

COMMONWEALTH OF PENNSYLVANIA

GAMING CONTROL BOARD

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IN RE: MOUNTAINVIEW THOROUGHBRED RACING ASSOCIATION,
LLC-HOLLYWOOD CASINO MORGANTOWN CATEGORY 4 LICENSE
AWARD

* * * * *

BEFORE: MEMBERS OF THE BOARD:

DAVID M. BARASCH, CHAIRMAN

Dante Santoni, Jr.

Kathy M. Manderino

T. Mark Mustio

Sean Logan

Merritt C. Reitzel

Obra S. Kernodle, IV

EX-OFFICIO MEMBERS/DESIGNEES IN ATTENDANCE:

Jennifer Langan, Designee, Department of
Treasury

Christin Heidingsfelder, Designee,
Department of Revenue

Fred Strathmeyer, Jr., Designee,
Department of Agriculture

HEARING: Wednesday, June 12, 2019, 10:08 a.m.

Reporter: Candace R. Pratt

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1 LOCATION: Pennsylvania Gaming Control Board
2 Strawberry Square
3 2nd Floor
4 Harrisburg, PA 17101

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ADRIAN R. KING, JR., ESQUIRE

Ballard Spahr, LLP

1735 Market Street

51st Floor

Philadelphia, PA 19103-7599

Counsel for Hollywood Casino

OFFICE OF ENFORCEMENT COUNSEL

CYRUS PITRE, ESQUIRE

Chief Enforcement Counsel

JOHN CROHE, ESQUIRE

Assistant Enforcement Counsel

PA Gaming Control Board

P.O. Box, 69060

Harrisburg, PA 17106-9060

Counsel for the Pennsylvania Gaming Control
Board

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

ALSO PRESENT:

JOHN FINAMORE, SENIOR VICE PRESIDENT, Regional
Operations

CHRIS ROGERS, SENIOR VICE PRESIDENT, Corporate
Development

DAN IHM, VICE PRESIDENT & GENERAL MANAGER, Hollywood
Casino at Penn National Race Course

DAN DISARIO, PRINCIPAL AND VICE PRESIDENT, Langan
Engineering and Environmental Services

CHRISTOPHER K. BAUER, PE, PTOE, ASSOCIATE & GENERAL
MANAGER, McMahon Transportation Engineers & Planners

ALLEN STYER, CHAIRMAN OF THE BOARD OF SUPERVISORS,
Caernarvon Township

JOHN SCALIA, CHIEF OF POLICE, Caernarvon Township

JACK HESS, BOARD OF SUPERVISORS, Caernarvon Township

JOAN BAIR, TOWNSHIP ADMINISTRATOR, Caernarvon
Township

ERIC BROWN, ESQUIRE, TOWNSHIP SOLICITOR, Caernarvon
Township

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P R O C E E D I N G S

CHAIRMAN: Next we have two Public Hearings scheduled. The first one involves the Application for a Cat 4 License for Mountainview Thoroughbred Racing Association, which hopes to construct a Hollywood Casino in Morgantown, Pennsylvania.

Can the Applicants please come forward?

Before we begin - as you're getting settled -.

MS. MANDERINO: Do we need one more chair?

CHAIRMAN: I would like to note that the purpose of the proceeding today is to allow the Board to hear from the Applicant and our Enforcement - Office of Enforcement Counsel (OEC), as to the viability of this project and the suitability of the Applicant, which is coming before the Board today pursuant to the provisions of the Pennsylvania Race Horse Development and Gaming Act.

In advance of the meeting, the application and proposal submitted had been reviewed

1 and vetted by the Bureau of Licensing and the Bureau
2 of Investigations and Enforcement (BIE), including
3 the Financial Investigations Unit and the OEC. Those
4 Bureaus have prepared Investigative Reports, and the
5 Suitability Report, which was provided to the Board
6 in advance of this meeting.

7 Additionally, the entire record in
8 this process, including all of the public comment
9 received, whether it was in writing or provided
10 orally at the Public Input Hearing on March 4th, 2019
11 in Morgantown has been transcribed, has been made
12 available to my fellow Board Members.

13 I'd also note that for the record that
14 the March 4th Public Input Hearing had more than 47
15 local government officials, community groups and
16 individuals who were given the opportunity to express
17 their views to this Board. Truly, everybody who
18 wanted to be heard for/against this project.

19 And the Applicant has been given the
20 opportunity to be heard previously. And I can assure
21 you that the Board has considered the various views
22 throughout this process.

23 With that, by way of background, I
24 would like to ask everybody who's going to speak to
25 please state and spell their names for the court

1 reporter, prior to your presentation. And
2 additionally, I would ask that all nonattorney
3 witnesses please stand to be sworn at this time.

4 ---

5 WITNESSES SWORN EN MASSE

6 ---

7 CHAIRMAN: You may begin.

8 ATTORNEY KING: Thank you, Mr.

9 Chairman. Good morning, members of the Commission.
10 Adrian King here. That's, A-D-R-I-A-N, King,
11 K-I-N-G. From the Ballard Spahr firm, here on behalf
12 of Mountainview Thoroughbred Racing Association.

13 Before we - well, let me first just
14 introduce who we have here speaking before you today.
15 I think that will be the best way to start.

16 John Finamore, who some of you have
17 seen before, Senior Vice President for Regional
18 Operations at Penn National Gaming. Chris Rogers, to
19 his right, Senior Vice President for Corporate
20 Development. And then to Chris's right Dan Ihm,
21 who's Vice President and General Manager of Hollywood
22 Casino in Grantville.

23 Also, having been sworn in, you may
24 have seen him, his name is Dan Disario. And Dan is a
25 Principal and Vice President at Langan Engineering

1 and Environmental Services. Dan's going to give some
2 brief testimony on some traffic issues.

3 And also, I wanted to just acknowledge
4 in the room, and if they might just gesture from
5 Caernarvon Township, our host community, Allen Styer,
6 the Chairman of the Board of Supervisors. Jack Hess,
7 a member of the Board of Supervisors. John Scalia,
8 the Chief of Police. Joan Bair, the Township
9 Administrator and also Eric Brown, the Township
10 Solicitor is here as well.

11 If you'll indulge me, Mr. Chairman, I
12 just wanted to maybe lay out how we intended to
13 present our evidence, just to make sure we're all on
14 the same page.

15 CHAIRMAN: Fine.

16 ATTORNEY KING: Typically, we've
17 mainly just focused on doing a PowerPoint. In this
18 presentation, just to anticipate some questions that
19 you may have, there will be a PowerPoint again,
20 giving an overview of the project.

21 I then intend to put on some brief
22 testimony from Mr. Disario, again, on the traffic
23 issues. And then, I'm going to present to you and
24 ask - seek admission - some additional documentary
25 evidence for the record. And I may just explain a

1 couple of those documents and hand them up for your
2 consideration for your deliberation.

3 You can ask, obviously, questions at
4 any point or we can wait until the end. I leave that
5 up to you. But I just wanted to let you know kind of
6 where we wanted to go with this.

7 CHAIRMAN: We'll see how that
8 develops. You've laid out a good plan.

9 ATTORNEY KING: Okay. Thank you.

10 So let's click through here and I'm
11 going to turn it over to John.

12 John.

13 MR. FINAMORE: Thank you. Thanks,
14 Adrian. Good morning.

15 Mr. Chairman, Commissioners and Staff,
16 John Finamore, J-O-H-N, F-I-N-A-M-O-R-E, Senior Vice
17 President, Regional Operations for Penn National
18 Gaming.

19 Considering that you've seen this
20 presentation a couple times before, and in the
21 interest of time, we will move briskly through it
22 this morning. But just starting out with the basic
23 history lesson on Penn National one more time.

24 As you know, started as a single
25 racetrack operation in 1972, outside of Harrisburg,

1 Pennsylvania. And from that - those humble
2 beginnings, this company today operates 42
3 properties, not including, obviously, the two Cat 4s
4 in Pennsylvania.

5 In 19 jurisdictions, we're the largest
6 operator of regional casinos in the country. We're
7 also the largest operator of parimutuel facilities in
8 the country. And through all that we're still
9 headquartered in Wyomissing, Pennsylvania, the only
10 publicly-traded company headquartered in PA, as you
11 know.

12 Today the company looks very
13 different. Over \$5 billion in annual revenues, with
14 30,000-plus employees. Again, quite a growth story
15 from the beginnings of 1972.

16 ATTORNEY KING: Next slide?

17 MR. FINAMORE: Yes, please. Click it
18 one more.

19 We've been, over those years, very
20 active in the community in Berks County. These are
21 just some of the many organizations that we have been
22 involved with. Actively involved as Board Members
23 for these organizations.

24 Our employees have literally
25 contributed millions of dollars over the years to

1 these organizations within Berks County, and we're
2 very proud of our involvement in the community.

3 Our core values, very quickly, just
4 these are company-wide core values to provide an
5 unparalleled guest experience. Work happy commitment
6 to diversity, commitment to the community, as I just
7 touched on, and commitment to responsible gaming.

8 And then just a little background on
9 our flagship namesake property, Hollywood Casino at
10 Penn National Race Course. As I mentioned earlier,
11 it opened in 1972, but over this - since that time,
12 the company has invested over \$400 million in the
13 property, which opened as a casino in 2008.

14 Today we have 907 team members.
15 Here's our game count, 2,002 slots and 75 tables.
16 And I think this next bullet is a significant and
17 impressive one. That since 2008 the property has
18 paid \$1.6 billion in taxes and fees to the
19 Commonwealth and to the local communities.

20 156, as you see, is the local share
21 assessment. In addition, \$338 million in salaries,
22 wages & benefits has been paid out and our annual
23 local and state vendors spend runs about \$13 million.

24 Community involvement is very
25 significant for us at the Grantville property as

1 well. These are a few of the organizations at this
2 property and their team members are associated with.

3 Starting with the \$3.75 million that
4 has been raised over the years for IBD research at
5 the Milton Hershey Medical Center. And again, at the
6 property, \$1.32 million has been raised to local and
7 regional charities - are donated to local and
8 regional charities.

9 And then the American Cancer Society
10 Relay for Life is a large Penn corporate charitable
11 initiative. Certainly our property supports it as
12 well, to the tune of \$100,000.

13 With that I'll turn it over to Chris
14 Rogers, our Senior Vice President of Corporate
15 Development. Thank you.

16 MR. ROGERS: Thank you, John.

17 Good morning. It's Chris Rogers,
18 C-H-R-I-S, R-O-G-E-R-S. And I'm really excited today
19 to talk to you about the development of Hollywood
20 Casino, Morgantown, which we believe is an ideal
21 Category 4 Casino, a brand new state-of-the-art
22 facility in an excellent location that we think will
23 address an underserved gaming market.

24 First, a little background. As you
25 know, we won the fifth auction back in April of last

1 year for \$7.5 million and selected a 15-mile
2 territory centered in West Cocalico Township. Very
3 quickly honed in on Caernarvon Township as our
4 preferred site.

5 And we're very fortunate to have found
6 an undeveloped, but improved site right at the
7 intersection of I-76 and 176 in Caernarvon Township
8 for our development.

9 We then submitted our Gaming
10 Application to the Gaming Control Board on October
11 31st and had our Public Input Hearing on March 4th,
12 2019.

13 You can see on the next slide the - an
14 overhead shot of our site. This really emphasizes
15 how ideally placed this is in relation to I-76 and
16 176. We're right in that corridor. And we
17 anticipate a vast majority of the customers'
18 visitation to our property will come via 76 and 176.

19 Moving on to the site plan. You can
20 see the proposed Greenville casinos that we're
21 building from the ground up, our brand new
22 state-of-the-art casino, surrounded by parking and
23 green areas that will act as further buffer between
24 the casino and the local surrounding areas.

25 Moving inside, we have two main

1 entrances, the first on the north side is where our
2 porte cochere will be. On the west you can see the -
3 a secondary entrance. Both of those entrances float
4 right into the gaming floor with the table game pit
5 right in the center, surrounded by slot machines on
6 all sides.

7 The pink represents the sports and
8 race book. We are in the process of applying with
9 the Racing Commission to relocate one of our OTW,
10 nonprimary locations to Hollywood Casino at
11 Morgantown, which would provide us the opportunity to
12 offer an integrated sports and race book right there
13 adjacent to the gaming floor, which we think is going
14 to be a spectacular amenity for our customers there.

15 You can see on the east side there is
16 a food hall with the bar there with a couple
17 different food options. And on the south side, that
18 is our signature restaurant with bar and an
19 entertainment area.

20 Moving on to transportation, it's
21 important to note this site that we've selected was
22 initially planned and designed to support a 200,000
23 square foot, mixed-use retail development. Our
24 proposed development is obviously significantly
25 smaller than that, at under 86,000 square feet.

1 We did have Langan Engineering
2 analyzing anticipated traffic to the casino at 11
3 nearby intersections. And their conclusion was that
4 the anticipated traffic to the casino is much less
5 than the prior development. And certainly the
6 adjacent road network has sufficient capacity to
7 accommodate the site generation from this project.

8 We also studied, along with our
9 advisors, other potential impacts on the local
10 municipalities, including street maintenance,
11 utilities, public safety. And in each instance the
12 impacts of the development were deemed to be
13 negligible.

14 I want to point out, I'm sure you've
15 seen a lot of the very small but local opposition to
16 this project. That opposition is largely and vastly
17 from outside of Caernarvon Township.

18 I want to emphasize that the Township
19 of Caernarvon has been nothing but supportive for
20 this project. And in fact, we received unanimous
21 approval from the Board of Supervisors for our
22 development plan on March 12th, 2019.

23 Next I'd like to address some of the
24 economic impact of just the development construction
25 part of this project. 275 direct construction jobs,

1 51 - over \$50 million of direct upfront construction
2 expenditures.

3 Total impact to the surrounding area
4 of \$50 million to Caernarvon, \$83 million to Berks
5 County and over a hundred million to Pennsylvania.

6 So I'd like to close by saying that
7 although this project is small in scale compared to
8 something like Hollywood Casino, Penn National Race
9 Course, we believe this project is going to have a
10 very meaningful impact on the local municipality for
11 both a jobs creation and economic development
12 perspective.

13 And with that, I will turn it over to
14 Dan Ihm, the General Manager of Penn National Race
15 Course, to talk about the operations.

16 MR. IHM: Okay. Thank you, Chris.

17 Good morning, Chairman, Commissioners
18 and PGCB staff. My name is Dan Ihm. That's, I-H-M.
19 And I'm the Vice President and General Manager for
20 Hollywood Casino at Penn National Race Course.

21 So as Chris ended his conversation
22 regarding the employment opportunities, we will be
23 looking at hiring approximately 250 direct
24 Full-Time Equivalent positions. We will strive,
25 obviously, to hire as many local residents as

1 possible.

2 For example, in Grantville, we
3 actually hired - 31 percent of our workforce comes
4 from East Hanover Township.

5 On the right, you'll see where some of
6 that staffing will reside. Gaming, obviously, is the
7 highest percentage, at 42 percent. That will be
8 serving 750 slots and 30 table games.

9 Next, with our food outlets, we have
10 the food and beverage at 22.7 percent. And then,
11 obviously, security and surveillance, we will
12 obviously meet or exceed the PGCB requirements for
13 staffing levels in those areas.

14 As far as benefits, we have a very
15 comprehensive benefit plan for Morgantown. Very
16 similar to what we have at Hollywood Grantville.
17 We'll offer 401k, medical and dental, paid time off,
18 the bonus program, which is actually a quarterly, I
19 guess, service program for our team members.

20 Tuition reimbursement, right now, that
21 is set for undergraduates receive \$2,500 per year and
22 graduate students can receive up to \$5,000 per year
23 to advance their studies.

24 Professional development and free
25 table game Dealer training, now that training will

1 also have - for Morgantown, it's a
2 six-week program. And to give you an idea,
3 currently, in Grantville, our Dealers are making
4 approximately a little over \$20 an hour.

5 And obviously representatives of the
6 community, and we'll continue that, as we do in
7 Grantville. Our staff, our leadership will be
8 involved in community events, and we'll also serve on
9 Boards, church groups and not-for-profits.

10 Going into very important aspects,
11 social responsibility. Penn National takes social
12 responsibility very seriously in all of its
13 jurisdictions. We spend thousands of dollars
14 annually on compulsive and problem gambling
15 initiatives. The training starts as team members are
16 first hired on, and then it's annual afterwards.

17 It doesn't stop there. We have
18 roundtable quarterly knowledge checks that happens
19 throughout the year. Daily preshift discussions
20 within all of our team members. Talking about
21 responsible gaming.

22 As you know, we have a
23 state-of-the-art verification system, Veridocs. That
24 system is used to look at and verify underage or
25 self-excluded patrons. So, in Morgantown, when we

1 adopt that system, we will take all of the PA state
2 self-exclusion list, that would be populated in the
3 Veridocs system, as well as, in addition to, is the
4 Penn National gaming.

5 So, with all of our jurisdictions,
6 anybody that's self-excluded within Penn National
7 Gaming in every state will also be populated within
8 the Morgantown self-excluded list.

9 Also, to help keep any underage from
10 coming in, we have an incentive program to our
11 Security Officers. We paid over \$95,000 to our
12 officers. And that's really - it's a Hundred for a
13 Hundred Program. So, if they go a hundred days
14 without having any minor incidents through the
15 entrance to the casino, they - every Security Officer
16 gets a hundred dollars.

17 And then obviously we have all of our
18 advertising that we'll be using for Morgantown. It
19 will display, must be 21, as well as the problem
20 gambling hotline, which is the 800-gambler.

21 Moving on to the impact, I know Chris
22 talked about the impact for development. So, from an
23 operations standpoint, direct, indirect and induced,
24 Caernarvon will receive an initial impact, \$73
25 million, supporting 276 jobs at \$8.5 million in

1 earnings. \$1.6 million in personal income, sales and
2 business tax, and then you can see upon
3 stabilization, those numbers go up, \$94.3 million to
4 Caernarvon and \$1.9 million for personal income sales
5 and business tax.

6 On the local impact, Caernarvon
7 Township, very important, approximately \$1.6 million
8 annually in new revenues will all be received in
9 Caernarvon Township, upon stabilization. Those
10 revenues come from the two percent on the revenue for
11 slots and one percent for table game revenue.

12 And public safety, very important. In
13 terms of the property of public safety, I know we've
14 discussed this in the past, but we will have,
15 obviously well-lit service parking areas,
16 surveillance, both in the parking areas as well as
17 the casino, we're estimating a little over 800
18 cameras.

19 And then Security, which is roaming
20 the parking areas as well as the - as well as the
21 casino floor. I know John is here from the Chief of
22 Police for Caernarvon. But we've had the opportunity
23 to meet with John and also give John a tour of the
24 facility and show him some of our operations and how
25 things work in the Grantville facility.

1 We also did the same for Jason, who is
2 the Fire Chief for Caernarvon Township. We work very
3 closely with those groups. In fact, it's something
4 that we'll probably continue throughout in Caernarvon
5 Township. But in Grantville we meet with the Fire
6 Chief annually every year and we look at the
7 equipment needs.

8 So, we donate thousands of dollars,
9 between \$10,000 to \$20,000 a year to the Grantville
10 Fire Department, in excess of what they currently
11 receive, just to help maintain their equipment so
12 they can better serve the communities.

13 And as far as local outreach,
14 currently, with Caernarvon Township, as a company
15 we've met and presented to the Morgantown Area
16 Business Association, Twin Valley Rotary and Twin
17 Valley Youth Soccer Organization.

18 We've met with the Heritage Restaurant
19 owners. We've also met with the County Workforce
20 Development Board to discuss plans to identify, train
21 and employ local residents. And then most recently,
22 we just contributed \$5,000 to Caernarvon Township for
23 tornado cleanup efforts.

24 So in summary, Penn National is a
25 highly-reputable entertainment company and creates

1 and operates high-quality facilities in 19 different
2 jurisdictions. We have a proven record of civic and
3 charitable involvement in Berks County, significant
4 improvement in Caernarvon and Morgantown area. We'll
5 be spending a little over \$111 million.

6 Creation of approximately 250
7 permanent jobs and 275 construction jobs, targeting
8 winter of 2020. Minimal impacts and costs to the
9 township, \$1.6 million annually. And that's new tax
10 revenues for Caernarvon Township. And then a strong
11 local support from the Board of Supervisors.

12 So with that, I conclude the
13 PowerPoint presentation and turn it over to Adrian.

14 ATTORNEY KING: Great. Thanks, Dan.
15 And if I could impose on one of you to give up your
16 seat temporarily to Dan, I'd appreciate that.

17 Good morning, Dan.

18 MR. DISARIO: Good morning.

19 ATTORNEY KING: Can you, briefly, just
20 spell your name and introduce - introduce yourself?

21 MR. DISARIO: Certainly. For the
22 record, my name is Dan Disario. Last name is,
23 D-I-S-A-R-I-O. I'm a principal with the firm Langan
24 Engineering, and I oversee all of the traffic and
25 transportation services at our firm.

1 ATTORNEY KING: And again, Mr.
2 Chairman and members of the Board, we're - you
3 already have in the record the Langan Engineering
4 Traffic Study and Report that was submitted as part
5 of the application.

6 And in supplementation of that, I'm
7 offering this testimony.

8 Dan, could you just briefly talk about
9 your qualifications?

10 MR. DISARIO: Certainly. I'm a
11 Licensed Professional Engineer in the State of New
12 Jersey. I'm also a Certified Professional Traffic
13 Operations Engineer, which is a national
14 certification by way of examination. As it relates
15 to casino-specific experience, I was on the team,
16 that was an unsuccessful bidder for one of the
17 licenses down in Philly.

18 The team that I was on was Casino
19 Revolution, which was the site just east of the
20 stadium area. So, we lost out to the one that was in
21 the stadium area.

22 I've also worked on the Parx Casino -
23 Parx Casino expansion. I should say expansions over
24 the years. And I've also done significant work with
25 casinos in Atlantic City and New Jersey.

1 ATTORNEY KING: What is the total
2 length of your time in your profession?

3 MR. DISARIO: I'm going on 27 years in
4 September.

5 ATTORNEY KING: All right.

6 Mr. Chairman and OEC, if there's no
7 objection, I'd like to have Mr. Disario accepted as a
8 traffic engineering expert.

9 ATTORNEY CROHE: That's fine.

10 ATTORNEY PITRE: No objection.

11 ATTORNEY KING: All right.

12 Dan, can you tell us the scope of your
13 engagement by Penn National and what were you asked
14 to do with respect to the proposed Morgantown Casino?

15 MR. DISARIO: Certainly. And I will
16 be brief. Essentially we were asked to do a
17 transportation impact study to identify the traffic
18 impacts that would be associated with the proposed
19 casino that's before you.

20 As the Board, as well as the public is
21 aware, the site is situated, in my opinion, as it
22 relates to site access, in an ideal location, being
23 that it's adjacent to the Pennsylvania Turnpike at
24 its interchange with 176 and it fronts along
25 Morgantown Road.

1 ATTORNEY KING: Okay.

2 And you prepared the study that we've
3 submitted to the Board?

4 MR. DISARIO: Yes.

5 ATTORNEY KING: Did you make an
6 assessment of the casino's impact on the local road
7 network?

8 MR. DISARIO: Yes, I did. And as the
9 Board heard from some of the earlier testimony, and
10 it's also identified in our Traffic Study, the
11 majority of the traffic associated with the proposed
12 casino is expected to be oriented to the interstate
13 system, both along the PA Turnpike as well as 176.

14 In addition, I'm sure as the Board's
15 aware, most casinos, their peak times of activity
16 occur outside of typical commuter times. And in
17 particular, Friday evenings and Saturday evenings are
18 the times when casinos generate the most traffic,
19 because of the activity of patrons coming to their
20 facilities.

21 So, in terms of the compatibility, the
22 surrounding road network, the proposed casino that's
23 before you will have very little traffic impact
24 during commute times, and in particular during the
25 weekday evening commute time.

1 It's later in the evening,
2 particularly on Fridays and Saturdays when the
3 proposed casino will generate its highest traffic.
4 And based on the study that we've put forth, in terms
5 of traffic impacts, particularly to the surrounding
6 local roads, we've identified that this proposed
7 casino will not significantly impact those roadways.
8 And existing operations, by and large, will remain
9 largely unchanged in terms of -. I would
10 respectfully submit to you, there there won't be any
11 discernable or noticeable changes in operations to
12 the local road network because of this proposed
13 casino project.

14 ATTORNEY KING: And in terms of trip
15 generation, you're aware and you've heard testimony
16 today, and I think it's addressed in your report,
17 that this site had previously been targeted for a
18 large mall-type project. I think we heard 200,000
19 square feet. I believe it was called the Tri-County
20 Mall?

21 MR. DISARIO: Yes. And based on our
22 research, I think it was more on the order of 300,000
23 square feet. It was a mixed-use development with
24 retail office as well as restaurants.

25 ATTORNEY KING: Okay. And compared to

1 that project and the traffic that was projected for
2 that project, how does that compare to what we - what
3 you have projected for the casino?

4 MR. DISARIO: So, if you look at a
5 Friday evening commute time, so when people are
6 coming home from work, so generally one hour between
7 4:00 and 6:00 in the evening, the previously approved
8 mixed-use development for the site would generate 900
9 new trips. So, a total of 900 trips coming in and
10 out of this site would have been generated by that
11 mixed-use development.

12 In comparison, the proposed casino
13 that's before you, during that same time, one hour
14 between 4:00 and 6:00, would generate, round numbers,
15 225 trips. So, the casino that's before you would
16 generate about 75 percent less traffic than the
17 existing approvals for this site for the previously
18 proposed mixed-use development.

19 CHAIRMAN: Just to clarify, just to
20 make sure we're clear, you're talking about during
21 those peak driving hours?

22 MR. DISARIO: Correct.

23 CHAIRMAN: Not suggesting that the
24 owner, I would think Penn National, wouldn't be
25 terribly interested in citing a casino if the net

1 impact was 225 trips or whatever.

2 If you spread it out over the day,
3 you'd obviously get a very different profile;
4 wouldn't you?

5 MR. DISARIO: You would, but I would
6 respectfully request to you, Mr. Chairman, that in
7 terms of the mixed-use development on a daily basis,
8 that development would generate more traffic as well,
9 compared to the proposed casino that's before you.

10 CHAIRMAN: I just want to make sure
11 the record's clear.

12 MR. DISARIO: And I think that's a
13 good point. Just to clarify, when you're looking at
14 traffic impacts on existing road networks, the times
15 where those road networks will have their highest
16 volumes, by and large, are during the commute times,
17 particularly during weekdays.

18 Those times are very sensitive to
19 additional traffic and changing of traffic
20 operations. In this casino project compared to the
21 previously mixed-use development, far and away is a
22 better land use for this site than the previously
23 mixed-use development, from a pure traffic impact
24 perspective.

25 CHAIRMAN: Please proceed. I just

1 wanted to get that on the record.

2 ATTORNEY KING: Two more questions.

3 At the Public Input Hearing for the
4 casino project, the issue of whether or not the
5 casino will impact traffic on four local highways in
6 Nantmeal Township and Elverson Borough, and
7 specifically those four being PA Route 23, PA Route
8 401, PA Route 82 and Little Conestoga Road was
9 raised.

10 In your opinion, will the casino
11 facility have a negative impact on traffic on these
12 roads in those areas? Again, Nantmeal Township and
13 Elverson Borough.

14 MR. DISARIO: In my opinion, I do not
15 think this casino project will have any significant
16 impact on those roads. They all exist to the east of
17 the site. Any traffic attributed to the casino that
18 would use those roads would be from the residents
19 that live in those areas, using those local roads to
20 get to the site.

21 We've identified about 60 percent of
22 the traffic for the casino using the Interstate
23 system. Talking with the gentlemen from Penn
24 National, they believe that number is actually going
25 to be higher.

1 So, our report, as submitted to you, I
2 believe overstates the impacts to the local roads.
3 And even with that overstatement, our conclusion was
4 that there will be no significant impact, as it
5 relates to traffic along those adjacent local roads.

6 ATTORNEY KING: Okay.

7 And last question, to the extent the
8 tolls would increase on the PA Turnpike, do you have
9 any thoughts as to whether casino patrons will be
10 traveling on local roads to avoid tolls?

11 MR. DISARIO: In my opinion, I do not
12 believe any increase in the tolls along the PA
13 Turnpike would cause anyone to divert off the
14 Turnpike onto the local road system to get to this
15 particular site to save whatever that incremental
16 increase in toll would be.

17 Everyone drives the PA Turnpike. The
18 Interchanges are spaced very far apart. So, in order
19 to divert onto a local road, if you're coming, say,
20 from the Philly area and heading west on the
21 Turnpike, you would be inconvenienced in terms of the
22 amount of the additional travel time that you would
23 have to incur to get off the Turnpike to travel on
24 these adjacent roads to save an increased toll
25 charge.

1 So, in my opinion, because it's much
2 quicker to travel to the site by staying on the
3 Interstate system, particularly the PA Turnpike, I
4 think the increase in tolls will have no bearing on
5 how traffic would access the site.

6 ATTORNEY KING: I'm going to get into
7 the documentary evidence. It may make sense, maybe
8 to pause for a second and to see if the Board or OEC
9 has any questions for Dan before he - before he
10 leaves?

11 CHAIRMAN: That's what I'm going to do
12 before you go further. A little bit different than
13 we normally do it.

14 Cyrus, if there's specific Cross
15 Examination questions that your staff or you have,
16 this would be the time to ask of this witness.

17 ATTORNEY PITRE: Yes.

18 The only question I have is if you can
19 break down, percentage-wise, what percentage do you
20 expect number - the patrons that will use the
21 Turnpike, will use 176 and will use the local
22 roadways to get to the casino?

23 MR. DISARIO: So, based on our study,
24 we estimate 19 percent will use the PA Turnpike to
25 and from the east. Seven percent to and from the

1 west. And then 176 to and from the north, you know,
2 oriented towards Reading, 35 percent.

3 So, if you add those three up, it's 61
4 percent would be using the Interstate system, 39
5 percent would be using the local road system.
6 However, as I testified previously, the
7 representatives of Penn National think there will be
8 even a higher draw along the PA Turnpike,
9 particularly to and from the east.

10 So, I would respectfully submit to
11 you, I think our Traffic Study overstates the impacts
12 along adjacent roads. And even with that
13 overstatement, we identified that the local roads
14 would not be impacted significantly with this
15 project.

16 ATTORNEY PITRE: With regard to the 39
17 percent utilizing the local roadways, what roadways -
18 do you have an assessment as to what road - what
19 particular roadways those local - that 39 percent
20 would utilize?

21 MR. DISARIO: Yes. We looked at - or
22 we've identified that along Main Street, which is
23 south of the site, 13 percent to and from the east,
24 13 percent to and from the west. Mill Road, which
25 basically Morgantown Road comes into as you head

1 south of the site, two percent. So, two percent to
2 and from the south along Mill.

3 And the balance would be along
4 Morgantown, slash, Reading Road, which would be 11
5 percent to and from the east.

6 ATTORNEY PITRE: Okay.

7 And if Penn National could respond
8 with regard to the percentages as they see those
9 patrons accessing the casino?

10 MR. FINAMORE: Sure. When you look at
11 the feeder markets for this property, we believe for
12 it to be successful, it's going to be primarily from
13 the Reading area. So, that's north, obviously, and
14 heading south on 176.

15 And the other main feeder market, we
16 assume, will be the Philly area, so to the east. And
17 when we looked at the data, we felt that those
18 numbers were a little understated, because if our -
19 if we're successful - if our marketing programs are
20 successful, we will drive business from those two
21 main feeder markets.

22 We already know the Reading market
23 quite well, because it is a major feeder market for
24 the Grantville properties. So, we're well-aware of
25 that market, the strengths of that market, and

1 indeed, a lot of the players in that market already.

2 So, it gives us some confidence as to
3 what we think will be stronger traffic counts from,
4 again, from east by the Turnpike and from the north
5 by 176.

6 ATTORNEY PITRE: And what percentage,
7 if you have an estimate, do you expect patrons to be
8 in that local area that would come to your casino,
9 that immediate Berks County, Lancaster area that
10 would use those locals roads? What percentage of
11 your patrons do you think?

12 MR. FINAMORE: Yeah. We think that's
13 at about 15 percent.

14 ATTORNEY PITRE: Okay.

15 I believe, also, there was some - a
16 recommendation with regard to a traffic light. If
17 you guys could expand upon that a little bit?

18 MR. DISARIO: Yes. And I'm glad you
19 asked that question, because I was negligent, in my
20 testimony, to discuss that.

21 The previous approval for the mixed-
22 use development also had a traffic signal at the
23 point of access along Morgantown Road as part of that
24 project. We have engaged with PennDOT. The Highway
25 Occupancy Permit for that previous project is still

1 valid, because the driveway was constructed per that
2 plan.

3 MR. LOGAN: If I can? Adrian, can you
4 go back, while he's talking, to the map that shows
5 exactly where he's referring to, please?

6 ATTORNEY KING: Yes.

7 MR. DISARIO: Yeah, put - I was going
8 to say put up the site plan.

9 ATTORNEY KING: Okay.

10 So is this what you were looking for?

11 MR. LOGAN: Yeah.

12 ATTORNEY KING: Okay.

13 MR. LOGAN: That's fine.

14 MR. DISARIO: So, looking at that
15 figure to the upper left-hand corner is the existing
16 driveway that was constructed as part of the
17 previously approved mixed-use development.

18 The Highway Occupancy Permit that was
19 issued for that driveway is still valid. We're in
20 the process of working with PennDOT to change over
21 the permittee for that permit to the new owners,
22 which is Penn National.

23 And we're also in discussions with
24 them. Although I can't sit here before and
25 absolutely guarantee it will happen, but we are in

1 discussions with them to pursue installing the
2 traffic signal that was part of the original approval
3 on this site for the previous mixed-use development.

4 CHAIRMAN: Okay.

5 ATTORNEY PITRE: Okay.

6 I have no further questions.

7 CHAIRMAN: On just the subject of
8 traffic, any questions at this point, from the Board?
9 Anybody else?

10 Go ahead, Kathy.

11 MS. MANDERINO: When asked about - and
12 Mr. King actually brought up the specific roads that
13 were mentioned at Public Hearing, and you talked
14 about them, 23, 401, 83 (sic), Little Conestoga Road.

15 But then, when you talked about the
16 local network that you believe is going to be impact
17 (sic) and was part of your Transportation Study, you
18 mentioned Morgantown Road, which we see here, Main
19 Street and Neil. Are those - are some of those
20 common names for these numbers, or were these numbers
21 Route 23, 401, 82 and Little Conestoga outside of -
22 beyond what you looked at for local impact?

23 MR. DISARIO: Some of our roads do
24 extend into those areas. And what I can tell you is
25 the roads that we looked at, which immediately

1 surround the site, would experience the greatest
2 impact, because they're the closest to the site. So,
3 any traffic associated with this casino, as it gets
4 closer to the site, will be traversing the roads and
5 intersections that we looked at.

6 As you get further away from the site,
7 particularly in those areas to the east that were
8 raised in terms of concerns, the impacts would be
9 even less than what we've identified in our study,
10 and the impacts that we've identified in our study
11 for the intersections closest to the site are not
12 significant.

13 The only other thing I would add is
14 that as you heard from Penn National, there's a full
15 expectation that more than 19 percent of the casino
16 traffic would be coming to and from the east along
17 the PA Turnpike. We've only assumed 19 percent for
18 Traffic Study purposes.

19 So, again, this Traffic Study
20 overstates how much traffic will be used in a local
21 road network, not only the intersections that
22 surround the site, but intersections that extend
23 beyond the site, to the east in particular.

24 And because of that, I think we
25 overstate what the impacts are. And they weren't

1 significant, based on our analysis. And I would
2 respectfully submit to you, as you move further away
3 from this site, they're even less significant than
4 we've identified.

5 MR. MUSTIO: Thank you. I guess a
6 comment first. The Board had requested an
7 independent review of the Traffic Study, just so that
8 we could get some sort of confirmation.

9 And PennDOT had asked McMahon
10 Transportation Engineers & Planners to do that
11 review. And basically to summarize what they said
12 is, it's their understanding that the details of this
13 Traffic Study were reviewed and approved by PennDOT
14 District 5 -.

15 ---
16 (WHEREUPON, AN OFF RECORD DISCUSSION WAS HELD.)

17 ---
18 ATTORNEY PITRE: We do have a witness
19 from McMahon here to testify -

20 CHAIRMAN: Okay.

21 So, -.

22 ATTORNEY PITRE: - what their findings
23 were.

24 CHAIRMAN: I defer to my fellow
25 Commissioner.

1 MR. MUSTIO: Yeah, I would rather - .
2 Then, I would rather - I would like to ask them those
3 - him those questions, then I'll just go on to Penn
4 National's experience at Grantville. Because it does
5 seem to be a similarly-sited location, even though
6 it's not off a toll road when you're coming off I-80.

7 When that property was developed, were
8 there similar concerns about local traffic? And if
9 there were, what were the realities and the actual
10 facts that developed out of that development?

11 MR. FINAMORE: So I was involved in
12 the design of the casino back in the - '07, '08
13 before - obviously before it opened. I don't recall
14 any concerns about traffic, increases of traffic,
15 potential increases of traffic at that time, because
16 it was an existing facility.

17 So, I think the people who lived
18 around, who worked around the facility knew it had
19 been there since 1972. And you know, in the day it
20 attracted 25,000 people on a race night. You know,
21 as many if not more people at one time than we see in
22 the casino - in the casino today.

23 So, there wasn't a level of concern
24 that I recall in the local community, as we designed
25 the property. And I think - and Dan can substantiate

1 this. You know, I've been to that property,
2 obviously many times of the day, days of the week.
3 Casinos are different than racetracks. They're
4 different than football stadiums or concert venues,
5 in that people come all at once and leave all at once
6 for those venues, whereas the casino tends to be more
7 of a flow basis.

8 And you know, frequenting the property
9 as I do, it's rare that you see, you know, any kind
10 of traffic activity. You have an odd car. Saturday
11 night, there is - certainly there is some more
12 traffic than that. But it's very spread out and it
13 isn't - it isn't a concentration of vehicles at any
14 particular time.

15 And Dan, I don't know if you want to
16 add anything to that?

17 MR. IHM: No, I - I completely agree,
18 and that's even on, you know, our busiest times, New
19 Year's Eve, Penn Mile, and then just last weekend the
20 ostrich and camel races, so -.

21 And again, those are predominantly on
22 the weekends. Friday, late evening, Saturdays,
23 Sundays. So, I think that's really what also helps
24 contribute to not having any traffic issues.

25 MR. MUSTIO: And what are your race

1 days there, other than the ostrich race days, when -
2 what are the horse race days?

3 MR. IHM: Our race days are typically
4 Thursday through Saturday. And it changes a little
5 bit.

6 So, for example, this month we added
7 Sunday racing. Sunday racing used to be very popular
8 for families back in the past, so we decided to bring
9 that back to see what it did. And I think - again,
10 it was ostrich, camel races with our thoroughbred
11 races, but that was the busiest that we've had in
12 years.

13 MR. MUSTIO: Thank you, Mr. Chairman.
14 I'll wait.

15 CHAIRMAN: Just to clarify the record,
16 Commissioner Mustio was asking about the traffic off
17 of I-78.

18 MS. REITZEL: I-81.

19 CHAIRMAN: I-81. I-81.

20 MR. MUSTIO: Did I say 80?

21 CHAIRMAN: You said 80. I just want
22 to make sure the record is -.

23 MR. MUSTIO: That's a Western
24 Pennsylvania mistake, sorry.

25 MR. FINAMORE: It's 743 and 81.

1 CHAIRMAN: Right.

2 MR. FINAMORE: And you'll recall, or
3 maybe you don't know, we were required at the time to
4 make improvements to that interchange back in '08,
5 which we did, at the cost of the company, to improve
6 access. Because at the time I do recall, there was
7 some concern that traffic would get backed up.

8 And that - I just don't recall that
9 ever happening over the, you know, ten years we've
10 been operating the property.

11 MR. MUSTIO: Thank you, Mr. Chairman.

12 CHAIRMAN: So both of us - you said
13 80, I said 78, we'll settle on 81.

14 MR. FINAMORE: 81 is the right one.

15 CHAIRMAN: Okay.

16 Any other questions from the Board?
17 Then please proceed with whoever's next.

18 MR. DISARIO: Thank you for your time.

19 MR. FINAMORE: Thank you.

20 ATTORNEY KING: With that, I'm just
21 going to move into the record five different
22 documents. Let me just explain what they are. Two
23 of them I'm going to focus on for a moment.

24 First is our PowerPoint presentation
25 today, just so the record is complete. The second

1 exhibit that I want you to have - and we have
2 submitted it, but I think it's important to highlight
3 it here, is a March 12th, 2019 letter which was sent
4 to Linda Lloyd from Caernarvon Township.

5 And if you would bear with me, I just
6 want to read a few parts of it into the record. This
7 is a letter from the Caernarvon Township Board of
8 Supervisors, and it states as follows, Dear Members
9 of the Board, Caernarvon Township, Berks County is
10 the host municipality for the proposed Category 4
11 Casino to be located in Berks County in the
12 above-referenced matter, which is this matter.

13 Members of the Board of Supervisors of
14 Caernarvon Township attended the Public Input Hearing
15 on March 4th, 2019 and wished to supplement the
16 township's position through submission of this
17 correspondence.

18 I understand that the OEC has no
19 objection to the Township's supplementation of the
20 record.

21 The Board of Supervisors of Caernarvon
22 Township Berks County remains unanimous in its
23 support of the proposed casino. The comments made at
24 the March 4th, 2019 Public Input Hearing have not
25 altered that support.

1 And in this case, it was done by the
2 University of Massachusetts and its School of Public
3 Health and Health Sciences. So, they did a
4 look-back about two years after a new casino was put
5 into a community in Massachusetts. And if I could
6 just offer a couple of the observations that I think
7 you might be interested in?

8 First - and I'll be brief - there was
9 no reported change in the number of Gamblers
10 Anonymous meetings in the Plainville area or the
11 number of people attending meetings.

12 From the secretary of New England
13 Gamblers Anonymous, we've had Gamblers Anonymous
14 meetings here, the Plainville United Methodist Church
15 for approximately 20 years. At present, about 15
16 people attend these meetings each week. We have not
17 seen any increase in attendance since the casino
18 opened.

19 There was no change reported in
20 personal bankruptcy filings in Norfolk County, where
21 Plainville is situated. There's no change in divorce
22 filings, Restraining Orders, cases of child welfare
23 in Norfolk County.

24 Two observations on problem gaming.
25 First by the Chairman of the Board of Health of

1 Plainville, Massachusetts, I don't really see any
2 impact on the health and well-being of the people of
3 Plainville. Conditions now seem to be as they were
4 prior to the opening of the casino.

5 From Jennifer Thompson, the Town
6 Administrator, residents have not come to us with
7 concerns that there has been an increase in problem
8 gaming.

9 On attitudes about the casino from the
10 Township Administrator. Overwhelmingly the people of
11 Plainville are happy the casino is here. From Lou
12 LeBlanc, the Chairman of the Board of Health. I'd
13 have to say that everyone I have come across is
14 pleased with the casino to this point. It has come
15 through with all the promises that were made.

16 On environment, again, from Jennifer
17 Thompson, the Town Administrator. We've had
18 virtually no issues in terms of traffic or congestion
19 because of the casino. It actually runs better than
20 it did before. There was a track where this casino
21 was - was located.

22 From Kathleen Parker, Treasurer of
23 Plainville, Mass. Where the track and casino is
24 located, it is the most dangerous intersection in
25 town, but it was dangerous long before the casino.

1 They talk about a Police Officer who was killed in an
2 accident in the area. They have done a lot to make
3 it safer.

4 On crime, no impacts on overall crime.
5 However, we did see a temporary increase in credit
6 card fraud. In Plainville there has also been an
7 increase in reports of lost property and suspicious
8 activity.

9 Part of this increase, attributable to
10 increased volume of visitors to the area.

11 We want to be very upfront about the
12 crime issue. I know it's a concern, but I would
13 submit to you that crime will increase in any
14 location in the Commonwealth whenever a new use is
15 put in which increases the number of visitors to the
16 area.

17 It's not necessarily because it's a
18 casino, you can see the same effect at a shopping
19 mall or any other large development. So, I just want
20 to be very upfront about that.

21 Real quick, a few others.
22 Construction expenditure, \$150 million spent by Penn
23 National to build Plainridge Park with 86.7 percent
24 of this money spent within Massachusetts.

25 Operational expenses, 129.5 million

1 incurred in operational expenses, 87 percent spent in
2 Massachusetts.

3 Business establishments, I think this
4 is important. This is from Kathleen Parker,
5 Treasurer of Plainville. Wow, we have had an awful
6 lot of influx of new businesses. We've had no
7 problem keeping restaurants in town very healthy.

8 That was one of the problems people
9 were saying, oh, we'll knock out the small
10 restaurants. No, that is not true, they are
11 thriving.

12 And lastly, unemployment. One of the
13 things that the casino promised to do was reach out
14 to Plainville folks first in terms of employment,
15 which they did. They kept their word. They are our
16 largest employer in Plainville. And it has certainly
17 had an impact. That was from the Town Administrator,
18 Jennifer Thompson.

19 And from the Chairman of the Board of
20 Health, Lou LeBlanc. As far as employment goes, it
21 definitely has been a positive impact.

22 So, that's Exhibit 4.

23 And then, Exhibit 5 was referenced by
24 Mr. Disario, and that is an assessment of the
25 percentage of travel on the roads, as he testified to

1 and wanted to have that.

2 ---

3 (Whereupon, Exhibit 5, Assessment, was marked for
4 identification.)

5 ---

6 ATTORNEY KING: So, with that, unless
7 there's any objection from OEC - and I've provided
8 them with copies of all these in advance - I would
9 ask that those be moved into the record.

10 ATTORNEY PITRE: I have no objection.

11 CHAIRMAN: Okay.

12 So moved.

13 ---

14 (Whereupon, Exhibit 1, PowerPoint, was marked for
15 identification and admitted.)

16 (Whereupon, Exhibit 2, Letter, was admitted.)

17 (Whereupon, Exhibit 3, Land Development Approval,
18 was admitted.)

19 (Whereupon, Exhibit 4, Observations, was
20 admitted.)

21 (Whereupon, Exhibit 5, Assessment, was admitted.)

22 ---

23 ATTORNEY KING: With that, I think
24 we're open to any other questions that you may have
25 at this point.

1 CHAIRMAN: Thank you.

2 I'll turn it over to Enforcement
3 Counsel.

4 Questions or comments?

5 ATTORNEY CROHE: The OEC does have
6 some follow-up questions.

7 John Crohe, C-R-O-H-E, Assistant
8 Enforcement Counsel for the OEC. To follow up on the
9 issue of the traffic light, does Penn National plan
10 to have the traffic light that was discussed
11 installed?

12 MR. ROGERS: See, we are waiting for a
13 final determination from PennDOT on that. We've
14 requested that the traffic light be installed. Their
15 initial analysis was that was that it wasn't
16 warranted, based on the expected traffic, but that is
17 something we've requested and is still pending.

18 ATTORNEY CROHE: Okay.

19 So you do commit on the record that
20 your intention is, at this time, to have the light
21 installed?

22 MR. ROGERS: We've requested it, yes,
23 subject to approval from PennDOT.

24 ATTORNEY CROHE: Okay. Thank you.

25 Regarding your plan for a sports and

1 race book, what are your plans to create a synergy
2 between sports betting and race betting, other than
3 having them together in one physical location?

4 MR. FINAMORE: Well, we've had - as
5 you're probably aware, we've had, I think, a good
6 degree of success with the location of the sports
7 book at the Grantville property. We located it in
8 the simulcast - existing simulcast racing lounge for
9 - really for the reason you mentioned, which is to
10 try to create exposure to the racing product from the
11 sports betters who are primarily new customers to the
12 property.

13 So, we'll start there, as you
14 correctly pointed out, at the Morgantown property,
15 the facility will be combined, race and Sportsbook.
16 And again, our experience at Grantville is that we're
17 exposing the horse racing product and it's not - it's
18 - simulcast is obvious national, so players can bet
19 on races around the country.

20 And it starts there. And I think - I
21 think that's the best way to ensure that we get the
22 exposure to the racing product from the new customers
23 who will be coming in to bet on sports.

24 ATTORNEY CROHE: Is there or are there
25 any plans to have Poker tables or a Poker room at

1 this facility?

2 MR. FINAMORE: There are not plans to
3 do that at this time.

4 ATTORNEY CROHE: Will the -?

5 CHAIRMAN: Excuse me, just to clarify.
6 So the 75 table games that are going to be there are
7 not going to -?

8 MR. FINAMORE: Thirty (30). There's
9 30. Seventy-five (75) is at Grantville.

10 CHAIRMAN: Thank you.

11 Thirty (30) would be roulette and
12 other products, not Poker?

13 MR. FINAMORE: Correct. Craps, -

14 CHAIRMAN: Thank you.

15 MR. FINAMORE: - Blackjack, Roulette.
16 Uh-huh (yes).

17 ATTORNEY CROHE: Will the entire
18 facility be 21 and over or will minors be permitted
19 in the facility for nongaming amenities, such as the
20 restaurants?

21 MR. FINAMORE: It will be 21 and over
22 for the entire building, including the food and
23 beverage outlets, minors will not be allowed in the
24 building.

25 ATTORNEY CROHE: And I noted in your

1 presentation that you referred to having 250
2 Full-Time Equivalent positions. How do you define a
3 Full-Time Equivalent position?

4 Is that a 40-hour-a-week position or
5 you have some other definition?

6 MR. FINAMORE: No, that's the
7 definition.

8 ATTORNEY CROHE: Okay.

9 And how many total employees will you
10 have at the facility, and how many will be full time
11 versus part time?

12 MR. FINAMORE: Dan, do you have that
13 off the top of your head?

14 MR. IHM: I do not have the exact
15 number. It will probably - will probably run 70
16 percent or so full time, 30 percent part time. But
17 that is all depending on once we get in and start
18 hiring folks and seeing what the demand is. And so
19 that can change.

20 ATTORNEY CROHE: And regarding the
21 part-time employees, do you anticipate providing any
22 benefit to part-time employees?

23 MR. FINAMORE: We do not.

24 ATTORNEY CROHE: Okay.

25 Do you have any plans to install any

1 type of employee dining lounge or café as an added
2 benefit for your employees?

3 MR. FINAMORE: We do. As we typically
4 do at all of our properties, there will be a dining
5 area for the team.

6 ATTORNEY CROHE: And how many slot
7 machines was it that you plan or anticipate having at
8 this facility?

9 MR. FINAMORE: 750.

10 ATTORNEY CROHE: And how many of those
11 will be owned by Penn National, as opposed to leased?

12 MR. FINAMORE: We typically - it
13 depends on the location and the competitive
14 situation, but we typically lease two to four percent
15 of our floor. So, the rest would be - and I would
16 anticipate that would be the makeup of this property,
17 and the rest would be owned.

18 ATTORNEY CROHE: What training
19 programs will be provided to service staff for the
20 prevention of serving alcohol to overly-intoxicated
21 guests?

22 MR. IHM: It will be ServSafe. It
23 will be the same training programs that we currently
24 offer at Grantville.

25 ATTORNEY CROHE: And what training

1 will be provided to casino staff for stopping false
2 identifications or underage individuals using the
3 legitimate identifications of an - of-age individual
4 to attempt to enter the facility?

5 MR. IHM: And that, too, that will be
6 Veridocs, which is the same system that we currently
7 use at the Grantville facility.

8 ATTORNEY CROHE: And will there be -
9 aside from the identification verification system
10 that you'll have installed, any training programs
11 provided to the employees themselves, to recognize
12 false IDs or an individual attempting to use another
13 individual's identification?

14 MR. IHM: Yes, there will.

15 ATTORNEY CROHE: And would you be able
16 to maybe give us an overview of that at this time?

17 MR. IHM: Yeah. It's the - it's
18 really the same program that's been very successful
19 at our Grantville facility. So, just like
20 responsible gaming, it's every new team member that
21 comes on board will receive this training, both
22 responsible gaming as well as identifying underage
23 minors.

24 That training will be an annual
25 training and also quarterly refresher courses as well

1 as security meetings that are done on a daily basis.

2 MR. FINAMORE: And Dan, I think you
3 also mentioned earlier the incentive programs you
4 have for Security.

5 MR. IHM: Yes. And the Hundred on a
6 Hundred Program that we've also - we'll continue to
7 use that as well.

8 ATTORNEY CROHE: So regarding that
9 training, and the annual and quarterly follow-ups,
10 which groups of employees received that follow-up
11 training? Is that every employee at the facility, or
12 is that limited to security staff?

13 MR. FINAMORE: That is every team
14 member at our facility.

15 ATTORNEY CROHE: Are there any plans
16 at this time to involve or sell the real property
17 involved in this transaction to Penn National's real
18 estate investment trust gaming and user property?

19 MR. ROGERS: There are no current
20 plans.

21 ATTORNEY CROHE: And when do you
22 anticipate construction of this facility to begin?

23 MR. ROGERS: So, we are hoping to
24 initiate shortly, once we receive final Environmental
25 Permits. And the goal would be to open by the end of

1 next year.

2 ATTORNEY CROHE: Okay.

3 I have no further follow-up questions
4 for Penn National at this time.

5 CHAIRMAN: Okay.

6 Does Enforcement Counsel have any
7 presentation they want to make, call any witnesses or
8 anything?

9 ATTORNEY CROHE: We do. At this time
10 we would like to call Christopher K. Bauer to discuss
11 the Traffic-Impact Study with you.

12 CHAIRMAN: Okay.

13 ATTORNEY CROHE: Mr. Bauer, if you
14 could, please state your name for the record.

15 MR. BAUER: Christopher K. Bauer,
16 C-H-R-I-S-T-O-P-H-E-R, K., B-A-U-E-R

17 ATTORNEY CROHE: And could you please
18 tell us your place of employment, occupation and your
19 job duties?

20 MR. BAUER: I'm a Licensed
21 Professional Engineer in New York and Pennsylvania.
22 I'm also a Licensed Professional Traffic Operations
23 Engineer. I specialize in transportation and traffic
24 engineering.

25 I'm an Associate and General Manager

1 of the Camp Hill office of McMahon Associates.

2 ATTORNEY CROHE: And how long have you
3 been in that employment?

4 MR. BAUER: I have 25 years of
5 experience, almost 26 starting in September also.
6 I've been employed with McMahon Associates for three
7 years.

8 ATTORNEY CROHE: And have you ever
9 given testimony of this nature before?

10 MR. BAUER: Yes.

11 And approximately how many times have
12 you given such testimony?

13 MR. BAUER: About a dozen times.

14 ATTORNEY CROHE: And have you ever
15 given testimony in front of any governmental entities
16 before?

17 MR. BAUER: Yes. Municipal entities
18 include first, second class townships and boroughs.
19 I've testified in Conditional Use Hearings and
20 Special Exception Hearings and have been previously
21 qualified as an expert witness.

22 ATTORNEY CROHE: Okay.

23 And if there are no objections, I
24 would now ask to have Mr. Bauer qualified as an
25 expert for the purpose of reviewing the

1 Traffic-Impact Study.

2 CHAIRMAN: Fine.

3 ATTORNEY KING: No objection on the
4 record.

5 CHAIRMAN: Thank you.

6 ATTORNEY CROHE: Was McMahon
7 Transportation Engineers & Planning (sic) hired on
8 behalf of PennDOT to review and assess the
9 Traffic-Impact Study submitted for the proposed
10 Category 4 facility in the Commonwealth?

11 MR. BAUER: Yes.

12 ATTORNEY CROHE: And as part of your
13 employment duties, were you tasked with the review
14 and assessment of the Traffic-Impact Study for Penn
15 National's proposed Morgantown facility?

16 MR. BAUER: Yes.

17 ATTORNEY CROHE: When was that study
18 reviewed?

19 MR. BAUER: The review was completed
20 on May 13th, 2019.

21 ATTORNEY CROHE: And could you please
22 discuss what methodology was used for your review?

23 MR. BAUER: Standard traffic
24 engineering, industry standards and PennDOT standards
25 for the review of Traffic-Impact Studies.

1 ATTORNEY CROHE: So, what was your
2 involvement in the actual review itself?

3 MR. BAUER: Review and oversight of
4 the review.

5 ATTORNEY CROHE: And were your results
6 - are the results generated as part of your review
7 provided to the Pennsylvania Gaming Control Board?

8 MR. BAUER: Yes.

9 ATTORNEY CROHE: At any time during
10 your review and assessment of the information, did
11 anyone attempt or influence or coerce you to provide
12 a favorable or unfavorable review?

13 MR. BAUER: No.

14 ATTORNEY CROHE: Were you notified by
15 anyone attempting to influence or coerce anyone at
16 McMahon Transportation Engineers & Planners during
17 the review.

18 MR. BAUER: No.

19 ATTORNEY CROHE: Can you please tell
20 us, as we've already heard, based on your review, who
21 prepared the Traffic-Impact Study?

22 MR. BAUER: The study was completed by
23 Langan Engineering and Environmental Services.

24 ATTORNEY CROHE: And when was that
25 study prepared?

1 MR. BAUER: The study is dated
2 October 19th, 2018.

3 CHAIRMAN: Excuse me, I need to
4 interrupt.

5 For the record, did we ever swear him
6 in this morning?

7 MR. BAUER: Yes. Yes.

8 CHAIRMAN: Okay.

9 Proceed.

10 ATTORNEY CROHE: And for what purpose
11 was that Traffic-Impact Study prepared?

12 MR. BAUER: The study was prepared to
13 determine the effects of - to the transportation
14 network of the construction of a new casino located
15 at the 36-acre site on Morgantown Road in Caernarvon,
16 Berks County.

17 ATTORNEY CROHE: And can you please
18 present a summary of your report regarding the
19 Morgantown project?

20 MR. BAUER: Sure. As testified to
21 previously, this casino development is proposed to
22 have one full movement access and one right in and
23 right out access to Morgantown Road, located between
24 Mineview Drive to the west and, I.E. 176 southbound
25 off ramp to the east.

1 Based on the information in the TIS,
2 the Berks County casino development will consist of
3 750 slot machines with 30 gaming tables, seven
4 positions per table. It's important to note that the
5 information provided, this site was previously
6 approved for the Tri-County Mall project.

7 All of the improvements for the
8 Tri-County Mall project, including the accesses to
9 the site are already constructed and are proposed to
10 remain to provide access to the proposed casino.

11 The only remaining improvement to be
12 constructed is a light, a traffic signal light at the
13 full movement access, which the proposed casino
14 Traffic Study recommends installing if or when
15 warranted based on post-development traffic counts.

16 It's our understanding that the
17 details of the Traffic Study were reviewed and
18 approved by PennDOT District 5. And we have reviewed
19 the trip generation comparison of the proposed
20 development to the previously-approved development
21 for which the offsite improvements were installed.

22 Based on the review of the TIS, we
23 concur with PennDOT District 5, that the study is
24 acceptable. And that the trip generation is
25 anticipated to be lower than previously-approved

1 development trip generation. And therefore, the
2 recommendation of the previously-approved study are
3 anticipated to adequately accommodate the traffic
4 generated by the proposed casino.

5 ATTORNEY CROHE: And did you say that
6 that Traffic-Impact Study did recommend the traffic
7 signal be installed?

8 MR. BAUER: Yes.

9 ATTORNEY CROHE: And do you know if
10 the installation of that traffic signal has been
11 planned?

12 MR. BAUER: Yes. Based on testimony
13 and the Traffic Study recommendation that the signal
14 will be installed at the main full access, once - if
15 and when the warranted is - warranted based on
16 traffic volumes on the post development traffic count
17 for the casino.

18 ATTORNEY CROHE: And you had a chance
19 to just listen to the testimony that was provided
20 regarding the Traffic-Impact Study.

21 Correct?

22 MR. BAUER: Yes.

23 ATTORNEY CROHE: And was that
24 testimony consistent with the independent review that
25 you provided to the Board?

1 MR. BAUER: Yes.

2 ATTORNEY CROHE: And was there
3 anything in that testimony that you found to be
4 invalid, erroneous or contrary to your own findings?

5 MR. BAUER: No.

6 ATTORNEY CROHE: And is there anything
7 further that you would like to provide regarding the
8 Traffic-Impact Study associated with the Morgantown
9 project?

10 MR. BAUER: No.

11 ATTORNEY CROHE: How does the - sorry
12 - will the traffic - will the project have an impact
13 on traffic on Morgantown Road? And would the
14 proposed traffic signal at the access point to the
15 proposed facility alleviate any potential issues with
16 traffic on Morgantown Road?

17 MR. BAUER: Yes. There will be some
18 impacts. There's additional traffic on Morgantown
19 Road, but they'll be negligible and the installation
20 of the traffic signal will alleviate and mitigate any
21 of that impact.

22 ATTORNEY PITRE: At this time we open
23 up our witness to Cross Examination or questions from
24 the Board.

25 CHAIRMAN: Any questions?

1 ATTORNEY KING: No questions for the
2 witness. Thank you.

3 CHAIRMAN: Okay.

4 Are there other aspects to your
5 presentation?

6 ATTORNEY PITRE: There are other
7 aspects, but not with relation to traffic.

8 CHAIRMAN: Well, I'm going to hold
9 questions here until you've made your entire
10 presentation, and then the Board will ask whatever
11 they want of your witness.

12 ATTORNEY PITRE: The only other aspect
13 to our presentation is that based upon the
14 information provided by Penn National, with regard to
15 the casino, Plainridge Casino in Massachusetts, we've
16 also looked at our - the crime occurring within our
17 casinos within the Commonwealth over the last ten
18 years are going back to 2010, actually.

19 The Uniform Crime Reporting System the
20 State Police utilizes for the crime that occurs
21 around the state, we focused on the crimes occurring
22 at and around the casinos. The types of crimes - and
23 I think the State Police has testified to this at a
24 number of our Public Renewal Hearings, are the types
25 of crimes that you would see in any large shopping

1 mall.

2 Predominately theft, usually it's
3 theft of vouchers, theft of belongings of individuals
4 that have been left behind, and an individual returns
5 and the item is missing. We see some breaking into
6 vehicles, not a large number.

7 I think over the last ten years - and
8 that's - and we excluded Nemaquin, because that
9 facility has little or no crime, and we didn't want
10 to skew the numbers more positively.

11 So, in the worst-case scenario, we're
12 looking at with regard to theft crimes, out of the 10
13 - for the 11 casinos, we're looking at 1,548 theft
14 crimes a year combined for all ten casinos. So, I
15 think that's, you know, a fairly low number when you
16 consider the millions of people that tend to our
17 casinos.

18 Sex offenses are averaging 4.5 a year.
19 And usually that's some individual in the casino -.

20 CHAIRMAN: 4.5 statewide or 4. -?

21 ATTORNEY PITRE: Statewide. Statewide
22 for all the casinos combined.

23 CHAIRMAN: Thank you.

24 ATTORNEY PITRE: These are all 11
25 casinos combined.

1 CHAIRMAN: Okay.

2 And those are usually as a result of
3 someone inappropriately touching an employee of the
4 casino or another - a patron of the casino. And as
5 you know, we exclude individuals consistently when
6 that information is brought to our attention. And
7 those individuals are still prosecuted.

8 So, we - we have provided - we have a
9 binder that we'd like to move into evidence of all
10 those - of all the Uniform Crime Reporting
11 Statistics. And I think that would be OEC Exhibit -.

12 ATTORNEY CROHE: That would be OEC
13 Exhibit 1.

14 ATTORNEY PITRE: One. And we'd be
15 asked that that be moved into evidence, so that the
16 Board can take that into consideration. We've also
17 provided a copy to Mr. King for his review prior to
18 today's hearing.

19 ---

20 (Whereupon, OEC Exhibit 1, Statistics Binder, was
21 marked for identification.)

22 ---

23 ATTORNEY KING: I have no objection.
24 If I could just make one quick comment. I've studied
25 very carefully the UCR data for our own facility,

1 Hollywood Casino, at Grantville. There were a lot
2 of, quite frankly, horrible allegations made about
3 gaming at the Public Input Hearing. And I just want
4 to make one quick point.

5 Over those ten years, five months of
6 reports at Grantville there had been none, zero,
7 prostitution arrests. And I think that's important.
8 And remember, at any casino in this Commonwealth,
9 it's one of the most heavily surveilled and policed
10 locations you'll find anywhere in the four corners of
11 the state. And there's never been a prostitution
12 arrest, according to the UCR data, at Hollywood
13 Casino at Grantville from January of 2009 to the
14 present.

15 And I'm not saying anything happened
16 before, that's just the data that I was able to look
17 at. I have no objection to the exhibit.

18 CHAIRMAN: Okay. Fine.

19 Is there anything else you have to
20 present this morning?

21 ATTORNEY PITRE: That concludes our
22 presentation.

23 CHAIRMAN: Okay.

24 Now, I'll open it up. Any additional
25 questions Board Members may have on any of these

1 subjects?

2 MR. MUSTIO: I'd just like to follow
3 up on the traffic report, if I could.

4 Am I correct in what I heard that when
5 the mall was proposed that a traffic light was going
6 to go in? If PennDOT said that it warranted it,
7 based on what the anticipated traffic would be?

8 MR. BAUER: It's my understanding that
9 at that time a traffic signal was a mitigation
10 measure for their traffic.

11 MR. MUSTIO: And did I understand what
12 was said earlier, that you are going to put one in,
13 but PennDOT is saying that it may not be warranted
14 now?

15 MR. FINAMORE: We had requested one,
16 but yes, PennDOT is still reviewing that request.

17 MR. LOGAN: You have requested a
18 traffic light?

19 MR. FINAMORE: Correct.

20 MR. MUSTIO: But PennDOT's saying it
21 may not be warranted?

22 MR. FINAMORE: They're reviewing our
23 request. Their initial indication was that it was -
24 that it was not warranted, but they're reviewing our
25 request.

1 MR. MUSTIO: And PennDOT knows you're
2 paying for it?

3 MR. FINAMORE: Yes.

4 MR. MUSTIO: Or are you paying for it?
5 I guess I should have said that that way. You're
6 paying for it.

7 Okay.

8 Now, as far as - when you go in and
9 review -? You're licensed and the other individual
10 from Langan was licensed. And I'm not really
11 familiar with the process, but I think there is some
12 skepticism not by us, but by some people in the
13 public that the data that's generated from the report
14 or the results of a report can sometimes be skewed.

15 It's my understanding that you all
16 have your professional guidelines that you look at;
17 right? And so the report is what the report is,
18 based on industry standards.

19 Is that correct? Do you want to
20 elaborate a little bit more on how that works?

21 MR. BAUER: Well, that's true. It's
22 not based on industry standards, but it's also based
23 on PennDOT standards.

24 MR. MUSTIO: Okay.

25 So, it's not really the individual

1 engineer's interpretation or bias or putting it's
2 like - you're going to a standardized data reference
3 book that this is what happens in this type of area?

4 Am I correct?

5 MR. BAUER: That's correct. We do -
6 for the trip generation, they studied four sites and
7 came up with trip generation for those four sites.
8 So, we have real data on the casinos.

9 MR. MUSTIO: And then, when you did
10 your analysis, did you look at the conclusions that
11 were drawn by Langan, or did you do a separate report
12 and then match them up at the end saying, oh, we came
13 up with the same data?

14 MR. BAUER: No. We - we reviewed. We
15 did not do a study, our own study.

16 MR. MUSTIO: Okay. Thank you, Mr.
17 Chairman.

18 CHAIRMAN: Are there any other
19 questions down here, on any of the subjects?

20 Kathy?

21 MS. MANDERINO: Thank you.

22 Starting with traffic, and I'm looking
23 at - if somebody wants to put it back up, Mr. King,
24 slide 13, that shows the site plan.

25 ATTORNEY KING: I have it here. I

1 think somebody -.

2 MS. MANDERINO: And Morgantown Road.

3 ATTORNEY KING: Is there somebody who
4 can actually get it back -?

5 MS. MANDERINO: There you go.

6 ATTORNEY KING: There we go.

7 MS. MANDERINO: Okay.

8 So, to Mr. Bauer, if I understood you
9 correctly, this looks like it's a pretty true
10 north-oriented map, we have Mine View Drive on the
11 east - I mean, the west. And what's not shown here,
12 it's right at the cutoff, kind of, towards the upper
13 part of the map. I assume Morgantown Road continues
14 to extend beyond the ingress and egress to the
15 swimming pool, which I'm going to ask you about, to
16 get to I-176.

17 Is that correct?

18 MR. BAUER: That's correct.

19 MS. MANDERINO: Okay.

20 The traffic from I-176, it was your
21 testimony, as well as the testimony of Hollywood's
22 engineer, that that's expected to be the heaviest of
23 all of the various egresses and egresses to the
24 Hollywood site would be coming from I-76 heading west
25 - I-176 heading West on Morgantown Road.

1 Correct?

2 MR. BAUER: That's correct.

3 MS. MANDERINO: The proposed traffic
4 light, if warranted, would be at the entrance that's
5 kind of light gray that leads directly to the
6 proposed Hollywood site, but prior to getting there,
7 traffic will pass, at least what I'm seeing, two
8 other ingresses and egresses.

9 One, which looks like it goes to the
10 swimming pool, and a second one that goes to a site,
11 which I'm going to ask somebody what is there.

12 But neither of those two spots
13 currently have license - lights.

14 Is that a correct statement?

15 MR. BAUER: That's correct.

16 MS. MANDERINO: And from your review,
17 if this is something that you considered, will
18 ingress and egress to either of those two sites
19 require any other kind of traffic-control mechanism
20 with that increased heaviest traffic expected to come
21 in that direction off of 176?

22 MR. BAUER: It's my opinion it will be
23 negligible. That won't happen.

24 MS. MANDERINO: Okay.

25 The site that is totally adjacent to,

1 I guess, it looks like two sites that are totally
2 adjacent to Morgantown Road. I don't know if this is
3 for the traffic engineer or for someone at Hollywood,
4 so I'll just put the question out.

5 What is the usage of those two sites?
6 And then in particular, is any of them a school or
7 either of them schools?

8 ATTORNEY KING: If I can just clarify,
9 in terms of the two sites that are at the top of the
10 map, and it looks like there's some trucks parked up
11 there -

12 MS. MANDERINO: Right. Yes.

13 ATTORNEY KING: - as well.

14 MS. MANDERINO: Yes, that's what I'm
15 looking at.

16 ATTORNEY KING: So, I just - I just
17 want to make sure as well. So, I just want to make
18 clear, we - we own that now.

19 MS. MANDERINO: Okay.

20 ATTORNEY KING: And that is there
21 because that, at the time the Google images was
22 taken. And if I recall, driving up and down the
23 Turnpike, I think at some point the land owner was
24 allowing the storage and use of -

25 MS. MANDERINO: Okay.

1 ATTORNEY KING: - oil well -

2 MS. MANDERINO: So that is not -

3 ATTORNEY KING: - driven -.

4 MS. MANDERINO: - some other

5 independent business usage of any kind?

6 ATTORNEY KING: No.

7 MS. MANDERINO: So, the only usage
8 that I'm seeing here on the map -. And if my
9 question is appropriate, between you and 176, is the
10 community building swimming pool?

11 ATTORNEY KING: That's correct.

12 MS. MANDERINO: Okay.

13 With regard to that community building
14 and swimming pool, where I see on this map a lot of
15 green space, my question is -. Am I looking at low
16 fields? Am I looking at tall trees? What am I
17 looking at in terms of a buffer zone visually?

18 Can I see the swimming pool from the
19 casino parking lot?

20 ATTORNEY KING: So, we can't
21 necessarily comment about what it looks like in the
22 fall. But I can tell you, if you drive past it right
23 now, as I recall, there are a whole crop of trees
24 that come around and shield the pool from looking
25 down into the casino area.

1 MS. MANDERINO: Okay.

2 ATTORNEY KING: And then, I think it's
3 just kind of a field that then flows down to the
4 Turnpike. But there is a - there is a crop of trees
5 that come around the back of that pool.

6 MS. MANDERINO: Okay.

7 Is that correct from them seeing the
8 Hollywood -?

9 MR. DISARIO: That's right.

10 MS. MANDERINO: And since it looks
11 like it's an outdoor swimming pool, I assume if in
12 the winter the leaves are off, there's not anybody
13 swimming in the pool.

14 ATTORNEY KING: I think that's very
15 accurate.

16 MS. MANDERINO: Okay.

17 Staying with the traffic again, if I
18 may, the -.

19 CHAIRMAN: I just have one question to
20 clarify things.

21 You said that the stuff that shows -
22 it looks it might be trucks and whatnot and those two
23 spaces, that's your property. And I understand the
24 problem with Google Maps.

25 Is it your - is that stuff still there

1 - will it still be there once you start and finish
2 your construction?

3 MR. DISARIO: It's currently
4 undeveloped, but that's something we're going to
5 consider down the road, but that's -.

6 CHAIRMAN: So what I'm looking at is
7 just vacant now? So this picture would be -?

8 ATTORNEY KING: I think most -.

9 MR. FINAMORE: It's just gravel. I
10 think -.

11 ATTORNEY KING: Again, this is based
12 on my experience driving past the site multiple times
13 a week. There was a lot - it looked like drilling
14 equipment. I don't know if it was for gas or water.
15 And I think it's - all that equipment's been removed.

16 CHAIRMAN: Okay.

17 But -.

18 ATTORNEY KING: This parcel was
19 previously owned by the Pettinaro Group, and so they
20 did have - they used that for other -.

21 CHAIRMAN: It's a very simple - I'm
22 not trying to make this complicated. That area is
23 your property -.

24 ATTORNEY KING: Yes.

25 CHAIRMAN: You do not intend to have

1 noncasino related use going on there?

2 MR. DISARIO: In the - in the short
3 run, no. That's something that later we would
4 consider development for other noncasino use, so it
5 was something like, you know, other retail -.

6 CHAIRMAN: Okay.

7 So it's not disrupting - whatever's
8 happening there, there's no business -

9 MR. DISARIO: Correct.

10 CHAIRMAN: - to be disrupted there?

11 MR. DISARIO: Correct.

12 CHAIRMAN: That's what I wanted to
13 make -.

14 MR. DISARIO: Correct.

15 CHAIRMAN: Make sure I understood. Go
16 ahead.

17 MS. MANDERINO: Thank you.

18 Mr. Bauer, I just want to, again, be
19 clear that I'm connecting the dots correctly. Since
20 your - scope of your review was to review what the
21 traffic engineer hired by Hollywood did.

22 Did that - because I was - and I'm a
23 little confused now about which part of their
24 testimony - when we talked about earlier the local
25 road network and there was particular reference to

1 east of the township Routes 23, 401, 83 and Little
2 Conestoga Road, was that also part of what you
3 reviewed?

4 MR. BAUER: We reviewed what was in
5 that study. We were made aware of the citizens'
6 complaints. And I concur with the testimony that the
7 impacts to the local road networks would be the most
8 intense at the site itself, okay, and they're
9 negligible.

10 MS. MANDERINO: Okay.

11 MR. BAUER: So moving away from the
12 site would be as negligible, if not less.

13 MS. MANDERINO: Thank you.

14 As many of my Board Members attended
15 the Public Input Hearing and I very much appreciated
16 where folks who testified on both sides were coming
17 from. I think that sometimes there was hopes that
18 the scope of what is within this Board's review was
19 broader than it is and some of the issues that were
20 raised were really issues that were - are moot from
21 our point of view. Because the legislature had
22 already determined that there would be mini casinos,
23 what the potential places to locate them were, that
24 gambling was legal in Pennsylvania, et cetera.

25 But with regard to this site

1 specifically for Hollywood, I just want to put a few
2 things on the record that we haven't talked about
3 yet. The scope of your siting a Cat 4 - deciding to
4 open one or more Cat 4 organizations, was defined by
5 the legislative parameters.

6 And what I mean by that was, the
7 legislator had predetermined that existing Category 1
8 Licenses had this kind of 25-mile buffer zone around
9 them.

10 Well, let me start there. So, with
11 regard to what I'll call the eastern part of the
12 state, your starting point was not Philly and its
13 suburbs, really kind of all up along the East Coast,
14 because that was all covered by buffer areas.

15 Is that a correct statement?

16 MR. BAUER: Yes, because the 25 mile
17 buffer zones for existing Licensees.

18 Correct?

19 MS. MANDERINO: Okay.

20 So then within your scope of deciding
21 where to look for a location for - to bid on one of
22 the available Cat 4 Licenses, what was the nature of
23 the communities - if I could say it - that were
24 available to you?

25 And what I'm trying to get to is, is

1 this notion of kind of where Pennsylvania kind of
2 decided it wanted to have regional kinds of casinos
3 left available and open for folks considering Cat 4
4 Licenses.

5 I'd like to hear your thinking behind
6 your choices.

7 MR. ROGERS: Sure.

8 So, our first choice in the first
9 auction we bid on York, we did that because that is a
10 primary feeder market for Penn National Race Course.
11 We knew that we had a lot of customers in that area,
12 and we did that for competitive reasons.

13 We then, participated again in the
14 fifth auction, and - to select this site. This was
15 much more authenticity for us. We do think this is a
16 new market. You know, we're right on the outskirts
17 of the protective zone for Valley Forge.

18 We do think we'll be able to compete
19 very effective with Valley Forge for that really
20 dense population west of Philadelphia around the King
21 of Prussia area, partially because of our superior
22 access and ease of access.

23 And when it came to selecting the
24 actual site, Caernarvon Township and Morgantown, New
25 Morgantown, those are the areas you're really focused

1 on. And then specifically this site was just ideal
2 because of its ease of access with 76 and I-76 - or
3 176.

4 MS. MANDERINO: Thank you.

5 And for OEC, first, thank you, you got
6 rid of a lot of my questions with the State Police
7 information that you shared with regard to our track
8 record and crime.

9 But the one thing that - and I guess
10 this is maybe for OEC and for Hollywood, because
11 Hollywood, your experience so far is an integration
12 of your Security team with onsite State Police.

13 And the Cat 4s, again, by nature of
14 the legislative designation, will not have State
15 Police onsite, but will still require the onsite
16 security with coordination with the local Enforcement
17 Counsel.

18 So, I guess, maybe if OEC has anything
19 to comment about what our experience has been to date
20 in Pennsylvania with Security teams onsite working
21 with law enforcement and then for Hollywood Casino to
22 talk about whether you think your experience would be
23 any different with your Security team at this
24 Morgantown location and local law enforcement.

25 ATTORNEY PITRE: Based upon what we've

1 seen over the last 12 or so years, State Police
2 usually has jurisdiction within the casino. And so
3 there are a lot of areas that have their local police
4 force. So, anything that occurs outside of the
5 casino, Security, Surveillance, they work with the
6 local police.

7 So, as it relates to crimes or
8 violations that happen within the casino, between
9 Security and Surveillance, those individuals are
10 apprehended. If they're not apprehended, an
11 identification of those individuals are quickly made.

12 That information is shared with local
13 police. Local police usually is very good at
14 tracking down these individuals. We've had a number
15 of individuals that make their way out of the casino
16 after committing a crime, or as you know, may commit
17 a crime in the parking lot of the casino. We've had
18 no - little or no trouble apprehending those
19 individuals and bringing them to justice.

20 So, I think the Security force - I'm
21 happy to hear they will have roving Security in the
22 parking lots as well, and surveillance cameras in
23 their parking lot as well.

24 So, between their Security and
25 Surveillance force, we'll be able to identify anyone.

1 They have the authority to detain those individuals
2 and hold them for the local police to arrive, or to
3 just identify those individuals and report them to
4 the local police.

5 So, I don't anticipate that to be -
6 that to be a problem. I think, also, the location of
7 the facility, I don't think you're going to see the
8 high number of criminal incidents that you would see
9 if the facility was located in the city.

10 So, I don't think we'll - I think I
11 anticipate seeing something akin to what we see at
12 most at Valley Forge, which is one of the lowest
13 crime incident rates - between Valley Forge and
14 Nemaquin, which Nemaquin is virtually nonexistent.

15 MS. MANDERINO: And Hollywood, in
16 terms of your expectations with regard to security at
17 this site where there's not State Police onsite, do
18 you anticipate any differences or difficulties in -
19 in your properly securing and policing the property
20 and patrons?

21 MR. FINAMORE: I would agree with
22 everything that was just stated. That is exactly the
23 relationship that we would look for with local police
24 force.

25 MS. MANDERINO: Thank you. Thank you,

1 Mr. Chairman.

2 CHAIRMAN: Are there other questions
3 from the Board at this time?

4 Okay.

5 Anything further from either party?

6 ATTORNEY KING: Just a quick
7 administrative issue.

8 First of all, I just want to put on
9 the record that we're very - we wanted to thank the
10 professional staff and the Board for their diligence,
11 their responsiveness, their professionalism with
12 respect to this Cat 4 Application and our other Cat 4
13 Application.

14 I'd like to hand up, maybe, to Mr.
15 Cook or maybe to your Counsel, our exhibit packages
16 that were admitted. And lastly, I neglected to make
17 a very important request, which is put on the record
18 that we respectfully request that you approve this
19 application.

20 CHAIRMAN: It's a useful thing for you
21 to do, sir.

22 ATTORNEY KING: Yes. Thank you.

23 CHAIRMAN: Any further comments from
24 Enforcement Counsel?

25 ATTORNEY PITRE: No further comment.

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CHAIRMAN: Okay. Fine.

We're going to move on to our next hearing. And we'll - then we'll be taking a break for Executive Session and hopefully take this matter up when we return from that.

Thank you very much.

* * * * *

HEARING CONCLUDED AT 11:42 A.M.

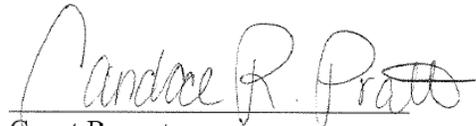
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CERTIFICATE

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I hereby certify that the foregoing proceedings, hearing held before David M. Barasch, was reported by me on 06/12/19 and that I, Candace R. Pratt, read this transcript, and that I attest that this transcript is a true and accurate record of the proceeding.

Dated the 11th day of July, 2019


Court Reporter
Candace R. Pratt