of the construction of the I-76 westbound on  
25 ramp at 2nd Street?

1                   MR. WEINBERG: Sure.

2                   So, we convened the stakeholders, as  
3 required in the statement of conditions. We scoped  
4 out a study that the stakeholders agreed to, to  
5 determine next steps on the ramp.

6                   We performed that study and submitted  
7 it to the stakeholders, the RPA, the Department of  
8 Transportation and the city. And as of the date  
9 hereof, there's no consensus on what next steps are  
10 among the other stakeholders.

11                   ATTORNEY ARMSTRONG: Can you update  
12 the status of negotiations with SEPTA regarding the  
13 shuttle service Stadium is expected to provide from  
14 SEPTA's train station near the Stadium District?

15                   MR. WEINBERG: Sure. That's something  
16 where the - we haven't started the process on it  
17 yet, because we're putting together the whole  
18 elaborate plan.

19                   ATTORNEY ARMSTRONG: Okay.

20                   MR. WEINBERG: So, that's something  
21 that'll come a little bit - it's a little bit  
22 premature.

23                   ATTORNEY ARMSTRONG: And can you  
24 update the status of negotiations with the city and  
25 PennDOT regarding Stadium's obligation to provide

1 transportation system improvements to improve  
2 overall traffic operations in Stadium District?

3 MR. WEINBERG: Sure.

4 As part of the permitting processing,  
5 we work very closely with the Streets Department in  
6 determining the signalization, bike lanes, you know,  
7 a lot of those transportation-related issues. So,  
8 that was kind of part and parcel of our permitting  
9 process with the city.

10 Also, as part of the relationship with  
11 the community, we are looking at coordinating, along  
12 with the community, the sports team stakeholders, as  
13 well as the city, some community-related  
14 improvements. And those discussions are kind of in  
15 the early - early stages. But things in terms of  
16 like potentially tying in surveillance cameras, the  
17 police department further into the neighborhoods,  
18 those types of issues that are being discussed.

19 ATTORNEY ARMSTRONG: Okay. Thank you.

20 Can we put on slide 32?

21 Under post-construction workforce,  
22 that is regarding Stadium's goals for the casino  
23 were enforced. Is that what that is?

24 On the right-hand side?

25 MR. WEINBERG: Yes.

1                   ATTORNEY ARMSTRONG:   Okay.

2                   And the goal of employing 85 percent  
3 of Pennsylvania residents, is that based on what's  
4 required under the Gaming Act here in Pennsylvania?

5                   ATTORNEY STEWART:   Do you have a  
6 reference that you're referring to?

7                   ATTORNEY ARMSTRONG:   Yeah.   That  
8 section is - I'm just curious if that's why you -  
9 you projected that you're going to try to have a  
10 goal of 85 percent.   The legislature asked, in the  
11 Statute, under Section 13(a)(4) -.

12                   ATTORNEY STEWART:   Right, as the table  
13 game workforce, not the entire casino.   But  
14 ultimately, that's their goal for the entire casino.

15                   ATTORNEY ARMSTRONG:   I'm just asking  
16 the question, is that why, -

17                   ATTORNEY STEWART:   Sure.

18                   ATTORNEY ARMSTRONG:   - is that why -  
19 that's your projected - that's your goal, is to try  
20 to have 85 percent, Pennsylvania residents.

21                   MR. WEINBERG:   Correct.

22                   ATTORNEY ARMSTRONG:   Has Stadium began  
23 the hiring process for the workforce, the casino  
24 workforce?

25                   MR. WEINBERG:   Not really.   We - very

1 early stages.

2 ATTORNEY ARMSTRONG: Okay.

3 Does Stadium have any set standards or  
4 policies for trying to recruit Pennsylvania  
5 residents?

6 MR. LAMB: Yes.

7 MR. WEINBERG: Yes.

8 ATTORNEY ARMSTRONG: Is Stadium aware  
9 that its location puts it in the proximity of  
10 residents of three other states that have gaming?

11 MR. WEINBERG: Yes.

12 ATTORNEY ARMSTRONG: And does Stadium  
13 intend to recruit out-of-state residents who have  
14 gaming experience?

15 MR. WEINBERG: Some, but obviously  
16 within the confines of our goals.

17 ATTORNEY ARMSTRONG: Okay.

18 Now, is there a plan in place to  
19 address the issues that will arise when a  
20 Pennsylvania resident without gaming experience  
21 applies for employment that is also sought by an  
22 out-of-state resident who applies and has gaming  
23 experience?

24 MR. WEINBERG: Yes. I mean, we have -  
25 we'll have a number of Workforce Development

1 Programs to assist us without experience. And we'll  
2 be looking at relationships with local community  
3 colleges as well as our own people to put together  
4 training programs for those - those folks.

5 ATTORNEY ARMSTRONG: Thank you.

6 Stadium is presently hiring and  
7 employing its construction contractors and the  
8 construction workforce.

9 Correct?

10 MR. WEINBERG: Correct.

11 ATTORNEY ARMSTRONG: Stadium has set  
12 goals and a percentage of minority women and local  
13 business enterprises it wishes to hire. Can you  
14 elaborate on how these percentages were arrived at,  
15 that we see here on slide 32?

16 MR. WEINBERG: I mean, these were the  
17 goals that were in our program from the start. And  
18 they're developed through a comprehensive evaluation  
19 of the, you know, information from both the  
20 Commonwealth level and the City of Philadelphia.

21 ATTORNEY ARMSTRONG: Maybe the same  
22 for hiring of - employing minority women, local  
23 suppliers and/or professional services as well. Do  
24 you apply these same standards to arrive at the  
25 objective goals?

1                   MR. WEINBERG: Yes.

2                   ATTORNEY ARMSTRONG: Okay.

3                   And can we, finally, have slide 33?

4                   Is Stadium on schedule for all aspects  
5 of its construction of the casino?

6                   MR. WEINBERG: I'm sorry?

7                   ATTORNEY ARMSTRONG: Is Stadium on  
8 schedule -

9                   MR. WEINBERG: Yes.

10                  ATTORNEY ARMSTRONG: - for all aspects  
11 of the construction of the casino?

12                  Okay.

13                  And have any deadlines not been met?

14                  MR. WEINBERG: At this point, no.

15                  ATTORNEY ARMSTRONG: Will Live! Casino  
16 & Hotel Philadelphia open in December of 2020?

17                  MR. WEINBERG: That's our intent.

18                  ATTORNEY ARMSTRONG: Okay. Thank you  
19 very much.

20                  MR. MUSTIO: Chairman, can I follow up  
21 on that?

22                  PRESIDING OFFICER: Yes.

23                  MR. MUSTIO: I'm a little bit confused  
24 then. This chart, where it says at the top, if I'm  
25 reading it right, start date, and it says building

1 erection, April of 2019.

2 Doesn't it say that?

3 MR. WEINBERG: Uh-huh (yes).

4 MR. MUSTIO: So, is that - I thought  
5 the question was just asked if we were on schedule.  
6 When you say building - that includes the pylons  
7 that are being used.

8 Is that what it means?

9 MR. WEINBERG: Uh-huh (yes).

10 MR. MUSTIO: Okay.

11 I was picturing building coming up out  
12 of the ground. That's separate.

13 All right. Thank you.

14 PRESIDING OFFICER: Any other  
15 follow-up from Commissioners?

16 CHAIRMAN: Yeah, just to clarify,  
17 Mark, you had said that the 85 percent requirement  
18 was as to table games in the Statute.

19 Is that right? Is that what you said?

20 ATTORNEY STEWART: That was my  
21 comment, yes.

22 CHAIRMAN: Okay.

23 Because I just want to make sure the  
24 record is clear. Your overall target is 85 percent  
25 Pennsylvania employees. But statutorily - I'm

1 looking to Counsel here, to somebody's Counsel -  
2 statutorily, your only requirement is to get 85  
3 percent Pennsylvania residents for the positions  
4 related to table - to slot machines?

5 ATTORNEY STEWART: Table games. The  
6 table games chapter.

7 ATTORNEY ARMSTRONG: It's in that  
8 chapter.

9 CHAIRMAN: Okay.

10 And there is no other statutory  
11 requirement.

12 Is that correct?

13 ATTORNEY ARMSTRONG: Yes.

14 CHAIRMAN: Okay.

15 And the final question, you said this  
16 has been in the proposal from the beginning. Was  
17 that a condition or something that was part of the  
18 permit approval that you got five years ago?

19 ATTORNEY STEWART: The question, as I  
20 understood it, was -.

21 CHAIRMAN: No, I understand the  
22 question.

23 ATTORNEY STEWART: Okay.

24 CHAIRMAN: If it's not in the Statute,  
25 but it's still part of your target, is it a target

1 out of the goodness of your heart or is it because  
2 this was a condition that was imposed by the Board  
3 five years ago, when nobody up here was on the  
4 Board?

5                   Was that part of the conditions in  
6 granting the license five years ago?

7                   ATTORNEY STEWART: Every applicant has  
8 to include a Proposed Diversity Plan in their  
9 application. And that's - that's what I was  
10 referring to as -.

11                   CHAIRMAN: So, that was in your Permit  
12 Application that was approved five years ago?

13                   ATTORNEY STEWART: Correct.

14                   CHAIRMAN: Okay.

15                   ATTORNEY STEWART: So, all those - I  
16 mean, it doesn't mean that those can't be changed.  
17 And I think the company looks to maximize both  
18 diversity and its use of local businesses in every  
19 way possible.

20                   And as Joe stated earlier, to far  
21 exceed what might be, you know, minimum requirements  
22 or goals stated in laws or other ordinances.

23                   CHAIRMAN: I guess what I'd like - and  
24 I don't expect you to answer this question. Perhaps  
25 you know, Jim.

1                   ATTORNEY ARMSTRONG: I believe it's  
2 been in the Statute since they amended it in 2010,  
3 to allow table games. So, I don't know if it's  
4 necessarily placed, you know, as part of the -.

5                   CHAIRMAN: You don't know whether it  
6 was a condition in the -. An awful lot of people  
7 sitting in this room, probably weren't involved in  
8 this five years ago.

9                   I'm just wondering, do you know?

10                  MR. WEINBERG: Well, they are goals,  
11 and not - not conditions.

12                  CHAIRMAN: No, I understand.

13                  So, as best you know, there was not a  
14 condition in the permit five years ago?

15                  MR. WEINBERG: Correct.

16                  ATTORNEY STEWART: No.

17                  CHAIRMAN: Okay.

18                  So, it's an aspiration. I got that.

19                  MR. WEINBERG: We do take goals as  
20 serious -.

21                  CHAIRMAN: No, I understand.

22                  But from - internal Counsel, you're  
23 not aware of the condition in the permit that  
24 requires that; are you?

25                  ATTORNEY ARMSTRONG: No. But even the

1 Statute, the way it reads, that part of that  
2 Statute -

3 CHAIRMAN: No, I understand that.

4 ATTORNEY ARMSTRONG: - that it's -.

5 CHAIRMAN: I'm talking about the  
6 overall 85 percent Pennsylvania resident goal,  
7 that's not - that's not a condition in the granting  
8 of the permit.

9 ATTORNEY ARMSTRONG: Not that I'm  
10 aware of, no.

11 CHAIRMAN: Not that you're aware of,  
12 no. Thank you.

13 MR. LOGAN: It's my slide 30, but I  
14 think we're off, maybe. It's the Community Benefits  
15 Agreement. I'm not sure I was clear on the school  
16 district money.

17 Is there an additional appropriation  
18 for the school district above and beyond the -?

19 ATTORNEY ARMSTRONG: That was my  
20 understanding.

21 MR. LOGAN: I think they were saying  
22 no. Can I just get some clarity on it?

23 The \$25 million is in Statute, I  
24 thought, but you're talking about an additional X.

25 ATTORNEY HAYDEN: I have the -.

1 Does he have to be sworn in?

2 MR. LOGAN: I think he has to be sworn  
3 in.

4 PRESIDING OFFICER: Yes. Could you -  
5 if you're going to provide testimony, could you  
6 stand to be sworn, -

7 ATTORNEY HAYDEN: Okay.

8 PRESIDING OFFICER: - if you have not  
9 already been.

10 ATTORNEY HAYDEN: I'm local counsel  
11 for the -

12 PRESIDING OFFICER: Okay.

13 ATTORNEY HAYDEN: - Applicant that  
14 handled the local zoning as well as negotiations  
15 with Community Benefits Agreement, as well as local  
16 permitting.

17 PRESIDING OFFICER: Okay.

18 Could you state your name for the  
19 record?

20 ATTORNEY HAYDEN: Yes. I'm Richard  
21 Hayden, from Saul Ewing Arnstein & Lehr. Again,  
22 local counsel that handled the local land use and  
23 supported the negotiations on the Community Benefits  
24 Agreement, as well as kind of the local Zoning  
25 Ordinance associated with the project.

1                   So, I think I can answer, more  
2 clearly, the first question, Mr. Chairman, that you  
3 had about where those numbers came from, in terms of  
4 aspiration.

5                   As part of the local zoning process,  
6 we actually got two variances. One was over a  
7 specific amount of space that we can use on the  
8 property for the building. And it was another  
9 condition as part of the zoning negotiation with  
10 City Council and with the Mayor's office, they had a  
11 program called an Economic Opportunity Program,  
12 which is - the city imposes on larger-scale  
13 developments and projects.

14                   So, those numbers that you saw on the  
15 board were actually included in the Zoning  
16 Ordinance, which was adopted by City Council and  
17 signed by the Mayor in 2015.

18                   So, they were a function of - as  
19 Counsel mentioned, the statutory objectives for  
20 table games in terms of Commonwealth residents. But  
21 all those other features in there, they were not  
22 just kind of random numbers, they were subject to  
23 negotiation. They are now part of the city Zoning  
24 Code, as part of the local zoning approval.

25                   The \$25 million, the Statute has -

1 treats Philadelphia casinos differently than some of  
2 your other regional casinos, which had that local  
3 funding, which went toward marketing and other kind  
4 of purposes and services in Philadelphia.

5           The first \$5 million in gross terminal  
6 revenue gets allocated directly to the Philadelphia  
7 School District. So, that's where the \$5 million  
8 comes from. And that's annual, as long as they own  
9 and operate and run the casino.

10           There is no separate requirement or  
11 obligation in the Community Benefits Agreement that  
12 relates to school district funding.

13           MR. LOGAN: Okay.

14           Back again on the CBA page, the third  
15 bullet down is contributions of over \$15 million  
16 during the project's first ten years to support  
17 improvements and enhancements to the local  
18 community.

19           How is that appropriated? How's it  
20 divvied up? Is there a local group? Is it your  
21 discretion? Is there an application process?  
22 What -?

23           MR. WEINBERG: So, there's an Advisory  
24 Board that's set up among the five community groups,  
25 and - which we run the - you know, that Board and

1 convene it. And that Board will identify high  
2 priorities for the community and make the decisions  
3 based on where the money gets apportioned.

4 MR. LOGAN: Okay. Thanks.

5 PRESIDING OFFICER: Any other  
6 questions from our Board Members?

7 Any follow-up from counsel for  
8 Stadium?

9 ATTORNEY STEWART: No. Thank you.

10 Just that we would move the  
11 presentation as an exhibit into the record, please.

12 PRESIDING OFFICER: Okay. Thank you.

13 We'll mark it as Hearing Exhibit 1.

14 ---

15 (Whereupon, Hearing Exhibit 1, Presentation, was  
16 marked for identification.)

17 ---

18 PRESIDING OFFICER: And with that, we  
19 will turn it over to our Enforcement Counsel. And  
20 if I could ask you to pass that microphone down  
21 there, so they each have one, because we're not  
22 practicing good microphone etiquette today.

23 ATTORNEY ARMSTRONG: Director, we  
24 don't have a presentation itself, but what I would  
25 like to put on as a witness, the Bureau of

1 Investigations and Enforcement (BIE) Investigator  
2 who conducted the background investigations for  
3 Stadium Casino.

4 PRESIDING OFFICER: Okay.

5 ---

6 REGINALD WILKINS,  
7 CALLED AS A WITNESS IN THE FOLLOWING PROCEEDING, AND  
8 HAVING BEEN PREVIOUSLY SWORN, TESTIFIED AND SAID AS  
9 FOLLOWS:

10 ---

11 ATTORNEY ARMSTRONG: Mr. Wilkins, for  
12 the record, please state your full name and spell  
13 your last name.

14 MR. WILKINS: Reginald Wilkins,  
15 W-I-L-K-I-N-S.

16 ATTORNEY ARMSTRONG: And with whom are  
17 you employed?

18 MR. WILKINS: The Pennsylvania Gaming  
19 Control Board. I'm an Investigator and currently  
20 assigned as a Case Agent to Stadium Casino.

21 ATTORNEY ARMSTRONG: And for how long  
22 have you been employed by our agency?

23 MR. WILKINS: Since November 2007.

24 ATTORNEY ARMSTRONG: And when were you  
25 promoted to Case Agent for Stadium Casino?

1                   MR. WILKINS:    January of 2018.

2                   ATTORNEY ARMSTRONG:   And what are your  
3 responsibilities as an investigator in the BIE?

4                   MR. WILKINS:    I conduct financial and  
5 background investigations of individuals in all  
6 companies who wish to conduct business with the - or  
7 participate in gaming activities in the Commonwealth  
8 of Pennsylvania.

9                   I also conduct miscellaneous  
10 investigations pertaining to potential regulatory  
11 violations.

12                   ATTORNEY ARMSTRONG:   In your  
13 professional capacity, have you been deeply involved  
14 in the investigation of Stadium Casino's Renewal  
15 Application?

16                   MR. WILKINS:    Yes.

17                   ATTORNEY ARMSTRONG:   When did the BIE  
18 begin its renewal investigation of Stadium Casino?

19                   MR. WILKINS:    On or about January 13,  
20 2018.

21                   ATTORNEY ARMSTRONG:   Can you describe  
22 the scope of the investigation?

23                   MR. WILKINS:    After reviewing the  
24 Pennsylvania Gaming Control Board Policy for renewal  
25 investigation, I reviewed the application and sent

1 correspondence to the Applicants requesting  
2 supporting documentation related to the  
3 investigation.

4                   This includes extensive financial  
5 documentation, family history, military history,  
6 criminal and civil litigation and potential  
7 bankruptcy and lien information.

8                   I also conduct numerous database  
9 searches to verify the Applicant's credit history.  
10 Criminal history, education, resident's history,  
11 travel history and regulatory enforcement actions,  
12 special conditions, Gaming Licenses, references,  
13 local contributions and federal and state tax  
14 compliance.

15                   I then arrange a meeting with the  
16 Applicant to review all the requested documents, and  
17 conduct an interview to review the application and  
18 supporting documents to ensure all information is  
19 complete and correct.

20                   Once the investigation is complete, I  
21 prepare a report of investigation.

22                   ATTORNEY ARMSTRONG: Now, did you  
23 review Renewal Applications filed by Stadium Casino  
24 and its principals - principal entities and  
25 affiliates?

1                   MR. WILKINS:   Yes.

2                   ATTORNEY ARMSTRONG:   Does the  
3 investigation conduct a criminal history, civil  
4 litigation history, tax clearances and other types  
5 of checks?

6                   MR. WILKINS:   Yes.

7                   ATTORNEY ARMSTRONG:   Has Stadium  
8 Casino personnel been cooperative during the  
9 investigation?

10                   MR. WILKINS:   They have been 100  
11 percent cooperative.

12                   ATTORNEY ARMSTRONG:   Is the  
13 investigation complete?

14                   MR. WILKINS:   Yes, it is.

15                   At this time I completed all the  
16 application investigations for Stadium Casino.

17                   ATTORNEY ARMSTRONG:   Did the BIE  
18 discover any areas of interest during the course of  
19 the investigation?

20                   MR. WILKINS:   No.

21                   ATTORNEY ARMSTRONG:   Did the BIE  
22 discover any areas of concern during the course of  
23 the investigation?

24                   MR. WILKINS:   No.

25                   ATTORNEY ARMSTRONG:   Did the BIE

1 discover anything during the investigation that  
2 would preclude a finding of suitability for Stadium  
3 Casino?

4 MR. WILKINS: No.

5 ATTORNEY ARMSTRONG: Have you recently  
6 visited the site for the casino?

7 MR. WILKINS: Yes. Friday, May 3rd, I  
8 visited the site around seven o'clock a.m. I spoke  
9 to the General Superintendent, Ray Aspice. He  
10 advised me that all demolition was done, the  
11 foundation was being poured, and that's what I  
12 observed there.

13 There was a lot of heavy equipment on  
14 the scene and everyone was busy proceeding along.

15 ATTORNEY ARMSTRONG: So, was Stadium's  
16 portrayal in its presentation of its progress in  
17 developing the casino accurate?

18 MR. WILKINS: Yes.

19 ATTORNEY ARMSTRONG: Okay. Thank you.  
20 I have no more questions.

21 PRESIDING OFFICER: Any questions from  
22 Counsel from Stadium?

23 ATTORNEY STEWART: No.

24 PRESIDING OFFICER: Any questions from  
25 our Board Members?

1                   Okay. Then note for the record that  
2 we have not received any written comments regarding  
3 the renewal of Stadium as of close of business on  
4 Friday. If we do receive any in the next few days,  
5 we'll forward those, Counsel, and they will be  
6 posted on our website.

7                   We have one speaker who is registered  
8 today, Christian Matozzo. Is he or she here?  
9 Christian Matozzo?

10                   Well then, I guess that shortens our  
11 hearing a little bit. Seeing that he is not here,  
12 we will turn to Stadium if they have any closing  
13 statement today? Anyone from -?

14                   MR. WEINBERG: Thank you for your  
15 attention, and we look forward to getting open.

16                   PRESIDING OFFICER: Okay.

17                   Any closing statement from Counsel?

18                   ATTORNEY ARMSTRONG: No, Director. We  
19 have no closing statement.

20                   PRESIDING OFFICER: Okay.

21                   Well, the record will remain open  
22 until the Board hears the matter at a later public  
23 board meeting. I'll prepare a report based upon  
24 testimony and evidence entered into the record  
25 today, and the Suitability Report, when it's filed

1 with the Office of Hearings and Appeals (OHA).

2 This will be sent to the full Board,  
3 along with the transcript and all documents  
4 submitted. And the Board, at its convenience, will  
5 schedule the matter to be heard at a future public  
6 Board meeting in Harrisburg.

7 So, I want to thank all of you for  
8 coming today, for your cooperation.

9 I'd like to thank Penn State here at  
10 the Navy Yard for the use of their facility and  
11 their help in organizing this. So, we are now  
12 concluded and adjourned. Thank you.

13 \* \* \* \* \*

14 HEARING CONCLUDED AT 4:10 P.M.

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CERTIFICATE

I hereby certify that the foregoing proceedings, hearing held before Judge Lloyd, was reported by me on 05/06/19 and that I, Danielle E. Breslin, read this transcript, and that I attest that this transcript is a true and accurate record of the proceeding.



Danielle E. Breslin,

Court Reporter