

COUNCIL OF THE CITY OF PHILADELPHIA
COMMITTEE ON RULES

- - -

Room 400, City Hall
Philadelphia, Pennsylvania
Thursday, May 7, 2009
1:15 p.m.

- - -

PRESENT:

COUNCIL PRESIDENT ANNA C. VERNA
COUNCILMAN FRANK DiCICCO
COUNCILMAN W. WILSON GOODE, JR.
COUNCILMAN WILLIAM GREENLEE
COUNCILMAN JACK KELLY
COUNCILMAN JAMES F. KENNEY
COUNCILWOMAN DONNA REED MILLER
COUNCILWOMAN BLONDELL REYNOLDS BROWN
COUNCILMAN FRANK RIZZO
COUNCILMAN DARRELL CLARKE

BILL 090294 - An ordinance amending Chapter
14-400 of The Philadelphia Code, entitled
"Commercial Entertainment District"...
BILL 090295 - An ordinance to amend the
Philadelphia Zoning Maps by changing the
zoning designations of certain areas of land
located within an area bounded by 11th Street,
Filbert Street, 8th Street and Market Street.

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1
2 COUNCIL PRESIDENT VERNA: Good
3 afternoon. This is a public hearing.

4 We have a lot of competition.

5 This is a public hearing of the
6 Committee on Rules. I would ask
7 Mr. McPherson to please read the title of
8 Bill No. 090294 and 090295.

9 MR. MCPHERSON: Bill No.
10 090294, an ordinance amending Chapter
11 14-400 of The Philadelphia Code, entitled
12 "Commercial Entertainment District," by
13 amending Section 14-403 of The
14 Philadelphia Code, entitled "Procedures
15 for the Establishment of a Commercial
16 Entertainment District."

17 Bill No. 090295, an ordinance
18 to amend the Philadelphia Zoning Maps by
19 changing the zoning designations of
20 certain areas of land located within an
21 area bounded by 11th Street, Filbert
22 Street, 8th Street and Market Street.

23 COUNCIL PRESIDENT VERNA: Thank
24 you.

25 Our first witness will be from

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2 the Philadelphia City Planning

3 Commission.

4 (Witness approached witness
5 table.)

6 COUNCIL PRESIDENT VERNA: Good
7 afternoon. Please identify yourself for
8 the record and proceed with your
9 testimony.

10 MR. GREENBERGER: Good
11 afternoon, Council President Verna and
12 members of City Council. I am Alan
13 Greenberg, the Executive Director of the
14 City Planning Commission. I am here to
15 testify in support of Bill 090294, which
16 changes approval procedures for Plans of
17 Development in a commercial entertainment
18 district, and Bill 090295, which remaps
19 the Commercial Entertainment District
20 currently located at the 1000 block of
21 Market Street.

22 With regard to Bill 090294, the
23 critical change in the bill is to require
24 that any Plan of Development or amended
25 Plan of Development for any project in a

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2 Commercial Entertainment District would
3 be subject to final approval of the City
4 Planning Commission, rather than a
5 recommendation of the Planning Commission
6 for final approval of City Council. This
7 approach is consistent with other
8 ordinances that have been approved by
9 City Council; for example, in the case of
10 the proposed Stamper Square at 2nd and
11 Lombard Street and in the case of the
12 proposed American Commerce Center at 18th
13 and Arch Streets. It is also consistent
14 with proposed legislation to create an
15 interim overlay to guide development on
16 the Central Delaware Waterfront.

17 The Planning Commission
18 supports this approach. For too long,
19 Councilmembers and community groups have
20 been asked to be urban planners, traffic
21 engineers and architects. This places an
22 unfair burden on Councilmembers and their
23 staffs, as well as on community groups,
24 who must devote significant amounts of
25 volunteer time to evaluate complex urban

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2 projects.

3 The Plan of Development
4 process, however, creates a process where
5 input from all stakeholders can be heard
6 and evaluated by planning professionals
7 who are trained to consider the
8 multi-faceted merits of projects. By
9 allowing the Planning Commission to make
10 final decision, all parties retain their
11 input through a public process, but are
12 relieved from many difficult pressures.
13 This process also provides equitable
14 support to communities in the City that
15 may not have volunteer expertise
16 available within their own residential
17 base.

18 Some people may argue that
19 Council ought to maintain its approval
20 rights over these and other major
21 projects as a check on Planning
22 Commission authority. While the merits
23 to this line of reasoning can be argued,
24 we would maintain that development in the
25 City has become too complex. Vesting the

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2 Planning Commission with final approval
3 of Plans of Development signals to
4 developers that their projects will be
5 considered for their planning and design
6 merits in accordance with a clear and
7 consistent process.

8 While we understand that not
9 every Planning Commission decision will
10 be met with support from members of a
11 given community, we do confer regularly
12 with community groups, conduct public
13 meetings at which community members are
14 invited to speak, and typically allow for
15 multiple hearings on major projects.

16 With the anticipated startup of the
17 Commission's Design Review Committee this
18 year, that public process will be further
19 enhanced. And as I've said publicly in
20 the past, our interest is not in cutting
21 Council out of decisions, but in engaging
22 Council in our process, soliciting the
23 point of view of members and working as
24 closely as we can with Council to promote
25 responsible development. I hope that

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2 those of you who have worked with us
3 directly can attest to the seriousness
4 with which we take our responsibilities.

5 With regard to Bill 090295, the
6 Commercial Entertainment District
7 established by Council ordinance in
8 November 2008 is proposed to be removed
9 from the 1000 block of Market Street and
10 relocated to the 800 block of Market
11 Street. This remapping will allow the
12 developer of the Foxwoods casino acting
13 in conjunction with the property's
14 landlord, the Pennsylvania Real Estate
15 Investment Trust, PREIT, to pursue a Plan
16 of Development for a casino in the
17 currently vacant lower floors of the
18 Strawbridge Building.

19 Mindful that under state law
20 the City cannot direct proposed casinos
21 to particular sites and that the
22 developer will need to receive approval
23 from the state Gaming Control Board
24 before relocating from the waterfront
25 site, we are nevertheless supportive of

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2 this rezoning. Though we have not yet
3 received any plans for the Strawbridge
4 site, we are aware of certain advantages
5 of this site over the previous one
6 further west on Market Street. These
7 advantages include the following:

8 One, the Strawbridge Building
9 has excellent interior connections to the
10 Gallery, the Market Street Rail Station,
11 the Market-Frankford Elevated, the PATCO
12 High Speed Line and the Convention
13 Center, thereby minimizing the amount of
14 vehicular traffic likely to access the
15 site.

16 Second, to the extent that
17 people will arrive at the site in a
18 personal car or bus, 8th Street is the
19 direct link to highway access from any
20 direction. Once at the site, one of the
21 City's largest downtown garages is
22 directly connected on two bridge levels
23 to the casino's proposed gaming floors.

24 Third, we understand that
25 gaming floors will be located on the 2nd

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2 and 3rd floors of the Strawbridge

3 Building, thereby making gaming almost

4 invisible to the public on the street.

5 We further understand that the majority

6 of the 1st floor will be made available

7 to restaurants and other

8 non-casino-related commercial uses.

9 Fourth, due to the historical

10 certification of the Strawbridge

11 Building, we anticipate minimal changes

12 to its exterior and note that any changes

13 or signs will require the approval of the

14 Philadelphia Historical Commission.

15 And, fifth, the proposal is

16 consistent with our developing master

17 plan for the Market East area. That plan

18 envisioned 10th Street as an important

19 north-south street whose identity is best

20 associated with Chinatown immediately

21 north of Market Street and Thomas

22 Jefferson University and Hospital

23 immediately south of Market Street.

24 The proposed site at the

25 Strawbridge Building will require

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2 detailed analysis by both the developer
3 and then ultimately by the Planning
4 Commission. In addition, issues of
5 public safety and gaming addiction remain
6 to be addressed, as they would be at any
7 proposed casino site in the City of
8 Philadelphia. These issues should not
9 deter Council from approving the
10 remapping. We believe that this site is
11 preferable to the original waterfront
12 site as well as to the 1000 block of
13 Market Street.

14 This concludes my testimony.
15 Thank you for your time, and I'll be
16 happy to answer any questions that you
17 have.

18 COUNCIL PRESIDENT Verna: Thank
19 you.

20 Are there any questions from
21 members of the Committee?

22 (No response.)

23 COUNCIL PRESIDENT Verna: Any
24 questions?

25 (No response.)

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2 COUNCIL PRESIDENT Verna: Thank
3 you very much.

4 MR. GREENBERGER: Thank you.

5 COUNCIL PRESIDENT Verna: Our
6 next witnesses will be Brian Ford and
7 Nick Moles.

8 (Witnesses approached witness
9 table.)

10 COUNCIL PRESIDENT Verna: Good
11 afternoon.

12 MR. FORD: Good afternoon,
13 President Verna, distinguished
14 Councilmen. Thank you.

15 Thank you for the opportunity
16 to speak to you today regarding the
17 proposed zoning at 801 Market Street. As
18 you know, on August 23rd, Governor
19 Rendell asked --

20 COUNCIL PRESIDENT Verna:
21 Excuse me. I'm sorry. Do you have
22 written testimony that you can share with
23 us?

24 MR. FORD: I'm sorry?

25 COUNCIL PRESIDENT Verna: Do

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2 you have written testimony that you would
3 like to share with us?

4 MR. FORD: I'd be happy to
5 supply my written testimony.

6 COUNCIL PRESIDENT VERNA: But
7 you don't have it with you now?

8 MR. FORD: No.

9 COUNCIL PRESIDENT VERNA: Then
10 please proceed.

11 MR. FORD: As I mentioned, on
12 August 23rd in 2008, Governor Rendell,
13 Mayor Nutter and others asked us to
14 attend a meeting at which they requested
15 that we consider moving from the
16 riverfront site. Various representatives
17 of the Commonwealth and City were
18 present. We had mentioned at that time
19 that it presented significant challenges,
20 including the fact that the Gaming
21 Control Board is the one that determines
22 the site and location for the casinos in
23 Philadelphia. We also mentioned that we
24 had spent significant sums of money at
25 that site.

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2 In September, September 9th in
3 fact, we again met with the Governor,
4 Mayor Nutter and other representatives of
5 the city and the state indicating that we
6 would evaluate the possibility of
7 relocating to the Gallery complex, with
8 the clear understanding that ultimately
9 the Gaming Control Board would have to
10 make the final decision on what site was
11 pursued.

12 It was also made clear that
13 part of our consideration of this was the
14 ability to open quickly and also to open
15 cost expeditiously. The Gallery was a
16 very attractive alternative because it
17 tied to a redevelopment opportunity in
18 the City to create entertainment
19 amenities in Center City. The building
20 had already been constructed. The
21 Gallery complex was over 30 years old,
22 and there were 7,400 parking spaces in
23 the general area, well within walking
24 distance of the site.

25 The first site we focused on

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2 was the west end of the Gallery. This
3 was in the early fall of last year. We
4 called that the Gallery II site. The
5 site is leased from the City by
6 Pennsylvania Real Estate Investment
7 Trust. It had major tenants. The
8 Redevelopment Authority had various
9 agreements in the Gallery, and tenants
10 had to be relocated. This required a
11 complex set of negotiations that were
12 begun and continued.

13 In showing good faith, the
14 City -- and we thank the City and Council
15 a great deal -- proposed and passed
16 legislation realigning the location of
17 the CED zone to that area that Alan
18 Greenberger described. The legislation
19 was introduced and passed.

20 The Gallery site was not
21 without its challenges. It involved
22 numerous issues, including relocation of
23 tenants, Redevelopment Authority,
24 negotiations with PREIT, et cetera.

25 In early 2009, PREIT advised us

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2 that the historic building at 801 Market
3 Street at the eastern end of the Gallery
4 complex, which had been prepared for
5 retail occupancy, became available and
6 asked if we would look at that site.
7 This site was within the newly defined
8 CED district that had been defined
9 earlier.

10 When we looked at that site, we
11 saw immediate advantages. The space was
12 totally vacant. It eliminated a number
13 of the parties in any lease negotiation,
14 and in addition to that, it didn't
15 involve relocation of any tenants. The
16 space had already been demolished and was
17 ready for construction in a very short
18 order. So this would enable construction
19 to begin as soon as all approvals were
20 obtained.

21 Recognizing the obvious
22 advantages over the Gallery II site, we
23 have been engaged in active lease
24 negotiations with PREIT, and I'm going to
25 let Mr. Coradino report on that. But

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2 we've explored -- in addition to
3 exploring the site, we were exploring
4 various funding alternatives that
5 included operators, it included financial
6 institutions, banks, et cetera, and as
7 City Council is well aware, the financing
8 market with the credit crisis that we've
9 had and the financial exigency that seems
10 to exist on our country, this still
11 presented some challenges.

12 We were pleased to tell the
13 Gaming Board in early April that the
14 original investors have agreed to fund
15 this construction. So in addition to
16 identification of the site, the original
17 Washington partners, still continuing to
18 honor all of the charitable commitments,
19 have agreed to provide the financing on
20 that site.

21 What we can report to you today
22 and definitively reported to the Gaming
23 Control Board on April 8th is that we've
24 made a decision to seek their approval to
25 relocate our site to the 801 Market

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2 Street location. I also report that we
3 have the necessary financial resources to
4 commit to that site. And once we have
5 all of the appropriate and necessary City
6 approvals, we will finalize our petition
7 with the Gaming Control Board to get them
8 to approve the relocation.

9 In that regard, we had numerous
10 meetings with the City and with various
11 Commonwealth officials, and our sense is
12 that everyone is enthusiastic about this
13 opportunity as a catalyst to be the first
14 leg in a major revitalization of the East
15 Market Street area.

16 What I'd like to do now is
17 describe in a little detail what we
18 envision at that site.

19 In a multiple-floor
20 configuration, we would be able to have
21 in the early phase 3,000 slot machines,
22 several food and beverage outlets. We
23 think that the site offers the
24 opportunity for a lot of contiguous
25 development, and we think that other

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2 people will come forward with food and
3 beverage offerings in the neighborhood.
4 We'll have an entertainment lounge. We
5 also noted that there are 7,400, 7,500
6 parking places within a short walk. The
7 rail access is extraordinary, second to
8 none anywhere in the country. In
9 addition to that, there are some 25 bus
10 routes that run routinely, commuter bus
11 routes, that run in front of the
12 facility.

13 We expect to engage on a
14 full-time basis some 450 people in the
15 early phase of this. The building is
16 large enough that it will permit second
17 phases and third phases. We can add the
18 additional slot machines that will be
19 permitted under the Gaming Control Board.
20 We can add additional food and beverage
21 nightlife as we determine what those
22 needs are and how to meet those needs.
23 And as you're aware, there is a pad there
24 at the site that is sufficient to handle
25 up to two hotel towers. So a master plan

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2 at the appropriate time could include a
3 hotel and spa and all of the things that
4 come with that.

5 So in conclusion, I recognize
6 that there's a lot of information and
7 there's a lot of information that's yet
8 to be done. We're committed to getting
9 that work done in as expedited a fashion
10 as possible, and we appreciate the
11 efforts of the City and City Council and
12 request that the legislation being
13 considered today by the Rules Committee
14 be recommended for adoption.

15 Thank you very much.

16 COUNCIL PRESIDENT VERNA: The
17 Chair recognizes Councilman DiCicco.

18 COUNCILMAN DiCICCO: Thank you,
19 Madam President.

20 What I'd like to do is, I will
21 hold my questions until Mr. Coradino has
22 given his testimony, because some of the
23 questions will involve answers from
24 either Mr. Ford and/or Mr. Coradino as it
25 relates to the lease and where we are.

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2 So I'll hold off until then.

3 Thank you.

4 MR. FORD: Thank you.

5 COUNCIL PRESIDENT VERNA: The
6 Chair recognizes Councilwoman Brown.

7 One moment, Mr. Ford.

8 COUNCILWOMAN BROWN: Madam
9 President, I will do the same. I will
10 wait until after we've heard from our
11 other witness.

12 COUNCIL PRESIDENT VERNA: Thank
13 you.

14 Mr. Ford, as I indicated, we do
15 have some competition here with the
16 noise. Did I hear you correctly when you
17 said you have the necessary financing?

18 MR. FORD: That is correct.

19 COUNCIL PRESIDENT VERNA: And
20 how many parking spaces did you say would
21 be available?

22 MR. FORD: In the area there
23 are 7,500 parking spaces, commercial
24 parking spaces. As you know,
25 Philadelphia is a city of people that

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2 walk, people that take cabs, and our
3 early traffic consideration suggests that
4 that's sufficient parking in the area.

5 When we looked at who shops in the area
6 and noted the extensive use of public
7 transportation that already existed,
8 we're confident that our traffic study
9 will show that there's sufficient parking
10 in the area.

11 COUNCIL PRESIDENT Verna: Thank
12 you very much.

13 I think we're going to wait for
14 questioning after Mr. Coradino.

15 MR. FORD: Thank you.

16 COUNCIL PRESIDENT Verna: Thank
17 you.

18 Mr. Joe Coradino, Pennsylvania
19 Real Estate Investment Trust.

20 (Witnesses approached witness
21 table.)

22 COUNCIL PRESIDENT Verna: Good
23 afternoon. Welcome. Please identify
24 yourself for the record.

25 MR. CORADINO: Good afternoon,

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2 Madam President and members of City
3 Council. My name is Joseph Coradino and
4 I'm an officer with Pennsylvania Real
5 Estate Investment Trust, a publicly
6 traded investment trust headquartered in
7 Philadelphia.

8 In our previous testimony, we
9 covered our company's core mission and
10 provided a list of retail properties that
11 we own and manage. Thank you for
12 providing us with the opportunity to
13 appear before you today as you consider
14 the ordinance addressing the proposed
15 local land use approvals for the
16 relocation of the Foxwoods gaming
17 facility to our property at 8th and
18 Market Streets. Depending upon how old
19 you are and how long you've lived in
20 Philadelphia, you may know the building
21 as the former Strawbridge's and Clothier
22 headquarters.

23 When our company last appeared
24 before you, we testified in support of
25 the ordinance that authorized the first

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2 step in a zoning change to transfer the
3 licensed gaming activities of the
4 Foxwoods group from the Delaware
5 riverfront to a portion of our property
6 connected to the Gallery Mall at 10th and
7 Market Streets. In considering the
8 possibility of locating the Foxwoods
9 facility within the Gallery II building,
10 PREIT analyzed this project in the
11 context of our larger vision for the
12 Gallery and found that it could be
13 compatible and could be complementary to
14 the property for a number of reasons.

15 One, a Foxwoods gaming facility
16 could provide the Gallery with a sizable,
17 high-quality, long-term anchor tenant
18 that provides stability and
19 predictability for our long-range plans.

20 Two, a well-executed Foxwoods
21 gaming facility could benefit our retail
22 tenants by generating more foot traffic
23 into the larger Gallery shopping mall.

24 This project also offers PREIT
25 and the City of Philadelphia the

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2 possibility of a true catalyst to
3 accelerate plans for upgrading the
4 overall retail/entertainment/commercial
5 district in the area, providing a vibrant
6 destination that connects both ends of
7 the Market East corridor.

8 My testimony today will cover
9 the considerations behind the change of
10 the zoning ordinance to support the move
11 to the 8th and Market and the status of
12 the deal.

13 After exploring the feasibility
14 of the 10th and Market Street location at
15 the western end of the Gallery, it's
16 become clear that the more ideal location
17 for this gaming facility is the 801
18 Market Street building. The location is
19 more appropriate for a number of reasons.

20 The building at 8th and Market
21 is a condominium, with PREIT owning the
22 lower seven floors. Foxwoods has
23 expressed interest in the lower floors of
24 the PREIT condo. One of the issues at
25 10th and Market was the number of

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2 ownership interests in the Gallery,

3 including the City, the RDA and PREIT.

4 The complexity of the ownership structure
5 would have caused a difficult and lengthy
6 negotiation process.

7 The 801 Market building is
8 currently vacant on the concourse, street
9 and 2nd and 3rd floors. At 10th and
10 Market, the complexity of interest made
11 the transaction virtually impossible.
12 Having the ability to begin construction
13 and fit out quickly is positive for us as
14 the landlord, as well as for our
15 prospective tenant.

16 I want to reiterate that
17 PREIT's role in this project is
18 restricted to that of a traditional
19 landlord. We will not be an equity owner
20 in the project, nor will we be
21 participating in the licensed gaming
22 activities or related activities
23 conducted by the Foxwoods group at the
24 site. We will provide the space under
25 the terms of a lease arrangement and

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2 collect rent from them as any other
3 tenant.

4 Our building at 8th and Market
5 will continue to serve other tenants,
6 including the Commonwealth of
7 Pennsylvania's General Services
8 Department. The tenant will occupy
9 nearly 225,000 square feet of space on
10 Floors 4, 5 and 6. They will remain a
11 tenant in the building.

12 With respect to the status of
13 our negotiations with Foxwoods, it is
14 important to note that negotiations with
15 Foxwoods are not complete. After months
16 of negotiations, we have begun to make
17 progress and have generally agreed on
18 basic economic terms. We are now dealing
19 with principals of the gaming partnership
20 and have scheduled meetings over the next
21 week to make progress in our
22 negotiations. We believe that we now
23 have two motivated parties and are
24 hopeful that a transaction can be
25 concluded in the near term.

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2 In conclusion, we believe that
3 the Foxwoods casino would serve as a
4 catalyst for the redevelopment of the
5 Gallery Mall, which would have a
6 beneficial effect on the revitalization
7 of Market East. We continue discussions
8 with the Planning Commission and others
9 of the City Administration to develop a
10 plan for the overall Market East
11 corridor.

12 Thank you.

13 COUNCIL PRESIDENT VERNA: Thank
14 you.

15 The Chair recognizes Councilman
16 DiCicco.

17 COUNCILMAN DiCICCO: Thank you,
18 Madam Chair, and good afternoon.

19 Some of the questions I have, I
20 already do have answers to, but I feel
21 it's important that this Committee gets
22 to know a little bit more about the
23 details and we create a record for
24 everyone's purposes.

25 You did mention that you're not

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2 yet -- you have not yet -- let me get it
3 right. That you're in negotiations and
4 you're not yet -- are not complete. The
5 negotiations are not yet complete, right?

6 MR. CORADINO: That is correct.

7 COUNCILMAN DiCICCO: Can you
8 give us a sense of where you are in those
9 negotiations? Are you much closer to
10 finalizing a deal or are you on the other
11 side of that?

12 MR. CORADINO: Well, I would
13 say that we made a great deal of progress
14 in the past few days. The parties
15 involved in the negotiations have
16 changed. We're negotiating directly with
17 principals, and we've agreed to
18 fundamental terms, including rent,
19 condition of premises, et cetera. So
20 we're hopeful, I think as I said, that a
21 transaction can be concluded, but one is
22 not at this point. And I would
23 characterize it, in terms of the status,
24 as being in the early stages of a
25 transaction.

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2 COUNCILMAN DiCICCO: Is it fair
3 to say that there's some fundamental
4 understanding of what the terms of the
5 lease would be? Is that an accurate
6 account?

7 MR. CORADINO: At this point,
8 there's a fundamental understanding of
9 the economic terms of the lease,
10 specifically rent, condition of
11 premises --

12 COUNCILMAN DiCICCO: The basic
13 structure.

14 MR. CORADINO: -- lease term,
15 et cetera.

16 COUNCILMAN DiCICCO: I think
17 the rest of the questions I have would
18 probably be for Mr. Ford, Madam Chair,
19 because I think Mr. Coradino in his
20 testimony pretty much answered a lot of
21 the questions I would have had for both
22 gentlemen.

23 COUNCIL PRESIDENT VERNA: Would
24 you like Mr. Ford to come up to the table
25 now?

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2 COUNCILMAN DiCICCO: Yes,
3 unless someone has a question for
4 Coradino.

5 COUNCILWOMAN BROWN: I may, but
6 let's invite the gentleman to the table.

7 COUNCILMAN DiCICCO: Joe, if
8 you don't mind, just stay there and Brian
9 will come up.

10 COUNCIL PRESIDENT Verna:
11 Mr. Ford.

12 (Witness approached witness
13 table.)

14 COUNCILMAN DiCICCO: Good
15 afternoon, Mr. Ford. And, again, some of
16 the questions I'm going to ask you, I
17 have the answers to, because you, myself
18 and Brian and others have been
19 negotiating and discussing this for some
20 time, but I need to establish a record,
21 and in case my colleagues have any
22 questions, I think it's the appropriate
23 time obviously for those questions to be
24 asked and heard.

25 Have you applied to the Gaming

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2 Board to move your license?

3 MR. FORD: Our license is set
4 to go for renewal May 29th of this year.
5 In conjunction with the petition for
6 renewal, we will begin the process of
7 requesting that they start to review the
8 relocation petition.

9 The relocation petition is
10 filed in parts. We file pieces as
11 they're finished. So, for instance, at
12 the time that we file for the extension,
13 all of the aspects of this that are
14 complete at that time will be filed with
15 that request for extension.

16 We would not expect the Gaming
17 Board to rule on a relocation petition
18 until all aspects of the relocation
19 petition are finalized, including
20 completing the Plan of Development
21 process and zoning processes here in the
22 host city.

23 COUNCILMAN DiCICCO: Thank you.
24 You've answered several of my questions
25 with that explanation, and that's good.

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2 Could you provide, without
3 divulging any confidentiality issues, an
4 outline structure of the financing.

5 MR. FORD: Councilman, we've
6 filed with the Gaming Control Board our
7 financing plan. It continues to be
8 refined, but essentially what we asked
9 the original investors to do was to make
10 additional funds available in order to be
11 able to proceed with this relocation.

12 As you'll recall, the
13 partnership between Foxwoods and
14 Washington partners was a partnership
15 where each party made contributions. The
16 Washington partnership was composed of
17 some people that were commercial and some
18 people who had funded the Washington
19 partnership and immediately transferred
20 their shares to charity. Those shares to
21 charity originally represented
22 approximately 42 percent of the entire
23 venture.

24 So looking for additional funds
25 when you have a tax situation that is the

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highest in the nation with our casino tax here and then, in addition to that, such an extraordinary -- as some of you know, I was responsible for the gaming practice at Ernst and Young globally. Nowhere in the history of gaming has anyone ever committed 42 percent of the profit distributions to go to charity. So the financing of an enterprise that has a charitable component that is that large and an enterprise that has a tax burden that is that large is significant. And what we did is, we went back to the original Washington partners and said, We really need you to step up in two ways. One, to make the financial commitments -- and those financial commitments have been filed with the Gaming Control Board -- and in addition to that, we said that we felt that it was important to maintain the charitable commitment. So what we reported to the Board and filed in camera was a financing plan that is complete that says the new investors are going to

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2 honor all of the commitments of the past
3 relative to charity.

4 The way I likened it is, I said
5 it's as if you bought a business that you
6 might value at \$100,000, and then after
7 you've made the valuation, you learned
8 that that business had a charitable
9 commitment of 42 percent of its profit
10 distributions. Would you still fund the
11 hundred thousand dollars that that
12 business might be worth otherwise.

13 So it started to become clear
14 to us that the best source to finance the
15 completion of this project were the
16 original investors, and we're in the
17 process of finalizing that. There are
18 20-some investors, some larger than
19 others, and that process is ongoing.
20 But, again, in privacy, several of the
21 investors committed to the entire amount
22 that was necessary in the event that some
23 of the smaller investors couldn't fulfill
24 their individual opportunity for
25 reinvestment. There'll be more to come

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2 on that all the time, Councilman.

3 COUNCILMAN DiCICCO: Thank you.

4 MR. FORD: Thank you.

5 COUNCILMAN DiCICCO: I have
6 other questions. Did someone have a
7 question relating to that response? No?
8 Okay.

9 I'll get back to the facility
10 now and some of the technical issues that
11 we have to deal with, traffic being one.
12 What kind of impact do you feel that
13 traffic will have on this facility and
14 have you hired a traffic engineer?

15 MR. FORD: I was just speaking
16 with Alan Greenberger on that exact
17 issue, and he and we are going to review
18 together the scope of the traffic study
19 that we have ready to go with one of the
20 noted traffic engineers in the City.

21 What we found the last time
22 around was that not having a scope that
23 was consistent with the scope that the
24 City was looking for created
25 opportunities for misunderstanding. So

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2 this time what we're doing is the traffic
3 study in concept. Things can change, but
4 in concept, we'd like to have Alan's
5 input to make sure that we're studying it
6 sufficiently.

7 But our preliminary conclusions
8 from a number of executives that have
9 gone through the project that are casino
10 executives from elsewhere, that are
11 friends, that are experienced in this
12 arena of casinos, and what our sense is,
13 that the unparalleled transportation hub
14 that this area enjoys, an underutilized
15 transportation hub in the sense that most
16 of the traffic in the area that takes
17 place now in the commuter rail and in the
18 commuter buses tends to be during what we
19 would call the business timeframe. So
20 what we've learned in preliminary looks
21 is are that the garages are much quieter
22 at night, unless the Convention Center
23 happens to have a big event. And in
24 addition to that, the train service and
25 the bus service, given the fact that

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2 there'll be commercial customers to use
3 it, can be expanded.

4 So we're cautiously confident
5 that the traffic situation will be very
6 manageable.

7 COUNCILMAN DiCICCO: Do you
8 have any idea when that may be completed?

9 MR. FORD: I would think in the
10 next four to five weeks, Councilman.

11 COUNCILMAN DiCICCO: Thank you.

12 Have you developed any
13 renderings of the facility and have you
14 determined any floor plan?

15 MR. FORD: No. At this point,
16 the process is sequential in the sense
17 that we have two buildings that are
18 approximately 100 years old. Those
19 buildings had other uses. They did not
20 have necessarily the weight issues that
21 some of our equipment would have. There
22 are different rules for retail versus
23 assembly, which a casino is considered.
24 So the early part of our work has been
25 related to issues of egress and fire

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2 safety and other things that have to be
3 considered, electrical capacity, et
4 cetera. Once those things are
5 determined, then we'll be comfortable
6 having our architects and construction
7 people come up with a design that we
8 think works.

9 One of the things that many
10 casinos did wrong and those of you that
11 remember the early days of Atlantic City,
12 what happened in Atlantic City was, the
13 early casinos opened and then they
14 quickly realized that their original
15 concept and traffic pattern had been
16 different than they anticipated. They
17 used a model that was consistent with Las
18 Vegas, which was a destination where
19 people came for two or three days. In
20 Atlantic City, the average visit is about
21 four to six hours. So the configuration
22 had to be different. We've had people
23 walking the floor up at some of our
24 future competitors to try to determine
25 what the best traffic patterns are,

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2 people traffic patterns, not vehicular
3 traffic patterns, within a facility.

4 For instance, we've learned
5 that in Pennsylvania the visitation is a
6 much shorter timeframe than we anticipate
7 in many of the other jurisdictions around
8 the country. The average stay here in
9 Pennsylvania is less than two hours.
10 People tend to come to the casinos, spend
11 a little bit of time and go off and do
12 something else.

13 Similarly, Councilman, the food
14 requirements are remarkably different.
15 When we were involved with Atlantic City
16 at the beginning, everyone wanted to
17 reproduce Las Vegas of the East, and they
18 put in immediately gourmet restaurants
19 and small seating areas that created the
20 intimacy that they were familiar with in
21 the western part of gambling, which was
22 the only other jurisdiction of any size
23 at the time. Quickly, Atlantic City
24 learned that the buffet was an important
25 component to their visitation. The

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2 buffet was a place that people could go
3 and have a meal and spend some time and
4 have some comradery during this four- to
5 six-hour visit. What we're learning here
6 in Pennsylvania is that that buffet
7 concept may not apply.

8 So we're studying each one of
9 those factors in the context of the
10 amenities that are already available.
11 You have very healthy, very strong,
12 perhaps underutilized food service
13 offerings in the area, not only in the
14 Gallery but in the surrounding areas
15 north to Chestnut and Walnut, south --
16 excuse me; south to Chestnut and Walnut,
17 north to Chinatown. There are so many
18 wonderful places to eat and have other
19 forms of entertainment. So when we
20 finalized the design of how the floor
21 should be laid out, we want to be
22 sensitive to the people traffic patterns
23 that are part of that.

24 We also anticipate that a great
25 number of the visitations will come right

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2 from the commuter corridor. So until
3 you've studied some of the traffic modals
4 that are associated with that, you're not
5 sure exactly where you want your main
6 entrances to be and your main points of
7 access. So it's ongoing, and as it's
8 available, we'd be pleased to share it
9 with you. We're very excited about it.

10 COUNCILMAN DiCICCO: Thank you.

11 I know in Mr. Coradino's
12 testimony he talked about those of us who
13 remember Strawbridges. I had the
14 opportunity a couple of weeks ago to do a
15 walk-through of the building as it
16 currently exists. It's basically a
17 vanilla box. There's nothing left in
18 there. There's some things on the walls
19 that will remind you of where the food
20 court was. Actually, I think those tiles
21 are still up, but it's basically several
22 floors of vacant building.

23 And it might not be a bad idea,
24 Madam President, to put an offer out
25 through our colleagues if they would like

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2 to do a tour of the building at some not
3 too distant future and not too distant
4 future to get a sense of where the gaming
5 floors will be, which is the 2nd and 3rd
6 floor, the 1st floor being left open for
7 retail and/or commercial space, but to
8 get a sense of how people will be coming
9 and going to the gaming facility within
10 the structure and to get a feel again for
11 not only the entrance off of the street,
12 but at what I call the belly of the
13 building, which is the Gallery and the
14 transportation hub, to get an
15 understanding where we think that this is
16 probably why -- may actually be a much
17 better site, because it's less reliant on
18 cars and those things.

19 So with that, I just wanted to
20 ask a couple of technical questions. How
21 many square feet are you expecting to use
22 of the 2nd and 3rd floor? I know you're
23 using them entirely, but how many square
24 feet does that add up to?

25 MR. FORD: Councilman, we're

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2 still working through cost estimates

3 where we consider phasing. There's a

4 great deal of interest by everyone in the

5 state in moving as rapidly as we can.

6 So we're still examining how to

7 fit the allowed amount of slot machines

8 in, which is 3,000, as early as possible.

9 It may consist of opening one floor

10 earlier than the other, and those

11 judgments haven't been made.

12 I would also point out that --

13 and Mr. Coradino's testimony spoke to

14 this -- we're working very cooperatively

15 with the PREIT organization to look at

16 the entire capability of the floors, from

17 concourse through 3rd, to make sure that

18 they're all consistent with the gaming

19 and entertainment environment that we're

20 mutually looking to achieve.

21 COUNCILMAN DiCICCO: Have you

22 hired an architect? Where are you in

23 regards to the design process?

24 MR. FORD: Our team has a

25 previously untapped capability to look to

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2 many existing relationships that our team
3 has had, and we've had advice from three
4 sets of architects, three recognized
5 gaming companies, a number of individuals
6 that have run and opened major
7 enterprises, and what we've done is
8 looked to those experts while we were in
9 these early phases to get their best
10 insight into different ways to think
11 about this.

12 You know, for instance, one
13 such group said to us, We think one of
14 the major possibilities is to come in
15 right off the concourse in the small
16 section, the 18,000 square foot section
17 that exists in the oldest building of
18 Strawbridges, but vertical transportation
19 there and go up from there. Others have
20 said when we work cooperatively with the
21 City that the Market Street entrance
22 should be the main entrance. Some of the
23 people from the City want to look at how
24 traffic flows before some of those
25 judgments are made. Each set of

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2 architects and executives that we take
3 through there give us valuable insight.

4 We have, in addition to that,
5 we've -- what we expect to do in the near
6 future is name an overall construction
7 leadership firm that will handle all
8 aspects of construction, architect,
9 engineering, et cetera, under one aegis.
10 In the past, at the river site, each one
11 of those were separate components
12 reporting in. As you know, the various
13 contractors that do construction are a
14 fraternity of relationships, and we want
15 someone at the top of that that has
16 relationships with all the various
17 subcontractors, the trade, et cetera, so
18 that we can make this as efficient as
19 possible.

20 So our efforts relative to
21 architectural and engineering have been
22 ongoing, and we've had the benefit of
23 utilizing existing relationships that
24 exist to give us insight as we've
25 continued to negotiate the lease with our

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2 friends at PREIT.

3 COUNCILMAN DiCICCO: Thank you.

4 I just want to go back again to
5 the 2nd and 3rd floor square footage.

6 Assuming you use all of the square
7 footage on both floors, what's the square
8 footage to that, approximately?

9 MR. FORD: If the final
10 configuration were only the upper two
11 floors, it would be approximately 140,000
12 square feet on those two floors.

13 COUNCILMAN DiCICCO: Together?

14 MR. FORD: Yeah.

15 COUNCILMAN DiCICCO: And just
16 to put it into perspective for my
17 colleagues, when you take the Gallery
18 from 11th Street all the way east to the
19 Strawbridges facility -- and correct me
20 if I'm wrong, Mr. Coradino -- you are
21 looking at in excess of 1.5 million
22 square feet of space? Is that about
23 right?

24 MR. CORADINO: (Mr. Coradino
25 nodding head in the affirmative.)

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2 COUNCILMAN DiCICCO: So the
3 Foxwoods casino would basically be a
4 tenant in this complex that has in excess
5 of 1.5 million square feet of space,
6 using somewhere around 140,00, 150,000
7 square feet.

8 MR. FORD: Councilman, I think
9 that's a great way of looking at it. The
10 way we've come to say it to ourselves,
11 we're going to use -- at the most, the
12 available space is four floors in that
13 building. That building was an entire
14 department store from top to bottom at
15 one time. When many of us were growing
16 up in the Philadelphia area, we
17 remember -- what was it, 14 floors --
18 some 14 floors of retail that were in
19 that space. So thank you for that
20 clarification.

21 COUNCILMAN DiCICCO: I have
22 just one final question. Do you have a
23 budget for the project?

24 MR. FORD: As you might expect,
25 completing the lease is a big part of

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2 determining that budget, but what I will
3 share with you budgetary-wise is that the
4 budget ranges that we have are
5 comfortable for our financing.

6 COUNCILMAN DiCICCO: Again, I
7 ask some of the questions I've known
8 answers to for a while, but my
9 colleagues --

10 MR. FORD: Happy to put it on
11 the record.

12 COUNCILMAN DiCICCO: -- needed
13 to do that and get it on the record.

14 Thank you. Thank you for your
15 answers.

16 MR. FORD: Thank you,
17 Councilman.

18 COUNCILMAN DiCICCO: At the
19 moment, Madam Chair, I have no further
20 questions.

21 MR. FORD: And with
22 Mr. Coradino, the landlord's, permission,
23 we'd be happy to provide access to the
24 space for the Council.

25 COUNCIL PRESIDENT VERNA: Thank

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2 you.

3 The Chair recognizes
4 Councilwoman Brown.

5 COUNCILWOMAN BROWN: Thank you
6 very much, Madam President.

7 Good afternoon, gentlemen.
8 While you are not here to seek funding
9 from the City of Philadelphia, you are
10 here seeking approval for local land use,
11 and I would go so far as to say the
12 majority of City Council cares deeply
13 about inclusion and opportunities for
14 women and people of color.

15 First please speak to your
16 track record with regards to inclusion
17 for disadvantaged businesses.

18 MR. FORD: Well, thank you. As
19 you know, we had an agreement with the
20 City at the other site on all of the
21 aspects of equal opportunity. We intend
22 to fulfill that agreement, and as you are
23 probably aware, the Foxwoods corporation
24 is one of the leaders in recognition of
25 minority enterprise as well as minority

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2 hiring and, similarly, with women and
3 disadvantaged citizens, whether it be by
4 handicap or otherwise. So we believe
5 we're going to be a stellar member in the
6 community in that regard.

7 COUNCILWOMAN BROWN: Is that
8 agreement in writing?

9 MR. FORD: The agreement at the
10 riverfront is in writing, and we intend
11 to abide by that and transfer that
12 agreement here.

13 COUNCILWOMAN BROWN: So you
14 have, therefore -- so have you met with
15 the Office of Equal Opportunity?

16 MR. FORD: Yes, but I will
17 acknowledge that it's been some time ago,
18 because we've been in abeyance for quite
19 some time.

20 COUNCILWOMAN BROWN: So should
21 we assume, then, that the formal
22 agreement stands in its current form
23 since you have not met with them
24 recently?

25 MR. FORD: That is correct.

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2 That was my testimony, yes, ma'am.

3 COUNCILWOMAN BROWN: Could you
4 please submit a copy of that agreement to
5 the Chair of this Committee?

6 MR. FORD: Sure. Happy to.

7 COUNCILWOMAN BROWN: You
8 mentioned the number of steps, including
9 zoning, traffic patterns, design, et
10 cetera, and you say that 42 percent of
11 the profit distribution will go to
12 charity.

13 MR. FORD: That is also
14 correct.

15 COUNCILWOMAN BROWN: Please
16 discuss that. Speak to that. What does
17 that mean?

18 MR. FORD: Councilwoman, thank
19 you for the opportunity to clarify that
20 and expand upon it.

21 When the organization was
22 formed back in '04 or '05, some members
23 of the community said that it would be
24 great to give something back to the
25 community, particularly to the Delaware

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2 Valley, Philadelphia, children's
3 charities, et cetera, and what three of
4 the individuals did was made a financial
5 commitment to fund this enterprise. They
6 immediately gave the stock in that
7 company to charitable trusts, from which
8 no money can ever be taken for any
9 purpose other than charity.

10 COUNCILWOMAN BROWN: You said
11 that was the Pew Charitable Trust?

12 MR. FORD: No. No. There are
13 three trusts that are part of that,
14 representing -- they were originally
15 represented by the investors that made
16 the three commitments financially.

17 COUNCILWOMAN BROWN: Okay.

18 MR. FORD: And that's
19 unparalleled. I worked in the gaming
20 industry for over 20 years with Ernst and
21 Young. I ran the practice globally. I
22 can't think of another gaming enterprise
23 that ever gave part of their stock
24 immediately to charity.

25 Now, just to take that a step

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2 further, if -- no one is planning a sale
3 of this, but just to show you how
4 complete it was, if the enterprise were
5 ever sold 20 years from now, the charity
6 would get the proceeds from the sale and
7 continue to use it for charitable
8 purposes. It is a charitable commitment
9 without possibility of revocation. It's
10 as complete as anything I've seen in my
11 non-casino practice at Ernst and Young as
12 well.

13 COUNCILWOMAN BROWN: Okay.

14 Back to the question of inclusion. What
15 guideposts or individuals or
16 organizations did you access as you
17 developed your OEO plan? For example,
18 Councilwoman Donna Reed Miller sits on
19 the Mayor's Advisory Council on
20 Construction Industry Diversity. Did you
21 meet with any members of that committee,
22 or who in the Administration did you sit
23 with to ensure that the goals you have
24 established are acceptable?

25 MR. FORD: Well, Councilwoman,

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2 I came on board in July of this year, and
3 in July of this year --

4 COUNCILWOMAN BROWN: July of
5 '08?

6 MR. FORD: That's right. Yes,
7 ma'am. And at that point in time, as
8 you're all very aware, the situation at
9 the river was stuck in a place that it
10 was not going to go forward. We had
11 reached various agreements, met with
12 various leaders, all prior to that time.
13 We have spent our entire energy on
14 breaking that logjam, and now as we look
15 to future operations, it's time to not
16 only reiterate the commitment, which I've
17 done here and in a number of other
18 places, but now begin the process of
19 those meetings.

20 When you start those too early,
21 you set expectations of employment
22 immediately for people that really need
23 employment today, not months in the
24 future or when a process through a city
25 and through a relocation process of the

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2 state is complete. So we don't want to
3 commit in a fashion to individuals and
4 have them count on a job, count on an
5 opportunity that may be delayed by some
6 of these processes.

7 COUNCILWOMAN BROWN: Sure.

8 MR. FORD: So once we have a
9 timeframe secure, that's when we renew
10 that process.

11 COUNCILWOMAN BROWN: Okay.

12 Since we aren't able to have the benefit
13 of this document, I'm going to ask a
14 series of questions just to put on the
15 record around this issue of inclusion.

16 In your Equal Opportunity Plan,
17 are there numbers that speak strictly to
18 construction, the front end of this
19 enterprise?

20 MR. FORD: Yes.

21 COUNCILWOMAN BROWN: Are there
22 numbers that speak to the operations
23 workforce?

24 MR. FORD: Yes.

25 COUNCILWOMAN BROWN: Are there

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2 numbers that speak to vendors and
3 suppliers?

4 MR. FORD: I'm sorry. I
5 couldn't hear.

6 COUNCILWOMAN BROWN: Vendors
7 and suppliers.

8 MR. FORD: Yes. I'm sorry. I
9 couldn't hear. That fan is very
10 imposing.

11 COUNCILWOMAN BROWN: I'm sorry.
12 Forgive me.

13 MR. FORD: I'm saying the fan
14 is imposing. I just couldn't hear it.
15 Yes, with vendors and suppliers. Yes,
16 ma'am.

17 COUNCILWOMAN BROWN: You also
18 mention in your testimony -- and I
19 quote -- that there are a fraternity of
20 relationships. And so does those
21 fraternity of relationships include
22 professionals of color and women in the
23 areas of design and architecture,
24 engineering, et cetera?

25 MR. FORD: Absolutely. And

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2 when I was referring to that, what we
3 found -- and I think all of us have found
4 that in the various lives that we live --
5 we're going to build one casino. We're
6 going to have relationships with
7 contractors that are one event. We want
8 to have leadership at the core of that
9 that will have relationships with
10 contractors and suppliers on many
11 buildings over many years so that
12 everyone gets the best price and the best
13 service on that process.

14 COUNCILWOMAN BROWN: Sure.

15 MR. FORD: So that was one
16 aspect of the fraternal aspect of it that
17 I spoke of.

18 The other aspect of it is that
19 we've been able to use during this period
20 of time the resources that are made
21 available on a goodwill basis from people
22 that have worked or designed in the
23 industry for a long, long time, and in
24 those cases, we've had extensive
25 visitations from our colleagues at

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2 Foxwoods, who built one of the largest
3 casinos in the world, if not the largest
4 casino in the world, as well as other
5 executives that were involved with
6 casinos throughout the country and
7 throughout the globe, for that matter.

8 COUNCILWOMAN BROWN: As you
9 prepare to submit the OEO plan, I would
10 ask that you also attach to that a grid,
11 a summary, a statement about your
12 previous inclusion practices or
13 commitments prior to coming to the City
14 of Philadelphia.

15 MR. FORD: We'd be happy to do
16 that.

17 COUNCILWOMAN BROWN: So that we
18 can put that in context.

19 MR. FORD: We'd be happy to do
20 that.

21 COUNCILWOMAN BROWN: And then,
22 lastly, for the world around this casino
23 site, how can non-profits access this 42
24 percent charitable distribution?

25 MR. FORD: You know, I guess

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2 the interesting thing to think about with
3 that is that we have to be open and
4 operating in order to have those profits.

5 COUNCILWOMAN BROWN: Indeed.

6 MR. FORD: And it's again the
7 same process of not setting needs that
8 exist today on profits that won't be
9 there until some future date. But as we
10 open and as we operate, vehicles will be
11 made available for that process.

12 COUNCILWOMAN BROWN: In other
13 words, there will be a process by which
14 the world around can know about it and
15 then have an opportunity to apply?

16 MR. FORD: Absolutely.

17 COUNCILWOMAN BROWN: Did the
18 state Gaming Board have expectations or
19 requirements for inclusion of
20 disadvantaged businesses?

21 MR. FORD: Yes. Absolutely.
22 We have very similar commitments that
23 we've made on the record with the Gaming
24 Board.

25 COUNCILWOMAN BROWN: Thank you

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2 for your testimony.

3 MR. FORD: Thank you.

4 COUNCILWOMAN BROWN: Forgive
5 me, gentlemen. This is Mr. Joseph
6 Coradino? I just have one question here
7 in my margin. You mention in your
8 testimony, the last page of your
9 testimony, that you continue to have
10 discussions with both the Planning
11 Commission, who is represented here
12 today, and others in the City
13 Administration. Who are those others in
14 the City Administration you're continuing
15 to dialogue with as we go down this road?

16 MR. CORADINO: Well, Andy
17 Altman has been engaged in discussions
18 regarding this project, Peter Longstreth,
19 who is here today, various members of the
20 City Administration.

21 COUNCILWOMAN BROWN: Okay,
22 then. Thank you very much.

23 MR. CORADINO: Thank you.

24 COUNCILWOMAN BROWN: Thank you,
25 Madam Chair.

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2 COUNCILMAN DiCICCO: Mr. Chair.

3 COUNCILWOMAN BROWN: Forgive
4 me, Mr. Chairman.

5 COUNCILMAN DiCICCO: That's all
6 right. I get confused.

7 Councilwoman Miller first and
8 then Councilman Goode. Thank you.

9 COUNCILWOMAN MILLER: Hi. Good
10 afternoon. Actually, I guess you can
11 probably answer the question, but this
12 question is for Mr. Coradino.

13 Here in Philadelphia when we
14 hear condos, we think residential. So
15 when I was reading the next-to-the-last
16 page of your testimony and it said the
17 building at 8th and Market is a
18 condominium, and I'm saying, Wow,
19 condominium, okay. Second and 3rd floor,
20 casino. Four, 5 and 6, state office
21 buildings. It's a 14-story building.
22 Where are the condos? And I'm thinking
23 again residential, but I understand it's
24 not really residential or it's not
25 residential.

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2 MR. CORADINO: That's correct.

3 Condominium is just a term used for a
4 type of ownership as opposed to a fee
5 simple. It's a condominium ownership,
6 because there is a shared ownership in
7 the property. There are two condominium
8 owners as opposed to a residential
9 condominium. These are commercial --
10 it's a commercial condominium.

11 COUNCILWOMAN MILLER: So what
12 are the plans for the other floors? It's
13 a 14-story high building, correct?

14 MR. CORADINO: Well, actually,
15 yes -- actually, the other floors, the
16 upper floors from 4 up are spoken for and
17 will be office tenants. The floors
18 concourse through the 3rd floor, we're in
19 discussions with Foxwoods with. The
20 final configuration and determination of
21 their occupancy has not been finalized,
22 but I would anticipate that given that
23 all of those floors, concourse through 3,
24 open up onto the Gallery, it's our
25 expectation that whatever space that

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2 Foxwoods did not take would be utilized
3 for commercial purposes, either retail
4 stores, restaurants or entertainment.

5 COUNCILWOMAN MILLER: I don't
6 know whether your company would be
7 involved -- and I guess you are as
8 owner -- involved in who you'd actually
9 be recruiting in terms of retail stores
10 and the revitalization of the Gallery
11 space. For example, I had a discussion
12 with a new resident, who lives in Jersey
13 but close to Center City, and he said he
14 shops in Jersey or King of Prussia,
15 because he can't believe that Center City
16 Philadelphia only has one department
17 store.

18 So I would assume that those
19 kind of -- that kind of information is
20 hopefully what you're looking at when you
21 talk about revitalizing the Gallery. I
22 mean, people may want to come to the
23 Gallery but just not -- there are a whole
24 lot of people that won't be coming to go
25 to the casino, but if this is an

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2 opportunity to expand the retail base
3 there and attract different type of
4 retailers, I think that's a plus.

5 MR. CORADINO: We anticipate
6 that the Foxwoods casino would serve as
7 an impetus for revitalizing the Gallery,
8 which would include a re-merchandising
9 plan where we would bring in the kinds of
10 stores that your friend is going to New
11 Jersey to shop at. I hope, by the way,
12 they're going to Cherry Hill Mall or
13 Moorestown Mall, because we own both of
14 them.

15 COUNCILWOMAN MILLER: They
16 probably are. Actually, it's a physician
17 who relocated to Jersey from New York,
18 and that's all they ever talk about, is
19 the fact that they can't shop here in
20 Center City.

21 MR. CORADINO: Well, we do want
22 to change that. Humor aside for a
23 moment, we do want to change that. We
24 think there's an opportunity to execute a
25 revitalization, a repositioning, a

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2 re-merchandising of the Gallery that
3 would allow us to bring in the kinds of
4 tenants that you typically find at
5 suburban environments so that -- there's
6 a number of constituencies that are not
7 being served at the Gallery right now in
8 terms of its customer base, and they
9 might include the new residents to Center
10 City, visitors to the Constitution
11 Center, visitors to the new Convention
12 Center or expanded Convention Center and
13 commuters, and it's our intention to
14 execute a business strategy at the
15 Gallery and merchandising strategy that
16 would begin to attract those customers to
17 the Gallery and make it truly something
18 that all of Philadelphia can be proud of
19 and all of Philadelphia can shop at. And
20 the Foxwoods casino is a small piece of
21 it. I mean, we like to think about this
22 redevelopment with the casino as similar
23 to Caesars Palace at the Forum Shops in
24 Las Vegas, where you have a very
25 successful retail environment, utilizing

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2 a casino as one of the anchor tenants.

3 COUNCILWOMAN MILLER: It might
4 be interesting if we knew that type of
5 information. Where is Caesars? In Las
6 Vegas, you said?

7 MR. CORADINO: That's correct.

8 COUNCILWOMAN MILLER: Many of
9 us have never been. I have no idea what
10 types of retail stores are there.

11 MR. CORADINO: Well, it's
12 pretty much --

13 COUNCILWOMAN MILLER: It would
14 be good to know the potential. I mean,
15 this is the possibility of what we could
16 actually have.

17 COUNCILMAN DiCICCO: Could I
18 interject, because I happened to go to
19 Caesars Palace years ago when we were
20 looking at developing the Simon project
21 at Penns Landing, and that was the
22 specific example that we were looking to
23 see, and that's the reason I went out
24 there obviously.

25 I guess the shops on what was

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2 formerly Million Dollar Pier in Atlantic
3 City would be the type of -- and correct
4 me if I'm wrong, Joe -- the type of
5 retail experience that would be
6 comparable to what the Forum Shops in
7 Caesars Las Vegas. It's kind of similar?

8 MR. CORADINO: Are you
9 referring to the Piers project?

10 COUNCILMAN DiCICCO: To what?

11 MR. CORADINO: The project in
12 Atlantic City currently called the Piers.

13 COUNCILMAN DiCICCO: Yeah. It
14 used to be Million Dollar Pier.

15 MR. CORADINO: I would say that
16 that is a little too high end, because if
17 you looked at the Forum Shops as an
18 example, while they have some of those
19 stores, they also have what I would
20 consider to be popular priced stores.
21 And I think the Piers, by the way, is
22 suffering a little bit from being a bit
23 too high end.

24 COUNCILMAN DiCICCO: And I
25 agree. I think they have logistical

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2 issues as well. To get to the Piers from
3 Pacific Avenue or Atlantic Avenue is
4 about a five-mile walk.

5 MR. CORADINO: There's no
6 anchor department store.

7 COUNCILMAN DiCICCO: Yeah.

8 I didn't mean to interrupt.

9 MR. CORADINO: I'm sorry.

10 COUNCILWOMAN MILLER: But
11 anyway, I would hope that if we -- I
12 suspect that this project would help
13 revitalize the Gallery and probably other
14 parts of Center City, but it would really
15 be a real revitalization and not some
16 mediocre --

17 MR. CORADINO: Absolutely. And
18 I would be pleased to come back to City
19 Council as we further develop our plans
20 for the revitalization of the Gallery and
21 share them with you, not just
22 architecturally but also in terms of our
23 merchandising goals.

24 COUNCILWOMAN MILLER: That will
25 be great.

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2 COUNCILMAN DiCICCO: Thank you.

3 And just for point of
4 information, I've been working with Joe
5 and PREIT for a year and a half to two
6 years about their plan to look at redoing
7 the Gallery. That's a work in progress.
8 We just think that this casino could
9 accelerate that and make that happen a
10 lot sooner.

11 I believe Councilman Goode is
12 next and Councilman Clarke and then
13 Councilman Greenlee.

14 COUNCILMAN GOODE: Thank you,
15 Mr. Chairman.

16 Good afternoon, Mr. Ford.
17 Thank you for your testimony and for your
18 responses to Councilwoman Brown, but I
19 wanted to ask some more specific
20 questions, like in your previous Economic
21 Opportunity Plan, what were the goals
22 that were set?

23 MR. FORD: I can't remember
24 them off the top of my head, but I think
25 we may have the plan with us.

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2 As you can see, our files are
3 small, but it does happen to be one of
4 the items that we have. We have goals
5 during construction. We have goals
6 during operations, and we have vendor
7 goals that have all been documented as
8 part of the EOP plan that was agreed to
9 with the City. And in each of those, I
10 think we exceed the targets that are
11 traditional within the City.

12 COUNCILMAN GOODE: And the
13 goals are?

14 MR. FORD: I'm not sure that I
15 can represent them to you accurately from
16 my notes, but we'd be happy to supply
17 them.

18 COUNCILMAN GOODE: That's what
19 I meant about not being specific and my
20 asking more specific questions.

21 MR. FORD: I'm sorry?

22 COUNCILMAN GOODE: That's what
23 I meant about you not being specific and
24 my asking more specific questions.

25 Do you know what the goals were

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2 in your original Economic Opportunity
3 Plan?

4 MR. FORD: I don't have them
5 memorized, no.

6 COUNCILMAN GOODE: And you
7 don't have them with you?

8 MR. FORD: No.

9 COUNCILMAN GOODE: You had to
10 submit a diversity plan to the Gaming
11 Board?

12 MR. FORD: We filed a diversity
13 plan with the Gaming Board in conjunction
14 with the river site, yes.

15 COUNCILMAN GOODE: Can you tell
16 me what was in that plan?

17 MR. FORD: Again, I don't have
18 that plan with me, but that plan was
19 reviewed in the context of the river
20 site.

21 COUNCILMAN GOODE: So you don't
22 know what was in the plan?

23 MR. FORD: I don't have it by
24 recollection.

25 COUNCILMAN GOODE: With regard

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2 to the charitable trusts, can you tell me
3 what are those charitable trusts? I
4 think you said there were three. What
5 are they?

6 MR. FORD: They're three trusts
7 that were set up to help disadvantaged
8 children and other charities --

9 COUNCILMAN GOODE: Do you have
10 names?

11 MR. FORD: One of them is
12 called the Silver Trust. One of them is
13 called -- Silver Family Trust, Rubin
14 Trapp Family Trust and Snyder Family
15 Trust.

16 COUNCILMAN GOODE: So these are
17 actually family trusts, and those trusts
18 will deliver charitable funds to whoever
19 they want?

20 MR. FORD: Well, they'll
21 deliver charitable donations to
22 charities --

23 COUNCILMAN GOODE: But they are
24 family trusts?

25 MR. FORD: Well, when you say

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2 "family trusts," I don't want the
3 connotation to be inappropriate. It's
4 very similar to --

5 COUNCILMAN GOODE: I just asked
6 you whether you knew the names, and you
7 named three family trusts. Family trust
8 was in those three names of the trusts.

9 MR. FORD: When someone creates
10 a trust --

11 COUNCILMAN GOODE: I understand
12 what a trust is.

13 MR. FORD: I'm sure you are,
14 sir. When someone creates a trust, it's
15 similar to putting their name on a
16 building. It's just like I'm on the
17 Board of Drexel, and when we get a big
18 benefactor, that benefactor gets to put
19 their name on the building.

20 These benefactors got to put
21 their names on the trust so that people
22 would know who originally funded those
23 trusts, and after they funded that trust,
24 their obligation and their control is
25 relinquished.

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2 COUNCILMAN GOODE: And they
3 have no obligation to provide any
4 charitable donations within the City of
5 Philadelphia?

6 MR. FORD: The trust has an
7 obligation, but not the family.

8 COUNCILMAN GOODE: Excuse me.
9 They have no obligation to make any
10 charitable donations within the City of
11 Philadelphia, do they?

12 MR. FORD: That is not correct.
13 The trusts were funded with the
14 obligation to make charitable
15 contributions. The family --

16 COUNCILMAN GOODE: I said
17 within the City of Philadelphia.

18 MR. FORD: Absolutely.

19 COUNCILMAN GOODE: And that's
20 within what documentation that you can
21 provide?

22 MR. FORD: It's been filed with
23 the Gaming Board, and I'd be happy to
24 supply it to City Council. I believe it
25 was previously supplied to City Council a

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2 year ago.

3 COUNCILMAN GOODE: And those
4 trusts are not in existence yet in terms
5 of making donations; they will not make
6 donations until the project is up and
7 running.

8 MR. FORD: The trusts are only
9 going to be funded by the profits from
10 this enterprise. So until there are
11 profits in this enterprise, the trusts --
12 the trusts are funded with the profits
13 from this enterprise. Again, to repeat
14 my earlier testimony, they were -- the
15 enterprise was funded. Stock was
16 purchased. That stock was immediately
17 put in trust. Those trusts will receive
18 the profits from this enterprise and then
19 make charitable commitments in the
20 Greater Delaware Valley area, including
21 Philadelphia.

22 COUNCILMAN GOODE: Is there a
23 tax benefit?

24 MR. FORD: Absolutely not.

25 COUNCILMAN GOODE: There's no

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2 tax benefit to the establishment of the
3 trust?

4 MR. FORD: It's very
5 magnanimous.

6 COUNCILMAN GOODE: The question
7 was whether there was a tax benefit.

8 MR. FORD: When you say is
9 there a tax benefit, you'd have to help
10 me with that.

11 COUNCILMAN GOODE: Is there a
12 tax benefit to the establishment of the
13 trust and the diversion of 42 percent of
14 the profits?

15 MR. FORD: The individuals that
16 made their initial investment have
17 relinquished all benefit from those
18 trusts. So there's no ongoing tax
19 benefit to anyone that was involved with
20 those trusts, no, sir.

21 COUNCILMAN GOODE: Okay. Do we
22 know who is going to administer the
23 trusts?

24 MR. FORD: Pardon me?

25 COUNCILMAN GOODE: Do we know

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2 who is going to administer the trusts?

3 MR. FORD: I'm sorry. With
4 that fan --

5 COUNCILMAN GOODE: Do we know
6 who is going to administer the trusts?

7 MR. FORD: There are trustees
8 in place in each case that will
9 administer those trusts, yes.

10 COUNCILMAN GOODE: Do we know
11 who those trustees are?

12 MR. FORD: Do I know? Yes.
13 They have identified trustees in each
14 case.

15 COUNCILMAN GOODE: Are they
16 residents of Philadelphia?

17 MR. FORD: Several are and
18 several are probably not.

19 COUNCILMAN GOODE: How many
20 trustees are there? Do you know them by
21 name? Can you tell me geographically
22 where they live? Can you tell me if they
23 have any history in terms of making
24 charitable donations within the City of
25 Philadelphia?

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2 MR. FORD: They have
3 unparalleled history of charitable --

4 COUNCILMAN GOODE: Can you be a
5 little bit more specific? I was going to
6 sit back and listen to the question and
7 wait to receive the documentation you
8 were going to send.

9 MR. FORD: Councilman, to be
10 clear, I have not followed the lives of
11 the individuals that funded these trusts,
12 but they are well known -- their
13 charitable nature is well known in
14 Philadelphia.

15 COUNCILMAN GOODE: I'm just
16 asking can you tell me anything specific,
17 which it doesn't -- you can't tell me
18 what was in your Economic Opportunity
19 Plan. You can't tell me what was in the
20 diversity plan that went to the state
21 Gaming Board. You can't tell me what's
22 going to be done with those three
23 charitable trusts. So, I mean, while it
24 sounds good that you're promoting
25 economic opportunity and it sounds good

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2 that you're promoting charitable causes,
3 you don't really have any specifics to
4 tell me at this point. But if you can
5 forward that through the Chair, that
6 would be fine.

7 Thank you.

8 MR. FORD: I will be happy to
9 provide you with any data that you'd
10 request.

11 COUNCILMAN DiCICCO: Thank you.

12 Councilman Clarke.

13 COUNCILMAN CLARKE: Thank you,
14 Mr. Chairman.

15 Actually, Mr. Chairman, I have
16 to go to a budget-related meeting with
17 leadership, so I'm going to have to
18 leave, but I just wanted to make a
19 statement. Unfortunately,
20 Mr. Greenberger is not here, because this
21 is more directed at the Planning
22 Commission and one of the bills that is
23 before us with respect to changing the
24 process. I just want to quickly go
25 through a couple of things.

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2 I have some concerns about,
3 one, starting out with the
4 characterization -- and it was referenced
5 as a part of, quote/unquote, setting a
6 preference for changing the CED process
7 and it referenced a particular project in
8 my Council district, which was American
9 Commerce Square. Although we have
10 essentially rested the final arbitration
11 on that particular project to the
12 Planning Commission, it was not without
13 substantial conversations and meetings
14 with the community. There was also
15 certain timing issues related to a
16 potential tenant that, unfortunately, we
17 have probably lost as a result of the
18 economy.

19 So I don't want to give the
20 impression that I am supportive of a
21 process in general. If it had not been
22 some of those things associated with that
23 particular project, particularly the
24 leasing of a significant tenant, I
25 probably would have required that that

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2 particular bill came back before Council
3 for final approval. So I don't want
4 people to believe that that was done as a
5 general policy from our Council office.

6 The other thing with respect to
7 the reference about the Planning
8 Commission in allowing parties to have
9 input in a public process -- and this is
10 probably not the case, but some people
11 can construe this to suggest that somehow
12 the City Council process is not a public
13 process. I think this is an extremely
14 public process, given the fact that we
15 are currently in one as we speak. So I
16 take exception to that, although not
17 knowing Mr. Greenberger, I'm going to
18 assume that he didn't want to imply that.

19 With respect to this language
20 about being able to support communities
21 in the City that don't have volunteer
22 expertise available within their
23 residential base, I agree that there are
24 substantial communities across the City
25 that don't have the ability to do that,

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2 but I think that that should be that
3 community's choice. We as a city should
4 not decide we're going to be the final
5 arbiter of that because the community
6 doesn't have an opportunity. If the
7 community decides it wants the Planning
8 Commission involved in the process, then
9 the community should so ask for that.

10 The last thing, this whole
11 notion about somehow Council being
12 involved in the final version of the
13 process, at the end of the day, the
14 Councilmembers are elected by the
15 citizens of the City of Philadelphia.
16 The last time I checked, the members of
17 the Planning Commission Board were not,
18 and I, frankly speaking, question that
19 process as to how they were selected.

20 And, again, I'm going to give
21 Mr. Greenberger the benefit of the doubt
22 that he didn't have any ill will in his
23 statements, but I do have some concerns
24 about this whole notion that somehow
25 individuals who are elected should not be

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2 the final arbiters of decisions that are
3 made for the constituents that they
4 represent and they were elected to those
5 offices.

6 I am going to leave my vote,
7 because, again, I have to go, and I
8 understand the nature of the individual
9 who is sponsoring these bills, Councilman
10 DiCicco, who I consider a friend and a
11 colleague and a person who works very
12 hard in their councilmanic district and
13 I'm sure that has done due diligence on
14 this particular proposal. I'm prepared
15 to leave my vote 090295 as yes, assuming
16 that all of the things that have been
17 asked from the various communities and
18 from this body today and this particular
19 Committee are met. And this particular
20 vote, to some degree I have some
21 concerns, but I want to make it clear
22 that as an elected member of this body,
23 as a Councilperson, who will shortly -- I
24 know we have to go. Please tell them
25 please don't leave me. I need a ride.

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2 Sorry.

3 As an elected member of this
4 body elected by the residents of the 5th
5 District, I reserve the right if those
6 people in that community want the final
7 approval process to rest with the person
8 that they have elected. I am shortly
9 going to be introducing a CED for a
10 portion of my district, and I reserve the
11 right to require that the final part of
12 that process come back to the City
13 Council of Philadelphia, be it nine votes
14 or be it 12 in the event of a veto by the
15 Administration.

16 So saying all that, because of
17 Councilman DiCicco, I'm going to vote
18 yes, leave my vote as yes for Bill No.
19 090294. So, unfortunately, Mr.
20 Greenberger had to leave, but I'd just
21 like for you gentlemen to convey that
22 message to him, and I will have a
23 personal conversation with him I'm sure
24 in the very near future.

25 Thank you, Mr. Chairman.

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2 COUNCILMAN DiCICCO: Thank you,
3 Councilman. Thank you.

4 Councilman Greenlee and then
5 Councilwoman Brown.

6 COUNCILMAN GREENLEE: Thank
7 you, Mr. Chairman.

8 Very quickly. Mr. Ford, I
9 apologize if you may have said this in
10 your opening statement, and I've seen a
11 quote in the paper, but I just want to
12 again for the record. If everything goes
13 as obviously you would like it, Council
14 moves the bill, becomes law, the
15 negotiations you have work out, ideally
16 when do you see the gaming facility
17 opening?

18 MR. FORD: It's early next
19 year.

20 COUNCILMAN GREENLEE: Early
21 next year, early 2010?

22 MR. FORD: Yes.

23 COUNCILMAN GREENLEE: That's
24 it. Thank you.

25 COUNCILMAN DiCICCO: Thank you.

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2 Councilwoman Reynolds Brown.

3 COUNCILWOMAN BROWN: Yes. I'd
4 like to put my final question in context.
5 During the negotiation of the stadiums,
6 we went through a similar exercise, and
7 we were assured by the builders of the
8 stadiums that they would honor the Equal
9 Opportunity Plan.

10 Fast forward 18 months, 24
11 months later, we received phone calls
12 from a number of subcontractors and
13 discovered that the builder of the
14 stadiums did not and were not honoring
15 provisions of the Opportunity Plan. And
16 so with that context, we've learned to
17 ask these questions and to ask for
18 specifics, as Councilman Goode has
19 stipulated.

20 So at the end of the day, who
21 is ultimately responsible for the
22 accountability tied to the execution of
23 the Equal Opportunity Plan? Is it the
24 owner? Is it the builder? We need to
25 know who.

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2 MR. FORD: I think in our case
3 it will be both. It will be part of our
4 contract with any builder.

5 COUNCILWOMAN BROWN: And so --

6 MR. FORD: Both the owner and
7 the builder.

8 COUNCILWOMAN BROWN: So the
9 best-case scenario is we get no wrinkles.
10 If we get a wrinkle, then we will
11 introduce a resolution calling both the
12 owner and the builder back into Council
13 to help us understand why that agreement
14 has not been honored.

15 MR. FORD: I can't speak to
16 what happened in another --

17 COUNCILWOMAN BROWN: No, not at
18 all.

19 MR. FORD: I can only speak to
20 the fact that we're committed to the
21 commitment that we've made.

22 COUNCILWOMAN BROWN: And I'm
23 certainly not asking you that. I'm
24 simply saying we heard the similar
25 statement by --

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2 MR. FORD: I understand.

3 COUNCILWOMAN BROWN: -- by the
4 parties in that enterprise and then
5 discovered, as I said, 24 months later
6 that Council had to step in.

7 MR. FORD: Thank you for that
8 clarity.

9 COUNCILWOMAN BROWN: Surely.

10 Similar experience with the
11 charitable contributions, I'm always
12 pleased to remind people that I made it
13 clear to the Mayor at that time and to
14 Mr. Banner, Mr. Montgomery, the only way
15 you would get my support for this major
16 enterprise would be that you do something
17 for children, and at the end of the day,
18 each one of those teams after nine months
19 of back and forth, they each agreed to
20 give \$1 million per team per year for the
21 next 30 years for children. So we
22 established a Children's Fund. Today
23 that Children's Fund is up and operating.
24 Annually I ask to see a list to see
25 exactly where those dollars are going to

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2 make sure that those dollars are going to
3 the five areas stipulated in the
4 legislation.

5 So I will be speaking with the
6 sponsor of this bill and making a request
7 that annually you will submit to City
8 Council a list of the beneficiaries of
9 those charitable organizations.

10 MR. FORD: I thank you, and I
11 believe that under the state law, there's
12 a requirement that it be submitted there
13 as well.

14 COUNCILWOMAN BROWN: Thank you
15 very much for your testimony.

16 MR. FORD: Thank you.

17 COUNCILWOMAN BROWN: Thank you,
18 Mr. Chairman.

19 COUNCILMAN DiCICCO: Thank you.

20 Any other --

21 COUNCILMAN KELLY: Just one
22 question.

23 COUNCILMAN DiCICCO: Councilman
24 Kelly.

25 COUNCILMAN KELLY: Thank you,

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2 Mr. Chairman.

3 Mr. Ford, I just have a
4 question. If we proceed and pass this
5 legislation today, which would permit the
6 Gaming Commission to give you the
7 approval to move from your Delaware
8 Avenue site to 8th and Market, do you
9 have any concern about a possible lawsuit
10 from someone who did not get the award to
11 begin with?

12 MR. FORD: You know, in America
13 it's impossible not to have some concern
14 about a lawsuit somewhere.

15 COUNCILMAN KELLY: I just think
16 if that could possibly hold up the --

17 MR. FORD: Let me answer it
18 this way: The investors, past and
19 future, have identified that risk and
20 have decided to make the financial
21 commitments that are necessary to move
22 forward. So they're speaking loudly with
23 their funds relative to the potential
24 success of any lawsuit.

25 Under the gaming law in

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2 Pennsylvania, the license was properly

3 granted to us. Under the law in

4 Pennsylvania, the Gaming Board is the

5 sole arbiter of a relocation petition.

6 So within the law, as we and our lawyers

7 read it, we have the right to do that.

8 And the Gaming Board not just in my

9 testimony of April 8th, but in previous

10 meetings with them is very aware of what

11 the risks are relative to this

12 legislation that's in place, and the

13 drafters of the legislation provided for

14 the future, and we think that we can

15 demonstrate good cause for this.

16 The one aspect of this that is

17 challenging -- and in my previous gaming

18 experience, there are only a few places

19 in the country that the situation arose.

20 In Pennsylvania, the award of the license

21 by the state was site specific, and then

22 you work with the city to accomplish your

23 zoning. That process here in

24 Pennsylvania is somewhat unique. Good

25 cause is not a decision that the city --

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2 we can't use your opposition or your
3 concern as a reason for cause. So when
4 we examined the site at Strawbridges, we
5 said, Are there causal reasons there that
6 are sufficient for us to justify a
7 relocation petition, and the answer to
8 that is that we believe there are. They
9 include the fact that we're part of a
10 revitalization. They include the fact
11 that we're at a hub of public
12 transportation. They include the fact
13 that we will not disturb traffic as --

14 COUNCILMAN KELLY: Well,
15 there's no doubt about it.

16 MR. FORD: So the cause seems
17 to be there.

18 COUNCILMAN KELLY: It would be
19 a great improvement into that area.
20 There's no doubt about it.

21 MR. FORD: And any suit would
22 have to challenge that cause.

23 COUNCILMAN KELLY: Okay. We're
24 just concerned in this Council -- at
25 least I am. I would like to see your, I

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2 guess, your casino being constructed as
3 soon as possible. Due to the budget
4 crisis we have, we need all the revenue
5 we can get right now, and the sooner that
6 we get this on board, the better off
7 we're going to be. That's all I was
8 bringing it up for. I hope and wish you
9 well.

10 MR. FORD: Well, thank you,
11 Councilman. It's an appropriate time
12 with your remarks to say that we're very
13 appreciative of the complete, thorough
14 and transparent process that the City has
15 undertaken and the enthusiasm that
16 they've shown for our relocation.

17 COUNCILMAN KELLY: Thank you.

18 Thank you, Mr. Chairman.

19 COUNCILMAN DiCICCO: Thank you,
20 Councilman.

21 Any other questions for this
22 panel from the Committee?

23 (No response.)

24 COUNCILMAN DiCICCO: Thank you,
25 gentlemen. I appreciate your time.

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2 MR. FORD: Thank you for having
3 us.

4 COUNCILMAN DiCICCO: I would
5 just ask that any materials that were
6 requested be submitted to the Chair ASAP.

7 MR. FORD: Yes, sir.

8 COUNCILMAN DiCICCO: Thank you.
9 Have a good afternoon.

10 Mr. Jim Schneller and Matt
11 Ruben.

12 You're not testifying, Matt?

13 MR. RUBEN: No.

14 COUNCILMAN DiCICCO: I got you
15 down here.

16 Oh, okay. Matt, just sit on
17 the side for now. I apologize. Just
18 have a seat.

19 Good afternoon, Mr. Schneller.
20 Please identify yourself for the record
21 and proceed with your testimony. We have
22 a number of witnesses to follow you, so
23 we're asking that you summarize, if you
24 can.

25 Do you have any written

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2 testimony for us?

3 MR. SCHNELLER: No.

4 COUNCILMAN DiCICCO: Okay.

5 Proceed with your testimony. We will try
6 to limit everyone to two to no more than
7 three minutes. Thank you.

8 MR. SCHNELLER: Yes. Thank the
9 Council, Mr. DiCicco. I'm with Eastern
10 Pennsylvania Citizens Against Gambling.
11 We've been raising objections to these
12 projects for a year now.

13 If I could get right to the
14 matter, we believe that the Council,
15 despite the point in time where much is
16 being made about expedience and the
17 intent of the Act, the Gaming Act, Act
18 71, we'd like to point out that Section
19 13 (25) of the Act still states that the
20 Gaming Board and presumably everyone
21 involved in the process shall take
22 accurate and full consideration of issues
23 like increased demand for public
24 healthcare. We think this is additional
25 support for the proposed location, and

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2 all of the negatives that have been
3 raised I'm sure will continue to be
4 raised.

5 But more important is the fact
6 that simple amendments to the structure,
7 the agreements, the trusts will not
8 overwhelm the negatives of this proposal,
9 not only to people but to the hard issues
10 like traffic and the rights of current
11 tenants and the rights of adjacent
12 property owners, all of which are a huge
13 question mark and worthy of study and we
14 believe, despite studies, will be shown
15 to be fatal to this type of application.

16 We'd like to point out that the
17 City Zoning Code naturally presumably can
18 extend the scope while including that
19 scope of public healthcare and increases
20 in costs to the state and the city
21 through the needs of the Zoning Code,
22 like general health, safety, order and
23 general welfare, and we, of course,
24 emphasize what is still maintained in
25 most zoning decisions and considerations,

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2 the morals of the community. We insist
3 that this is a vice that's being
4 inflicted on the people of Philadelphia
5 and not only that, a block away from the
6 Cradle of Liberty.

7 This intent of The Philadelphia
8 Code continues to this day, and I'd like
9 to point out that there is an entire
10 chapter of the Code, Section 9 -- or
11 Chapter 9, regarding predatory lending.
12 The presence of this chapter in
13 Philadelphia's Code is a direct and
14 strong signpost to the Committee to take
15 into consideration the fact that
16 predatory aspects of gambling are known,
17 including the effects on matters outside
18 of the casino where predatory lending, no
19 doubt, will be doubled or tripled in
20 every neighborhood imaginable, and
21 naturally we're concerned about the
22 intent of the Code overall preventing
23 this kind of behavior.

24 Right next to that is Section
25 2700 involving alcohol and proof of age.

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2 We believe that despite any implements
3 promised by the casino, proof of age will
4 fall to the wayside, probably resulting
5 in abuse of alcohol as well. We have to
6 remember, it's the center of town, and
7 the Council has every right to compensate
8 for the Gaming Board's lack of any type
9 of oversight.

10 This would be my fourth point,
11 is that the Council despite -- the Gaming
12 Board, despite the fact that they have
13 overlooked their authority in regards to
14 morals and presumably all zoning
15 concerns, this does not exonerate them.
16 This does not give the City, despite
17 their admirable litigation and
18 unfortunate losses, in future efforts to
19 prevent this debacle.

20 Finally, if I could address for
21 30 seconds the matter of this entire
22 amendment. We believe that the Charter
23 is discouraging and, frankly, fatal to
24 this effort to put the approval process
25 before the Planning Commission. The

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2 Charter in Section 2-305 allows
3 additional powers to commissions and
4 other bodies, but not inconsistent with
5 the Charter. We don't believe the
6 Charter intends a special interest or
7 over-technical powers be granted to a
8 board, certainly not when it's coupled
9 with special interests to a group of
10 citizens, in this case gambling
11 interests. Therefore, this proposal to
12 put the approval before the Planning
13 Commission is null from the start and
14 definitely is not worthy of your vote in
15 favor.

16 And a final point in that
17 regard is the fact that the backing-out
18 provision in the Code is there for a
19 specific reason. We, of course, sit here
20 before you not only as residents of the
21 City but as commuters, as drivers, and
22 this six-block area being subjected to an
23 omission of the requirement that there be
24 no backing out means that anyone at least
25 in the CED will be able to construct back

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2 out loading zones, and especially the
3 casinos with their dollars should not be
4 the place where this is given freely.

5 Thank you.

6 COUNCILMAN DiCICCO: Thank you.

7 Any questions for this witness
8 from the Committee?

9 (No response.)

10 COUNCILMAN DiCICCO: Seeing
11 none, I will now ask Mr. Gabriel Li,
12 Mr. Matt Ruben to come to the witness
13 table.

14 (Witness approached witness
15 table.)

16 COUNCILMAN DiCICCO: Is Gabriel
17 here?

18 (No response.)

19 COUNCILMAN DiCICCO: Good
20 afternoon, Mr. Ruben. Please identify
21 yourself for the record and proceed with
22 your testimony.

23 MR. RUBEN: Members of the
24 Committee, thank you for this opportunity
25 to testify. My name is Matt Ruben. I am

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2 the elected President of the Northern
3 Liberties Neighbors Association.

4 On Bill 090295, amending the
5 Philadelphia Zoning Maps by changing the
6 designation of two parcels along the East
7 Market Street from C-5 to CED and vice
8 versa, the NLNA and the Northern
9 Liberties community is unable to make a
10 determination as to the suitability or
11 impact of the zoning change without a
12 publicly available proposal or Plan of
13 Development and independent studies
14 assessing the economic, traffic and
15 social impacts on adjacent neighborhoods
16 and on tourism in the nearby national
17 historic district. And given that
18 Foxwoods would be a tenant in a building
19 rather than the owner of a site, this
20 raises the question of whether the rules
21 of CED should even be applied to this
22 entire parcel.

23 We recognize the difficult
24 position in which Council finds itself.
25 At the same time, it appears this change

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2 is being considered in the absence of
3 important information that normally
4 accompanies a change in the Zoning Maps.

5 On Bill 090294, amending
6 Section 14-403 of The Philadelphia Code
7 to remove the requirement that City
8 Council approve a Plan of Development for
9 a Commercial Entertainment District, the
10 general principle of empowering the City
11 Planning Commission to guide development,
12 as Mr. Greenberger testified, is a good
13 one, which the NLNA supports. However,
14 casino development, as the Committee well
15 knows, has always been an exceptional
16 situation for reasons I don't need to go
17 into. The reason the casino zoning
18 process looks like it does, the reason we
19 are here today is because the taxpayers
20 and voters of Philadelphia have been
21 systematically deprived of political
22 representation by the state Gaming Act,
23 the state Legislature and the state
24 Supreme Court. Therefore, the removal of
25 Council from the approval process and of

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2 a Plan of Development, the only phase of
3 the zoning process in which any
4 substantive details or information will
5 be available to the public, eliminates
6 crucial governmental checks and balances
7 and constitutes further
8 disenfranchisement of the citizens of
9 Philadelphia.

10 The NLNA applauds the new
11 Planning Commission and commends
12 Councilman DiCicco in particular for his
13 many years of leadership on a host of
14 important development-related issues in
15 the 1st District. In this particular
16 case, however, to change the rules of the
17 process midstream, for this would also
18 apply to SugarHouse, represents, in our
19 view, an abdication of Council of its
20 role as the people's representative,
21 putting all meaningful authority in the
22 hands of an administrative body, whose
23 members, skilled as they are, have been
24 elected by no one. We urge you not to
25 report this bill favorably out of

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2 Committee.

3 Thank you.

4 COUNCILMAN DiCICCO: Thank you,
5 Mr. Ruben.

6 Any questions for this witness?

7 (No response.)

8 COUNCILMAN DiCICCO: Thank you.

9 The next panel will be Rosanne
10 Loesch, Vern Anastasio, Margaret
11 Kalalian -- I apologize -- and Tully
12 Speaker.

13 (Witnesses approached witness
14 table.)

15 COUNCILMAN DiCICCO: I
16 understand, Ms. Loesch, that you spoke
17 with my assistant and you will be
18 speaking on behalf of the four groups?

19 MS. LOESCH: Yes. I'm going to
20 be speaking on behalf of the four groups.
21 I'm going to read one statement, and
22 Tully Speaker from the Board of Logan
23 Square has a very short statement that he
24 okayed beforehand. I mean, to get --
25 we're not going to take any more than --

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2 COUNCILMAN DiCICCO: I just
3 want to make sure we have it correct, if
4 there was any change.

5 MS. LOESCH: Yes. We have two
6 statements.

7 COUNCILMAN DiCICCO: So whoever
8 would like to go first, proceed by
9 identifying yourself for the record.

10 MS. LOESCH: Okay. Good
11 afternoon to the Committee. My name is
12 Rosanne Loesch. I am a Board member of
13 Society Hill Civic Association and the
14 incoming President, and I would like my
15 colleagues to introduce themselves,
16 please.

17 MR. SPEAKER: My name is Tully
18 Speaker. I'm a member of the Logan
19 Square Neighborhood Association, have
20 served as its President for several
21 terms, and I'm currently a Board member
22 and Chairman of its Long Range Planning
23 Committee.

24 COUNCILMAN DiCICCO: Of the
25 what?

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2 MR. SPEAKER: Long Range
3 Planning Committee.

4 COUNCILMAN DiCICCO: Thank you.

5 MS. KALALIAN: My name is
6 Margaret Kalalian. I am a Board member
7 of the East Passyunk Crossing Civic
8 Association and the Zoning and Planning
9 Committee Chair.

10 MR. ANASTASIO: Good afternoon.
11 Vern Anastasio, President of Bella Vista
12 United Civic Association.

13 COUNCILMAN DiCICCO: Before you
14 begin, I'd just like to know, are all of
15 you representing the various associations
16 or are you here as individuals?

17 MS. LOESCH: We're representing
18 the Boards of our associations.

19 COUNCILMAN DiCICCO: And you
20 are representing East Passyunk Crossing?

21 MS. KALALIAN: Yes.

22 COUNCILMAN DiCICCO: Just want
23 to make sure, then. Thank you.

24 MS. LOESCH: And I did want to
25 say we thought we were going to be

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2 following Matt Ruben from Northern
3 Liberties. We are testifying -- my
4 testimony here is on the CED zoning bill,
5 090295.

6 We endorse the testimony as a
7 group, our four civic associations, of
8 Matt Ruben's testimony on the change in
9 the approval process that you just heard.

10 Our four Boards have voted to
11 oppose any casino on East Market Street
12 because of the potential impacts on
13 densely populated residential
14 neighborhoods in close proximity to the
15 Strawbridge Building. Our four
16 associations, which represent over 75,000
17 residents, agree that the passage of the
18 CED legislation for a casino in the
19 Strawbridge Building is premature and
20 should not be approved. Many City
21 residents and community leaders have
22 repeatedly called for the City to first
23 conduct a cost-benefit analysis based on
24 the extensively documented potential
25 impacts our neighborhoods and our city

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2 will, in all likelihood, suffer from a
3 slots operation so close to densely
4 populated residential areas. This is an
5 unprecedented experiment in a major
6 metropolitan city.

7 Last week's Pew Charitable
8 Trust poll showed and concluded that the
9 majority of Philadelphians do not support
10 a casino, overwhelmingly do not support a
11 casino, on Market Street. We ask you to
12 put the brakes on approval for casino
13 zoning in the heart of one of America's
14 premiere cities, the largest in the
15 nation to potentially host two massive
16 slot parlors. We know that countless
17 academic studies have documented the
18 social and economic costs of casinos to
19 host communities. Even PICA, our own
20 Pennsylvania Intergovernmental
21 Cooperation Authority, issued a
22 cautionary report in the summer of 2007
23 warning of these significant potential
24 costs to the City.

25 In addition to waiting for a

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2 cost-benefit analysis, we urge you to
3 wait until Foxwoods submits a Plan of
4 Development which can be reviewed by our
5 communities as well as independent
6 experts. Without studies or plans, we
7 are moving ahead with blinders on.

8 Slots parlors in the heart of
9 Philadelphia may be damaging to the most
10 important economic engines the City has.

11 One economic engine is the
12 thriving, livable, walkable, residential
13 environment in the heart of our city.
14 Unfortunately, very few American cities
15 can boast of densely populated
16 residential neighborhoods in the heart of
17 the city. This unique feature attracts
18 employers and countless taxpayers who
19 contribute to the economic well-being of
20 our city. Economic times are hard now,
21 but they will be even harder if we lose
22 employers and population because of the
23 negative impacts of casinos.

24 A second economic engine is the
25 historic and cultural tourism that draws

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2 millions of visitors to our city and is
3 Philadelphia's unique calling card. Let
4 us not forget that 8th and Market is only
5 two blocks from Independence National
6 Park and three blocks from a world
7 heritage site, Independence Hall, the
8 birthplace of our nation. We are at risk
9 of besmirching the very brand that makes
10 us unique and such a destination for tens
11 of thousands of families every year. If
12 tourists see Philadelphia more as a
13 casino town than a mecca of America's
14 history and if our residential population
15 goes down because of the reduced quality
16 of life, we may be killing the very
17 things that have made Philadelphia so
18 successful in attracting residents to the
19 center of the City and tourists to our
20 cultural heritage.

21 Therefore, we urge the
22 Committee not to approve a CED, or
23 Commercial Entertainment District, at 8th
24 and Market. However, if you do approve
25 this CED for the Strawbridge Building, we

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2 urge you to amend it to include
3 reasonable zoning and land use
4 restrictions that would reduce gambling
5 addictions and their impacts. Some
6 examples include restricting the hours of
7 operation to less than 24/7, restricting
8 lending practices on the premises through
9 the banning of ATMs and credit card
10 advance machines and other similar types
11 of limitations that would limit risk.

12 Restrictions such as these have
13 been proposed by the No Casino in the
14 Heart of the City coalition, and our four
15 civic associations endorse this concept.
16 These types of restrictions have been
17 communicated to our Councilman, Frank
18 DiCicco, and we urge him to amend the CED
19 if passed to include these reasonable
20 protections.

21 Thank you for your time and
22 attention. I turn the floor over to my
23 colleague, Tully Speaker, from Logan
24 Square Neighborhood Association, who has
25 a short additional statement to make to

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2 this Committee.

3 COUNCILMAN DiCICCO: Before you
4 begin, Mr. Speaker, Rosanne, will you
5 just reiterate those amendments that
6 relate to the controls.

7 MS. LOESCH: Yes. I named two
8 of them. One was restricting hours of
9 operation to less than 24/7, restricting
10 lending machines on the premises.

11 COUNCILMAN DiCICCO:
12 Restricting what kinds of machines?

13 MS. LOESCH: Lending on the
14 premises. There are ways for people to
15 get cash advances --

16 COUNCILMAN DiCICCO: Oh,
17 lending machines. Okay. ATMs and stuff
18 like that. Okay. All right.

19 MS. LOESCH: Yes. And also --

20 COUNCILMAN DiCICCO: The
21 automated loan shark. Never mind.

22 MS. LOESCH: There's also other
23 types of things, like mandatory monthly
24 statements to gamblers showing wins and
25 losses, an annual study and public report

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2 on machine operations, slot machine
3 operations, which include demographics,
4 which would help us target impacts.

5 COUNCILMAN DiCICCO: You
6 recognize that all of those requests City
7 Council has no jurisdiction over? Those
8 are all part of the Gaming Act? I'm not
9 debating. I'm just letting you know in
10 case you already don't know. We have no
11 control over the hours of operation.
12 That was all part of the Gaming Act. As
13 you know, we have not had any real input
14 into where these casinos go, because
15 every time we have tried to convince the
16 state Legislature or the Supreme Court to
17 hear our plea, 17 out of 17 times we have
18 been denied.

19 So I hear what you're saying
20 and I'm not discounting those as not
21 reasonable requests, but we really have
22 no authority as a body in City Council to
23 make any of those changes. Those are the
24 things you need to be talking to your
25 State Representatives about.

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2 MS. LOESCH: In terms of the
3 legality of it, I think that there is
4 some difference of opinion. Just give me
5 one example -- to give you one example,
6 on the limitation of hours, we may or may
7 not -- and you may be right -- have the
8 legal right to limit the hours of
9 operation of the slot machine operator
10 itself. That may be true. I don't know.

11 COUNCILMAN DiCICCO: It is.

12 MS. LOESCH: Under the Gaming
13 Act. Okay. Let's assume for this that
14 is true. We have the ability and should
15 have the ability to control the
16 non-gaming areas that would come under
17 this CED. There is an argument to be
18 made that, for example, the restaurants
19 that are thought of for the 1st floor and
20 retail and other types of kind of support
21 establishments that are outside of the
22 gaming floors would be something that
23 would be under the City of Philadelphia's
24 jurisdiction. I'm saying that there are
25 people that are looking into that now,

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2 and it is possible that the City could
3 exercise more restrictions than you're
4 saying.

5 COUNCILMAN DiCICCO: On that
6 latter part, you may be right. I'm not
7 an attorney. I don't pretend to be one.
8 I think that's something that the
9 attorneys and the landlord and others
10 will have a say in that process. You may
11 be right. We might be able to limit some
12 of that, but as for the hours of
13 operation, you were at that meeting I
14 attended in the Hopkinson House not too
15 long ago. State Representative O'Brien
16 had made a number of statements relating
17 to some of the things that I was doing,
18 suggesting that I was using some fear
19 tactics. Have you talked to him about
20 introducing legislation to amend the
21 hours of operation? And if you have,
22 fine. If you haven't, I would suggest
23 that you do.

24 MS. LOESCH: Well, I certainly
25 am in conversations with our state

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2 legislators, but what I'm saying is that
3 the CED is a right of the City to
4 legalize a certain type of zoning, and
5 the operations of the slot machines are
6 going to be on two floors, from what I
7 understand now. The rest of it is state
8 office building, restaurants, retail that
9 will not be under the control of the
10 casino operator.

11 COUNCILMAN DiCICCO: Unless
12 they are part of the operation of the
13 casino.

14 MS. LOESCH: Well, I think it's
15 something that the City should be looking
16 into, because it's a way of -- I mean,
17 again, we're against this location,
18 period, but it's a way to exercise some
19 kind of protection for the residents of
20 Philadelphia.

21 COUNCILMAN DiCICCO: Thank you.
22 Okay.

23 Mr. Speaker.

24 MR. SPEAKER: Thank you. I am
25 authorized by Robert Stewart, who is now

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2 President of LSNA, the Logan Square
3 Neighborhood Association, to report that
4 at its regular meeting on the 14th of
5 April of this year, the LSNA Board
6 considered zoning Bills 090294 and 5. On
7 a motion duly made and seconded, the LSNA
8 Board affirmed that LSNA continues to
9 oppose the building of casinos close to
10 residential neighborhoods and added that
11 LSNA is in particular opposed to the
12 Strawbridge site for a casino on Market
13 Street East.

14 First, we recognized locating a
15 casino anywhere on Market Street East has
16 not yet been the result of formal city
17 planning. To our knowledge, there is no
18 plan for Market Street East. I point out
19 that in contrast to the apparent haste in
20 which these bills were drawn, LSNA has
21 worked in concert --

22 COUNCILMAN DiCICCO:

23 Mr. Speaker, if you would --

24 MR. SPEAKER: Am I drifting
25 away? I'm sorry.

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2 COUNCILMAN DiCICCO: Yes, you
3 are.

4 MR. SPEAKER: Thank you.

5 Let me begin again from, I
6 point out that in contrast to the
7 apparent haste in which these bills were
8 drawn, LSNA has worked in concert with
9 the City Planning Commission for two
10 years to develop the Logan Square
11 Neighborhood Parkway Plan to serve as the
12 guide for a future development of our
13 neighborhood. There is no plan approved
14 by the Planning Commission for Market
15 Street East.

16 Second, these pending bills
17 seem contrary to the still very early
18 efforts of the Planning Commission to
19 develop a carefully considered plan for
20 Market East, as exemplified by its recent
21 consultation with Center City
22 neighborhood group and business
23 representatives and its engagement of
24 Ehrenkrantz, Eckstut and Kuhn Architects
25 to that end. We firmly believe planning

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2 should come before zoning, not zoning
3 first and planning last.

4 Third, Philadelphia is
5 internationally recognized as a historic
6 and cultured city. We do not see and,
7 therefore, ask for an explanation of how
8 the vision of a casino installed on
9 Market East in any way supports the
10 longstanding and carefully nurtured image
11 of Philadelphia as a historic and
12 cultured city.

13 Fourth, an idea offered in
14 support of the Entertainment District
15 along Market Street is that a casino on
16 Market will bring money into the City.
17 The proposed casino-Entertainment
18 District is just a short walk from
19 Independence Mall. Independence Mall
20 represents why and how it is that this is
21 a nation. From a marketing perspective,
22 the idea of a casino there corrodes the
23 idea of Philadelphia as a historic city.

24 Fifth, I point out that with
25 these bills, City Council appears to be

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2 abdicating its authority to the Planning
3 Commission with regard to the
4 Entertainment District by failing to
5 require that the Planning Commission
6 actions come before Council.

7 Councilman Clarke a few minutes
8 ago spoke to this point, and I would be
9 pleased to have greater detail in how
10 this interaction presumably will proceed.

11 Lastly, LSNA has strong
12 concerns about the proximity of gambling
13 sites so close to residential
14 neighborhoods, including ours, because of
15 the documented increase in crime and
16 other undesirable behaviors. LSNA has
17 not taken a position against gambling or
18 casinos, but we cannot support the Market
19 Street site because there are too many
20 unanswered questions that make this more
21 of a gamble than a sure thing.

22 In plain English, we think this
23 is a bad bet.

24 Thank you for your attention.

25 COUNCILMAN DiCICCO: Thank you.

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2 Either of you two -- no? Okay.

3 I do have a question for all
4 four of you, and Rosanne I'm very
5 familiar with, because you were part of
6 the effort in opposing the Delaware and
7 Reed site/Columbus Boulevard and Reed
8 site as relates to the Foxwoods facility.

9 You were about to say
10 something?

11 MS. LOESCH: Yeah. I was just
12 about to say that the three civic
13 associations that I'm with here were also
14 part of the coalition that tried to
15 re-site the two waterfront sites. They
16 were all part of it.

17 COUNCILMAN DiCICCO: Well, you
18 were the most active, and that's no
19 disrespect to the others. I don't recall
20 but maybe seeing one of the panel members
21 at one meeting over the three, four-year
22 period.

23 My question is, you don't want
24 it on Market Street. There was a huge
25 effort to convince Foxwoods in this case

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2 to look for an alternative site. Putting
3 aside your differences about gaming and
4 any other concerns that you may have as
5 the 8th and Market site will have an
6 impact on neighboring communities, if
7 either of the four of you had to make a
8 decision between the 8th and Market site
9 or the Columbus and Reed site, which of
10 the two sites would you select?

11 MS. LOESCH: Well, that's not a
12 choice --

13 COUNCILMAN DiCICCO: If you had
14 to make a choice, gaming issues aside,
15 between either of the two facilities.
16 Since no one wanted it at Columbus and
17 Reed, we have now come up with an
18 alternative site and it's being suggested
19 we don't want it here either. If you had
20 to make that decision, which of the two
21 sites would any of the four of you
22 select?

23 MS. LOESCH: Well, as one of my
24 Board members said when this was
25 announced --

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2 COUNCILMAN DiCICCO: I'm not
3 asking about your Board member,
4 Ms. Loesch.

5 MS. LOESCH: Can I just answer?

6 COUNCILMAN DiCICCO: I need to
7 know what you -- you're here testifying.

8 MS. LOESCH: I am going to
9 answer your question.

10 COUNCILMAN DiCICCO: Okay.

11 MS. LOESCH: I just wanted to
12 preface it by saying as one of my Board
13 members said, this site is as bad or
14 worse than -- is equally bad to the site
15 on Delaware Avenue.

16 COUNCILMAN DiCICCO: Would you
17 prefer that we go back to Columbus and
18 Reed?

19 MS. LOESCH: Well, can I answer
20 it this way: When I went to --

21 COUNCILMAN DiCICCO: It's a
22 simple question.

23 MS. LOESCH: I know, but let me
24 answer it.

25 COUNCILMAN DiCICCO: I'm asking

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2 you, do you prefer 8th and Market or do
3 you prefer Delaware and Reed? And that
4 question is for all four of you.

5 MS. LOESCH: At the press
6 conference last September, Michael
7 Thomas, the CEO of Foxwoods -- let me
8 finish my sentence -- was asked --

9 COUNCILMAN DiCICCO: If you'd
10 answer my question, I'd let you finish
11 your sentence.

12 MS. LOESCH: If this site
13 doesn't work out -- and at that time he
14 was announcing the Gallery site -- will
15 you consider another site, a third site,
16 and his immediate answer was yes. I
17 don't think --

18 COUNCILMAN DiCICCO: I'm not
19 Michael Thomas. I was at that press
20 conference.

21 MS. LOESCH: I know you were.

22 COUNCILMAN DiCICCO: This is
23 today, and the only options that I know
24 of that I have to deal with and this
25 Committee and the Council will have to

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2 deal with is 8th and Market or possibly
3 if Foxwoods either cannot get the deal
4 done here or feels that there's going to
5 be too much resistance and they opt to go
6 back to Delaware and Reed, which of the
7 two sites is more appropriate? And this
8 is not a question for anyone -- this is a
9 question for you, all four of you.

10 MS. LOESCH: Well, I guess, you
11 know what? My Board hasn't been worried
12 about that --

13 COUNCILMAN DiCICCO: I'm asking
14 you.

15 MS. LOESCH: Okay. I haven't
16 been worried about that, and I'll tell
17 you why. I don't think Foxwoods would
18 ever get the financing to go back to
19 Delaware and Reed.

20 COUNCILMAN DiCICCO: Rosanne,
21 you're a very intelligent lady.

22 MS. LOESCH: Thank you.

23 COUNCILMAN DiCICCO: It's a
24 simple question. I have the
25 responsibility --

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2 MS. LOESCH: I'm smart enough
3 not to be cornered.

4 COUNCILMAN DiCICCO: I'm
5 cornered. You all put me in the corner.
6 Because you didn't want them on Delaware
7 Avenue, we got a new site. I'm asking
8 you. I'm asking you.

9 MS. LOESCH: I know you've been
10 in a corner.

11 COUNCILMAN DiCICCO: I'm asking
12 you.

13 MS. LOESCH: I recognize that.

14 COUNCILMAN DiCICCO: Eighth and
15 Market versus Delaware and Reed/Columbus
16 and Reed, which of the two sites would
17 you prefer?

18 MS. LOESCH: I think that you
19 and I differ as to what the choices are.

20 COUNCILMAN DiCICCO: They're
21 the only choices. I don't know of any
22 other choice as it relates to Foxwoods.

23 Mr. Speaker -- I feel like I'm
24 talking to Tip O'Neill.

25 Mr. Speaker, I'm sorry.

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2 MR. SPEAKER: Not a problem.

3 That same question has troubled me, and I
4 have visited the City Planning Commission
5 a number of times and worked with people
6 on the City Planning Commission
7 extensively on our neighborhood problems
8 and, in the process, considered where the
9 hell else we can put a casino, and I
10 asked Laura Spina of the Planning
11 Commission, Is there any place that is
12 not close to a residential neighborhood?

13 And she said, I don't know, but
14 I will ask and we will look at the maps
15 and find them. And, in fact, at the next
16 meeting, she brought back a large-scale
17 map of Philadelphia with, as I remember,
18 four sites marked out in some bright
19 contrasting color that were approximately
20 half a mile from the nearest residential
21 location, and, therefore, I would say
22 you're offering us -- your question is a
23 Faustian question and, therefore, I would
24 say we need to go back to Planning and
25 ask --

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2 COUNCILMAN DiCICCO:

3 Mr. Speaker, excuse me. I know what
4 you're going to say. I don't need a
5 sermon. I'm just asking a question.
6 Councilman Greenlee has a question. I'll
7 come back to you.

8 COUNCILMAN GREENLEE: Just very
9 quickly just on the one point,
10 Mr. Speaker. You said, where can we put
11 a casino. The problem is that it's --
12 Foxwoods' decision has to factor in here.
13 There's only so many places they're going
14 to go, and they decided, after much work
15 by Councilman DiCicco and other people,
16 to relocate.

17 But they decide where they want
18 to go, and then we have to decide whether
19 it's the better site, and that is the
20 problem. It's not that we can order
21 Foxwoods to go anywhere. They were given
22 the right by the Gaming Commission. We
23 can debate that forever, right, wrong,
24 indifferent. They were given to them.
25 They're making a decision whether to move

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2 or not, and I think Councilman DiCicco's
3 question is right. I have to admit --
4 and I know I'm going to get people mad at
5 me right now, but you're going to hear
6 it. I'll answer his question. I think
7 8th and Market is the better of the two
8 sites.

9 Thank you.

10 COUNCILMAN DiCICCO: And just
11 let me -- I physically went out and
12 looked at alternative sites, tried in my
13 district, not to put the burden on
14 someone else's district, and I was not
15 able to find a site that was beyond the
16 1,500 foot boundary that we all would
17 like to see. I did find a site that was
18 just south of my district in Council
19 President Verna's district on Columbus
20 Boulevard, just south of the Walt Whitman
21 Bridge, that was outside of the ten-mile
22 radius. So we didn't have the issue of
23 being within the ten-mile radius.

24 I personally took attorneys who
25 represented Foxwoods out to the site to

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2 look at it. They brought that
3 information back to Foxwoods. They, in
4 turn, looked at the site and they
5 decided, for whatever their reasons are,
6 that that was not a location where they
7 wanted to be.

8 We have fought these sites day
9 and night for four years. I mean, I've
10 done other things in my lifetime, but
11 this has probably consumed more than any
12 other issue I've ever done in my 63 years
13 on earth, and it came down to decisions
14 were being made for us by the Supreme
15 Court. Seventeen cases. We lost all 17
16 cases. I'm faced with the reality that
17 if we continue to fight on this location,
18 that either one of two things will
19 happen. They will go to the Board and
20 say, Here they go again. They wanted us
21 off the river. We've exhausted tens of
22 millions of dollars. We have found
23 another site, but the answer is, no, not
24 here. I'm not making the argument for
25 them, but that's the way it's going to

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2 go.

3 The Gaming Board will either
4 make a decision to give them. We appeal
5 it. It will go to the Supreme Court, and
6 I don't think we're going to win case No.
7 18. They will get the CED and we will be
8 out of the process. I'm in the process.
9 By me being in the process, the people I
10 represent are in the process.

11 So I go back to my original
12 question. Given the choice of 8th and
13 Market versus Delaware and Reed, which of
14 the two sites? Because if I was paying
15 attention to polls, as most politicians
16 do, it would be a no-brainer for me to
17 answer the question it's got to be 8th
18 and -- Delaware and Reed, because the
19 recent poll, the Inquirer I believe it
20 was, suggested after the poll that the
21 majority of Philadelphians believe that
22 the casino should be at Delaware and
23 Reed. But don't tell that to the people
24 in Pennsport and Queen Village. But
25 that's what the poll across the City of

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2 Philadelphia said it should be at
3 Delaware and Reed versus 8th and Market.
4 So I'm going against the poll trend, but
5 no matter where I go, I'm going to have
6 opposition. I understand that. That's
7 what I get paid to do.

8 One more time. Mr. Anastasio,
9 if you had a choice -- you're an
10 attorney. I know attorneys, like my son
11 is an attorney, they kind of like to
12 stretch it.

13 MR. ANASTASIO: I'll make it
14 quick. I believe honestly that in the
15 1st Council District at least the only
16 site worse than Strawbridges is the
17 alternative at Delaware and Reed.

18 That being said, we're
19 respectfully asking this Committee today
20 not to pick or make a judgment call on
21 which site, but simply to hold up the CED
22 legislation briefly so that you and the
23 folks you all represent could find out
24 more about what would actually be at 8th
25 and Market.

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2 COUNCILMAN DiCICCO: We are
3 going through that, and I appreciate
4 that.

5 MR. ANASTASIO: And that's
6 really the only request.

7 COUNCILMAN DiCICCO: And I
8 understand, and we are doing that, but
9 did I hear you right, ideally Delaware
10 and Reed/Columbus and Reed?

11 MR. ANASTASIO: Ideally,
12 there's no ideal situation.

13 COUNCILMAN DiCICCO: Between
14 the two.

15 MR. ANASTASIO: The only thing
16 worse than the Strawbridge site in the
17 1st District is Delaware and Reed.

18 COUNCILMAN DiCICCO: So 8th and
19 Market is more advantageous?

20 MR. ANASTASIO: I answered your
21 question.

22 COUNCILMAN DiCICCO: You're
23 doing the lawyer stuff. If you had a
24 choice, is it 8th and Market or Columbus
25 and Reed?

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2 MR. ANASTASIO: I don't have
3 that choice.

4 COUNCILMAN DiCICCO: But I'm
5 asking you. You're asking me to make a
6 decision and not moving forward on this
7 legislation.

8 MR. ANASTASIO: All we're
9 asking you today is not to move forward
10 on this legislation.

11 COUNCILMAN DiCICCO: So you
12 have no particular favorite site between
13 the two?

14 MR. ANASTASIO: I think they're
15 both bad, but the only place that's
16 worse --

17 COUNCILMAN DiCICCO: As I said,
18 you are an attorney, and I appreciate it.

19 Yes, ma'am.

20 MS. KALALIAN: Councilman
21 DiCicco, we appreciate all the work and
22 anguish that Council and all the
23 stakeholders who have been involved in
24 this issue from the beginning have had to
25 endure. We've had a tremendous amount of

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2 our lives disrupted by this particular
3 issue.

4 I think the question is
5 unanswerable in the same way that the
6 theme of a film called Sophie's Choice is
7 an untenable question. It's like asking
8 which child do you sacrifice. We cannot
9 do that. We're just asking that we be
10 provided with the correct data,
11 independent information in order to try
12 to make a rational choice so that the
13 best choice for this city can be made.

14 COUNCILMAN DiCICCO: Well, I
15 have a choice in front of me and I've had
16 choices in front of me for about four
17 years as it relates to gaming, because
18 both casino licenses were awarded in my
19 district. And there are a lot of people
20 who aspire to run for office. There are
21 those who think it may not be such a bad
22 job. I get paid to make decisions. My
23 decision is, in spite of the fact that I
24 know there are some people who will not
25 look upon me favorably, but I've learned

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2 a long time ago that you can't make
3 everybody happy. It's an impossibility.
4 I believe, given the choice, that 8th and
5 Market is the best of the two sites.

6 But I wish I could have had
7 that answer from one of you, but I
8 couldn't, but thank you anyway for
9 trying.

10 MR. SPEAKER: May I?

11 COUNCILMAN DiCICCO: Yes.

12 MR. SPEAKER: May I offer this
13 idea? You've asked us to decide between
14 two choices. The City Planning
15 Commission has identified, I think, four
16 or five alternative choices that are not
17 near residential. I suggest that
18 although you have taken Foxwoods
19 attorneys to one of those sites, they
20 should be taken to the other four and
21 allow Foxwoods to solve this question,
22 because it is they who will be putting
23 the money into whatever they develop or
24 who will be taking their money out.

25 COUNCILMAN DiCICCO: That's a

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2 good point, but it's my understanding
3 that they have already had the
4 opportunity to look at those sites and
5 they have been rejected.

6 MR. SPEAKER: That's
7 information I did not have. Thank you.

8 COUNCILMAN DiCICCO: Thank you.

9 Any other questions for these
10 witnesses?

11 (No response.)

12 COUNCILMAN DiCICCO: Thank you.

13 Next panel, John Chin, George
14 Moy and Mary Yee.

15 (Witnesses approached witness
16 table.)

17 COUNCILMAN DiCICCO: Good
18 afternoon. You decide among yourself who
19 will speak first, and whoever is speaking
20 first, please identify yourself for the
21 record and proceed with your testimony.

22 MR. CHIN: Good afternoon,
23 Councilman DiCicco and honorary members
24 of the City Council. Thank you for
25 allowing me to speak this afternoon.

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2 Thank you for the opportunity to testify
3 before the Committee. My name is John
4 Chin, C-H-I-N, and I am the Executive
5 Director of the Philadelphia Chinatown
6 Development Corporation. I am here today
7 to ask the Committee to withhold
8 advancement of Bill No. 090294 and
9 090295.

10 My organization, PCDC, is a
11 non-profit community development
12 corporation which has served the
13 Chinatown community for more than 40
14 years. We have lifted many families out
15 of poverty and brought about many
16 improvements through our neighborhood
17 planning initiatives, beautification and
18 greening projects, financial literacy and
19 homeownership counseling, commercial
20 corridor development, affordable housing
21 developments for families and senior
22 citizens and many more endeavors. Thanks
23 to Councilman DiCicco and many of our
24 partnerships with government,
25 corporations and community foundations,

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2 we have been able to accomplish all that
3 we have.

4 PCDC's work is unfinished.

5 There are many needs in the community and
6 not enough resources. We know that
7 casinos are not compatible with
8 neighborhoods. Chinatown does not want a
9 casino in our neighborhood for the same
10 reasons that the riverfront communities
11 do not want a casino.

12 We are opposed to the re-siting
13 of the Foxwoods casino to 801 Market
14 Street. This puts Foxwoods across the
15 street from the southern edge of
16 Chinatown, a distance closer to a
17 neighborhood than either riverfront site.
18 This will place the casino one block from
19 Chinatown's largest pre-school,
20 Children's Village.

21 There are many impacts and
22 costs that Chinatown and the City must be
23 well informed about. It is essential
24 that the City is proactive and study the
25 impacts to determine the social and

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2 economic costs to its citizens and the
3 City.

4 I've been here an hour and a
5 half listening to the testimony of
6 Foxwoods and Mr. Brian Ford, and while he
7 spoke a lot about the casino and the
8 progress, I did not hear a lot about the
9 details. These are the things that the
10 Chinatown community is looking for,
11 details to the proposal of Foxwoods at
12 801 Market Street.

13 Bill 090294 as introduced does
14 not offer a thorough process for
15 transparency or an adequate opportunity
16 for community input. In fact, the bill
17 as introduced relinquishes City Council's
18 power to weigh in on one of the most
19 important issues that will affect the
20 City for decades to come. I am asking
21 you, the Committee, to amend the bill to
22 guarantee a process that is informative
23 and inclusive of the community. I am
24 also asking you to amend the bill so that
25 any information that is received from

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2 Foxwoods be made public immediately upon
3 receipt. I am asking that you amend the
4 bill to require the City Planning
5 Commission to perform independent studies
6 of the traffic, parking, environmental,
7 economic and social impacts to the
8 communities, particularly Chinatown,
9 which will sustain the most direct burden
10 from this proposed development.

11 This is a project that we have
12 no expertise in. This is a project that
13 we as a city have no experience in, and
14 this is a project that there are no best
15 practices that can show us what impact a
16 casino has in a large center city area.

17 Foxwoods has had six months
18 since the last passing of CED legislation
19 on November 1st to provide plans and
20 studies to the City of Philadelphia and
21 this community. We have seen none to
22 date.

23 So in closing, I am asking this
24 Committee to not move Bill 090294
25 forward.

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2 Thank you.

3 COUNCILMAN DiCICCO: Thank you.

4 MS. YEE: Good afternoon.

5 COUNCILMAN DiCICCO: You have
6 to just bring the mike close to you and
7 speak directly into it.

8 MS. YEE: Good afternoon,
9 Councilman DiCicco and members of the
10 Rules Committee. My name is Mary Yee and
11 I represent the Chinatown Preservation
12 Alliance, an organization of individuals
13 and organizations committed to the
14 protection and preservation of the
15 Philadelphia Chinatown community.

16 I am here today to speak to the
17 zoning ordinance changes in 090294 and
18 090295. We support the change in 090295
19 of the CED designation back to C-5 for
20 the Gallery area and oppose the change of
21 the Strawbridge and Clothier block from
22 C-5 to CED, which is intentionally to
23 allow the Foxwoods casino to be sited
24 there. We categorically oppose any
25 casino in the area adjacent to Chinatown.

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2 The proposed casino signifies a
3 disruption of the social fabric of
4 Chinatown. It will disrupt our lives,
5 and it portends serious negative social,
6 economic and public health consequences
7 for our children, families, businesses
8 and neighborhoods. It threatens the
9 integrity of our 140-year-old historic
10 inner-city community, one continuously
11 inhabited and developed by Chinese
12 Americans. We have endured and built a
13 safe and healthy neighborhood where there
14 was once Skid Row and noxious industrial
15 uses like rag shops.

16 Regarding process and 090294,
17 contrary to promises by the Mayor,
18 Councilman DiCicco and City Planning
19 officials, the process for informing and
20 involving the communities most affected
21 by the casino sitings and the public at
22 large has not been timely, transparent or
23 inclusive. And we find it despicable
24 that the Mayor is accelerating and even
25 trying to institutionalize a municipal

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2 approval process for Plans of Development
3 in CEDs that is still more removed from
4 the citizenry. It is a travesty of
5 democratic participation that we will ask
6 Council not to approve.

7 Ceding authority to the City
8 Planning Commission for final approval of
9 development plans is purportedly,
10 according to the Mayor and Councilman
11 DiCicco -- and I heard this with my own
12 ears -- to take it out of the realm of
13 politics. Now, six members of the
14 Planning Commission are appointed by the
15 Mayor and three are ex-officio from his
16 upper Administration. So how is this not
17 political? This is tighter political
18 control by the Mayor instead of by City
19 Council.

20 We turn to you as our elected
21 officials to represent our interests and
22 to be accountable to the citizens of
23 Philadelphia. At this point, neither
24 City agency staff nor the casino
25 developers have fulfilled their

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2 obligation to participate in a
3 transparent process and to dialogue in
4 earnest with our communities.

5 So we do not approve this
6 circumvention around our elected
7 officials, and we ask the Rules Committee
8 to amend the proposed zoning ordinance to
9 include provisions for a genuine public
10 engagement process for vetting Plans of
11 Development. And my organization has
12 sent letters to each of the members of
13 the Rules Committee with the concrete
14 suggestions.

15 We also ask that the ordinance
16 require that all potential impacts of the
17 casinos, especially economic and social,
18 be carefully examined by disinterested
19 parties. We ask that there be sound
20 evidence before Council before proceeding
21 with any Plan of Development.

22 No community should have to
23 tolerate what casinos bring with them -
24 gambling addiction, cheap commercial uses
25 that follow the trade, increased local

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2 traffic, increased crime and the
3 disinvestment as families and small
4 businesses start to see the quality of
5 life diminish. We want zoning to protect
6 our neighborhoods, not to diminish our
7 neighborhoods.

8 What is the logic of building
9 up the riverfront or Market Street East
10 with casinos if people in communities are
11 going to suffer from it? So we ask
12 Council to protect us, not to undermine
13 us.

14 Thank you.

15 COUNCILMAN DiCICCO: Thank you.

16 George, please identify
17 yourself for the record.

18 MR. MOY: My name is George
19 Moy.

20 This month will be the 43rd
21 year that I have testified before this
22 body, all in the effort to save Chinatown
23 or to mitigate the adverse impacts of
24 over 16 major urban renewal projects.
25 Given the brief time allotted to us to

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2 state our case, I will not be able to
3 name all of them. The first project that
4 took away a huge portion of Chinatown at
5 its northern boundary was the Vine Street
6 Expressway, and that was in May of 1966.
7 Other projects in the interim cut off
8 additional large segments of Chinatown to
9 the east and the west. All total,
10 Chinatown lost nearly one-half of its
11 land mass, residential and commercial
12 properties. More recently, we were able
13 to stave off the proposed Philly Ball
14 Park. We are now facing the negative
15 impact of the Pennsylvania Convention
16 Center expansion.

17 Today we face a more insidious
18 issue, an issue that all Philadelphians
19 need to be wary about, not just
20 Chinatown. If the authorities succeed in
21 pushing through the ordinances and
22 amendments being considered by this body,
23 then the power of the people is being
24 eaten away. The precedence would be
25 established whereby a neighborhood's

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2 ability to protect its quality of life
3 can be circumvented prior to a project
4 being even proposed or then built in
5 their community.

6 There are no specific
7 proposals, no drawings, nothing, and yet
8 we are expected to roll over and play
9 dead. Also, the required egress and
10 ingress into a building that has not yet
11 been designed is being changed. Where is
12 the traffic study? It's like putting the
13 cart before the horse. It just doesn't
14 make any sense.

15 What other neighborhood has
16 been subjected to such indignities and to
17 so many major onslaughts? Why Chinatown?
18 Is it because we are a small ethnic
19 community? Is it racial discrimination?

20 I have in my possession
21 gambling quotes compiled by Professor
22 John W. Kindt, Professor of Business
23 Administration of the University of
24 Illinois. It contains 85 negative
25 reasons why gambling is not good for the

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2 economy, the city, state or country. Are
3 the officials aware of the study? Are
4 they even curious as to the contents of
5 the study? Is it not their
6 responsibility to know all the facts and
7 all the issues before making a decision?
8 If not, is it not considered dereliction
9 of their duties and responsibilities?

10 The National Gambling Impact
11 Study Commission as federally mandated
12 submitted its final report in June of
13 1999, nearly ten years ago. The report
14 has unanimous support of all nine
15 commissioners. The report painted a dark
16 and often devastating portrait of the
17 effects of widespread legalized gambling
18 on America's families and communities.

19 The report concludes that more
20 research can lead to greater
21 understanding and more informed policy.
22 It seems to me that much more can be
23 learned if we review what has transpired
24 in the past ten years with regards to
25 gambling. Better informed will lead to

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2 better decisions.

3 Chinatown is an asset to the
4 City. We deserve better treatment.

5 COUNCILMAN DiCICCO: Thank you.
6 Thank you for your testimony. Thank you
7 for the time you've spent here today.

8 I guess if I pose a similar
9 question to this panel as I posed to the
10 last, I think I would have the answer.
11 But I won't pose -- I won't put you on
12 the spot.

13 Thank you.

14 Any questions for this witness?

15 MR. MOY: Councilman, maybe I
16 shouldn't open my mouth, because I'm not
17 in your league, but in an attempt to
18 answer the question that you put to the
19 previous speaker, I would say if I were
20 faced with somebody telling me I got to
21 kill one of two sons, I would not do
22 that. Believe me, I would fight tooth
23 and nail to save both of them.

24 I don't envy you in your
25 position. It boils down to politics.

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2 You have more votes in South Philadelphia
3 than you have in Chinatown.

4 COUNCILMAN DiCICCO: That has
5 never been a reason for my making this
6 decision. You may not believe me,
7 Mr. Moy, but it's never been a reason for
8 my making this decision. It has nothing
9 to do with it. Really, you either
10 believe me or you don't, but that's the
11 honest truth. It has nothing to do with
12 the demographics. It has nothing to do
13 with where -- I actually have a higher
14 vote percentage in Center City than I do
15 in South Philadelphia, and I consider
16 Chinatown to be part of the Center City
17 community.

18 MR. MOY: Thank you.

19 COUNCILMAN DiCICCO: Four
20 elections running. It may not be that
21 way the next time, but it has been in the
22 past.

23 MR. MOY: I understand that
24 it's the state government that has put
25 you in a box.

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2 COUNCILMAN DiCICCO: Put all of
3 us. None of us voted for this.

4 MR. MOY: But then our leaders
5 should fight tooth and nail the fact that
6 they're trying to push this gambling on
7 us.

8 COUNCILMAN DiCICCO:
9 Understood.

10 MR. MOY: I mean, I understand,
11 and I wouldn't want to be in your shoes.

12 COUNCILMAN DiCICCO: The only
13 thing I will tell you is what I have been
14 saying in the past. If the Strawbridges
15 site becomes the casino -- and it's still
16 an "if" -- I will do everything I can in
17 my power to make sure that you get the
18 best protection and the best benefits
19 agreement that I can possibly create for
20 your community. That's the only thing I
21 can guarantee you. Outside of that, it's
22 probably still a crap shoot at this point
23 as to where it's going to wind up. I
24 think it's going to be Strawbridges, but
25 I could be wrong. It's not over until

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2 it's over, as they say.

3 MR. MOY: I have one question.
4 I have a hearing problem and I'm tone
5 death, and I miss more than half of the
6 discussions that go on. Is it possible
7 for this body to provide hearing
8 assistance?

9 COUNCILMAN DiCICCO: Oh,
10 hearing assistance for in the future?
11 Well, we will bring that up to the
12 Council President and discuss that going
13 forward.

14 MR. MOY: I anticipate in the
15 future there will be many more hearings.

16 COUNCILMAN DiCICCO: Thank you.
17 Thank you again.

18 The next two are Gary Lee and
19 Ursula Reed.

20 And is there anyone else who
21 wishes to testify who did not? Okay.
22 Sir, would you mind coming up to the
23 witness table.

24 (Witnesses approached witness
25 table.)

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2 COUNCILMAN DiCICCO: Please
3 identify yourself for the record and
4 proceed with your testimony.

5 MR. LEE: Thank you,
6 Mr. DiCicco. I'm Gary Lee.

7 I and my family have resided in
8 Philadelphia Chinatown for more than 30
9 years. I'm here to oppose the passage or
10 favorable recommendation of both
11 ordinances that are now before this body.
12 I submit there are three main reasons
13 that I have why these should not be
14 favorably reported.

15 Number one, the Philadelphia
16 Entertainment Development Partners is
17 currently delinquent in their real estate
18 taxes to the City of Philadelphia for the
19 riverfront location, which is 1499 South
20 Christopher Columbus Boulevard. I'm
21 making that statement based on the
22 website that indicates that more than \$1
23 million is owed in taxes for that site
24 for the year 2009.

25 COUNCILMAN DiCICCO: You are

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2 correct, and to the best of my knowledge,
3 they have come to a potential agreement
4 on a settlement. I don't know what the
5 dollar figure is, but that will have some
6 impact on what may happen at 8th and
7 Market as well.

8 MR. LEE: Well, I submit that
9 without paying the full amount of tax
10 that's due, they should be given no
11 consideration by this body.

12 Number two, the Philadelphia
13 Gaming Advisory Task Force, which
14 extensively studied the proper siting for
15 casinos or slots parlors, issued a
16 400-page report, and there are two main
17 conclusions in that report that militate
18 against having a casino or slots parlor
19 at 8th and Market. On Page 53, the
20 report states that placement of a slots
21 parlor in a downtown location poses a
22 significant challenge. On Page 73 to 75,
23 it states that there should be no slots
24 parlor on a site that's smaller than 3.4
25 acres. The site that's now being

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2 proposed is not 3.4 acres. So this
3 proposed legislation that would locate
4 the slots parlor at 8th and Market is
5 contrary to the extensive study done by
6 the Philadelphia Gaming Advisory Task
7 Force.

8 I agree with what was said by
9 the previous panel about the need for a
10 process here, if Your Honors agree to
11 pass the legislation that would give the
12 City Planning Commission the final
13 approval of any Plan of Development.
14 However, Mr. DiCicco, you've said that --
15 a few minutes ago you mention that you
16 want to be part of the process. Well, I
17 submit that if City Council abdicates its
18 responsibility in approving the Plan of
19 Development, you will not be part of the
20 process. This will be a process that
21 will be solely decided by the
22 Philadelphia Planning Commission.

23 And, finally, I want to
24 reiterate something that has not been
25 said here but was said extensively on

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2 November 1st when the Rules Committee met
3 on the previous two ordinances that
4 proposed the location of the slots parlor
5 at 10th and Market, and, that is, that
6 the Philadelphia Chinatown community and
7 the Asian population in particular has a
8 greater susceptibility to gambling
9 addiction, and that is a key reason why
10 location of any slots parlor near
11 Philadelphia Chinatown would have a more
12 detrimental impact upon that community
13 than anywhere else in Philadelphia.

14 For those reasons, I suggest
15 that Your Honors not favorably report
16 these two bills out of Committee.

17 Thank you.

18 COUNCIL PRESIDENT VERNA: Next
19 witness. Please identify yourself for
20 the record.

21 MS. REED: My name is Ursula
22 Reed. I'm here today as an individual
23 who has lived and worked in Center City
24 and the waterfront area for 33 years.
25 When I first moved back to

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2 Philadelphia -- I grew up here -- I
3 worked for the Pennsylvania Historical
4 Museum Commission on the development of
5 the Penns Landing Museum and Cultural
6 Center, which is now known as the
7 Independence Seaport Museum. I worked
8 there for a couple years and then went to
9 work for the Rouse Company. I was part
10 of the development team that brought the
11 19 ordinances before City Council for the
12 approval of the building of Gallery II.
13 I then worked for almost three years as
14 Assistant General Manager of the Gallery
15 at Market East, along with the gentleman
16 who is currently the General Manager
17 there for Mr. Ruben, Larry Howard. He
18 and I were there the day the Harrison
19 Court Building burned down and received
20 an award for evacuating that Gallery
21 complex that day.

22 But I'm here today because I'm
23 also the Vice-President of the
24 Fairmount -- of the Washington-Rochambeau
25 Revolutionary Route, which is a national

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2 historic trail that was just designated
3 and signed by the President on the 31st
4 of March, and I'm happy to say that we
5 now have a national historic trail that
6 comes right through Philadelphia, down
7 Market Street from 2nd to the Schuylkill
8 and continues on down. It's a 685-mile
9 national historic trail that commemorates
10 the American and French alliance in the
11 American Revolution. I gave a copy of
12 the Press Release announcing that to each
13 of you, and on April 11th, this article
14 appeared in the Inquirer. It was an
15 editorial highlighting fact that that
16 bill passed and that we now have the
17 first national historic trail in
18 Northeast United States.

19 I'm also here to read into the
20 record a letter from the National Parks
21 and Conservation Association. They're an
22 advocacy group for national parks all
23 over the country, and Brian suggested
24 that I read this into the record.

25 This is a letter that was

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2 written on April 22nd to Mayor Nutter by
3 Cinda Waldbuesser, who is Executive
4 Director of the National Parks and
5 Conservation Association.

6 For the record, "I am writing
7 on behalf of the National Parks
8 Conservation Association and our 340,000
9 members nationwide, some 15,000 of whom
10 are Pennsylvania residents, to express
11 our concerns over the proposal to locate
12 a casino on Market Street, just blocks
13 from one of our national icons,
14 Independence National Historic Park, and
15 along the recently designated
16 Washington-Rochambeau Revolutionary Route
17 National Historic Trail, the first
18 national historic trail in the Northeast.

19 A non-partisan, non-profit,
20 NPCA's mission is to protect and enhance
21 America's national park system for
22 current and future generations. Since
23 1919, NPCA has informed the American
24 public about the needs of national parks,
25 and empowered a diverse, well-informed

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2 constituency to be effective advocates
3 for those priceless national treasures.

4 NPCA is concerned that

5 marketing a casino so close to the
6 birthplace of our nation will detract
7 from the visitor experience.

8 Independence National Historic Park is a
9 place where visitors can walk in the
10 steps of our founding fathers and learn
11 about how our nation became the place it
12 is today. A casino is at odds with this
13 hallowed atmosphere.

14 While economic arguments for
15 opening casinos in Philadelphia may seem
16 compelling in these difficult economic
17 times, Independence National Historic
18 Park is already an economic engine for
19 the city and state. With approximately 4
20 million visitors annually, Independence
21 National Historic Park generates more
22 than 139 million in spending and supports
23 more than 2,000 jobs. Opening and
24 operating a casino just blocks from the
25 park could drive away some of these

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2 travelers that not only visit the park,
3 but also the surrounding businesses.

4 A casino could be built
5 anywhere, but there is only one
6 Independence Hall. I urge you to
7 consider the plan to locate a casino on
8 Market Street -- to reconsider the plan
9 to locate a casino on Market Street and
10 to protect the future of Independence
11 National Historic Park so our children
12 and our grandchildren can enjoy and learn
13 from it."

14 Thank you.

15 COUNCIL PRESIDENT VERNA: The
16 Chair recognizes Councilman Greenlee.

17 COUNCILMAN GREENLEE: Thank
18 you, Madam President.

19 Very quickly. Ms. Reed, I
20 guess by your statement that again taking
21 Councilman DiCicco's question, given the
22 two options, you would prefer the casino
23 at Delaware and Reed. Is that a fair
24 statement?

25 MS. REED: No, it's not. I'm

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2 not going to answer that question. I'm
3 not going to be forced into an answer. I
4 believe that there should be no casinos
5 in this historic city.

6 COUNCILMAN GREENLEE: We don't
7 have that choice. We have a choice to
8 make and we have to make it.

9 Okay. Thank you.

10 COUNCIL PRESIDENT VERNA: Any
11 other questions of this witness?

12 (No response.)

13 COUNCIL PRESIDENT VERNA: Thank
14 you very much.

15 Are you going to testify, sir?

16 MR. COHEN: Yes.

17 COUNCIL PRESIDENT VERNA:
18 Please identify yourself for the record.

19 MR. COHEN: Good afternoon. My
20 name is Joshua Cohen and I'm an attorney
21 with Greenberg Traurig. We represent
22 Gramercy Capital Corporation, the owner
23 of the upper floors at the 801 Market
24 Street site that sits directly above the
25 floors that PREIT proposes to lease to

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2 Foxwood Philadelphia for gaming use.

3 I would like to read the
4 following prepared statement in the
5 record for today's hearing.

6 "Contrary to what has been
7 widely reported in the news media, PREIT
8 does not own the 801 Market Street
9 building outright. In fact, the building
10 is a multi-unit business condominium in
11 which Gramercy Capital Corporation owns
12 Floors 7 through 13, representing nearly
13 40 percent interest in the building.
14 Gramercy's tenants include the Government
15 Services Administration, Citizens Bank,
16 Community Behavioral Health Systems and
17 several other significant commercial
18 tenants.

19 Gramercy opposes Bill 090295 as
20 currently presented, because we believe
21 that a rezoning of the 801 Market Street
22 site in the manner proposed is not in our
23 best interest or in the best interest of
24 our tenants.

25 We are currently in discussions

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2 with PREIT to address our concerns and
3 believe that we may be able to do so if
4 the Council's vote on this matter was
5 delayed for a brief period of time.

6 Thank you very much for your
7 consideration of our testimony."

8 COUNCIL PRESIDENT VERNA: Thank
9 you.

10 Any questions or comments of
11 this witness?

12 (No response.)

13 COUNCIL PRESIDENT VERNA: Thank
14 you all very much.

15 Do we have anyone else to
16 testify?

17 (No response.)

18 COUNCIL PRESIDENT VERNA: Would
19 anyone like to testify?

20 (No response.)

21 COUNCIL PRESIDENT VERNA: This
22 concludes the public hearing. We will
23 now go into our public meeting, and the
24 Chair recognizes Councilman DiCicco
25 regarding Bill No. 090294.

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2 COUNCILMAN DiCICCO: Thank you,
3 Madam Chair. I move that Bill No. 090294
4 be reported out of this Committee with a
5 favorable recommendation and that the
6 rules of Council be suspended so as to
7 permit first reading at our next session
8 of City Council.

9 (Duly seconded.)

10 COUNCIL PRESIDENT VERNA: It
11 has been moved and seconded that Bill No.
12 090294 be reported out of Committee with
13 a favorable recommendation; further, that
14 the rules of Council be suspended so as
15 to permit first reading at our next
16 session of Council.

17 All in favor will indicate by
18 saying aye.

19 (Aye.)

20 COUNCIL PRESIDENT VERNA: Those
21 opposed?

22 (No response.)

23 COUNCIL PRESIDENT VERNA: The
24 ayes have it and the motion carries.

25 Again, the Chair recognizes

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2 Councilman DiCicco regarding Bill No.

3 090295.

4 COUNCILMAN DiCICCO: Thank you,
5 Madam Chair. I move that Bill No. 090295
6 be held and recessed to the May 13th
7 hearing.

8 COUNCIL PRESIDENT VERNA: So
9 moved.

10 (Duly seconded.)

11 COUNCIL PRESIDENT VERNA: Bill
12 No. 090295 is being held today and will
13 be rescheduled for a public hearing on
14 May 13th.

15 This concludes our public
16 meeting.

17 Thank you all very much.

18 (Committee on Rules adjourned
19 at 4:00 p.m.)

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1
2 CERTIFICATE

3 I HEREBY CERTIFY that the
4 proceedings, evidence and objections are
5 contained fully and accurately in the
6 stenographic notes taken by me upon the
7 foregoing matter on May 7, 2009, and that this
8 is a true and correct transcript of same.

9
10
11
12
13
14 _____
15 MICHELE L. MURPHY
16 RPR-Notary Public
17
18

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20 transcript does not apply to any reproduction
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