

COMMONWEALTH OF PENNSYLVANIA

GAMING CONTROL BOARD

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IN RE: MOUNTAINVIEW THOROUGHBRED RACING ASSOCIATION,
LLC, d/b/a HOLLYWOOD CASINO AT PENN NATIONAL RACE
COURSE - CATEGORY 1 LICENSE RENEWAL

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HEARING

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BEFORE: MEMBERS OF THE BOARD:

DENISE J. SMYLER, CHAIRMAN

Frank Dermody

Shawn Dillon

David S. Hickernell

Sara Manzano-Diaz

Nedia Ralston

Frances J. Regan

HEARING: Wednesday, December 18, 2024

10:14 a.m.

Reporter: Rachel Wilbur-Adams

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LOCATION: Gaming Control Board
303 Walnut Street
Commonwealth Tower
Harrisburg, PA 17101

WITNESSES: Tony Frabbiele, Andrew Watts, Kim Rego,
Alex Hvizda

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National Race Course

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CHAIR: Today, we have scheduled a public hearing on Mountainview Thoroughbred Racing Association, LLC's request to have its Category 1 license renewed. As I believe everyone is aware, Mountainview's Category 1 License is used to operate the Hollywood Casino at Penn National Race Course.

For this renewal, we will now hear from Hollywood Casino and the Office of Enforcement Counsel. I would ask all non-attorneys who will be presenting evidence today in this proceeding to please stand and be sworn in by the Court Reporter at this time.

COURT REPORTER: Raise your right hand for me.

(WHEREUPON, WITNESSES SWORN EN MASSE.)

COURT REPORTER: Thank you.

CHAIR: Thank you. I would also ask that everyone who is going to speak to please state and spell your name for the Court Reporter prior to speaking. And with that, Hollywood, you may begin.

ATTORNEY KING: Chair Smyler, Members

1 Gaming Control Board, good morning. Adrian King here
2 from the Ballard Spahr Law Firm on behalf of
3 Mountainview Thoroughbred Racing Association, doing
4 business as, Hollywood Casino at Penn National Race
5 Course. As the Chair noted, we're here with our
6 final hearing seeking the renewal of our license to
7 continue operating the casino at Grantville.

8 We will keep things as sharp and crisp
9 as we can and move through our presentation. With me
10 here today is Tony Frabbiele, who, as you know, is
11 our Vice President and General Manager. Next to Tony
12 is Alex Hvizda, who's our Regional Director of
13 Compliance and next to Alex is Kim Rego, our Vice
14 President for Human Resources and finally, but not
15 least, Andrew Watts, who's our Director of Casino
16 Operations. I'm going to turn it over to Tony, who's
17 going to begin the presentation.

18 MR. FRABBIELE: Thank you, Adrian.
19 Madam Chair, Members of the Board, it's a pleasure to
20 be in front of you today on such a significant day.
21 And my last name, I should spell it because it's
22 challenging. F-R-A-B-B-I-E-L-E. First name, Tony,
23 T-O-N-Y.

24 What I would like to start off with,
25 and I think it's fitting that it is today, is how

1 much impact Penn National Race Course has had on the
2 gaming industry as you look at our history throughout
3 Pennsylvania. We were the first in a lot of
4 different categories. When you look at the expansion
5 of gaming with Cat-4's (sic), we were the first to
6 purchase a license with our York facility. We were
7 the first to take a retail sports wager at our
8 property. We also were the first to go with iCasino
9 live dealer and we continue to lead the way. We also
10 were the first to take cashless wagers inside of the
11 Commonwealth and we take a lot of pride of that. As
12 well as being the only gaming company as our parent,
13 Penn Entertainment, that is located here in
14 Pennsylvania.

15 So, we take things to heart here in PA
16 and want to make sure that PA is a great business
17 environment and we do as much as we can for the
18 Commonwealth that we all live and work in.

19 Taking a look at our numbers, you
20 know, since 2008, we've generated \$3.8 billion in
21 gaming revenues just through our brick and mortar
22 property alone. That doesn't include any iGaming
23 certificates that operate on top of our license.
24 That's over \$2.2 billion in gaming revenue and taxes
25 and fees paid back to the Commonwealth to help the

1 economic engine of the state. We've also paid over
2 \$385 million in wages since 2008, \$47 million in
3 benefits and \$133 million in payroll taxes.

4 We also have done a lot with
5 supporting businesses of minority and women-owned
6 businesses. Over the past five years we've used 64
7 different businesses that fit into that category,
8 which we are very proud of. We also have our
9 property now being 16 and-a-half years old as a
10 casino, but we've been around for over 50 years, so,
11 as a racetrack and we continue to reinvest in our
12 facility. We've put over \$82 million back in capital
13 into our facility since 2008.

14 Some of the things I think to
15 highlight there is our sportsbook operation at \$6.3
16 million. We converted our former buffet space into
17 now what we call the ESPN Bet Sportsbook and
18 Restaurant, which we're very excited about. We also
19 have just finished up and completed our manganese
20 plant, which if you're not familiar with that, that's
21 a mineral found in water. We operate our own water
22 well and our own water treatment facility at our
23 property. So, we're very proud of that. That also
24 supports more businesses than just ours in the
25 Grantville area, so - and we continue to look for

1 ways to be more sustainable.

2 I think, I'm hopeful that we'll have
3 more to share with you when it comes with that front.
4 Our company is very focused on our footprint when it
5 comes to being as green as possible and we're
6 exploring opportunities for solar to see if we can't
7 become a fully-sustainable casino and potentially the
8 first in the United States, which would be, I think a
9 pretty unique thing to be.

10 We also sponsor quite a few
11 organizations. I'll name out a few of them, but the
12 Women's Business Enterprise National Council,
13 National Minority Supplier Diversity Council, U.S.
14 Pacific Islander and Asian Chamber, the U.S. Black
15 Chamber, the National Gay and Lesbian Chamber, the
16 U.S. Hispanic Chamber and the National Veteran Owned
17 Business Administration and Veterans is something we
18 do truly take to heart. If you've been out to any of
19 our concerts, our stage is named Penn Heroes and Alex
20 will talk to you more about that as he gets into his
21 part of the presentation with the philanthropic
22 efforts that we generate to help our PA veterans.

23 Now I would like to take a moment to
24 just talk about the state of the Commonwealth as
25 we've seen a lot change as we've talked about today I

1 think already with gaming since its inception, where
2 we now have more brick and mortar casinos and we have
3 iGaming and we have sports wagering. And I think
4 what this chart shows is that brick and mortar
5 revenues have remained relatively constant throughout
6 that time frame.

7 So, we Believe that the business there
8 has been relatively healthy. And when you look at
9 table games and slots specifically, when you start to
10 break it down, we see a larger decline at brick and
11 mortar casinos on the slot side versus tables. And
12 when we look at iCasino, that customer typically goes
13 more towards a younger demographic and also a
14 customer that skews more towards tables and sports
15 wagering. So, it led us to ask the question, what's
16 really impacting our slot revenues? And Alex Hvizda
17 really took this to heart and I'm going to let him
18 speak to that as what his findings were.

19 MR. HVIZDA: Thank you, Tony. Good
20 morning, Madam Chair, Members of the Board. Alex
21 Hvizda, A-L-E-X, last name, Hvizda, H-V-I-Z-D-A, and
22 I'll start with this slide right here.

23 So, what we looked at was the numbers
24 as of Fiscal Year '18-'19, which would have ended on
25 June 30th of 2019, just two weeks before iGaming and

1 about a month before VGT started. And then we
2 compared it to Fiscal Year '23-'24, which is the most
3 recent year for which we have numbers. And when we
4 looked at it, in fiscal year '18-'19, we had 12 land-
5 based casinos. In '23-'24, we now have 17 land based
6 casino . And when we looked at those existing
7 casinos, which is the light green color there, their
8 slots are down 1.5 percent and their tables are down
9 8.7 percent. So, you have - excuse me, 15 percent on
10 the slots and 8.7 percent on the tables.

11 So, when you look at it, slots are
12 being more impacted than tables at the existing 12
13 casinos. When you add in those five new casinos, you
14 see that slots are up 2.5 percent and tables are up
15 8.2 percent. So, you see that even adding in five
16 new casinos, the slots are not up as much as the
17 tables are. So, the question becomes, well, what is
18 impacting slots? Why are the slots not growing as
19 much as the tables when you factor in all 17 casinos?
20 And why are the slots the ones that are more affected
21 at the existing 12 casinos? Well, what are the other
22 pressures on there?

23 If you look at iGaming, studies have
24 shown, and we can just know this intuitively, that
25 the land-based customer and the iGaming customer are

1 largely two different people. The iGaming customer
2 being a younger customer. It's also a different
3 experience; tapping on your phone at home versus
4 being in a casino with customer service and
5 physically touching the machine. So, iGaming has
6 both tables and slots play. So, there's no
7 difference there.

8 Then you think, okay, well could it be
9 the VGTs? Well, there's only 370 VGTs across the
10 entire state. So, what is there out there in the
11 market that is a pressure that's on slots that is not
12 on tables? And Adrian, if you'd go to the next
13 slide, we - sorry, two slides. We would submit that
14 it's the skill game. So, we spoke about this back in
15 August when we were doing our slot reduction. And
16 what we did over the summer was we wanted to get some
17 boots on the ground, real world data here.

18 So, we took a ten-mile radius around
19 PNR, which the first five miles of that is mostly
20 fields and housing developments. And we looked at
21 any location in that area that could have had a skill
22 game in it, and I personally did this. We went to
23 over 225 different locations in a span of a couple
24 weeks. And what we found there was over 77 locations
25 with over 325 skill games. So, within a ten-mile

1 radius of our property, there's as many skill games
2 as there are VGTs across the entire state.

3 I think what's most telling though is
4 what does this mean to the consumer? So, on the
5 right there we have a picture. One of those is a VGT
6 that's taxed at over 50 percent. It's regulated by
7 the Board. It has responsible gaming controls both
8 for the employees at the VGT site. It's connected to
9 the central control computer system. It has
10 surveillance and it has security controls with
11 transporting the money to and from it.

12 One of those is a slot machine, same
13 thing; taxed at over 50 percent. Responsible Gaming
14 Controls, connection to the central control computer
15 system, surveillance and employees who are licensed
16 by the Board.

17 And one of those is a skill game. Not
18 taxed, not licensed, no regulations, no responsible
19 gaming, not contributing to the county through local
20 share assessments. And if you're the consumer, how
21 are you supposed to know what the difference between
22 the three of those are? So, if you are interested in
23 that tactile experience of playing a slot machine, we
24 submit to the Board respectfully that you now have 77
25 other locations just within ten miles of our casino

1 to do that. And that, we believe, is what is causing
2 the impact to the land-based slots revenues.

3 ATTORNEY KING: Thank you, Alex. With
4 that, we'll turn it over to Andrew.

5 MR. WATTS: Good morning. My name is
6 Andrew Watts, A-N-D-R-E-W, last name, W-A-T-T-S. So,
7 recently we completed a reduction to 1,532 slot
8 machines. Even with the reduction, we continue to
9 spend \$1.7 million a year on new slots to ensure the
10 floor has all of the most popular titles that our
11 guests are looking for.

12 In fact, we recently added 24 brand
13 new machines to our casino floor just in December
14 alone. We've been reconfiguring the floor to provide
15 more elbow room between slot banks to create wider
16 aisles and a more comfortable layout so players can
17 have more elbow room and find their favorite machines
18 quicker. This has been successful so far and
19 resulted in a three percent increase in coin in just
20 in November versus November last year. We've also
21 worked to move and shrink the smoking sections to the
22 back corners of the casino.

23 And on to table games. So, over the
24 last few years we focused on moving all tables to the
25 front of the casino to create more energy when you

1 first walk in to feel that vibe. We've added new
2 wagers including DJ Wild Stud Poker, Bonus Craps,
3 interblock hybrid craps, Five Treasures Wager on our
4 mini bacc (sic) game. Mini bacc has seen tremendous
5 growth and year-to-date improvement is 33.4 percent
6 versus last year or \$3.5 million in drop.

7 We launched the first statewide link
8 table Games Progressive between York, Morgantown,
9 Meadows and PNR. The figures you see are the
10 amounts wagered in one since December 2022 and three
11 of the largest jackpots. You know, we're also
12 excited to announce that recently over Thanksgiving
13 weekend, York gave out a \$682,000 jackpot on a five
14 dollar wager and in mid-2024 this year PNR and
15 Meadows brought back poker, which has been down since
16 COVID this. This has been very exciting and we also
17 brought back high-hand payouts and a bad beat jackpot
18 which is now over \$80,000.

19 So, the first legal sports wager in PA
20 was taken at PNR on 11/17/2018. We saw an immediate
21 increase in foot traffic, including many patrons from
22 out of state. Online sports betting started in Q3 of
23 2019 and business has been very stagnant since that
24 point. Still, we worked to continue to create a
25 unique viewing and entertainment experience for our

1 guests to warrant them coming out to watch the games
2 with us. Some things we've done is food contests,
3 added lounge chairs, yard games and much more.

4 So, the health of live horse racing is
5 tied to slots, as slight revenues have declined to
6 market segmentation and skill games, the amount
7 transferred to the Pennsylvania Racehorse Development
8 Fund has decreased 42 percent from Fiscal Year 2018
9 and '19 to Fiscal Year 2023-'24. Still, to keep
10 purses stable, we've had to decrease the racing days
11 now down 58 days from 2018. Yet, we continue to
12 promote live horse racing with events geared towards
13 families. Our Penn Mile this year featured Hall of
14 Fame Jockeys Frankie Dettori and Javier Castellano
15 and generated a record handle of \$5.7 million.

16 In partnership with HBPA, we also had
17 featured races that included camels, ostriches and
18 zebras which was very fun and drew a crowd of at
19 least 8,000 people, which was a record attendance for
20 PNRC. We also have a Community Day, Fan Appreciation
21 Night, Pink Out Night and a Penn Heroes Night.

22 As for non-gaming, as there are more
23 gaming options for players, we continue to focus on
24 creating events and experiences to draw new customers
25 to the property. Our Hollywood Outdoor Concert

1 Series, which Tony had spoken briefly about, is now
2 in its fourth year and has a 5,000 person capacity.
3 \$2 from the sale of every ticket goes to our PA
4 Veterans Trust Fund and we just had our first sellout
5 this year with our Sam Hunt concert.

6 You know, as I mentioned, it's very
7 popular and nearly 100,000 attendees have gone to our
8 concert series over the last four years and many from
9 outside of Dauphin County and our goal is to generate
10 more foot traffic and doing that by providing value.
11 Some of our daily value deals on FNB Outlets include
12 a \$7.77 double barbecue burger, \$35 prime rib
13 Thursdays and Sundays on Final Cut, free live music
14 on Fridays and Saturdays in our H Lounge and Penn
15 Drafthouse and we also launched Pop up Bar
16 experiences. So, this year our H Lounge is the North
17 Pole and our Draft House is a Christmas Tiki bar.

18 And I'll pass it on to Kim Rego.

19 MS. REGO: Good Morning. Kimberly
20 Rego K-I-M-B-E-R-L-Y, Rego, R-E-G-O. Currently we
21 have 657 team members plus an additional 84 seasonal
22 outdoor event reps and stagehands in the summertime.
23 Ninety-nine (99) percent are PA residents, 38 percent
24 are female, 24 percent are racial minority with 68
25 percent being full time and 32 percent being part

1 time.

2 As compared to December of 2018 we
3 have 33 percent fewer team members as the business
4 has converted contracted due to market segmentation.
5 Penn Interactive is the only iGaming company based in
6 PA where 99 percent of land-based gaming employees
7 are PA residents. Only 27 percent of Penn
8 Interactive employees are PA residents and that is
9 likely by far the highest of any iGaming operator.
10 Land based gaming creates more PA jobs than any form
11 of expanded gaming.

12 While we are smaller than we were in
13 2018, we are much more diverse. A racial minority
14 went from 20 percent to 24 percent, as compared to
15 Dauphin and Lebanon Counties combined. We have a
16 hundred percent PA residents; 51 percent female and
17 30 percent racial minority. Exempt professionals
18 2018 versus 2024; our women went from 31 percent to
19 36 percent with racial minorities going from 10
20 percent to 16 percent.

21 Over the years, we have increased our
22 workforce development opportunities. Penn Women is a
23 group of committed leaders who diligently work to
24 equip others with the tools that foster networking,
25 bolster confidence and cultivate leadership skills.

1 Our Emerging Leaders program aims to equip inspiring
2 team members with the skills to take the next step to
3 become a supervisor or manager. Additionally, we
4 offer multiple free training courses and
5 certifications and security to encourage retention.

6 Our turnover did spike in 2022-2023 as
7 did many organizations, largely due to macro trends
8 with wage increases and remote working. There's no
9 public transportation from Harrisburg, Lebanon
10 Counties to Grantville, but we've been working with
11 Commute PA to help commuters explore transportation
12 options.

13 At Penn National Race Course, we want
14 team members to find their fun and create monthly
15 activities and challenges. We have several annual
16 events where we incorporate team members' families
17 into these events, such as our Penn Fest in the
18 spring, our team member summer outing, our Halloween
19 festivities and in our Winter Wonderland.

20 Now I'll turn it over to Alex Hvizda
21 to discuss our community.

22 MR. HVIZDA: Thank you, Kim. So, one
23 of the things we always talk about when we are
24 onboarding our team members and whenever we have
25 engagement events is how they impact their

1 communities around them.

2 So, as Kim explained, most of our
3 employees live in the Central PA area, many of whom
4 are right here in Dauphin County, myself included,
5 and we try to impress upon them how what they're
6 doing at the casino is impacting their community.

7 So, we know that the land-based casino
8 has a local share assessment that goes to East
9 Hanover Township and then to Dauphin County. But one
10 of the things that we did in jumping in with both
11 feet with gaming expansion is, on our iGaming
12 Certificate, we have not only Hollywoodcasino.com,
13 which is our Penn product, but we did market access
14 agreements with DraftKings for their iCasino, BetMGM
15 for their iCasino and Fanatics for their iCasino.
16 And what that means for Dauphin County is that the
17 local share assessments for iGaming that are coming
18 from those three partners there, are coming to
19 Dauphin County.

20 And so Dauphin County has been able to
21 increase its gaming grants to almost \$10 million last
22 year and hopefully more this year. And that's going
23 to things, like, we have an amazing public library
24 system in Dauphin County, the Tiny Home Village for
25 veterans that just recently opened down there; got

1 money for it, various school districts have applied
2 and received funds for that to fund their school
3 breakfasts. Whether it's Cocoa Packs or the Panther
4 Ram Foundation. Our roadways up in East Hanford
5 Township are perfect. And we have a brand new fire
6 department up there that's state of the art as well.

7 So, we want to show them how what
8 they're doing at the casino is benefiting them as
9 residents. In terms of direct giving, the chart
10 there, go to the next slide, Adrian. The chart there
11 shows our direct giving over the last couple of years
12 and you can see that there has been increase there
13 and that is with our concert series. So, back in
14 2021, were not only running our Category 1 casino,
15 but we also were launching the York property and the
16 Morgantown property and just for fun, we added in
17 launching a large concert series.

18 And in that concert series, as Tony
19 mentioned, it's tied to our Penn Heroes program. And
20 \$2 from every ticket sold at the concert series goes
21 to the Pennsylvania Veterans Trust Fund, which is run
22 out of For Indiantown Gap, which are neighbors on
23 just the other side of the mountain. And that has
24 between the ticket sales and our employee payroll
25 contributions program and being able to donate

1 leftover Tito's whether it's through the kiosk or the
2 paper Tito's, in four years, we've been able to
3 donate over \$250,000 directly to the Pennsylvania
4 Veterans Trust Fund, including \$110,000 this year,
5 which was the most so far.

6 We also work closely with the
7 Grantville Volunteer Fire Company. They help us out
8 at the concerts as well. We've donated over \$180,000
9 directly to them. \$125,000 to the Central PA Food
10 Bank. Over \$100,000 to the PA Breast Cancer
11 Coalition and \$20,000 to Break Through T1D, which is
12 formerly Juvenile Diabetes Research Fund. We've also
13 been able to use the concert as a way to give in-kind
14 contributions.

15 So, we donate many tickets to Vet
16 Ticks, which allows active duty and veterans to
17 obtain discount or free tickets to concert events.
18 And we work with the Vista School for Autism Services
19 is very dear to us, and we were able to give two free
20 tickets to every one of their staff members this year
21 so that we could take care of the staff members so
22 they can provide their students with better support.

23 We don't just want to use our
24 pocketbooks, we also want to use our hands and feet.
25 We've become very close with Capital Area Therapeutic

1 Riding Association. As Tony mentioned, we've been a
2 horse racing track since 1972. It's in our DNA and
3 Capital Area Therapeutic Riding Association provides
4 therapeutic, excuse me, equine therapy to individuals
5 of all ages from all corners of Central PA, and
6 they're literally just down the street from us.

7 So, we go over there, we'll do farm
8 tours, but we also look at ways to use other
9 resources. So, we've donated leftover furniture and
10 equipment that we've had to them to repurpose and
11 upgrade their facilities. We've used our facilities
12 team to rehab some of their areas. We use our
13 marketing team to promote their events so that they
14 can get more people to support them. And it's a
15 symbiotic relationship in that they help us out too.

16 So, when we have our team member
17 engagement activities, they bring over the mini
18 horses and the mini ponies and mini donkeys and goats
19 and everything, and we can do petting zoos for our
20 team members. We've also helped them apply for
21 grants from the gaming funds, which allowed them to
22 get a new gator and hopefully this year a new mini
23 excavator.

24 We also get out of the community. We
25 were just at Fort Indiantown Gap over the weekend for

1 Wreaths Across America. And we have different
2 opportunities that our team members can do, whether
3 it's Walks on City Island for whatever charity there
4 is. And we'd like to reward our team members. We
5 don't just ask you to give your time or your money.
6 We reward them with extremely-discounted Hershey Park
7 tickets or tickets to the concerts so that their
8 generosity can be enjoyed by them and their friends
9 and their family.

10 And with that, we'll turn it over to
11 closing remarks.

12 ATTORNEY KING: Thank you, Alex.
13 Adrian, and thank you for your time today. We
14 certainly take it seriously. We know it's a
15 privilege to operate our business in the Commonwealth
16 and we look forward and hopeful for that we'll be
17 approved to continue to do so. With that, we'll take
18 your questions.

19 CHAIR: Thank you. Enforcement
20 Counsel, do you have any questions for Hollywood?

21 ATTORNEY BOEHM: Yes, Chair. Sorry,
22 can we hear me? Hi, good morning. Elizabeth Boehm,
23 E-L-I-Z-A-B-E-T-H, B-O-E-H-M, on behalf of the Office
24 of Enforcement Counsel. Can I draw your attention to
25 slide five, please?

1 Regarding the what does the number -
2 sorry, revenue and taxes numbers represent? What
3 does the number actually represent? For example,
4 does that exclude iGaming or include sports betting
5 and table games?

6 ATTORNEY KING: Alex, you want to give
7 -?

8 MR. HVIZDA: So, the \$3.8 billion you
9 see there, that is just land-based slots, land-based
10 tables and land-based sports wagering. It does not
11 include the iGaming.

12 ATTORNEY BOEHM: And are the figures -
13 can those figures be broken down to include only 2019
14 through 2024?

15 MR. HVIZDA: Yes. So, from 2019 to
16 2024, that's \$3.8 billion, about \$1.35 billion of
17 that came from 2019 to 2024.

18 ATTORNEY BOEHM: Thank you. Can I
19 draw your attention to slide ten of the presentation,
20 please? Does Hollywood have any plans to change the
21 size of the smoking areas or the smoke-free
22 percentage?

23 MR. HVIZDA: No. And as Andrew
24 explained in his presentation, we've dramatically
25 decreased that square footage over the last five

1 years. And I think what's important to know is were
2 here in August for the slot reduction and we often
3 tell you that it's not the number of slots you have,
4 it's the number of people there playing them. And
5 November is when we finished up the operational plan
6 to decrease to the 1,532 slots. And by - And I
7 remember in August when we were here, Tony said he
8 did the same thing at the Meadows and it increased
9 coin in there. And we've seen that with the increase
10 of, what'd you say? \$3 million?

11 MR. FRABBIELE: \$3.8 million.

12 MR. HVIZDA: \$3.8 million year over
13 year in November by widening the aisles, which we've
14 shown there in the pictures and making it easier for
15 people to get to the slots. They want to spend more
16 time on those slots and then generate additional
17 revenue.

18 ATTORNEY BOEHM: And are there plans
19 to increase the slots?

20 MR. HVIZDA: Not in the immediate.
21 No.

22 ATTORNEY BOEHM: And can I draw your
23 attention to slide 16 of the presentation? Do you
24 anticipate having an increase in hiring during the
25 next renewal period?

1 MR. HVIZDA: So, I think the decrease
2 is a little misleading because keep in mind that
3 during this renewal period, we opened two new
4 casinos. So, while the number of employees at PNRC
5 has gone down, it is congruent with the decrease in
6 business as we've added these two other properties.
7 And what we're very proud of is that many of our
8 employees that were at PNRC in that 2019, 2021 area,
9 were able to go to York and Morgantown in promotions.

10 So, for example, both of our
11 surveillance managers at York and Morgantown were
12 supervisors at PNRC and got to move up into that
13 managerial position.

14 ATTORNEY BOEHM: No further questions.

15 CHAIR: Thank you. Any questions from
16 the Board?

17 Okay.

18 Hearing none, Office Enforcement
19 Counsel, do you have a presentation?

20 ATTORNEY BOEHM: I have a statement.
21 Thank you. Good morning, Chair Smyler, Members of
22 the Board, again, Elizabeth Boehm on behalf of the
23 OEC. In advance of today's hearing, the Office of
24 Enforcement Counsel provided Hollywood Casino at Penn
25 National Race Course and the Board with updates to

1 information that was previously provided at Hollywood
2 Casino's Public Input Hearing on August 28, 2024.

3 Those updates were generated by the
4 Board's OEC, Pennsylvania State Police, Bureau of
5 Liquor Control Enforcement and the Pennsylvania
6 Department of Revenue. The OEC has not filed any
7 enforcement actions against Hollywood Casino since
8 the Public Input Hearing. No actions have been taken
9 by the Bureau of Liquor Enforcement against Hollywood
10 Casino since the public input hearing. And the
11 Department of Revenue has confirmed that Hollywood
12 Casino's tax accounts are current.

13 The Bureau of Liquor Enforcement and
14 Department of Revenue provided letters confirming
15 these matters. The OEC requests that these
16 documents, marked as OEC Exhibit 2-A and OEC Exhibit
17 4-A respectively, are admitted into the record.

18 ---

19 (Whereupon, OEC Exhibit 2-A, Letter from Bureau
20 of Liquor Control Enforcement, was marked for
21 identification.)

22 (Whereupon, OEC Exhibit 4-A, Letter from
23 Department of Revenue, was marked for
24 identification.)

25 ---

1 ATTORNEY BOEHM: The OEC would like to
2 note for the record that it has submitted the Final
3 Background Investigation Report to the Board, and the
4 Bureau of Licensing has submitted the Renewal
5 Suitability Report to the Board, which encompasses
6 reports from all of the necessary offices and bureaus
7 under the Board's jurisdiction.

8 The OEC does not have a formal
9 presentation and does not intend to offer any
10 witnesses, but is available for any questions the
11 Board may have regarding the information provided.
12 That's all. And thank you for your time.

13 CHAIR: Thank you. Hollywood, do you
14 have any questions for Enforcement Counsel?

15 ATTORNEY KING: No questions.

16 CHAIR: You have any objections to
17 their exhibits?

18 ATTORNEY KING: No objections.

19 ---

20 (Whereupon, OEC Exhibit 2-A, Letter from Liquor
21 Control Enforcement, was admitted.)

22 (Whereupon, OEC Exhibit 4-A, Letter from
23 Department of Revenue, was admitted.)

24 ---

25 CHAIR: Do you want to enter your -?

1 ATTORNEY KING: We'd like to enter
2 this Presentation, the written presentation into the
3 record. And if it's appropriate, just make one final
4 statement -.

5 CHAIR: I want to make sure Enforcement
6 Counsel has no objection to the Exhibit.

7 ---
8 (Whereupon, Penn National Exhibit 1,
9 Presentation, was marked for identification.)

10 ---
11 ATTORNEY BOEHM: No objection.

12 CHAIR: Okay.

13 ---
14 (Whereupon, Penn National Exhibit 1,
15 Presentation, was admitted.)

16 ---
17 CHAIR: And I want to ask the Board
18 Members, do you have any questions for Enforcement
19 Counsel?

20 Mr. King, you can make your closing
21 statement.

22 ATTORNEY KING: Yep. Simple enough.
23 I think, as you can see, this is a high-functioning,
24 high performing facility. It's truly the flagship of
25 the company. It's where it all began back in 1972.

1 And you know, as Tony mentioned, we're the only
2 gaming operator in the state that's both incorporated
3 and headquartered here in the Commonwealth. And
4 we've grown from this particular property, which we
5 continue to take particular pride in to 42 properties
6 in over 20 states across the country. Also
7 operations in Canada.

8 It's truly a great Pennsylvania
9 success story. It all comes from here. And I think I
10 respectfully submitted is worthy of re-licensure so
11 we can continue to do the good work that we're doing
12 here in the Grantville and Harrisburg, Dauphin County
13 Area. So thank you.

14 CHAIR: Thank you. Enforcement
15 Counsel, do you have any additional comments?

16 ATTORNEY BOEHM: Nothing further.
17 Thank you very much.

18 CHAIR: All right. That concludes
19 this proceeding. This matter will be put before the
20 Board for a vote later this morning during the Bureau
21 of Licensing's portion of the Agenda. Thank you very
22 much for attending. Thank you.

23 * * * * *

24 HEARING CONCLUDED AT 10:43 A.M.

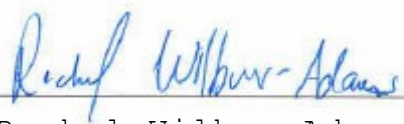
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CERTIFICATE

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I hereby certify that the foregoing proceedings, held before Pennsylvania Gaming Control Board, was reported by me on December 18, 2024, and that I, Rachel Wilbur-Adams, read this transcript, and that I attest that this transcript is a true and accurate record of the proceeding.

Dated the 6th day of January, 2025.


Rachel Wilbur-Adams,
Court Reporter