COUNCIL OF THE CITY OF PHILADELPHIA
COMMITTEE ON RULES

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Room 400, City Hall
Philadelphia, Pennsylvania
Wednesday, April 30, 2008, 3:55 p.m.

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Bill 080027 - Amending Philadelphia Zoning Maps by changing zoning designation of certain areas of land located within area bounded by Christopher Columbus Boulevard, (former) Reed Street, the Delaware River, and Tasker Street (extended), under certain terms and conditions.

Bill 080028 - Approving Plan of Development for a Commercial Entertainment District in area generally bounded by (former) Reed Street, Tasker Street (extended), Christopher Columbus Boulevard, and the Delaware River.

COMMITTEE MEMBERS PRESENT:

Anna C. Verna, Chair
James F. Kenney, Vice Chair
Frank DiCicco
William K. Greenlee
Also Present: Councilman Bill Green

- - -

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COUNCIL PRESIDENT VERNA: Thank you very much. Good afternoon.

This is a continued public hearing of the Council Committee on Rules regarding Bill No.'s 08002iII7 and 080028. I would ask Mr. McPherson to please read the titles of the bills.

MR. McPHERSON: Bill 080027, an ordinance amending Philadelphia Zoning Maps by changing zoning designation of certain areas of land located within area bounded by Christopher Columbus Boulevard, (former) Reed Street, the Delaware River, and Tasker Street (extended), under certain terms and conditions.

Bill 080028, an ordinance approving a plan of development for a Commercial Entertainment District in area generally bounded by (former) Reed Street, Tasker Street (extended), Christopher Columbus Boulevard, and the Delaware River.

COUNCIL PRESIDENT VERNA: Thank you very much.

I see that we have Representative Mike O'Brien and Representative Keller at the witness table. I must apologize for the delay in starting these hearings. However if you will identify yourselves for the record, you can then proceed with your testimony.

REPRESENTATIVE O'BRIEN: Good afternoon, Madam President and Councilmembers. Representative Mike O'Brien, 175th Legislative District.

REPRESENTATIVE KELLER: Madam President, I'm Representative Bill Keller. I represent the 184th District, which includes all of South Philadelphia.

COUNCIL PRESIDENT VERNA: Welcome to both of you. Please proceed with your testimony.

REPRESENTATIVE O'BRIEN: Thank you, Madam President.

It has been quipped that most attorneys' knowledge of riparian leases is acquired 15 minutes before sitting for the bar and forgotten 15 seconds after leaving the bar exam, but over the course of the past two years, riparian rights has become dinner discussion around many tables in Philadelphia.

But if I could take the liberty, Madam President, and take a moment or two and just do a brief overview of what riparian lands are, they are defined by Black's Law Dictionary as "the area between the high and low water marks."

If you think about a drive along Delaware Avenue, the tide comes in, you have water; the tide goes out, you have mud. That area is the riparian lands that we speak about.

Now, it is the second-oldest property right in the Commonwealth. It is a property right that was

transferred from the British Crown to the Commonwealth of Pennsylvania, the second-oldest property right.

It is -- it is a sovereignty issue in the Commonwealth. And over the years, it has been tested time and time again in the courts. It has been proven time and time again in the courts that the owners of the fast land are entitled to natural secretions of land that develops but not infill that comes over the years.

Now, there has been some discussion regarding transfer of riparian rights on the other licensed facility in Philadelphia, SugarHouse, and the City of Philadelphia's ability to grant these riparian rights.

There was a case made that in Act 321 of 1907, the General Assembly granted the City of Philadelphia the ability to do that, and there has been substantial discussion, most recently before the Supreme Court of

Pennsylvania, arguing that the Dam Safety and Encroachment Act of 1978 overrode that perceived authority. But more recently, the passage of Act 4 and 5, which I was the prime sponsor of, of 2008, clearly, clearly reinstates the sovereignty of the Commonwealth in that area.

Now, what does all of that have to with the issue before us today? Simply put: The Foxwoods site, without riparian rights, cannot be, cannot be, developed.

There is some discussion surrounding an issue known as "pierhead bulkhead," which I'm sure testimony will be given here today. These are arbitrary navigational marks that were established by the Secretary of War but were waived by the Army Corps of Engineers in 1990. Simply put: The Foxwoods Casino, without riparian rights, cannot be developed.

Now, we go back, we go back to

the question of the sovereignty, the riparian rights passing from the British Crown to the Commonwealth of Pennsylvania, and that raises a very, very interesting thing that I touched on also, natural secretion of soils building up on the land versus infill. We raise a very, very interesting discussion. Where was the flow of the river in 1787? Where was the flow of the river?

Now, Representative Keller, in his testimony, will produce a map which overlays the current Foxwoods site, which will show the flow of the river in 1787 and will show how it impacts on the Foxwoods site. And simply put: Without riparian rights, the Foxwoods site cannot be developed.

Madam President and members of Council, you have the distinct pleasure of serving in a unicameral legislature. Oh, how we would love to have only one chamber to deal with,

but as you know, we deal with a bicameral legislature up in Harrisburg. Let me assure you that in our legislative process, in our legislative time, if legislation were introduced today, it would not be passed this session, it would not be passed this session. Therefore, Madam President, the Foxwoods site is not developable.

I'd like to thank you for the opportunity to appear here today and I'd like to now yield to my colleague, Representative Keller.

COUNCIL PRESIDENT VERNA: Thank you very much.

Are there any comments or questions from members of the committee of Representative O'Brien?

COUNCILMAN DICICCO: I'll wait for Representative Keller and then I will ask some questions.

COUNCIL PRESIDENT VERNA: Very well.

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Good afternoon. Please identify yourself for the record.

REPRESENTATIVE KELLER: Good afternoon, Madam President. I'm Representative Bill Keller from the 184th Legislative District.

Although I thought it was great testimony, I think Representative O'Brien may have led everybody to believe that I was around in 1887 to see the --

(Laughter.)

REPRESENTATIVE KELLER: I have a little knowledge of it but, believe me, it's not firsthand knowledge; it's knowledge from the law books.

We are here today to testify because we believe the former City administration made a mistake, a big, glaring mistake, when they issued the riparian rights to the proposed casinos.

I've been in the legislature for 16 years. We have passed many

riparian bills and, as Representative O'Brien said, there has not been much interest in riparian throughout the rest of the State, and it was just the few legislators who lived and represented the districts along the rivers who this came into play with.

So I had introduced a number of riparian bills in the previous sessions, one taking the 37 acres at the Navy Yard and transferring it to the Philadelphia Regional Port Authority for port expansion. That is the way it was done, it's the way it was done for 200 years, and I believe it's the way it's going to be done in the future.

To rest on the law of 1907, a law that has since been repealed, and when it was active, what it said was that the City did not have to go to the State to build piers and wharves in the City of Philadelphia because at the time, and even today, commerce on

the river is a big part of the City's economy. So they did not have to go, every time they needed to build a pier or a wharf, to the State and ask for this right.

Like I said, it has been since repealed and, believe me, before I was elected, since the time I was 16 years old, I worked on the waterfront. I know what a pier and wharf looks like; it doesn't look like a casino, it has nothing to do with casinos.

So that right, I believe, was wrongly granted by the previous administration, and I believe that's what we're here today to straighten out.

As Representative O'Brien pointed out, we have since passed Act 4 and 5 of this legislature, which reiterates the right of the State, that the riparian rights must be given through an act of the legislature. The Governor can't grant them, the

Mayor can't grant them, no one can grant them; it takes an act the legislature. And we all know an act of legislature is not an easy thing to get passed. Two houses and the Governor has to sign it; it takes an act of the legislature, not a will or a whim of the Mayor to do that.

And so, I believe the City Council is correct in going forward with these ordinances, and I believe we have also fixed that in the legislature in this session, and I believe we will do the right thing for the people of the City of Philadelphia when we're finished with this process.

COUNCIL PRESIDENT VERNA: Thank you very much.

The Chair recognizes Councilman DiCicco.

COUNCILMAN DICICCO: Thank you, Madam Chair.

Good afternoon, gentlemen. And first let me congratulate both of

you on your recent victories in the primary, especially you, Councilman -- Representative O'Brien, on your landslide victory.

REPRESENTATIVE O'BRIEN: Councilman, there were four write-ins against me.

REPRESENTATIVE KELLER: I don't know if the Councilman noticed, but I also had a landslide victory.

(Laughter.)

(Applause.)

COUNCILMAN DICICCO: It's kind of like the two definitions on "riparian"; that's left for interpretation as well. But congratulations nonetheless.

Obviously, you can answer this, obviously, but I know Representative O'Brien spoke on this earlier, about the buildable land that would be left.

You're suggesting that without the riparian rights, as is described

in the definition of the developer, there would not be enough buildable land for the casino to be --

REPRESENTATIVE O'BRIEN: Can I ask if --

COUNCILMAN DICICCO: Yeah, I think I know the answer, but I just need this to establish a record, if we could.

REPRESENTATIVE O'BRIEN: If I could ask Mary Isaacson from my staff, if you would describe that. You have a better view than I do, please.

COUNCILMAN DICICCO: And hold the bottom of the mic if you can.

(Ms. Isaacson comes forward and displays map to committee members.)

MS. ISAACSON: All right. Can you hear me?

This outline here in red is the Foxwoods site approximately, according to the deed. Right here, this is an overlay over a map from 17,

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I believe, 87. And this is showing where the river had been flowing at that time, when the Commonwealth's boundaries were established. And this has nothing to do with bulkhead and pierhead lines.

So all of this was underwater and, thus, the land underneath the water belonged to the Commonwealth. It has since been filled in, but then we'll go back to my boss's definition of (inaudible).

COUNCILMAN DICICCO: If I could just go on to my question. There's obviously going to be two different definitions on what is riparian and buildable land. The Commonwealth --

REPRESENTATIVE O'BRIEN: Well, I think, Councilman, we can help clarify that definition best in the words of a Mr. Armentrout, who gave testimony on behalf of Foxwoods on September the 11th of last year in front of the House of Representatives

Oversight Committee, where he testifies, "The first part of our work is going to be setting pilings because the site has a high water table and is going to require significant pilings to support the facility that is to be designed."

If we look at the Foxwoods plan of development, we'll see that the official part of the development is the farthest from the current flow of the river. The setting of the pilings speaks to the original flow of the river.

So I think that upon further consideration, we'll see the definition of where the riparian lands do lie and what was natural and what was infill.

REPRESENTATIVE KELLER: And I don't believe there are two definitions of "riparian"; there's one definition. We've always had it in the legislature, and for over 200 years, it's been the

same definition.

If the casinos believe there's another definition, I'm sure that's why we're in the Supreme Court today, but in order to change the definition -- and believe me, I don't want to poke an eye at the Supreme Court, but in order to change --

REPRESENTATIVE O'BRIEN: Not until they render a decision.

REPRESENTATIVE KELLER: In order to change that definition, you're almost going to have to turn upside down 200 years of real-estate law.

There is one definition. We may have to clarify that definition, but the definition has been the same all along until the casinos came up with this piers-and-wharves idea that really doesn't exist.

COUNCILMAN DICICCO: Again, I think you're going right to the point, Representative Keller. I'm not suggesting that there are, in fact, two

definitions, but in theory, there are because the developer believes one thing and the Commonwealth believes something else, and there is, in fact, only one definition, which will be determined.

This may require further litigation, I'm assuming. And if so, is the legislature prepared to follow up on that litigation? and is there any suggestion of what the timeline for that might be?

I mean, we've been fighting in Council on a lot of different fronts, and as Council President will be sure to remind me, we're starting to run out of resources here.

COUNCIL PRESIDENT VERNA: Mm-hmm.

REPRESENTATIVE KELLER: I believe it is -- we have been fighting it also.

COUNCILMAN DICICCO: Yeah.

REPRESENTATIVE KELLER: And you

know we've done a good job with it.

COUNCILMAN DICICCO: Yeah.

REPRESENTATIVE KELLER: When we do work together, things really do come out the right way.

We have fought the Gaming Act, took any issue that involved the casinos and put it right to the Supreme Court. So we are -- there have been oral arguments in front of the Supreme Court already. The timeline has been condensed because it is already in the Supreme Court, and they have taken up the suit and it is being considered now, as we speak.

COUNCILMAN DICICCO: Okay. And we do appreciate that.

REPRESENTATIVE O'BRIEN: Councilman DiCicco, I know you've heard this testimony and I'm sure you'll hear this testimony again today, where the licensee relies heavily on bulkhead pierhead, which is also found in the legal description of their property, on

the description of their site.

But it should also be noted that in 1990, the Army Corps of Engineers -- and I'm going to ask Mary to hand up the public notice on this to the members -- waived, waived bulkhead pierhead, waived bulkhead pierhead, and used the mean high water mark. So we're back to the original definition of high, low water.

So, you know, we're confident that at the end of the day, the traditional definition will stand.

COUNCILMAN DICICCO: Thank you.

I just have one final question, Madam Chair, Madam President, and either of you can answer it or both.

This morning, I received an e-mail from Gary Tuma of Senator Fumo's office concerning a press release that was put out today. Both your names were mentioned in that press release.

It's relating to legislation -- and correct me if I'm wrong -- that would enable the legislature to go back and possibly reconsider the ten-mile radius and possible airport re-siting, which would obviously need the ten-mile radius.

COUNCIL PRESIDENT VERNA: The what?

COUNCILMAN DICICCO: Can either of you or both of you just explain that for the record, what that means --

COUNCIL PRESIDENT VERNA: Explain that to me. This is the first time I'm hearing this, and I'm --

COUNCILMAN DICICCO: The airport is in the Council President's district.

(Laughter.)

REPRESENTATIVE O'BRIEN: Before -- before we get into the technical description of this legislation, I have to say that all due credit is to you,

Councilman DiCicco, for coming up with the airport idea, and you have been woefully ignored --

COUNCIL PRESIDENT VERNA: Ah ha!

(Applause.)

REPRESENTATIVE O'BRIEN: And you have been woefully ignored in this processes. It's a good idea. Thanks a lot.

COUNCILMAN DICICCO: Now that I'm in trouble with the Council President, but it was certainly received warmly by my constituents and your constituents.

That was a proposal that I had talked to the Governor about in 2004, almost immediately upon the Gaming Act having been passed. And since that time, Madam President, there have been a number of community meetings, which both these representatives have been a party to, and we've had those discussions.

So that's how some of this conversation began, I guess, a year or two ago in Old Swedes Church or somewhere, at one of those community meetings.

COUNCIL PRESIDENT VERNA: Where is the proposed second location?

COUNCILMAN DICICCO: The proposal was, when I spoke to the Governor, was that why wouldn't we look at developing these casinos at the airport, not because I don't want them in my district, which I certainly didn't want at the present locations, but I just thought there was enough infrastructure in place.

We had enough available land that was City-owned land, public transportation, highway access, 30 to 40 million visitors a year. We anticipate 40 million visitors a year will be coming through our airport by 2010.

So having done some of the

legwork and looking at the statistics, of most people spending two-and-a-half to three hours of downtime in an airport, and all the other things, I thought would be less harmful to residential communities because it would be considerably far --

(Applause.)

COUNCILMAN DICICCO: -- far enough away from residential communities, again, because of the public access, I-95, Schuylkill Expressway, Industrial Highway, and others.

But that was back in '04 as an informal conversation, I think, that started with the three of us a year or two ago. I never thought it would get any legs, but that's why I'm asking you guys to explain where we are and what those considerations in this legislation may be all about.

REPRESENTATIVE KELLER: What the legislation really does is have the

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Gaming Board reopen up the hearings on the locations and the re-siting of the locations. It would take 120 days. They would have to report back on the viability of the relocation of the sites, and then within 30 days, we would have to make a determination.

COUNCILMAN DICICCO: Who would make the determination?

COUNCIL PRESIDENT VERNA: Who would make the determination?

REPRESENTATIVE O'BRIEN: I think the important thing about this legislation is that when the Gaming Board begins the hearings, it starts off taking testimony from the licensees, the community, and the City and State officials who represent the area. That's how the process begins on issues of infrastructure, on issues of public policy.

The board now has time to consider that. When the board -- within 120 days, the board comes back

and it makes comments on public-policy concerns, it makes comments on accounts of current and future delays in implementation, and it presents a comprehensive site -- a comprehensive list of new sites with an accounting of positives and negatives associated with it.

It then gives the licensee thirty days to respond to this list of proposed sites. The licensee -- if the licensee fails to respond positively to this, the board has thirty days at that point to issue a final order either approving the relocation or imposing additional conditions for development or ultimately revoking the license.

REPRESENTATIVE KELLER: And as Councilman DiCicco remembers, when they did that the first time --

COUNCILMAN DICICCO: Excuse me. Identify yourself. That way the record will be -- just say your name again

when you --

REPRESENTATIVE KELLER: Representative Keller.

The Councilman will remember when they did this the first time, the Gaming Control Board, I couldn't get on the list. I had to submit written testimony and the Mayor had to give you five minutes so that you could testify.

COUNCILMAN DICICCO: For ten minutes.

REPRESENTATIVE KELLER: For ten minutes. Well --

REPRESENTATIVE O'BRIEN: He liked you.

COUNCIL PRESIDENT VERNA: I'm at a total loss to understand all that's going on now. What happens to the Supreme Court ruling?

REPRESENTATIVE KELLER: Well, only the Supreme Court will know.

(Laughter.)

REPRESENTATIVE KELLER: But

that will determine the definition of "riparian rights," whether or not the City had the right to grant them.

COUNCIL PRESIDENT VERNA: So that's before the Supreme Court as we speak?

REPRESENTATIVE KELLER: That's correct.

COUNCILMAN DICICCO: But it has nothing to do with the legislation that was offered this morning.

COUNCIL PRESIDENT VERNA: I'm talking about the legislation that was introduced today.

REPRESENTATIVE O'BRIEN: But, Madam President, you have to be mindful the fact that the issue before the Supreme Court deals specifically with the SugarHouse site. Foxwoods did not apply for a submerged land license under Act 321 of 1907, so the issue before the Supreme Court on the submerged land license has no impact on the Foxwoods site.

(Applause.)

COUNCIL PRESIDENT VERNA: Thank you.

Okay. The Chair recognizes Councilman Green.

COUNCILMAN GREEN: Thank you, Madam Chair.

Good to see you both, Representatives. Thanks for coming out here today.

I just had a quick question about the legislation, which sounds like a terrific idea, and I'm just -- many times I end up introducing things in Council so that we can have a public debate that I don't necessarily expect to go anywhere, but I think the debate's important.

To what extent do you think there's a realistic chance that this will pass with a veto-proof majority? So that we don't lose focus, you know, on where the fight is.

REPRESENTATIVE KELLER: Well,

as you know, as a legislator, imagine that we have 102 in the House instead of 17, so we're -- there's no guarantees.

I believe there is enough interest, though. I believe the rest of the State, as we do, wants to get gaming up and running in Philadelphia, but because of what has been going on and our ability to talk to our members from all over the State, there's a feeling -- and I believe it's a majority that feel that these sites that were picked by the Gaming Control Board are the wrong sites in Philadelphia.

(Applause.)

REPRESENTATIVE KELLER: And because there is that feeling, I believe that we have a good chance of getting at least up and running a hearing on this.

And like we say, the Supreme Court's going to make one decision,

but this is a -- this legislation is a solution to a problem we have right now. We want and the rest of the state wants and the City wants the casinos up and running for the revenues that they bring.

COUNCILMAN GREEN: Right.

REPRESENTATIVE KELLER: We all -- that is the bottom line. I never ducked that issue, I voted for it, I believe it is the time for that.

And I've said it many times: You knew what you were getting when Governor Rendell was elected 'cause he ran on the issue of he was bringing gaming to the Commonwealth.

And the legislature, I believe, did a good job. I mean, that's one of the best gaming acts that were passed. We taxed them at 54 percent, we did -- we're getting the revenues we needed for the property-tax reduction.

The one flaw was that the

Gaming Control Board, I believe, in this instance, only in Philadelphia, they picked the two sites that were not only not the best sites; they were probably the two worst sites that were available to these venues.

COUNCILMAN GREEN: Yeah. And I --

REPRESENTATIVE KELLER: And this is what we're trying to -- and that's all we're trying to do, correct it and have less of an impact in our neighborhoods, if we could get people to listen.

COUNCILMAN GREEN: Well, please let us know what we can do, if anything, to help you in that effort, whether, you know, we can lobby or do other things.

But also, if you don't have a veto-proof majority, though, it's not likely to result in law. So, I mean, we're still -- we're still -- unless that happens, we're --

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REPRESENTATIVE KELLER: It's not only --

COUNCILMAN GREEN: We can't take our eye off the other ball is all I'm saying, right? This is not a likely scenario, or it is?

REPRESENTATIVE KELLER: No, we're not taking our eye off any ball, but you also have to remember that the Governor and the rest of the State also wants these sites up and running.

COUNCILMAN GREEN: Right.

REPRESENTATIVE KELLER: So the more delays and the more lawsuits and the more -- and I'm sure that the people who are financing the casinos are saying, When are we getting a return here? We're putting this money up. When's there going to be a return on our money?

COUNCILMAN GREEN: So maybe --

REPRESENTATIVE KELLER: So the best way to get this solved is to pick the sites that everybody will agree on,

get it up and running, and away we go.

COUNCILMAN GREEN: So maybe we in Council can make CEDs at those sites, even prior to what you're doing, so that you can say, See, it's there. If we pass this law, the casinos will be able to go up right away.

Is that something that would be helpful to you?

REPRESENTATIVE KELLER: I believe the only things -- the casinos can't go up because they picked the two worst sites.

COUNCILMAN GREEN: Right.

(Applause.)

COUNCILMAN GREEN: Would it be helpful to introduce CED legislation for the airport sites that you're talking about?

REPRESENTATIVE KELLER: I would --

COUNCILMAN GREEN: That would be --

(Indiscernible; parties

talking over each other.)

COUNCILMAN DICICCO: We have had those discussions in the past in this venue and, obviously, with the Council President because the airport is in her district. The decision was made, 'cause we were looking at doing this over a year ago, that we would not do that and just let all this other stuff play out.

We don't want it to be perceived by the Gaming Commission and others, as they've said in the past, that this is just a way of putting roadblocks up because, as Representative Keller said, we're not about not having casinos.

But we've done our job, I think, in City Council, and I thank my colleagues for putting up with me and everybody else for the last, I don't know how many, years of trying to bring to the attention of everyone, including the developers, our desire,

our sincere desire, to get these things up.

And if, eventually, that's a decision that is made between the Council President, myself, and others that that would be an appropriate site, assuming that we can convince the developers, then we'll have that discussion at that time, but I don't think it's the appropriate time to make that determination.

COUNCILMAN GREEN: I'm sorry. Does your legislation require convincing the developers, or would this be left to the Gaming Board?

REPRESENTATIVE O'BRIEN: No, no. The legislation -- or the final determination of the board is precipitated on input from community, input from the licensee, input from the elected officials, viability of the sites, the probability of future delay at the current site.

So no.

COUNCILMAN GREEN: Thank you. I have no more questions.

Thank you, Madam Chair.

COUNCIL PRESIDENT VERNA: Would it be possible for us to have a copy of that legislation that was introduced today?

REPRESENTATIVE O'BRIEN: Absolutely, Madam President.

COUNCIL PRESIDENT VERNA: The Chair recognizes Councilman Greenlee.

COUNCILMAN GREENLEE: Thank you, Madam President.

I'm still a little confused. Where does this fit in? I guess in the long run, the Supreme Court is going to make the decision on all of this. I mean, is that likely?

Because, I mean, they have made a decision, whether -- and I've said before on record that I didn't agree with it, but they've made a decision so far based on this, and I'm assuming the licensees are going to

try to follow through on that.

I guess I'm still a little lost on the --

REPRESENTATIVE KELLER: The only issue before the Supreme Court is the riparian-rights issue, so that's the issue they will determine. We believe they -- that the licensees do not not only have the riparian rights; if they don't have the riparian rights, they don't have clear title to the land.

REPRESENTATIVE O'BRIEN: Right.

REPRESENTATIVE KELLER: You cannot get clear title to the land if the Commonwealth owns the land -- the riverbed.

COUNCILMAN GREENLEE: No, I understand. I guess that's what I meant by the Supreme Court's going to, in a sense, make that decision. They've already made the decision before on the -- you know, saying that we held everything up, okay?

So it's really based on -- you're assuming, and you may be right -- that they're going to decide in the Commonwealth's favor on the riparian rights, but if they don't --

REPRESENTATIVE KELLER: I don't -- when it comes to the Supreme Court, believe me, Councilman, I don't want to assume anything.

COUNCILMAN GREENLEE: No, I don't want to -- no, I'm just -- I guess I'm just --

REPRESENTATIVE KELLER: I agree with you. The next step is in the Supreme Court's hands.

COUNCILMAN GREENLEE: Right, right.

REPRESENTATIVE KELLER: But if we pass this legislation, it doesn't say that they can't -- they don't own the land.

I believe it's very hard for the Supreme Court to overturn 200 years of real-estate law. There will

be a lot of ramifications if they do that, right?

COUNCILMAN GREENLEE: Mm-hmm.

REPRESENTATIVE KELLER: A lot. So that -- I'm not a lawyer, I don't propose to be a lawyer, and I don't propose --

COUNCILMAN GREENLEE: I'm not lucky enough not to be one, either.

REPRESENTATIVE KELLER: I don't propose to be a Supreme Court justice, but this is trying to solve a problem that we believe we have, and probably the only people who don't believe we have a problem are the developers. Everybody else in the City believes there's a problem.

We have two sites that do not work; we're trying to resolve that problem.

COUNCILMAN GREENLEE: No, I understand that. I understand that.

(Applause.)

REPRESENTATIVE O'BRIEN:

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Councilman Greenlee, Councilman Greenlee, again, separate the two sites. The issue before the court on the SugarHouse, the question is: Can the City issue and revoke a permit, a license? That's the issue before the court on SugarHouse.

But also be mindful of the fact of separation of powers on the introduction and passage of riparian-right lease. The Supreme Court of the Commonwealth cannot dictate that we legislate.

COUNCILMAN GREENLEE: We didn't think they could dictate to us either, but they have. I mean, I'm not saying you're wrong. I'm just --

COUNCIL PRESIDENT VERNA: And I don't mean to interrupt you, but didn't they take two City streets? And they just --

COUNCILMAN GREENLEE: That's what I meant.

COUNCIL PRESIDENT VERNA: The

Supreme Court said that --

REPRESENTATIVE O'BRIEN: Didn't I hear today that you guys are taking that to the court, an unlawful taking?

COUNCIL PRESIDENT VERNA: We're just having a conversation here; it's not a debate. I think we're just trying to point out different issues.

COUNCILMAN GREENLEE: Right.

COUNCIL PRESIDENT VERNA: And I don't know, I think it's just more complicated --

REPRESENTATIVE O'BRIEN: Oh, it's complicated.

COUNCIL PRESIDENT VERNA: -- than anybody realizes.

REPRESENTATIVE O'BRIEN: We agree on that one, Madam President.

COUNCIL PRESIDENT VERNA: Mm-hmm. But as I said, the Supreme Court is going to do what the Supreme Court wants to do.

And as I said, they did take two streets without any consideration

from the City or for the City and its residents. So that's where we are.

REPRESENTATIVE O'BRIEN: But, Madam President, even the Pennsylvania Supreme Court answers to a higher power.

COUNCIL PRESIDENT VERNA: I'm sorry, I can't hear you.

REPRESENTATIVE O'BRIEN: Even the Pennsylvania Supreme Court answers to a higher power: the United States Supreme Court.

(Applause.)

COUNCILMAN GREENLEE: That's it. Thank you.

COUNCIL PRESIDENT VERNA: You're welcome.

Any further questions or comments?

Councilman DiCicco, your light is on.

COUNCILMAN DICICCO: No, nothing further. Thank you.

Thank you, gentlemen.

COUNCIL PRESIDENT VERNA: Thank you both very much.

REPRESENTATIVE O'BRIEN: Thank you, Madam President.

COUNCIL PRESIDENT VERNA: Thank you.

(Applause.)

MR. McPHERSON: Our next set of witnesses are the Philadelphia Entertainment and Development Partners.

(Witnesses come forward.)

MR. PRIMAVERA: Good afternoon, Madam President and members of the committee. Carl Primavera here, representing Foxwoods. With me is my partner Ira Gubernick and David Sander, my colleague.

We, as you will recall, have presented a lot of testimony regarding the riparian-rights issue, so we're not going to repeat that. What I thought would be helpful, though, is, since we heard the presentation, if the committee would like, we'll just

return to the presentation board that our engineers prepared so that you can see our position with regard to the issue, and it might bring some clarity.

It will take less than five minutes, and it might refresh your memory on what we presented before. That's Mark Brodsky, who's the architect from EwingCole.

As he's doing that, I just again want to procedurally state where we are. The Supreme Court has ruled. The City has filed a petition for reargument or reconsideration; that's still pending. We're here, as we have been, for informational purposes, as a sign of respect that we have for this body and to be helpful in understanding at least our position.

Obviously, nothing we do or nothing we can do can change the Supreme Court's ruling, and that's why I say this is really in the nature of

an informational briefing.

With regard to that -- and I don't know whether Mark Cilloni is here also from Pennoni. Oh, good. If you could approach the board. And we're going to have smaller exhibits of the large board, which we'll hand out.

There's a little bit of clarification as to what the Representatives were saying. With regard to Foxwoods, Foxwoods did not request riparian legislation or riparian rights from either the State or the City, because it's our position that we don't need them for this development.

That's a little bit different than what I believe SugarHouse did. SugarHouse said they needed riparian rights. They secured them from the City, and that was problematic, I think, from some viewpoint. And then the City withdrew their approval.

So SugarHouse differs from Foxwoods in the sense that Foxwoods believes that it does not need riparian rights, whether it be from the City or the State.

And I'll just have Mark explain where the riparian line is in our opinion and why we believe the line is such that we don't cross it for purposes of needing that authority.

MR. BRODSKY: Yeah. I understand the riparian line is the 1940 bulkhead line, which is highlighted, the straight line here. It's highlighted in red.

And this -- the other squiggly line is the natural bulkhead line, which, at this point in time, is the mean high-water line.

MR. PRIMAVERA: And so under that position, our property rights are sufficient that we don't need, in our opinion, to go into the legal exercise

of securing riparian rights from the City or the State.

MR. BRODSKY: That's correct.

MR. PRIMAVERA: And I'm also passing up a letter from Stan Sneath, who's with the Pennsylvania Department of Environmental Protection.

When this issue first came up with Representatives Keller and O'Brien, a letter was requested asking the State for some guidance. And as you'll see from the letter that David will hand up, the counsel for the DEP says that along the Delaware River within the City of Philadelphia for purposes of submerged-land licensing, which I assume is the riparian-rights licensing, the department generally relies upon the federal bulkhead line to define the shoreward boundary of the Commonwealth's submerged lands.

(Addressing Mr. Brodsky.) So can you show that for us again where that is.

So that's what the State relies upon. We have not been trying to change the rules of the road; these have been the rules that have been in place. As a matter of fact, I am told that if we were to change the rules that the State has been relying upon, Wal-Mart down in South Philadelphia is illegally encroaching on State land, as are other large developments. They all relied upon the rule that we're relying upon.

So the suggestion was made that the casinos are looking for a different interpretation. The reality is that people who are opposing the casinos are looking for a new interpretation, although perhaps based on one going back to the 1700s.

So I just wanted to clarify that issue as well.

We don't have anything more to present on riparian. We can answer questions that you may have, but we

covered it before in our plan of development and in our prior presentations.

The other issue -- and I'm not sure of the agenda you're following. When we were here the last time, there were questions about the development agreement, and my partner Ira Gubernick is here to talk about that. I don't know whether you want to do that in a different sequence, or he can do it now, but he's the actual person who negotiated that development agreement.

So that's really the other part of what we were thinking we were presenting today.

COUNCIL PRESIDENT VERNA: All right. If you don't mind, I believe the City Solicitor is scheduled to testify, and it would be on the agreement. We would prefer hearing from the City Solicitor first.

MR. PRIMAVERA: That would be

fine, Madam President.

COUNCIL PRESIDENT VERNA: And if you would stand by, then you could certainly give us your opinion.

MR. PRIMAVERA: Thank you very much.

COUNCIL PRESIDENT VERNA: Thank you.

Our next witness?

MR. McPHERSON: The City Solicitor.

(Witnesses come forward.)

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

CITY SOLICITOR SMITH: Good afternoon, Madam President, Councilmen DiCicco, Greenlee, and Kenney. I submitted my testimony in advance. Should I summarize it, or would you like me to proceed with the full testimony?

COUNCIL PRESIDENT VERNA: It's

fine with me if you would summarize it, and we'll have the stenographer transcribe it in full.

CITY SOLICITOR SMITH: Okay, great.

COUNCIL PRESIDENT VERNA: Thank you.

CITY SOLICITOR SMITH: My name is Shelley Smith. I'm the City Solicitor. I have with me Chief Deputy City Solicitor Jim Leonard, who was a member of the Law Department at the time that the development agreements were negotiated, so there may be some questions that he's better able to answer than I am.

But I am pleased to appear before you today to testify on matters related to tax and claim settlement agreement dated January 4, 2008, between the City and Philadelphia Entertainment and Development Partners, LP, also known as Foxwoods Casino.

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This agreement, executed by the prior City Solicitor at the end of the last administration, contains terms relating to a tax settlement along with a variety of community-impact issues such as traffic, public safety, design, environmental and water/sewer issues, public access to the waterfront, economic opportunity, and a Special Services District.

The agreement addresses a number of different areas, which I will summarize.

First, taxes. The most significant economic provision of the agreement relates to taxes. The City and Foxwoods disputed the extent to which real estate and use-and-occupancy taxes applied to Foxwoods. The agreement resolves this dispute by providing for a ten-year settlement on real-estate taxes consisting of annual payments from Foxwoods of $1.2 million, with 5 percent annual

increases.

The agreement also settled Foxwoods' pending real-estate tax-assessment appeals for taxes due through 2007 for the sum of $1.75 million.

With respect to use-and-occupancy taxes, Foxwoods will pay $1.1 million annually for the first ten years and 3.5 million annually for the following ten years, with annual consumer price index adjustments for the second ten years.

Finally, the settlement provides for ten years of additional payments to the City calculated as a percentage of Foxwoods' gaming revenues, with minimum payments of $3.2 million and a maximum payment of $5.5 million annually.

Second, traffic. The agreement also contains provisions relating to traffic, including road modifications and improvements,

traffic control and mitigation measures, including a requirement that Foxwoods pay its fair share of any new I-95, although the term "fair share" is not defined.

Three, public safety. In the area of public safety, Foxwoods will provide ambulance service for emergencies and will pay up to $40,000 for routing 9-1-1 calls for the casino.

Fourth, water/sewer issues. Foxwoods will install a new enlarged sewer pipe for the Tasker and Reed Streets sewer systems. Foxwoods will pay the first $5 million in costs, with any excess being credited against its tax-settlement payments.

The agreement also contains provisions for design in relation to the plan of development, environmental measures, public access to the waterfront, an economic-opportunity plan and a special services district.

That concludes my summarized testimony. I would be pleased to answer any questions you have at this time.

COUNCIL PRESIDENT VERNA: Thank you very much.

I said I feel somewhat uncomfortable asking you questions when you were not part of the agreements that were made.

CITY SOLICITOR SMITH: Thank you. I appreciate that.

COUNCIL PRESIDENT VERNA: However, I think, for the record, we should indicate exactly what transpired, if you don't mind.

CITY SOLICITOR SMITH: Sure.

COUNCIL PRESIDENT VERNA: You testified that the prior administration settled tax disputes relating to real-estate taxes on pending real-estate tax appeals and on future taxes that would be owed. Foxwoods, we understand, agreed to pay $1.75 million for taxes

owed through 2007.

What was the City's claim for? And can you tell us, what was the rationale for the settlement?

CITY SOLICITOR SMITH: Uh, yes. Let's see.

(Addressing Mr. Leonard.) Do you think you can speak to that one can clearly?

MR. LEONARD: James Leonard, Law Department.

Madam President, Foxwoods had filed a pending tax-assessment appeal, as you said, on taxes, real-estate taxes, due on the unimproved value of the land, I understand, through December of 2007. That case was ongoing, and I was not personally a part of the settlement negotiations. That was directly the prior solicitor in our tax unit.

But there was a dispute about the value, what the appropriate valuation was of the assessment of the

land. And ultimately, the resolution that was reached was, as you said, $1.75 million payable in two installments, the first of which has been paid, the second of which is not due until, I believe, the opening of the casino or 2011 -- I believe that's correct -- whichever is earlier.

CITY SOLICITOR SMITH: The City's high estimate for the tax liability for the Foxwoods project, which was based on the purchase price, was $1.3 million. The low estimate was $300,000 per year. Each number's per year, based on an assessment that we make based on the likelihood of success and the various claims and defenses available.

COUNCIL PRESIDENT VERNA: The Chair recognizes Councilman Kenney.

COUNCILMAN KENNEY: Just so we have an easier understanding of it, how many years old was the claim? How much was the total principal? And what, if

any, interest and penalty were pending potentially?

What did they -- what do we think that they owed us and how much did we settle for 1.75?

CITY SOLICITOR SMITH: I'm sorry. What do we think they owed us and --

COUNCILMAN KENNEY: And we know we settled for 1.75, but what did we think they owed us?

CITY SOLICITOR SMITH: Well, we actually settled for $1.75 million in the first year. What we did was estimate the liability for a certain period of time, and so we estimated over time what that amount was likely to be per year. Again, the high estimate was 1.3 million.

COUNCILMAN KENNEY: Is this -- and maybe I'm misunderstanding what you're asserting. Was this a number of years where the taxes weren't paid?

CITY SOLICITOR SMITH: Well,

the issue was the ten-year tax abatement.

COUNCILMAN KENNEY: Oh, okay, fine. But were there outstanding taxes on the undeveloped land over a period of time?

MR. LEONARD: Yeah. The taxes that were in dispute -- my understanding is that the taxes that were in dispute as a part of the pending real-estate tax assessment appeal, they are different than the tax-abatement issue.

COUNCILMAN KENNEY: No, I -- yeah. Let's just remove the tax-abatement issue for a second. What taxes were owed on the undeveloped land?

MR. LEONARD: I don't have that number.

COUNCILMAN KENNEY: And could we also find out how many years it went without being paid?

MR. LEONARD: Yes.

CITY SOLICITOR SMITH: Yeah, we can find that out.

COUNCILMAN KENNEY: And was there interest and penalty applied to that?

MR. LEONARD: We can find that out.

CITY SOLICITOR SMITH: Yes.

COUNCILMAN KENNEY: And this is only a period of time where the Foxwoods owners owned the land, or is this -- was this debt outstanding -- what had to be paid when the land got transferred from, I guess, Tower to Foxwoods?

MR. LEONARD: I believe the assessment appeals that Foxwoods brought were for when it -- from the day when it purchased the property through December of '07.

COUNCILMAN KENNEY: Do you -- or maybe Councilman DiCicco knows how long they owned the property once they -- since they bought it from Tower, how

many years.

MR. LEONARD: I believe they purchased it in 2005.

COUNCILMAN KENNEY: 5, okay. All right. So if you could get those numbers, I would appreciate it.

MR. LEONARD: Yes.

COUNCILMAN KENNEY: Thank you.

COUNCIL PRESIDENT VERNA: Okay. With respect to use-and-occupancy tax, Foxwoods agreed to pay certain amounts for the first ten years and $3.5 million annually for the next ten, with annual CPI adjustments for the second ten years.

Are these payments fixed even if the rate of the use-and-occupancy tax were to increase?

CITY SOLICITOR SMITH: Yes, yes.

COUNCIL PRESIDENT VERNA: Since the School District imposes the U&O tax, as authorized by City Council, did the District take part in the

settlement negotiations? If they did not, can you tell us why not?

MR. LEONARD: I do not believe that they did take part in the negotiations, to my knowledge, and I cannot say why. I know that the previous solicitor settled the matter. He believed he had the authority to settle the matter of the use-and-occupancy taxes on behalf of the School District.

COUNCIL PRESIDENT VERNA: It is our understanding that Foxwoods also agreed to make additional payments to the City for ten years. Did they agree to make any additional payments to the School District?

MR. LEONARD: No.

COUNCIL PRESIDENT VERNA: Very well. And we just touched on public safety. The Administration has previously testified that it refused to accept Foxwoods' offer for emergency-response services because the Fire

Department had to control all such services. Why are you now testifying that Foxwoods will provide emergency ambulance services?

(Witness comes forward.)

MS. GILLEN: Hi, Council President. I'm Terry Gillen. I'm senior advisor to the Mayor.

I think what the Solicitor's been testifying to is the agreement, obviously, that was reached before we came in.

Since January, the Fire -- both the Police and the Fire Commissioners have determined that, especially in the case of the Fire Commissioner, which was your question, that even though this was agreed to by the previous administration, that because of the way Fire Department calls are handled, that it would be irresponsible for them to give up control over fire calls, that ultimately, if the -- if somebody

can't get through, it's the City that's liable.

So they've made a determination that regardless of what was agreed to, it's going to be the Fire Department's responsibility in the end. So that's the reason for their previous testimony.

COUNCIL PRESIDENT VERNA: Mm-hmm. Thank you, Terry.

You also testified in your testimony that Foxwoods would pay the first $5 million for an enlarged sewer pipe for the Tasker and Reed Streets system, and that any excess will be credited to its tax settlement payments.

Can you tell us, why isn't this money being credited to the Water and Sewer Fund?

MR. LEONARD: I don't know the answer to that question.

COUNCIL PRESIDENT VERNA: Well, don't you think we should have an

answer?

CITY SOLICITOR SMITH: Yes. We'll look into that.

MR. LEONARD: We'll get that for you.

COUNCIL PRESIDENT VERNA: What are the limitations that Foxwoods would impose on access to the waterfront?

CITY SOLICITOR SMITH: The agreement provides that Foxwoods may impose limitations in connection with construction, repairs or maintenance, or any other event or condition that Foxwoods believes may adversely affect public safety or security.

Or in connection with special events such as weddings or concerts or other functions that are being held at the facility, it indicates that Foxwoods will use good-faith efforts to restrict the size of events that use the waterfront promenade such that public access will not be reduced to an area that is the width of less than

ten feet more than once per week during the months of April through October, when use of the waterfront by the public would be heaviest.

COUNCIL PRESIDENT VERNA: Can you tell us, when will an economic opportunity plan be available for City Council's review?

CITY SOLICITOR SMITH: I believe that an economic opportunity plan -- I believe that Foxwoods is in the process now of working with the City to finalize its economic opportunity plan. I can't tell you when it will be completed for City Council review, but I know that they have been in communication with the City to submit such a plan.

(Solicitor Smith confers with Ms. Gillen off the record.)

Ms. Gillen tells me she thinks it should be ready within the next couple of weeks.

COUNCIL PRESIDENT VERNA: Thank

you.

COUNCILMAN DICICCO: Follow-up question on that?

CITY SOLICITOR SMITH: Yes. The Chair recognizes Councilman DiCicco.

COUNCILMAN DICICCO: Thank you, Madam President.

The plan that is being worked on on the employment and economic opportunity, is that going to be something similar to what we've worked out at the Convention Center, the diversity plan?

CITY SOLICITOR SMITH: I'm not familiar with the specific details of the plan. I know that SugarHouse also submitted an economic opportunity plan, and it's my understanding that the plan that Foxwoods has been working on with the City is similar to the plan that SugarHouse submitted.

COUNCILMAN DICICCO: Yeah. Although that plan passed Council, I'm

still not even happy with that diversity plan 'cause a couple of unions are still withholding information that we felt was important to include Philadelphians in the workforce there.

I do have a couple of questions as it relates to traffic. Do you have any estimate on what the cost would be for the traffic mitigation measures that -- as it relates to Phase I of the project?

CITY SOLICITOR SMITH: The agreement does not contain an estimate of the cost of transportation mitigation -- of traffic mitigation.

COUNCILMAN DICICCO: Is there an understanding that there would be a need for an additional ramp off of I-95? Is that in the agreement? Was there any discussion that speaks to that in the agreement?

CITY SOLICITOR SMITH: The agreement makes reference to the fact

that -- and I'm quoting. The discussion of solutions to date has involved, among other things, a new ramp off of Interstate 95, but that is not a definitive nor the only solution to the transportation needs of the community in and around the Foxwoods Casino Philadelphia complex, end quote.

COUNCILMAN DICICCO: In that context, do you know if there was any discussion as to what the cost of the ramp would be, assuming that that was one of the options that had been agreed to?

CITY SOLICITOR SMITH: Do you mean in connection with the negotiation of the agreement? Was there any discussion of the cost in connection with the negotiation of the agreement?

(Addressing Mr. Leonard.) Do you know?

MR. LEONARD: I don't believe that there was a discussion. The most -- what the agreement reflects is

that, and I think the Solicitor testified to this, is that Foxwoods committed to funding its fair share of an I-95 ramp, which was what they -- I believe they test -- my understanding is that they testified to before the Gaming Control Board. As the Solicitor testified, that was never defined, and I'm not aware that -- of an estimate that was discussed for the actual cost of the ramp.

COUNCILMAN DICICCO: So we could have a possibility of an $80 million ramp, and we would be relying on Foxwoods to make the decision as to what they believe is a fair amount of contribution to that?

(Laughter.)

CITY SOLICITOR SMITH: Well --

COUNCILMAN DICICCO: I'm -- I'm --

CITY SOLICITOR SMITH: Is that a question?

COUNCILMAN DICICCO: And

understanding that -- and as the Council President said, I know you were not there and not --

CITY SOLICITOR SMITH: Yeah.

COUNCILMAN DICICCO: I'm just trying to, for the record, understand this, 'cause there was some early discussion a year or two ago about the possible need for a ramp, that that would help mitigate some of the problems.

CITY SOLICITOR SMITH: Right. I'm aware of that, yeah.

COUNCILMAN DICICCO: There was some discussion that it would come off the southbound ramp -- it would be a southbound ramp within the I-95 right-of-way that would exit people east onto Dickinson Street at Columbus Boulevard. I mean, that was some of the discussion.

CITY SOLICITOR SMITH: Mm-hmm.

COUNCILMAN DICICCO: And we recognize that that's a possibility,

that it could be, but we were always wondering who was going to pay. I mean, ultimately, somebody has to pay for it. Was it PennDOT? was it a combination of PennDOT and the federal government? 'cause I-95's a federal highway. What was the City contribution and what would the Foxwoods contribution be?

And we still have not gotten there. And it's not your faults. As I said, we still just can't get to that. 'Cause that's crucial, that would be crucial.

CITY SOLICITOR SMITH: Right.

COUNCILMAN DICICCO: I have a couple of more questions, but I'll yield to Councilman Greenlee for the moment.

COUNCILMAN GREENLEE: Thank you, Councilman.

Just on that same subject, the term "fair share" obviously sounds like pretty a broad term. Is that

something that's oftentimes put in an agreement?

Because -- and "would fair share" be -- to double up on the -- does it mean kind of what Councilman DiCicco just alluded to, that -- who determines the fair share? Would it be Foxwoods if they -- you know, is it a negotiation thing? I'm just trying to -- 'cause it sounds like an awful vague term.

CITY SOLICITOR SMITH: Well, I think we would certainly negotiate what that means.

COUNCILMAN GREENLEE: Mm-hmm.

CITY SOLICITOR SMITH: And, again, I was not there, but I do think that what the term is intended to convey is that the need for a ramp from I-95, if that's the solution or one solution to the traffic issues, is in some measure attributable to the Foxwoods development.

And so fair share in terms of

the cost of that ramp would be determined by how much of the need for the ramp -- what percentage of the need for the ramp and the additional traffic that's going to be -- that the ramp is going to absorb --

COUNCILMAN GREENLEE: Mm-hmm.

CITY SOLICITOR SMITH: -- is attributable to the Foxwoods -- that percentage of traffic would relate to the interpretation of "fair share" for the cost.

If that makes sense.

COUNCILMAN GREENLEE: Sort of.

CITY SOLICITOR SMITH: Do you want me to try it again?

COUNCILMAN GREENLEE: Well, I think I get what you mean. I guess if you --

CITY SOLICITOR SMITH: I mean --

(Indiscernible; parties talking over each other.)

COUNCILMAN GREENLEE: It's hard

to define, I guess, right?

CITY SOLICITOR SMITH: Yeah. I mean, we'd try to figure out what percentage of the additional traffic using the ramp is generated by the casino development, and then that would be sort of a baseline for discussion of how much of the cost of the ramp would be borne by Foxwoods, 'cause that's the -- I think that's the intent that the fair share, in quotes, is determined by the fact that the need for the ramp is generated by the casino development in the first place.

COUNCILMAN GREENLEE: Right, exactly, yeah.

COUNCILMAN DICICCO: And -- and --

COUNCILMAN GREENLEE: Go ahead.

COUNCILMAN DICICCO: And that speaks to just Phase I. Now, where I'm going with this is, if there were to be a Phase II and III, what, if any, position or opinion does the current

administration have as it relates to the need for an additional ramp?

CITY SOLICITOR SMITH: Well, I'm not entirely sure that the Interstate 95 ramp is related to Phase I or to Phases II and III.

COUNCILMAN DICICCO: Well, what ramp -- well --

CITY SOLICITOR SMITH: No, no, no. It -- I'm not -- I understand that -- just in reviewing the Planning Commission's approval of this and what was submitted to the Planning Commission, it's not clear to me that the Interstate 95 ramp and the need for that ramp is related to Phase I, or is as related to Phase I as it's related to Phases II and III.

If you look at the plan that the Commission reviewed, you'll see there's some discussion about that.

COUNCILMAN DICICCO: I --

CITY SOLICITOR SMITH: So I'm not sure.

COUNCILMAN DICICCO: For the sake of discussion, I will just say that I may agree.

CITY SOLICITOR SMITH: Okay.

COUNCILMAN DICICCO: But in the project plan, there was Phases II and III.

CITY SOLICITOR SMITH: Right.

COUNCILMAN DICICCO: And I think in the minds of most people, there would be a necessity to have a ramp. And if somebody wants to dispute that, they certainly can.

So, again, I -- you know, government finds itself doing these things often. We do one thing without looking many years down the road and then we have to come back and spend a lot more money to correct what we should have done in the first place.

CITY SOLICITOR SMITH: Mm-hmm.

COUNCILMAN DICICCO: So in that context, I think we need to be looking at what if Foxwoods does get built

there.

CITY SOLICITOR SMITH: Mm-hmm.

COUNCILMAN DICICCO: What are we going to do in long-term planning as it relates to mitigation of traffic and the ramp being one of those ways in which we can mitigate the traffic problems?

CITY SOLICITOR SMITH: Right. And --

COUNCILMAN DICICCO: So I think it's something that really needs to be addressed.

CITY SOLICITOR SMITH: And if it were determined that a ramp, an additional ramp, from I-95 were necessary to ease the traffic problem created by Phase I, then certainly I could take the position that the agreement requiring them to absorb their fair share of the cost of that would relate to whatever need for that ramp exists with respect to Phase I.

COUNCILMAN DICICCO: We always

try to figure out what "fair share" means, but I think the reality is that if business is what we anticipate it to be, we know we're going to have serious traffic problems, which has really been the driving force behind this whole opposition from day one. All the other things, I think, could have been resolved.

How do we do our best to mitigate traffic conditions that will have the least amount of negative impact on surrounding communities? And the ramp has always been on the table as one of those considerations.

But for -- not to be in agreement, and I'll say it again, it was not your agreement, but going forward, it should be in an agreement or discussed at least about how we put it into an agreement.

(Applause.)

COUNCILMAN DICICCO: We need to be more specific than the prior

administration was as it relates to traffic going forward.

COUNCILMAN KENNEY: That's a part of my question. Considering the haste with which this was done, the vagueness of some of the language, the fact that this administration was not part of this negotiation and are kind of stuck with it now, what is your legal opinion about our standing and the ability to go back and revisit the agreement?

Considering the fact that, again, all of the line of questioning that Councilman DiCicco and Councilman Greenlee laid out relative to not knowing what exactly -- there's no -- it's not a specific agreement as people would like, what legal standing do we have to go back and say, Look, you know, a new administration, you know, how do we sit down and start talking about this thing in more specifics?

COUNCILMAN DICICCO: Could I be a little more specific on that question?

CITY SOLICITOR SMITH: (Nods head.)

COUNCILMAN DICICCO: Can this agreement be amended and/or can the Administration void this agreement?

CITY SOLICITOR SMITH: I'm not sure that we've found a legal basis to either renegotiate it or to void it.

COUNCILMAN KENNEY: But there aren't -- aren't there other --

CITY SOLICITOR SMITH: There have been significant issues raised, Councilman Kenney; I understand that. I understand that this administration has serious concerns about the haste with which this agreement was negotiated and the circumstances surrounding its negotiation.

And we have been looking at those issues -- all of those issues in relation to what the City's options

are from, I would say, January 7th-and-a-half, but --

COUNCILMAN KENNEY: And I would not want you to lay them out now.

CITY SOLICITOR SMITH: Mm-hmm.

COUNCILMAN KENNEY: I just want to make sure that there are some options that you're reviewing to get us to an agreement, or at least a form of an agreement, that is intelligible and can tell us what is going to happen.

I mean, one of things that just popped up in this hearing today is the -- when you read about the contribution of Foxwoods to the sewer main on, I guess, Tasker and Reed, I mean, can you envision what the traffic problem would be like during construction of that?

I mean, I -- we went through, at Swanson and Snyder, which was almost a year- and-a-half, a two-year project that that diverted traffic to every street in the surrounding area.

If the sewer project is part of this Phase I issue or Phase II, they'll be up and running, and we're going to have to shut the streets down to do the sewers. I mean, it's just bizarre how this got done the way it did.

And I want the people in the audience to understand that this administration did not do this and this city solicitor did not do this. And what we're looking for is some options to help -- and I know you want to do that -- to try to help us try to make some sense out of this.

COUNCILMAN DICICCO: Terry?

MS. GILLEN: Yeah. Terry Gillen.

We are mindful of all of this, and part of the reason that the Mayor testified personally at the last hearing was to clarify that he has serious concerns about this location. And the reason he has serious concerns

about this location, Councilman, is because some of these problems we simply have not been able to solve. If we were to --

(Applause.)

(Cheers.)

MS. GILLEN: That's not to say that we won't be able to solve them, but up to now, we haven't been able to solve them.

He has asked us, for example, to take a complete relook, based in large part on information that has come out at these hearings, about traffic. He's asked us to take another look at some of these traffic issues and to make sure that the traffic numbers and the traffic mitigation plan that the Streets Department has been putting together with Foxwoods and with PennDOT is really going to do what it's supposed to do, because we have reason to believe that it won't. So --

COUNCILMAN KENNEY: And you would be correct.

MS. GILLEN: Correct, right. So --

COUNCILMAN KENNEY: Striping -- painting stripes in the street is certainly not going to change this.

MS. GILLEN: Correct, correct. Or widening streets to eliminate sidewalks --

COUNCILMAN KENNEY: Right.

MS. GILLEN: -- in ways that pedestrians will not then be able to get to the waterfront. There are serious problems.

So I just want to say that it's the reason that, as the Mayor said, we have serious doubts about whether Phase II and Phase III of this project can happen. We really -- I mean -- and mindful that we all want the revenues that the Council President referred to earlier and we'd like to get this built.

To put this facility in a location where Phase II and Phase III may simply be logistically not feasible at a complete buildout troubles us from a revenue standpoint. And the Budget Director is very concerned about this as well.

So we're with you on this. And if we had a solution, we'd tell you what it is, and we're trying hard to find it, if there is one.

COUNCILMAN DICICCO: I have one final question. Thank you.

What is the approximate cost of the additional public-safety personnel as it relates to both casinos? Is that in the agreement?

CITY SOLICITOR SMITH: I was about to say if you want to know what's in the agreement, the additional cost of public-safety personnel is not reflected in the agreement.

It's my understanding -- it's my understanding that the public

safety cost that is reflected in the agreement reflects the incremental cost of additional responses generated by 9-1-1 calls from the casino development.

COUNCILMAN DICICCO: If this wasn't such a serious issue -- I tend to think of the old -- remember that old commercial many years ago like, "Where's the beef?" We have no -- there's nothing in here to give us anything to, you know, to even digest.

I'm through.

COUNCIL PRESIDENT VERNA: Thank you.

The Chair recognizes Councilman Green.

COUNCILMAN GREEN: Thank you, Madam Chair.

Good afternoon.

CITY SOLICITOR SMITH: Good afternoon.

COUNCILMAN GREEN: I just want to clarify something that was said

about the settlement agreement, and that is, the only dispute that existed at the time this was signed was about previous years' tax assessments; is that correct? In other words, the only litigation, or threatened litigation, was regarding previous years' tax assessments.

CITY SOLICITOR SMITH: That's not correct. There were actually -- there were two aspects of the dispute. One was to taxes already owed, and the other was to the applicability of both U&O taxes going forward, use-and-occupancy taxes going forward for the developed property, for the activity on the developed property, and the applicability of the tax abatement.

COUNCILMAN GREEN: Well, how can there be a case in controversy about whether or not a tax abatement is applicable to a property for somebody who hasn't yet applied for it and when there has been no change in law?

I mean, in other words, I don't understand how there's a controversy about whether or not -- if City Council doesn't change the legislation that exists in the City of Philadelphia, there is no controversy about whether or not a tax abatement is available.

What is the controversy from the City's perspective?

MR. LEONARD: The --

COUNCILMAN GREEN: In other words, we granted a forbearance, which extends longer than a year, without City Council approval, with no case in controversy regarding an abatement. There's no -- what's the case in controversy?

MR. LEONARD: The prior solicitor -- my understanding was that Foxwoods' position was that it was entitled to a ten-year real-estate tax abatement by law. The prior solicitor believed that -- disputed that and

believed there was -- there was no case -- there was no action filed in court or in an administrative agency of the City. The Solicitor believed there was a dispute and that --

COUNCILMAN GREEN: How can the Solicitor determine that there's a dispute regarding abatements when there's been no change in the law in this chamber?

The law of the City of Philadelphia is clear: Every parcel is disparaged. That's not a legitimate dispute. You can't make up an argument in order to take away the authority of this body to determine whether areas are disparaged or not disparaged. That's not a case in controversy that the executive has the authority to do.

(Applause.)

MR. LEONARD: I can only say that --

COUNCILMAN GREEN: Do you agree

or disagree with that?

MR. LEONARD: My understanding is that the prior solicitor believed that under --

COUNCILMAN GREEN: What do you believe?

CITY SOLICITOR SMITH: Councilman Green, with all due respect to our efforts to answer your question, I think the important thing to understand here is that the prior solicitor negotiated this agreement and the positions with the assistance of another attorney who was then in the Law Department or retained by the Law Department, and it was his analysis of many of these issues that drove the City's positions on these issues. And we're doing our best to explain it.

COUNCILMAN GREEN: Is there a legal opinion that exists that says that there was -- that somehow there was a dispute as to whether or not the property was not disparaged under the

law that provides a ten-year tax abatement for every property in the City of Philadelphia?

MR. LEONARD: No.

COUNCILMAN GREEN: Okay. Once again, I mean, it sounds like an ultravirus act by the previous administration. They did not have the authority to enter into a multi-year agreement when there was not a case in controversy, and I posit that that is one way to challenge this agreement.

(Applause.)

COUNCILMAN GREEN: Same thing with respect to use-and-occupancy taxes. That's determined by square footage, and what is the controversy about whether or not, you know, the situation exists?

I mean, I've said this in public, in this chamber, before. And, you know, I'm disappointed that that hasn't been looked at.

CITY SOLICITOR SMITH: No, I

think there --

COUNCILMAN GREEN: And so that's with respect to what the Administration can do to undo this agreement.

This body, because the Administration -- there are separations of powers and other issues. The Administration cannot by contract prevent this body from acting. This body can act to remove the tax abatement, and that would blow up the agreement.

(Applause.)

CITY SOLICITOR SMITH: Is your question whether, if Council acts to remove the tax abatement, that has an impact on the agreement? Is that a question that you're asking?

COUNCILMAN GREEN: Sure, yes. And if you want to get back to us rather than -- I think it would be --

CITY SOLICITOR SMITH: Yeah, I think we would have to go back and look

at what the impact of that would be.

COUNCILMAN GREEN: Thank you.

COUNCIL PRESIDENT VERNA: The Chair recognizes Councilman Kenney.

COUNCILMAN KENNEY: I think we ought to at least be cautious as to what we lay out in public in front of the lawyers for the other side.

I mean, you know, having a discussion -- and I think we're -- Councilman DiCicco has been having this discussion for quite some time, but if there's some legal strategy that you have that you think you can untangle this thing, I'd rather these guys not know what it is.

Thank you.

(Applause.)

COUNCILMAN GREEN: With due respect, I've publicly stated this strategy for two months now, and we should be acting on it.

Thank you.

COUNCIL PRESIDENT VERNA: Thank

you.

(Applause.)

COUNCILMAN KENNEY: I'm not suggesting we shouldn't take some action at some point in time. I just -- I mean, Mr. Primavera is a pretty competent lawyer and I know the people working with him are competent lawyers, too.

I just would rather you not confirm publicly for the record what it is you intend to do until we're able to be briefed and we can move forward in that direction.

COUNCILMAN GREEN: I agree with that.

CITY SOLICITOR SMITH: Thank you, Councilman Kenney.

COUNCIL PRESIDENT VERNA: Thank you.

Are there any further questions or comments the City Solicitor?

(No further questions or

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comments.)

COUNCIL PRESIDENT VERNA: Thank you.

CITY SOLICITOR SMITH: Thank you.

(Applause.)

MR. McPHERSON: The Philadelphia Entertainment and Development Partners.

(Witnesses come forward.)

MR. PRIMAVERA: Again, for the record, Carl Primavera, Ira Gubernick, David Sander.

We have extra copies of the development and settlement agreement if you're interested or if it's convenient. And my sole purpose today really is to allow the committee to ask specific questions of Ira.

He will tell you in a few minutes that this was not an agreement that was done in haste, that this was an agreement that probably took a year, that there were various things

happening. We were requesting zoning; the City was not willing to entertain permits that we thought we were entitled to.

There were disputes over taxes.

There were disputes over the fact that we felt that the development agreement was really not required. It wasn't required in the gaming legislation, it wasn't required as a matter of law.

And probably the biggest misconception that people have is to think that the development agreement was the document that was going to provide resources to the City to accommodate gaming. This is basically something that the City was able to force us to do because they had leverage.

But as you remember the testimony -- and even Representative Keller said it today -- the lion's

share of the money from gaming goes to the State and then comes back to the City. So the whole idea is that it's self-funding through gaming. The idea is that the State went into gaming and it decided to do it through partnership with Foxwoods.

So to say that, well, we don't have money for the streets or the police or all of these other things because it's not in the development is really inaccurate. The development agreement is basically icing on the cake that was extracted because the City took a very, very firm line with both SugarHouse and Foxwoods and says, You want a ten-year abatement? We don't think you're entitled to it. You think you're exempt from U&O? We're going to fight you on that.

So they took us to task and said, We're going to delay you and fight you until you sign the agreement. Once we signed the

agreement, things went much quicker.

So that's the background.

Ira, I don't know if you have some opening remarks or whether we just want to handle questions from the committee.

MR. GUBERNICK: Thank you, Carl.

My name is Ira Gubernick. I'm an attorney at Klehr Harrison. Also a lifelong resident of Philadelphia in this area. In fact, my father's beer store that I worked at for almost every summer and weekend of my teenage life was located at 6th and Moore Streets. It was a former Frank's Bottling Plant. The warehouse before that is now the -- part of the parking lot for the Mummers Museum. So I've spent quite a bit of time in this area.

I also want the point out that this site we're talking about is a site that's been controlled by Bally's

Gaming through an option since 1995. It was a site that was picked back then and has been a known site and vacant land, quite frankly, except for, I think, some period of time when it was a driving range, to be a potential gaming site for a long time.

So I am very respectful of the positions you've taken and the jobs you've done on behalf of your constituents. I'm very respectful of the constituents here that are sitting behind me.

But we went through a very long process to get to where we are today, including the development agreement. We went through a very long process and had no idea, going into the award of a license, that we would receive a license. And we're grateful to be able to bring the project to you.

I also want to add that, as Carl said, we're paying a 55 percent

total tax rate when you add it up, including a 4 percent host fee and a 5 percent economic-development fee. The host fee alone is projected in the first year of operations to be roughly $14.5 million on 3,000 slots, going up to approximately $18 million. The economic piece of that, which goes to the State and should be used for projects, hopefully, in this region, is greater. Obviously 5 percent's greater than 4 percent.

With respect to the development agreement, meetings started as early as January of 2006 -- 2007, with Romy Diaz. We were just coming off the awarded license. We, again, are probably the most heavily taxed business enterprise in the State at 55 percent, and we did not at the time take a position that we had to pay additional taxes to the City.

Having said that, it was a long, arduous process. Our

negotiations actually took longer than SugarHouse's. And we did reach an agreement in concept with Romy Diaz sometime in May that Foxwoods would enter into a development agreement that was very similar and comparable to what SugarHouse entered into. We wanted to be on a level playing field with SugarHouse.

That was -- also, an arm's length agreement was negotiated, and a lot of what you see in our agreement is very similar to what SugarHouse entered into.

And what we did not want was a situation where the public or City Council or anyone looking at it felt that one casino was being treated in a different manner than the other casino. We intend to be very similar enterprises and both bring economic development to the City.

The agreement itself contains a number of provisions, most -- a lot

of which, by the way, were already promised to the Gaming Board in the process for us to get selected. There was an agreement to fund a special services district very similar to what the stadiums have, which could bring a million dollars a year as the community directs.

There's a tax settlement agreement of $1.75 million. It was through two years of tax disputes. We had, we feel, very legitimate appeals since the taxes on the land went from roughly $300,000 to about $1.2 million assessed. The City fought that; they wanted $2.5 million. It was one of the last points finalized.

What we were proposing, to get the agreement done, was to take one year at the $300,000 number and one year at the $1.2 million number and pay 1.5 million. And through going back and forth and also resolving it with the sewer pipe payment of

$5 million, we settled on $1.75 million that was --

MR. PRIMAVERA: Now, the sewer pipe payment, there was a lot of testimony and I don't want to go into it in detail, but just my recollection is, the City Water Department asked us to put in an infrastructure that was going to assist the City in dealing with the neighborhood issues unrelated to Foxwoods, and we said we would contribute $5 million to that, although it wouldn't serve any benefit to us. It was a $5 million gift, as I called it the last time.

But the City has the right to have our contractor expand that work. And if our contractor, at our expense, ends up spending $20 million, 5 is the gift to the City, but 15 would, in effect, be accredited against money that would otherwise be paid by Foxwoods to the City. So that's -- is that correct?

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MR. GUBERNICK: The discussion was -- and, again, I don't want to use as hard a term as you used, but one term you used was "extraction."

We were not adding an additional burden to the sewer usage. However, my understanding is there's a master plan to develop and improve the sewer problems in South Philadelphia. We recognize that that's a problem. We want to be good neighbors and we do want to improve if we can.

When the sewer system is improved by the City over time, one thing that will be a part of that and will be helpful is to have this enlarged pipe going down into the river.

So the feeling -- so that we don't have an issue later on, later down the road, was to take care of building that pipe for you today in the City, even though it was not going to benefit our property. Only had the

construction delays once, and we would contribute up to $5 million towards that payment.

That was the discussion on the sewer pipe.

MR. PRIMAVERA: And then the other issue that I recall briefly was the ramp, and the ramp does not happen in Phase I. So for Phase II, we have to go back to the Planning Commission. Do we have to go back to Council, I believe --

MR. GUBERNICK: The --

MR. PRIMAVERA: -- because of the plan of development. So the concept was that if and when we come back for Phase II -- and we now have, through PennDOT and through the other studies, information about where the ramp will go, what's the expense -- there will be some collaborative approach.

If it's a process that doesn't end in an agreement, we probably won't

have our plan of development approved by the City, the Planning Commission and also the Gaming Board, right? We have to go back for Phases II and III with the Gaming Board.

MR. GUBERNICK: That's correct.

MR. PRIMAVERA: So that's why it's not spelled out in detail because it's, in effect, a forward-looking requirement anyway.

So they're the immediate responses, and Ira's available to answer any questions.

COUNCILMAN DICICCO: Point of order, Madam President.

COUNCIL PRESIDENT VERNA: The Chair recognizes Councilman DiCicco for a point of order.

COUNCILMAN DICICCO: Thank you.

Mr. Primavera, I'm a little bit confused on that. Would you go over that scenario again, the plan of development as it relates to Phases I, II and III, or just --

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MR. PRIMAVERA: II and III.

COUNCILMAN DICICCO: II and III.

MR. PRIMAVERA: What the Supreme Court approved and what the Planning Commission approved is our Phase I development. So when we come back for Phases II and III, we have to go through the Gaming Board, we have to go through the Planning Commission and then have our plan of development approved.

At that point in time, there is envisioned some infrastructure component, and it may be the ramp. So at that point in time, predictably, we'll have information as to where the ramp will go, what it will cost, and how it's going to be funded. There may be adequate funds in the federal government, there may adequate funds through the State through gaming revenues.

So there's no suggestion that

the City's going to be tagged with the bill. I think the comment about fair share is just to make sure that it's a collaborative approach.

COUNCILMAN DICICCO: Well, if I hear it correctly, it is your opinion or assumption that Phase I would not require a ramp or some other alternative highway, roadway mitigation, whatever.

MR. PRIMAVERA: That's correct.

MR. GUBERNICK: Wait.

COUNCILMAN DICICCO: Let's assume --

MR. PRIMAVERA: Other than what was testified to at length.

COUNCILMAN DICICCO: I --

MR. PRIMAVERA: Now, I know it's been criticized by some people, but we believe the City and PennDOT have approved it.

So what we're saying is the major infrastructure -- and I think that's what the Councilman is

referring to -- like a ramp or something like that is not envisioned in Phase I and will not be required.

COUNCILMAN DICICCO: So if you go to Phase II and III --

MR. PRIMAVERA: Yes.

COUNCILMAN DICICCO: -- is it fair to say that the developer agrees that we need to do something else in addition to the current roadway to maintain or be able to handle the additional traffic going forward?

MR. PRIMAVERA: That based on everything we know --

COUNCILMAN DICICCO: Whether it's a ramp or something else.

MR. GUBERNICK: The answer is yes. And there's actually language to that effect that's in the development agreement itself.

COUNCILMAN DICICCO: Okay. And we don't know what that cost will be 'cause we don't know what we're building yet.

MR. PRIMAVERA: That's correct.

MR. GUBERNICK: That's a fair comment.

COUNCILMAN DICICCO: So how do we know -- how do we, in short, we, as City, State, whatever, the neighborhood, that -- let's assume they put a number on it that is not acceptable to you folks, to the developer; what happens then?

MR. PRIMAVERA: Then I assume the City won't approve our plan of development and the Gaming Board won't approve our Phase II plan.

COUNCILMAN DICICCO: And you don't do the Phase II and III.

MR. PRIMAVERA: No. We will find a way to get it resolved.

It seems to me that the State and the City, which are partners, will work with us to partner to get past that. I mean, why would we ail be shortsighted.

If Phase II and III are going

to provide more revenue to the City and State and to Foxwoods, then we will be creative and find the right solution, not only the design solution --

COUNCILMAN DICICCO: I understand that 'cause that's --

MR. PRIMAVERA: -- but the contribution solution.

COUNCILMAN DICICCO: That's the premise behind gaming, to increase revenue for the City and the State; I understand that argument.

I'm just concerned, again, that if you don't build II and III, what does that mean to your project? Is it that important -- we had a little bit of discussion, I think, at the last hearing.

Is it that important to your project or is it not? And is it something that you're truly considering? Or is that why you're not even considering a ramp now,

'cause you don't think you're ever going to do II and III?

MR. PRIMAVERA: We're excited about the full buildout; we think that that's the potential that our site offers.

Phase I stands on its own as a very successful facility, but we're always looking forward to make this Foxwoods facility as exciting and as welcoming as the other facility. So Phases II and III provide a hotel and some other amenities --

COUNCILMAN DICICCO: Possible condominiums, I think, if I'm not mistaken here.

MR. PRIMAVERA: Right. So we have never said that we wouldn't go forward with II and III. And we, quite frankly, think that upside potential is something we all want to see. And we don't think the site is inherently incapable of that.

I think that the engineering

and the cooperation of agencies and City and State and federal government -- and we talked about it with Councilman Kenney. He had some ideas about ramping that would be, you know, not only helpful to the gaming but also to the shipping industry.

So I don't see this as being a win/lose situation. I think that as we move forward in the process, it will be a win/win for everybody.

COUNCILMAN DICICCO: I guess for me, it goes back to my earlier statement when the Solicitor was testifying. Ideally, you want to do the full buildout in Phases I, II, and III, but we're not sure yet if we do II and III, and we're not sure what we need to do if we do II and III, although we know it's important to the full buildout, 'cause that's the ideal scenario.

Isn't it in everyone's interest, including the developer, to

have that plan reviewed and decided upon now as opposed to --

(Applause.)

COUNCILMAN DICICCO: -- as opposed to five years from now, ten years, whatever it is, when the cost of developing or building that infrastructure improvement, whatever it may be, will certainly be far greater than what it is today?

MR. PRIMAVERA: Well, let me answer that and --

COUNCILMAN DICICCO: And addresses the issues of traffic mitigation that we know and anticipate in Phase I and what we expect to be in Phase II and III. It's -- and I'm not -- I don't mean this to be sarcastic, but that's good planning. And why aren't we doing and discussing that in its entirety --

MR. PRIMAVERA: And I'll give you the answer --

COUNCILMAN DICICCO: -- rather

than say, Well, we're going to wait 'cause, you know, the State -- it's going to be in the State's best interests and the City's best interests 'cause they're are partners in this 'cause they're making 55 percent and it's going to be in their best interests to make sure we have an infrastructure that can handle this traffic.

That's all well and good but, you know, at some point, somebody's going to have to pick up the bill.

MR. PRIMAVERA: Well, if you remember, Jeff Greene, who was our traffic engineer, we presented a total redevelopment plan for the entire project, like a master plan, and we were designing the traffic and infrastructure to accommodate the master plan.

PennDOT said, Look, since you're not building Phases II and III today and we think there's a lot of

other things that are happening in the City, in the State that are going to make whatever you do today in Phases II and III irrelevant, moot, and shortsighted, they asked us and we acquiesced.

We said, Fine, we're willing to take Phase I and forgo Phases II and III at the request of PennDOT so that we don't shortsightedly design the wrong infrastructure, the same way they said when they built the Schuylkill, they didn't build it big enough.

So PennDOT asked us -- and then the Planning Commission said the same thing. They said, Well, since you haven't designed Phases II and III, we're only approving Phase I as your plan of development.

So it wasn't at our request. We were fully prepared to go through the complete design, and we had designed it, but it was PennDOT

saying, Well, to design something now that you may not build for another five or six or seven years, don't do that exercise.

PennDOT has its own independent, long-range review, which Jeff Greene testified to. And they're doing all of their computer modeling and working with the federal government, and they realize that with port traffic increasing and people moving into the City, that, in effect, doing it now would be premature.

So we never tried to do this in piecemeal, we never tried to do it shortsightedly. We're not trying to save a dime. You know that's not the case; you've seen our presentation. And we're willing to work with the City as we go forward.

But the Phase I was the way that all the agencies thought best to implement something that we did know and did control rather than try to

project beyond the reasonable period.

COUNCILMAN DICICCO: I wasn't being accusatory of Foxwoods, that they're -- I'm just looking at this as a whole.

MR. PRIMAVERA: I understand.

COUNCILMAN DICICCO: And government doesn't always do things right; we learned that from experience, and we are very familiar with some of the problems that PennDOT, in their infinite wisdom, did not look forward 10, 20 years down the road -- no pun intended -- and the consequences that we're suffering in this city as a result of their misrepresentation of what they expected traffic to be or whatever.

But we're in more modern times now than we were back when the Schuylkill Expressway was built and even I-95 for that matter. And there are ways of projecting a lot of that stuff.

So I'm just looking at the what-if. Why are we not having -- and it's not your fault and I appreciate that you were willing to, so we need to have PennDOT or somebody in to talk to them about why put things on hold; shouldn't we be planning going forward?

MR. PRIMAVERA: And we're willing to cooperate in any planning exercise. I mean, we hope that, in effect, Phase I will be as successful as it's projected, and then we'll be looking to do Phase II. So planning now is only helpful to moving into the Phase II and III.

COUNCIL PRESIDENT VERNA: The Chair recognizes Councilman Green.

COUNCILMAN GREEN: Thank you, Madam Chair.

From your description of your negotiations with the City, it sounds like you entered into these agreements under duress.

(Laughter.)

MR. PRIMAVERA: Well, that's a -- you know, that's a legal term and I can't debate the law 'cause we're not in a court of law.

But what I can say is that there was a prior suggestion that this was a sweetheart contract, and I can tell you that the Solicitor had some very strong beliefs, and they, in effect, impeded our plan of development until we agreed to do exactly what SugarHouse had done. And, in effect, as you pointed out, many of the things we thought were entitlements, that were rights and privileges, they were holding back on. So --

COUNCILMAN GREEN: Well, you can't hold back on a right or privilege. I mean, you can't. They made up -- you're contending that they made up a case in controversy and, wink-wink, you agreed and you signed an

agreement. I mean, that's basically --

MR. PRIMAVERA: Well, they didn't make it up; they made a case in controversy. And then --

COUNCILMAN GREEN: You can't make a case in controversy without City Council having changed the law. Whether or not there's an abatement, that's this body's decision. Whether or not a property's disparaged, that's this body's decision. And, you know, that's something that you and I aren't going to resolve here today.

MR. PRIMAVERA: I agree.

COUNCILMAN GREEN: But "under duress," you're right, is a legal term. "Fair share" is not a legal term that I'm familiar with.

(Laughter.)

(Applause.)

COUNCILMAN GREEN: At any rate, to be continued, Mr. Primavera.

Thank you.

MR. PRIMAVERA: Thank you.

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COUNCIL PRESIDENT VERNA: Any other questions or comments from members of the committee?

(No further questions or comments.)

COUNCIL PRESIDENT VERNA: Seeing none, thank you.

MR. PRIMAVERA: Thank you, Madam Chair.

MR. GUBERNICK: Thank you.

MR. McPHERSON: Our next witness was the Chamber of Commerce and they have submitted testimony.

Are there any representatives from the Hotel Association?

(Witness comes forward.)

COUNCIL PRESIDENT VERNA: Good evening. Kindly please identify yourself for the record and proceed with your testimony.

MR. GROSS: Good evening. My name's Ed Gross. I'm the Executive Director of the Greater Philadelphia Hotel Association.

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My association represents every hotel in Center City and 87 hotels throughout the Delaware Valley. We pay over $110 million in taxes. When you consider use-and-occupancy, liquor, real-estate, hotel tax, all of the hotels together pay over $110 million.

Philadelphia hotels hire 14,000 people, who make an average wage of $22,000 a year. Eighty percent of all hotel workers reside in the City of Philadelphia the.

Greater Philadelphia Hotel association urges the City to move forward on the construction of Foxwoods Casino.

(Applause.)

(Jeers.)

COUNCIL PRESIDENT VERNA: Please, let's have respect for each other.

Thank you.

Please proceed.

MR. GROSS: Thank you.

The casinos will bring more jobs, 1500 jobs in the casino alone and thousands of jobs in ancillary operations that will go along with the casinos. In addition, roughly a thousand construction jobs will result from the casinos, paying between 30 and $34 million in wages. It also will bring the reduction in City wage tax and pay for the expansion of the Pennsylvania Convention Center.

The Pennsylvania Convention Center expansion will result in bigger, more profitable conventions to the City of Philadelphia and the region. Twenty-five hundred new hotel rooms will result in the expansion, which will result in more revenue to both the City and the Commonwealth of Pennsylvania.

With the 2500 new rooms, 1750 new hotel jobs will result from the expanded center and the rooms that it

brings to Center City hotels.

It will also provide our visitors with another entertainment option. It could prolong room stays for visitors, and it will also be another thing for visitors to do while they're here on business, for conventioneers, and it will had to the allure of the City.

Many people are working hard in marketing the image of Philadelphia and bringing more visitors to our city, and this will only help market the City and conventions and to meeting planners.

I appreciate the opportunity to speak to you today.

(Applause.)

COUNCIL PRESIDENT VERNA: Thank you very much.

(Mr. Gross leaves witness table.)

COUNCILMAN DICICCO: Sir, excuse me.

COUNCIL PRESIDENT VERNA: Excuse me, excuse me.

COUNCILMAN DICICCO: Hello, hello, excuse me.

COUNCIL PRESIDENT VERNA: Excuse me.

MR. McPHERSON: Mr. Gross.

COUNCIL PRESIDENT VERNA: Mr. Gross.

(Witness returns to witness table.)

MR. GROSS: You guys never ask me questions. I'm sorry.

COUNCIL PRESIDENT VERNA: Councilman DiCicco.

COUNCILMAN DICICCO: Thank you, Madam President.

Just quickly. In your testimony, you said something about the casinos would help fund the Convention Center expansion?

MR. GROSS: Yes. A lot of the money that's being -- I know the money has been appropriated by the State.

COUNCILMAN DICICCO: Let's just stop you. There's no revenues from the casinos that's going towards the Convention Center expansion. You got information that's not accurate. None of that money --

(Applause.)

MR. GROSS: It goes towards the debt service of the expansion.

COUNCILMAN DICICCO: It's not for that.

And my other question is: Does it matter where these casinos would be built --

MR. GROSS: Well --

COUNCILMAN DICICCO: -- in relationship to your testimony?

MR. GROSS: When the City -- when the casinos were being looked at -- and I served on the Gaming Task Force about three years ago, three or four years ago. We put out a position that we want the casinos to be far enough away from our City treasures

such as the Liberty Bell and --

(Jeers.)

COUNCIL PRESIDENT VERNA: Please, please.

COUNCILMAN DICICCO: Please, please, please, please.

MR. GROSS: And a short cab ride from the Convention Center and Center City.

So, you know, basically what we did when we decided that, we did not want -- you know, obviously, we did not want the casinos to be in, you know --

COUNCILMAN DICICCO: Let me ask you this: The Gaming Task Force, did it make any recommendations as to site?

MR. GROSS: To specific sites?

COUNCILMAN DICICCO: Yeah.

MR. GROSS: What it did not -- it -- well, it listed the most profitable sites throughout the City.

COUNCILMAN DICICCO: But it didn't make a recommendation as to what

sites would be the more favorable.

MR. GROSS: It did not come right out and say -- we talked about this the last time and I know it was brought up before. What it did is, it listed by revenue which sites would bring in the most revenue.

And I wish I had the sheet with me, but the sites chosen, you know, which I thought was pretty interesting, because at the time, it was well thought that the Gaming Task Force was a powerless committee that was wasting their time, yet all of the licenses that were applied for were at sites that were listed by revenue streams. Those were the sites where -- you know, even the Bud site was one of 'em, you know, the Donald Trump site. All of those sites -- all of the licensees were going after sites that were listed by the Gaming Task Force.

COUNCILMAN DICICCO: Do you

consider the Bud site a short cab ride from Center City?

MR. GROSS: I have never been -- we have never been in favor of the Bud site because we --

COUNCILMAN DICICCO: Maybe I misunderstood you.

(Indiscernible; parties talking over each other.)

MR. GROSS: There's a difference.

COUNCILMAN DICICCO: And you were a member of the task force and you cited the task force in your testimony.

MR. GROSS: Me personally, no. I served on the task force.

COUNCILMAN DICICCO: You served on it.

MR. GROSS: My association wants the most visitor-friendly sites.

COUNCILMAN DICICCO: Okay, all right. I just wanted to make that clear.

All right. I don't have any

further questions. Thank you.

COUNCIL PRESIDENT VERNA: Thank you very much.

MR. McPHERSON: Our next witness is Dino Rossi.

(No response.)

COUNCIL PRESIDENT VERNA: Is Dino Rossi here? Please approach the witness table.

(Witness comes forward.)

COUNCIL PRESIDENT VERNA: Good evening. Please identify yourself for the record and proceed with your testimony. Do you have written testimony?

MR. ROSSI: Yes, I do.

COUNCIL PRESIDENT VERNA: Do you have a copy for each of us?

MR. ROSSI: Yes, I do.

COUNCIL PRESIDENT VERNA: I would like to suggest that perhaps you could abbreviate your remarks.

MR. ROSSI: Absolutely.

COUNCIL PRESIDENT VERNA: And

we will give a copy to the stenographer, and it will be transcribed in full.

MR. ROSSI: All right. Thank you very much.

Council President Verna, distinguished members of City Council, ladies and gentlemen, my name is Dino Rossi. I am the president and CEO of the Community Self-Empowerment and Employment Program, which is a nonprofit community-based organization located right here in Philadelphia.

I come to you today as a private tax-paying citizen of Philadelphia who is one hundred percent in favor of Foxwoods Casino Philadelphia.

My topic for today is jobs. I once had a boss who had a very famous expression: "The best social work is a job." Respectfully, I am sure that there is no one here today in Council chambers who disagrees with this

statement.

According to the Greater Philadelphia Chamber of Commerce, the unemployment rate in Philadelphia is an alarming 34 percent. If you take a look at the parishes from the Archdiocese of Philadelphia, Baptist churches from the Philadelphia Baptist Association, synagogues from the Jewish Federation of Philadelphia, et cetera, the unemployment rate among the faith- based community in the Philadelphia region is 40 percent.

The (indiscernible) collaborative, which is a real working partnership between the faith-based, community-based organizations and businesses of Philadelphia, work together with residents that represent for two years on one of the most critical issues facing us today. Without hesitation, number one was the lack of family-sustaining jobs with a good future.

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The question is, why is the unemployment rate in the greater Philadelphia region so high? Well, some of the reasons -- I'm sure you know these, I'm not going to bore you with the statistics, I'm sure all of know this, but Philadelphia has the highest poverty rate, 25.1 percent. Also, 351,000 people in Philadelphia are on welfare, and that is -- that is very unfortunate, that is not acceptable.

Now, we need the Foxwoods jobs. Foxwoods will offer a number of family-sustaining jobs such as accounts-receivable clerk, bar, marketing associate, income audit clerk, interior attendant, locksmith, payroll clerk, security officer, slot attendant, slot technician, et cetera. Foxwoods will provide 951 jobs in the first cycle, and Foxwoods is the most diverse organization in their industry.

Many of the people who are on welfare, unemployed, et cetera, and are not working want to go to work, but they want good jobs with a future. These are the types of jobs that both Foxwoods and SugarHouse will offer.

Mr. Vincent J. Termini, President and CEO of Termini Gold Medal Pastries, summed it up this way: The unemployment rate in South Philadelphia, the home of Foxwoods, is 36 percent. We need good-paying, family-sustaining jobs, and we need them right now. Here is an organization, Foxwoods, that can and will be a part of a solution to the economic growth picture of this region.

It is time for the City, the residents, supporters and non-supporters, et cetera, to sit down with Foxwoods, work out the differences with respect and move forward to help make Philadelphia the

great destination city we all know it can be.

From a personal view, I want to thank Council President Verna for her help in starting my organization years ago and Councilman DiCicco for recently meeting with community leaders who are in favor of the Foxwoods project.

Thank you very much.

COUNCIL PRESIDENT VERNA: Thank you.

Any questions or comments?

(No questions or comments.)

COUNCIL PRESIDENT VERNA: Thank you very much.

(Applause.)

COUNCIL PRESIDENT VERNA: Before we call the next witness, I would like everyone to know that we have approximately 28 people who have signed up to testify, so I have a proposal to make.

(Laughter.)

COUNCIL PRESIDENT VERNA: We can time each person three minutes, and if you can't say it in three minutes, it's not worth saying. And everybody will be repetitious, I'm sure.

Or you can talk among yourselves and perhaps you would like one person to speak on behalf of several of you.

So it's your choice to make.

COUNCILMAN DICICCO: Madam President, could I add something to that?

COUNCIL PRESIDENT VERNA: Please.

COUNCILMAN DICICCO: All of you are here -- many of you have been here for all of these hearings. We do appreciate that you come out and offer your support.

And we certainly do not want to limit your comments, but unless I am completely off base, I don't know what else could be added to the

testimony today that has not already been put on record during the last three hearings we've had in addition to the several hearings we had a year or two ago.

And, again, with the utmost respect, if you could figure out a way in which we can do it and not have, as the Council President said, 28 individuals coming up --

MS. GOODWIN: We sort of looked at three minutes each.

COUNCILMAN DICICCO: Twenty-eight people, three minutes each?

MS. GOODWIN: Well, that was your proposal.

COUNCIL PRESIDENT VERNA: All right. I would ask Mr. McPherson, then, to call the first witness.

MS. GOODWIN: Not everyone is here. First of all, I don't think everyone is here.

MR. McPHERSON: Ed Kerlin.

MS. GOODWIN: Not here.

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MR. McPHERSON: Dave Schernecke.

(Witness comes forward.)

MR. McPHERSON: Mary Reinhart can come to the table and Bernice Hamel.

(Witnesses come forward.)

MR. SCHERNECKE: Good evening, Madam President, Councilmembers.

COUNCIL PRESIDENT VERNA: Good evening.

MR. SCHERNECKE: Thank you for giving us the opportunity to speak with you. My name is David Schernecke. I'm a lifelong resident of Queen Village in South Philadelphia, and I oppose the construction of the Foxwoods project at Delaware and Reed.

I am a sixth-generation family member in Queen Village, and I say that with both pride and also with a heavy heart, because I feel that if Foxwoods would be built there that it would -- I would really seriously

consider moving out of the City and out of my neighborhood.

I've also heard a lot of testimony here today about revenues and revenues, but I feel like I'm preaching to the choir right now, but we haven't heard anything about costs, both direct costs and indirect costs.

In addition, you know, finally I'd just like to say -- I mean, we're -- the statement that I feel that government both from the State, the Governor, and the City is making to us by putting casinos on our waterfront, is saying we -- are we that intellectually and creatively challenged that we cannot do to our waterfront what Baltimore has done to their waterfront, what New York City has done to their waterfront, what San Francisco has done to their waterfront, what cities like San Antonio has done to their waterfront.

So we just say we give up,

let's just put casinos down there and let them, you know, average the $22,000-a-year jobs that the Hotel Association gentleman spoke about earlier.

Thank you for the opportunity.

COUNCIL PRESIDENT VERNA: Thank you very much.

(Applause.)

COUNCIL PRESIDENT VERNA: Miss Reinhart, you're next.

MS. REINHART: Hi there. Good afternoon, Madam President --

COUNCIL PRESIDENT VERNA: Good afternoon.

MS. REINHART: -- Mr. DiCicco, Mr. Greenlee.

I'm here to make a simple plea to you: Don't do this. Don't give this casino permission to build where it wants to be.

I live in Pennsport, and that's the area that Foxwoods' greedy investors and owners plan to exploit

to make ludicrous profits. They're lead by a raging, insulting governor who seems to be presiding over an oligarchy as opposed to a democratic government. Don't join their pillage, don't give them their CED.

We're depending upon you, and you have shown that you're worthy of our trust. You know that my neighbors and I have struggled for years to prevent Foxwoods from building in our fine neighborhood, and we will do anything ethically and legally to keep them out.

We have marched in demonstrations, we have written to everybody -- the newspapers, the state government, the Gaming Board, the Mayor, the Governor, and to you. We've posted signs, we've collected thousands of petition signatures in the freezing cold. We voted against casino proponents, we lobbied in Harrisburg, and we have testified here

before you over and over and over again.

And lots of us have big collections of T-shirts, you know, expressing our points of view, but we're wearing them proudly.

And why are we doing this? Because this casino will devastate our way of life.

Foxwoods' fancy drawings don't show the real story. They don't show the radiating waves of neighborhood blight: 24/7 flashing, blinking, exploding neon lights, drunken drivers weaving through our tiny streets near kids in school uniforms.

They don't show slowed ambulances and firetrucks, overwhelmed police, distressed parents who don't have jobs lucrative enough to pay the bills, greedy politicians at the trough.

Those drawings don't show drivers trapped in miles of traffic,

their cars spewing exhaust into the summer skies.

They don't show more and more foreclosures, suicides, untreated gambling addicts, muggings, armed robberies, local parks made dangerous by soaring crime rates.

(Timer bell rings.)

MS. REINHART: They don't show distraught owners and employees of cannibalized local businesses and an I-95 ramp tearing through our beautiful houses and through our hearts.

My simple plea is: Don't do this. Don't give them their CED.

COUNCIL PRESIDENT VERNA: Thank you very much.

(Applause.)

COUNCIL PRESIDENT VERNA: Good evening. Please identify yourself for the record.

MS. HAMEL: Madam Chair, I am Bernice Hamel, a resident of Society Hill and Vice President of the Society

Hill Civic Association.

Democracy will be the big loser if casinos arrive in the City of Brotherly Love and the State of Pennsylvania. This insult first began in July 2004, when the Pennsylvania state legislature voted to allow stand-alone gaming families to be built throughout the State, two of which to be sited in Philadelphia, without any input from citizens, denying we the people our right to vote on this controversial subject.

Following that unpublicized and shocking decision in December 2006, the seven unelected members of the Pennsylvania Gaming Control Board issued gaming licenses and selected the two worst possible casino sites to be built in Philadelphia out of the five casino wannabes under consideration, Foxwoods and SugarHouse.

These two gaming facilities

would be located only two or three miles from each other along the Delaware waterfront. Worse yet, Foxwoods would be built within about a mile-and-a-half's distance from Independence Hall, the birthplace of our democracy and a national shrine. How's that for irony.

Both casinos would be located adjacent to or near the City's most thriving residential neighborhoods. For example, Society Hill is one of America's most historical communities, drawing visitors from across the nation and around the world who marvel at its unique mix of old and new.

But for we the people, this is home, where our kids go to school, and where our diverse group of residents attend religious services of all kinds side by side and often in houses of worship that date back to the 1700s.

The selection of these two casino sites was made with absolutely

no input from residents of our communities. It was a done deal.

Adding insult to injury is that these casinos were permitted to choose the locations that they wanted instead of the other way around. It's a wonder that they didn't demand a site close to the Liberty Bell.

More recently, and most disturbingly, however, the Pennsylvania Supreme Court removed whatever oversight our city would have had on casino development when it awarded Foxwoods the zoning permit and approvals, which City Council had withheld for almost a year. This recent ruling came four months after the court issued a similar decision in favor of SugarHouse.

We must continue to fight for what is right, and so I especially want to give credit to our councilman, Frank DiCicco; our mayor, Michael Nutter; and all of City Council, who

are willing to listen to the voices of the people and who value our democratic system, such as it is.

I also thank all neighbors and friends who are testifying today and working on behalf of helping to bring back democracy to our city and our state.

(Applause.)

MR. McPHERSON: Our next witnesses are Norma Van Dyke --

MS. GOODWIN: She's submitting written testimony instead.

MR. McPHERSON: -- and Dianne Mayer, Jeff Rush, Renee Goodwin.

(Witnesses come forward.)

MS. MAYER: Hi. My name is Dianne Mayer. Thank you for the opportunity to participate here today. Hopefully Council can arrange for more meetings in the evening or the weekends so working professionals can attend. I appreciate it.

I've been involved with the

issue of re-siting the casinos since December 2006. It's been an uphill battle and continues to be so, but it's also been educational to see how our government works and doesn't work.

Council's willingness to listen and respond to citizens' concerns, study the impact of the location of the casinos, and ask the questions that should have been asked in the first place is commendable.

I moved to Philadelphia 21 years ago and I enjoy living here, and I believe that our neighborhoods are treasures to the City. Philadelphia has a unique character, and it's a great place to live, with the potential to be even better.

I have concerns following. Building casinos at the current sites will have a negative impact on the quality of life, including increased crime, a major issue for the City, plus loss to the local economy.

Increased traffic congestion will make living here a nightmare. The cost to the City will be much greater than the benefits, and the Philadelphia taxpayers will be burdened with these costs.

By building two casinos, each larger than the King of Prussia Mall, we will squander the opportunity to develop our waterfront, using the best practices learned from other cities. Philadelphia's threatened with losing its authority to act in decision-making and the creation of sustainable communities.

I am concerned. I'm concerned we will lose the very qualities of why I chose to live here.

Philadelphia should not be forced to accept anything less than what a world-class city can offer.

I want to thank you for your efforts and your leadership to help continue the fight to re-site the

casinos to responsible locations.

Thank you.

COUNCIL PRESIDENT VERNA: Thank you.

(Applause.)

COUNCIL PRESIDENT VERNA: Are you going to read Norma Van Dyke's testimony?

MS. GOODWIN: I have written testimony from Norma, and here's mine.

(Ms. Goodwin distributes T-shirts.)

MS. GOODWIN: And here's a small something or other for members of the Rules Committee, and there's a medium there for Madam President.

COUNCILMAN GREENLEE: Is this an ethics violation? Will we have a problem here or what?

(Laughter.)

COUNCIL PRESIDENT VERNA: All right. Please proceed.

MS. GOODWIN: The word "illusion," according to Webster's

Dictionary, is derived from a Latin word, "mocking"; from "illudere," as in "ludicrous"; the perception of something objectively existing in such a way as to cause misrepresentation of its actual nature, as in "hallucination." So let us look at some facts pertaining to Foxwoods.

There will be no negative impact in the surrounding community as a result of this project, only benefits.

The limited number of generally low-paying jobs will create financial soundness for the families who work there.

We will provide public-safety services such as EMT to persons within our perimeter because people who leave our property won't need services outside our property; and, oh, if they do, it ain't on us.

We will provide $1 million to the community in CBA, community

benefits, also known as "disaster relief funds" even though it will cost the City approximately $17 million in startup costs to hire, train, equip, and house officers in casino sites.

There will be no impact at all from the additional use of water and sewer, even though the surrounding communities as far west as Broad Street have been facing backup problem due to woefully inadequate, antiquated systems.

We'll dump our waste water in the Delaware, but it's good for the fish and the other native habitat.

There will be no increase in addictions such as drugs, gambling and alcoholism because gambling's a family activity.

The people of this city and country don't need to come to an attractive waterfront when they can come to a slot barn.

Our project will generate

X-amount of dollars, except if we don't build it at all, it might generate a little less. But don't worry, we'll figure it out.

The 6 or 9 million patrons coming to our place won't create an added burden to the already-crumbling I-95; and if it does, we have a connection with the maker of Crazy Glue.

People will leave with more money than they came with.

The 42 percent that we will so magnanimously give to organizations will make us appear saintly, even if it is merely a way of preserving family wealth.

Everything is not funny.

The vision created by Ed Bacon to create a livable downtown will be greatly enhanced by this project. This will be good for the City's future and finances.

And, last of all, the lives of

everyone who lives in nearby communities will be improved when we come to town.

Now, there's another interesting word; the word is "delusion." It's defined as a persistent, false, psychotic belief regarding the self or persons or objects outside the self that is maintained despite indisputable evidence to the contrary.

Ladies and gentlemen, I say that Foxwoods at this site being a good thing is a delusion.

(Applause.)

COUNCIL PRESIDENT VERNA: Thank you very much.

Please identify yourself for the record.

MR. RUSH: Rene, you're a tough act to follow.

MS. GOODWIN: Just sing, Jeff. Just sing.

MR. RUSH: Good afternoon,

Madam President, Councilman DiCicco, and members of the Rules Committee. My name is Jeff Rush. I'm president of the Queen Village Association and a charter member of the Philadelphia Neighborhoods Alliance.

For the umpteenth time over the last year-and-a-half, I am on the other side of this table. Together, we've explored pros and cons of siting casinos on our riverfront. Our own Councilman DiCicco has kept this issue on the front burner, and you all have sat patiently, listened, and have voted consistently and often unanimously to support our concerns.

In the shadow of the heavy hand of the Pennsylvania Supreme Court, Mayor Nutter asked you to continue these hearings. In fact, the Mayor, at the last hearing, weighed in himself and expressed the strongest possible concern for the unwarranted interference of the court on a city of

the first class and the likely detrimental impacts that the casinos' poorly conceived mitigation plans would unleash on our neighborhoods.

The Mayor also noted that Foxwoods, as currently planned, could not possibly generate a reasonable return to the City or the State to justify building it on the waterfront.

For this forbearance and, may I add, proper due diligence and on behalf of all those who oppose the current sitings, I would like to express our extreme gratitude. Because of your support and despite the court's obvious desire to sweep aside all of our objections and concerns, we do not believe that casinos on the waterfront are a done deal.

As we have often expressed, we are not anti-casino, but we support re-siting as the most equitable, logical, and the quickest way to break

this impasse.

Now, you heard testimony earlier from our state representatives talking about a bill which would revisit the issue of the sitings and also sweep away the ten-mile limit. Therefore, we are asking you, members of City Council, and Mayor Nutter to continue this process by convening a re-siting committee already authorized by an earlier Council vote.

(Applause.)

MR. RUSH: While unresolved issues continue to play out in the courts, this committee could consider safer alternative locations for the proposed casinos. This action will send a message to the media and the casino operators, investors, and the trades that Council will not be bullied by the court, nor will it abdicate its responsibility to its citizens by accepting poor sitings at inappropriate locations.

This whole process has taught us much. The previous City administration was quite willing to support plans that were shortsighted and inadequate. Council was not. And our new administration has taken a deep breath and asked for a pause.

Let us use the time left to us to find better locations and resolve this issue in the only way we all wind up winners.

Thank you.

(Applause.)

COUNCIL PRESIDENT VERNA: Thank you very much.

MS. GOODWIN: Thank you.

We just would like Foxwoods to know we're not anti-gambling, and if they haven't heard us, look at our shirts.

COUNCIL PRESIDENT VERNA: Thank you so much.

(Applause.)

MR. McPHERSON: Will the

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following please come to the table: William Kosman, Debbie King, Susan Patrone.

William Kosman, Debbie King, Susan Patrone.

MS. PATRONE: I'm going to pass.

MR. McPHERSON: Oh, you pass? I'm sorry.

Patty Griffin?

(Witnesses come forward.)

MR. McPHERSON: Kathleen O'Neill.

COUNCIL PRESIDENT VERNA: Good evening, sir. Please identify yourself for the record and proceed with your testimony.

MR. KOSMAN: My name is William Kosman. I am a resident of Queen Village, and I can promise you that my comments will be about 30 seconds.

COUNCIL PRESIDENT VERNA: Thank you.

MR. KOSMAN: My wife and I

moved to Queen Village seven years ago, and we absolutely love living in Queen Village. It's a Philadelphia style of life where, on nice evenings, we stand or sit in front of our homes, we talk to our neighbors, we watch children play, we can stroll the streets of our neighborhood.

Queen Village is actually the oldest neighborhood in the City. There are restaurants tucked away in interesting places. It's a very wonderful place.

I am a painter and I paint scenes of the City, and what you have in front of you is a scene of the City.

COUNCIL PRESIDENT VERNA: It's beautiful.

MR. KOSMAN: That picture is Fourth and Bainbridge.

And I would like to see our way of life retained. I would like this painting and the other paintings

that I make of our city to be what is actually existing and not an historic relic of what used to exist in Philadelphia and has been, unfortunately, lost to a casinos on our waterfront.

I would like to thank you for the opportunity to speak. I would also like to thank the Council for their efforts to re-site the Foxwoods and SugarHouse casinos at the airport. I think that is a better solution.

Thank you very much.

(Applause.)

COUNCIL PRESIDENT VERNA: I know that you all have been very, very patient, and I appreciate it. I think it's wonderful that you have come back time and time again to express your views, and I know that you've been here before. I know you've been here before, and I think it's wonderful.

Again, I would ask you to please abide by the three-minute

limit. Thank you.

Please identify yourself for the record.

MS. GRIFFIN: Good evening, and thank you, members of City Council for giving us the opportunity to speak tonight. My name is Patty Griffin and, like many other here tonight, I am, by choice, a lifelong resident of Pennsport. I live on the 200 block of Wharton Street with my husband, Bob Biels (sp?) and our two children, and we live less than three blocks from the proposed Foxwoods site.

I'm here tonight not to discuss the overtly negative impact Foxwoods will have on my neighborhood; I'll leave that to everyone else. Instead, I'd like to share with you what I believe is a story of censorship and strong-arm tactics by Foxwoods Casino and their partner company, the public relations firm that represents them.

In November 2007, I was hired as a consultant by Tierney Communications, Foxwoods' PR firm, as a consultant for a project they were working on with the Lincoln Financial Group. My four-week assignment called for me to work with Tierney's Lincoln Financial team. And at the end of that assignment, citing my work with the team and the client's satisfaction with my results, I was offered an associate vice president position with the agency.

During the job offer, I thought it was appropriate at that time to let the agency know that I was opposed to the placement of the Foxwoods Casino at Delaware and Reed Streets. I was very explicit during the conversation, explaining that my active opposition had taken many forms, from letter-writing and petition-signing, to attendance at meetings and protests, and that I had

every intention to continue that. I also explained to the agency that if they wanted to reconsider its offer, I understood.

I was told that what I did on own time was my business. We worked out the details of the offer. On Friday, December 14th, I accepted position, with a start-date of January 2nd.

On Sunday, December 23rd, the Philadelphia Inquirer ran a letter to the editor that I had written in response to a casino-related article that had appeared in the paper the week before. As approved by me, the newspaper ran my name with the letter; Tierney Communications was not mentioned.

On January 2nd, my first day at Tierney, I was called into the office of the public relations general manager, where he, along with the H.R. representative, demanded that I agree

to cease and desist all of my activities related to Foxwoods and the casino re-siting.

I was told that in order to remain an employee, I would no longer be allowed to attend my monthly civic association meetings, I would not be allowed to hang a sign in my window, I would not be allowed to petition my elected officials.

In effect, I must cut all ties with anything related to re-siting activities. I was told: "We're not telling you that you have to embrace the idea of Foxwoods coming into your neighborhood; we're just saying that you can't espouse your opinion against it."

I could not, and would not, agree to these new terms of employment, and on Friday, January 4th, I was fired.

Is what happened to me illegal? Probably not. Was it

unethical? Absolutely.

I am telling the story not because I believe I suffered any great injury; in fact, my consulting practice is stronger than it's ever been. But this story smacks of an infringement of individual rights. It's an issue of censorship, and it gives us a very good glimpse into how Foxwoods and its partners do business.

Foxwoods, through its PR firm, Tierney Communications, has talked about its plans to come into our community and how it will be a good neighbor to us. I was forced to decide between keeping a good, challenging, well-paying job and keeping my mouth shut on an issue that will have an enormous impact on the future of my family and my community. What kind of a neighbor forces you to make that decision.

Thank you.

COUNCIL PRESIDENT VERNA: Thank

you.

(Applause.)

MS. O'NEILL: My name is Kathleen O'Neill. I live in Pennsport, three blocks from the proposed Foxwoods site. My husband and I have two young girls, ages 5 and 9. I will speak on some of the issues families with young children are facing in Pennsport concerning the proposed casino.

In order to keep a neighborhood vibrant, you need young people. In Pennsport, we have many people who have lived in the neighborhood for generations and would like to stay in the neighborhood and raise their children.

We also have many families who are somewhat new to Pennsport. They've been moving to Pennsport over the past ten years because they're priced out of other neighborhoods.

Whether relatively new to Pennsport or lifelong residents,

families with young children want the same for their kids: a safe and agreeable place to live. A casino will not make our neighborhood safer or enhance it in any way. Casinos will bring traffic, air pollution, drunk drivers, and crime.

As to traffic, not only will the neighborhoods along the river suffer from the traffic heading to the casinos, but it will also suffer from the traffic seeking to avoid the casinos. Already due to the big-box stores built on Delaware Avenue, Pennsport has seen great increases in traffic. Delaware Avenue, Front, and Second Streets all suffer from this.

More cars on our streets makes it unsafe for our children and will cause great inconvenience. Can you imagine having a gigantic casino complex in between your home and your neighborhood grocery store?

Casino traffic will bring air

pollution. To my knowledge, neither Foxwoods nor the Commonwealth have addressed this issue. Thousands of additional cars, trucks and buses passing through and backed up in and around our neighborhoods will worsen the air quality.

Asthma is epidemic among our urban children. Children, because of their body size and developing lungs, are the most vulnerable. Smog, soot, and diesel exhaust worsen asthma and trigger attacks. The children of Pennsport deserve better.

We all know that casinos serve free drinks and that many patrons drive impaired. We also know that casinos frequently attract a criminal element. Please don't bring this to a residential neighborhood.

For those of you who think that I-95 is some type of barrier between our neighborhood and the Foxwoods site, you're seriously

mistaken.

I-95 is raised in our neighborhood. The residents of Pennsport actually use the space under 95 for recreational purposes. There's an ice-skating rink, a street-hock rink, and a basketball court between Washington Avenue and Wharton Street, just two blocks from the Foxwoods site. A rec center, which operates a summer camp, is under 95. The Mummers practice there. And every spring, a makeshift skate park opens for the kinds under 95.

So 95 provides no barrier between us and them.

I ask the powers that will ultimately site these casinos to take into consideration the vitality of the neighborhoods saddled with a casino. Is that where you would choose to live and raise your kids, in the shadow of a casino?

Families in Pennsport already

face some fairly harsh realities. Our schools are failing, our streets are dirty, and we have some crime. Yet there's reasons we all want to stay in the City: family, culture, jobs, diversity, convenience.

I believe a casino will tip the scales for many young families and push them to leave the neighborhood. And without young people, our neighborhoods will cease to thrive.

COUNCIL PRESIDENT VERNA: Thank you.

(Applause.)

COUNCIL PRESIDENT VERNA: Mr. McPherson, please call the next three witnesses.

MR. McPHERSON: Walter Zimolong, Frank Guarnaccia, Sharon Johnson, Suzanne Haney.

(Witnesses come forward.)

COUNCIL PRESIDENT VERNA: Good evening. Kindly please identify yourself for the record and proceed

with your testimony.

MR. ZIMOLONG: Yes. Good evening, Madam President and fellow members of Council. My name is Wally Zimolong. I am an attorney that works in Center City Philadelphia. I am also a resident of Bella Vista. I am also the Republican candidate for State Representative in the 182nd Legislative District.

But I'm here as something more important: I'm here as someone that represents the future of Philadelphia. I am here because I am like many young people that moved to the City and want to make this city the next great city.

I'm not going to rehash some of the horror stories and concerns that people have over casinos. I'm here to urge you to do something. It's simple: Get it right.

The real reason we are here today and that we are in the situation we are in is not because the General

Assembly passed the Gaming Act, it's not because the Supreme Court told Council to zone a certain way, it's not because of a development plan. It's because this city lacked a cogent urban planning. Lack of urban planning gave the casinos the land on which to develop, and that is what is important here.

What is important here is this Council understands that we must now prevent the next casino from coming in. I'm really not that bright of a guy, but I know two things:

Number one, the only thing that goes next to a casino is another casino. And, number two, politicians can't help themselves; if you give 'em too much of a good thing, they're going to go back. And if the casinos spew off tax revenue, they're going to go back and put more casinos in because they can't help themselves when they find something that gives

off revenue.

So you can bet donuts to dollars that if an amendment to the Gaming Act came up in the General Assembly, a representative from, say, Carbon County -- not that I have anything against Carbon County -- he or she would probably vote to amend the Gaming Act to allow more casinos in Philadelphia if it meant increased revenues for our commonwealth to go back to --

COUNCIL PRESIDENT VERNA: Carbon County.

MR. ZIMOLONG: -- Carbon County. Thank you. So that's what it's about.

(Timer bell rings.)

MR. ZIMOLONG: So I urge you, in conclusion, get it right. Think this through, don't rush it like the Gaming Act was passed through, and fix what is wrong, the lack of an urban plan.

Thank you.

COUNCIL PRESIDENT VERNA: Thank you very much.

(Applause.)

COUNCIL PRESIDENT VERNA: Kindly identify yourself for the record.

MS. JOHNSON: I'm Sharon Johnson, a Center City resident. Moved here about 30 years ago, so I have seen what has happened in Philadelphia since I came here, back in the '70s.

And I just came back from St. Louis, so I'll be very brief.

Went to the arch there. We stayed in an R.V. park; we have a motor home. Stayed in an R.V. park at a casino right across from downtown St. Louis. We went into the city, looked at the arch, and then went to a tourist area that was touted in many of the guides as a good place for restaurants and shops, an entertaining place to go. And we passed empty

storefront after empty storefront. There is one casino on the waterfront, on the eastern side of the Mississippi in Illinois, one on the western side, and a brand-new one that just is built now away from waterfront.

And I talked to one of the guards there at the arch, and he said that the city had put so much money into new shops, restaurants, area shopping malls and that they were not doing at all well. And I attribute it to the casinos. The casinos were full and the city streets were empty.

Thank you

COUNCIL PRESIDENT VERNA: Thank you.

(Applause.)

MS. HANEY: Good evening. I am very happy to be here and, as some of you may remember, this is not my first visit. That shouldn't count in the minutes.

I am Suzanne L. Haney. I am

the founder of the Southwark Historic District, and I am an elected ward leader in Philadelphia, the second ward, Republican.

Much of what you have as my testimony has been given previously. However, I'd like to let you know about the attachments that are in the packets that I'm giving.

1. The testimony summary.

2. Two CDs of some of the historical sights that are in Queen Village and Pennsport.

3. The Preservation Alliance article that was written about the work I did to save the archaeological dig, the bodies that were found on Washington Avenue, because the City gave permission in three hours to the Historical Commission to cover those bodies and not give them an honorable interment. We arranged to have them interred at Laurel Hill Cemetery, with religious services and a military

honor guard.

4. I have for you a very scarce and wonderful map, 1681, of Philadelphia that includes all of the riverfronts, including the submerged islands and also the various water areas that are no longer above the water line in Philadelphia. What is found in those is the first site that was ever given to the U.S. government, which you know about from previous testimony, which is now under water and needs to be protected.

I am also including articles about the O.V. Catto Society and program.

Here is the testimony:

Philadelphia's waterfront is Pennsylvania's and America's history. This is the historic impact of the casinos on the historic waterfront of Philadelphia. You have on CD number one and also in your picture packets number 19 to 25, Old Swedes Church.

Here's the map which someone may want to give around to people.

You will see that south of South Street, in 1681, is the Swedish colony that was part of Weccacoe. Weccacoe, which means "raccoon" in Swedish has never really been archaeologically dug. There has never been adequate historical work done in this area.

(Timer bell rings.)

MS. HANEY: It also includes among our waterfront, of course, the site for William Penn's treaty with the Native-American Indians, which, because of the artifacts, is now getting a lot of excellent coverage.

It also includes the colonial epicenter of our nation's independence. Among the sites within the one-mile radius of the site at Foxwoods is the Independence National Monument; the Shot Tower; the U.S. Federal Navy Yard, which doesn't even

have a historical marker, which is where the U.S. Constitution sailed from throughout the war and where it continued up through the 1800s to work off of the United States coast in Africa as an anti-slaver.

It also includes on CD number 2 and also the pictures that you have for number 2, photograph number 3, 4 and 5, which include a house in the 100 block of Federal Street that has the same green granite fireplace that is in Independence Hall, which was the State Building.

And why does it have the same green granite? Because it was built by the same architect from the same quarry. It was the home of Benedict Arnold's father-in-law, who was Henry Shippen, who was a Supreme Court justice of the United States.

COUNCIL PRESIDENT VERNA: Please start to summarize.

MS. HANEY: Okay. I'm going

very quickly. I'm almost finished.

COUNCIL PRESIDENT VERNA: Thank you.

MS. HANEY: The post 1793 yellow fever cemeteries, not Mickva Israel, but St. Joseph's.

It includes Underground Railway and abolition sites along the water, which, after the Christiana riots, people could no longer be brought from south on the train; they were brought through the Underground Railway along the water and off-loaded.

There are buildings where I have given tours of Underground Railway South Philadelphia, where there is no adequate work that has ever been done, and they include both Pennsport and Queen Village.

The Civil War. You have Union and the Cooper refreshment saloons and hospitals. You have Jefferson Square Park. And you have the foundry where

the first ocean-going vessel in the western hemisphere was located.

All of these CDs and much of this information has been sent to the Mayor, to the Governor, and to the Casino Control Commission.

In conclusion, the Pennsylvania legislature and government gave unlimited power to a poorly-regulated board to destroy, with impunity, not only our community but, most importantly, Philadelphia, Pennsylvania, and our nation's historic legacy and history.

It is unconscionable for City Council and the legislature not to rectify this egregious situation and to restore and protect Philadelphia's patrony of the nation to which we live so close and to save this for future generations.

There is still time. We and all Americans count on you to so do. It is your obligation to our nation.

Thank you.

COUNCIL PRESIDENT VERNA: Thank you.

(Applause.)

COUNCIL PRESIDENT VERNA: Our next witnesses?

MR. McPHERSON: Will the next witnesses please come to the table: Dave Rizzio, Hal Schirmer, John Coachey.

(Witnesses come forward.)

MR. McPHERSON: Ed Gross, Rosanna Chiappetta, Al Brown, Wayne Rachman.

(Witnesses come forward.)

COUNCIL PRESIDENT VERNA: Good evening. Kindly identify yourself for the record.

MR. SCHIRMER: Good afternoon, Madam Chair. My name is Hal Schirmer. I'm an attorney and amateur historian.

I have actually not testified on this aspect before. I was previously before the board a couple

of years ago with regard to public access to the Schuylkill River for the Schuylkill River Trail, with Race Street and Locust Street.

I'm actually coming before the board now also, as I'm the guy who found out and pointed out that there was a British fort under the SugarHouse site. I want to give you a quick background on the Foxwoods site.

At approximately the same time 1777, 1778, when Philadelphia fell to the British, the British came back and reoccupied a place called The Association Battery, which was built by Ben Franklin. It was later know as The Reed Street Battery. The British built a gun battery roughly at this site.

The Americans objected to this, sent six war ships up and started shelling South Philadelphia and trying to knock out the British battery. This site is actually a

Revolutionary War battlefield.

One of the more interesting points is not just the battlefield, but the issue about where is the property line? I remember the Chair had mentioned that riparian rights don't make sense.

The best explanation of riparian rights was probably done by Milton Berle, who once said: "I have great news. They found land on my property in Florida."

When you have a piece of riverfront, you don't own it unless there's actually land there; that's the big problem. We hear about a bulkhead line, a pierhead line. We never hear about a property line because nobody's sure where it is, and it seems that the property line is well far back, meaning that there is no real property there.

What we have are these riparian lands. The riparian lands

are basically the sidewalk of the river. They are public lands.

This has gone back and forth with the Supreme Court and the Commonwealth Court. And actually, when the City of Philadelphia was laying out the Manayunk Canal, it was pointed out that there's a bulkhead. That destroys the natural river bank. You can't get land by adding to it, you can't snip land away from the City of Philadelphia or the State of Pennsylvania. It belongs to the people.

The bigger question is: What should be done with these public lands now that people are actually beginning to realize that they are public lands?

We already have a beautiful promenade along the Schuylkill River, both sides. We have similar rights in this piece of property. Why are we looking at a piece of property which belongs to the public and simply

looking at it as a way of generating income short-term right now by selling it off?

All of these issues deal with leases and licenses because these are not real pieces of property. This is the same way as if you park in front of -- if you have a parking space or if you have a license to put in a lunch cart or if you're one of the little vans parked along 30th Street.

This is a piece of, basically, public property. The river is essentially a public road. And we're talking about allowing people to use public property, public land for private purposes.

And without getting into the whole issue of who owns what, somewhere in this area is the old river bank, somewhere in the area is the portion of land that William Penn dedicated as the top common.

(Timer bell rings.)

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MR. SCHIRMER: These common areas need to be preserved; they're not being preserved. It's something that we need to consider at this point and look at what's happening to the public's land, the land that belongs to not just the citizens of Philadelphia but the citizens of Pennsylvania.

Thank you.

COUNCIL PRESIDENT VERNA: Thank you.

(Applause.)

COUNCIL PRESIDENT VERNA: Please identify yourself for the record.

MS. CHIAPPETTA: Good evening, Honorable Members of City Council. Thank you for the opportunity to testify here.

I am Rosanna Chiappetta, an employee of a financial institution with a significant presence in the greater Philadelphia region.

I can tell you that one of the

greatest impediments to recruiting and retaining town employees in the City is the overbearing wage tax. Philadelphians are saddled with one of the highest tax burdens in the region, yet most citizens simply don't perceive an acceptable return of quality services for their comparatively high investments.

Mayor Nutter promises to change that perception, and the hopes of countless Philadelphians and I are pinned on him doing so.

There's additional help on the way, and that's from the leadership of Governor Ed Rendell and the Pennsylvania General Assembly. Philadelphia stands to gain hundreds of millions of dollars from casino proceeds to use in reducing our wage tax. If we want these benefits, you must end the delays and move forward with the construction of the Foxwoods Casino in Philadelphia.

Foxwoods Casino is expected to generate over $1 billion in gaming revenues within the first five years of operation, funding wage-tax reductions for all who live and work within the City of Philadelphia.

The City will also reap over $15 billion [sic] annually in host fees, including $5 million that will be directed to benefit the Philadelphia public school system.

The entire project, both directly and indirectly, is expected to create substantial jobs here in Philadelphia and in the State of Pennsylvania.

The benefit of these projects goes beyond the jobs and wage-tax relief that they will create. By adding decent-paying jobs and potentially lowering our unemployment rate, we could see a positive impact on the crime rates here that we experience in Philadelphia.

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As you know, the safest-ranked cities are more likely to have lower unemployment rates. Eight out of the top ten most dangerous cities, largest cities, Philadelphia being the sixth largest in the country, have unemployment rates that were higher than the national average of 5.1 percent in 2005. In 2005, Philadelphia's unemployment level was ranked the fourth-highest in America.

Now, Councilpersons, you can see that there's an article that's published in the Associated Press in 2005 ranking Philadelphia as the fourth-worst dangerous city, and you can find in the article the safest and most dangerous cities.

Philadelphia has historically, since the 1970s, had the highest unemployment rate within a five-county area, including Bucks County, Delaware County, Montgomery County, and Chester County, with the highest crime rate.

(Timer bell rings.)

MS. CHIAPPETTA: I'm going to sum it up for you, Councilpeople.

COUNCIL PRESIDENT VERNA: Thank you.

MS. CHIAPPETTA: Additional tax relief and job creation won't last without the revenue from these casinos, so I urge our elected officials to come together and get these projects started immediately.

If you fail to cut taxes, specifically the wage tax, while maintaining the existing inadequate services, people will continue to move out or our city because they can quickly increase their salary by moving away from the wage tax while enjoying an area with less crime.

Jobs follow people, people follow the jobs. The wage-tax relief and job creation provided by the casinos in Philadelphia will help us on both of these fronts.

Thank you for your time.

COUNCIL PRESIDENT VERNA: Thank you.

(Applause.)

COUNCIL PRESIDENT VERNA: Mr. Brown, good evening.

MR. BROWN: Good evening.

COUNCIL PRESIDENT VERNA: Please identify yourself for the record and proceed with your testimony.

MR. BROWN: Good evening, Council President and Councilman DiCicco. My name is Alfred Brown, and I'm the Vice President of the Point Breeze Community Development Coalition, and I'm here to read a testimony or a letter from the coalition of 40 organizations-plus that support one hundred percent the development of Foxwoods Casino.

I (indiscernible) urge you to support Foxwoods Casino. The casino will enhance the waterfront, making it an inviting place to attend and be an

entertainment vehicle for the Philadelphia community and surrounding areas.

In addition to all of the above, it will financially help and decrease our tax burden through tax paid, create more jobs, and, most importantly, give the City a boost for economic growth.

On a daily basis, we have people leaving Philadelphia to attend casinos in New Jersey, Chester, and Delaware. We would like to end that process and have those revenues come to Philadelphia to support us in Philadelphia.

So overall, what we are asking for is for Council to support Foxwoods, to have the casinos and have those casinos now. We need those jobs. We need it for the better good of the City of Philadelphia, not just the west side or the east side of Broad Street.

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Thank you.

COUNCIL PRESIDENT VERNA: Thank you very much.

(Applause.)

COUNCIL PRESIDENT VERNA: Good evening.

MR. RACHMAN: Good evening, Madam President. My name is Wayne Rachman. I'm the chairperson of the South Philadelphia Block Association, which is on the west side of your district, and I'm also the chairperson of Point Breeze Network Plus, which is umbrella groups of about 60 community organizations, which we meet monthly to discuss certain issues and how we can integrate our services in helping not only just seniors but people who are caught up in the avenue of crime in our community. And also, over the last five years, we've cleaned up over 3,000 lots with partnership with the Pennsylvania Horticultural Society.

I just want to suspend my

previous comments that I have in my mind because what I envision happening right here at this particular moment is a sad state of affairs.

I feel -- most of my life I've been working with the underprivileged here in Philadelphia. I marched with King, I marched with Cecil Moore, I shook President Kennedy's hand when I was a kid, and I was an ex-marine, Vietnam, very proud of this country.

But right now, I feel as though my colleagues over here -- call 'em Foxwoods or whatever -- are -- they're not getting -- they're not really benefiting from a word I keep hearing ringing out in this great auditorium, "democracy."

And I fought most of my life for democracy. I put my life on the line in the United States Marine Corps for democracy. And I don't believe that they are getting their fair share of democracy.

They have formed -- they have came here, submitted every document by triple or double of what their agreement was supposed to have been about. And from the way I've seen things happening here, the opposing group have been very disrespectful. They haven't been respectful to the process that's been presented here.

Now, politically, I've been in politics, as you know, Ms. Verna, for 35 years in the City, ever since I've been about 16 years old. That's the way I see things, that's the way I feel 'em, and I believe it's a matter of unfairness, grossly unfairness.

They've been respectful, they've been quiet, they've been considerate, but they have not truly been given the democracy that they really deserve.

(Timer bell rings.)

MR. RACHMAN: Thank you.

COUNCIL PRESIDENT VERNA:

You're welcome.

That concludes our --

MR. McPHERSON: I have one other name that was added. I'm sorry. Terry Bennett?

(Witness comes forward.)

COUNCIL PRESIDENT VERNA: Good evening. Please identify yourself for the record.

MR. BENNETT: Good afternoon. Terry Bennett. I'm from South Philadelphia. Good day, Madam President Council President and the Councilmembers. I'm Terry Bennett. I was born and raised here in Philadelphia, born and raised right here in Philadelphia, right in the Point Breeze area. I'm also a 20-year casino worker and still work in the casino today.

I'm here today in support of the Foxwoods project. I live -- we need the casinos to come forth. We need them real badly in our community.

I moved back here. I have worked in Atlantic City and Las Vegas, moved back here to Philadelphia. It's very important that we bring these jobs forth here in Philadelphia and get this project up and running.

And I also want to say that Foxwoods, having worked in the industry, is a very good company, a very good company, has a very good reputation in the business, and I'm glad they came here to Philadelphia.

And I would like to see the casinos come here to Philadelphia because it's an industry that is moving, as you all well know, that is moving and growing.

And I don't want to see this pass by this great City of Philadelphia, the one that I've come to love and live in now. I'm a homeowner here. I raised my family, working in the casino.

And somebody -- I listened to

somebody say "low wage paying jobs." I've raised a family, I went back to college, working in a casino and graduated from college. I bought my home, a number of homes, here in Philadelphia, in South Philadelphia. Came out of my pocket from working. And have a large youth group right there in Point Breeze to give back to the community.

So I believe wholeheartedly in the work experience with the casino that can bring, what it can do for a person, and the things that it can do for the City of Philadelphia.

So I urge you to let this project go forth and bring this forth.

Thank you very much.

COUNCIL PRESIDENT VERNA: Thank you, Mr. Bennett.

(Applause.)

COUNCIL PRESIDENT VERNA: Does that conclude our list, Mr. McPherson?

MR. McPHERSON: We have one

other gentleman to speak, but I didn't get his name.

UNIDENTIFIED SPEAKER: Excuse me?

COUNCIL PRESIDENT VERNA: Is there anyone else that would like to testify?

Please approach the witness table.

(Witnesses come forward.)

COUNCIL PRESIDENT VERNA: Good evening.

MR. SANTORA: (Inaudible.)

COUNCIL PRESIDENT VERNA: How are you?

Kindly identify yourself for the record.

MR. SANTORA: Robert Santora, Sr. I'm a lifelong resident, born and raised in South Philly, as the Councilpersons have been.

I've been -- I have been attending the hearings, I've been speaking to people both on -- on both

sides. I'm a businessman in the City, a small developer off and on.

And my concern is, I have walked off development sites because of the groups in the neighborhood: One group wanted it, the other group didn't, and it wasn't worth the aggravation, and we've left.

One was in Mantua, and it cost them a job program and a lot of money that was going to be, you know, pumped into it. My concern is seeing that happen here, one of them.

The other one is, as a small businessman, the debt of the City and the taxes that we need and the burden that it's putting on my level of business is driving a lot of my friends out of the City.

And I really feel that this issue has to be resolved. As I said, I have spoken to people on both sides, and I'm -- I'm speaking in favor of, you know, Foxwoods right now.

And I've heard miscommunications that you would not believe, I mean, just out-and-out lies that it sounds like someone's just thrown in to stir up the pot.

My concern is my city. I live here, I was born and raised here, I'm not leaving here. And when people like me and friends leave the City and take their businesses with you, we pay U&O tax, we pay BPT taxes, we pay the Special Services District taxes, we pay the hidden taxes, the Parking Authority tax and the trash taxes. We get nailed because the City needs the money.

I understand this. I understand that the people that work in City Hall have to get in every dollar that they can.

(Timer bell rings.)

MR. SANTORA: Some of the fines are outrageous, but it has to be done in order for the City to survive. To

drive a tax-making machine out of the City doesn't make sense to me because we need the break, the businessmen need the break in the City. We need some of the burden relieved from our backs.

Thank you.

COUNCIL PRESIDENT VERNA: You're welcome.

(Applause.)

MR. KERLIN: Good evening.

COUNCIL PRESIDENT VERNA: Good evening.

MR. KERLIN: My name's Ed Kerlin. I'm a lifelong resident of Pennsport Civic.

I brought the bullhorn along today basically as a symbol. I think that you can tell, and you've seen over the last two years, that you have a very determined and a very dedicated group of people who are opposing the casino here.

I heard two earlier testifiers mention the word, the adjective

"welcoming." One was in reference to the traffic so that the traffic configuration would be welcoming to the visitors. And someone in the Hotel Association used the word "welcoming" and "hospitality" and "entertainment complex."

And the thought that I would like to convey to you is that if people don't realize now that this group behind us is not giving up -- they have not given up in two years, they're not giving up in another two years.

(Applause.)

MR. KERLIN: I don't think they'll give up in the next ten years.

And what the City should worry about and what the State should worry about and what the public relations professionals should worry about is, we're spending millions of dollars to promote Philadelphia and Pennsylvania as a tourist destination. And when

the likes of Rene Goodwin and Mary Reinhart are out there and people are stuck in traffic and they have this bullhorn screaming in their face, I don't think that does anything at all for our image. I don't think the site of riot police on opening day does anything for the image of our city.

And I think that they are not to blame; they are only fighting to protect what is dear to them. So don't worry about them laying down in front of the bulldozers; worry about them laying down in front of the limousines when Quincy Jones and Ed Snider and Ron Rubin show up, because they'll be there with their kids, with their families for years to come.

Thank you.

COUNCIL PRESIDENT VERNA: You're welcome.

(Applause.)

MR. VALENTINE: My name's Chuck Valentine, a lifelong Philadelphian,

six blocks from one of the casinos. I'm just here to testify that the facts speak for themselves; City Council knows that. Where they're located is no benefit to those neighborhoods nor to the City as a whole.

New York City does not have a casino, nor will they have a casino. Are they smarter than this city or this City Council? No. They're bigger than us.

So is Los Angeles, so is Houston. Do they have casinos? No. Are they smarter than us? No. But they're bigger than us.

Chicago is also bigger than us. Do they have a casino? No. Are they going to have one soon? Yes. The Illinois legislature passed gaming, but guess who owns the license in Chicago? The city owns it. So when it costs too much to for the city taxpayers with that casino in their city, they can choose to close it

down. We can't. You're stuck with it.

So are they smarter than us? No. Are they bigger? Yes. Are they greater? No.

But the point is, City Council is doing the right thing. Continue the fight to re-site 'em; they're no good anyway.

(Applause.)

COUNCIL PRESIDENT VERNA: I believe that concludes our witness list, and this committee will stand in recess until the call of the Chair.

Thank you all very much for your patience.

(Applause.)

(Proceedings end at 6:49 p.m.)

* * *

C E R T I F I C A T E

I HEREBY CERTIFY that the proceedings of the City of Philadelphia Council Committee on Rules are contained fully and accurately in the stenographic notes taken by me on Wednesday, April 30, 2008, and that this is a true and correct statement of same.

_____

JOSEPHINE CARDILLO
Registered Professional Reporter

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