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COUNCIL OF THE CITY OF PHILADELPHIA
COMMITTEE ON RULES

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Room 400, City Hall
Philadelphia, Pennsylvania
Wednesday, February 21, 2007, 10:25 a.m.

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Bill 070002 - Held at request of sponsor.

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Bill 070003 - Re zoning designations of area
bounded by Aramingo, railroad right-of-way,
10 Del. Expressway, Luzerne, Almond, Wheatsheaf.

11 Bills 070006, 08, 09, 10, 11, 12 - Gaming-
related legislation.

12

(Full text of all bills attached hereto.)

13

14 COUNCILMEMBERS PRESENT:

15

Anna C. Verna, Chair
Blondell Reynolds-Brown

16

Darrell L. Clarke
William K. Greenlee

17

Frank DiCicco
Jack Kelly

18

James F. Kenney
Donna Reed-Miller

19

Brian J. O'Neill
Daniel J. Savage

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1 2/21/02 RULES - BILL 070002

2 COUNCIL PRESIDENT VERNA: Good
3 morning, everyone. I would ask everyone
4 who is standing to please take a seat,
5 we do have the balcony open for any
6 overflow. Thank you.

7 This is a public hearing of the
8 Committee on Rules. I would ask
9 Mr. McPherson to please read Bill No.
10 070002.

11 MR. MCPHERSON: Bill No.
12 070002, an ordinance to amend the
13 Philadelphia Zoning Maps by changing the
14 zoning designations of certain areas of
15 land located within an area bounded by
16 Orthodox Street, Garden Street, Lefevre
17 Street, Richmond Street, Buckius Street,
18 and the Delaware River.

19 COUNCIL PRESIDENT VERNA: Thank
20 you very much. At the request of the
21 sponsor, this bill is being held.

22 Mr. McPherson will please read
23 Bill No. 070003.

24 MR. MCPHERSON: Bill No.
25 070003, an ordinance to amend the

1 2/21/07 RULES COMMITTEE BILL 070003
2 Philadelphia Zoning Maps by changing the
3 zoning designations of certain areas of
4 land located within an area bounded by
5 Aramingo Avenue, a railroad
6 right-of-way, Delaware Expressway,
7 Luzerne Street, Almond Street, and
8 Wheatsheaf Lane.

9 (Witness comes forward.)

10 COUNCIL PRESIDENT VERNA: Good
11 morning. Please identify yourself for
12 the record and proceed with your
13 testimony.

14 MR. KRAMER: Good morning,
15 Madam President and members of the Rules
16 Committee. My name is William Kramer.
17 I am the Senior Zoning Planner in the
18 Development Planning Division of the
19 Philadelphia City Planning Commission.
20 I am here today to testify on Bill No.
21 070003, which was introduced by
22 Councilmember Krajewski on January 23,
23 2007.

24 Bill No. 070003 rezones a
25 parcel of land bounded by Aramingo

1 2/21/07 RULES COMMITTEE BILL 070003

2 Avenue, a railroad right-of-way, the
3 Delaware Expressway, Luzerne Street,
4 Almond Street, and Wheatsheaf Lane from
5 a zoning designation of G-2, General
6 Industrial, to a zoning designation of
7 ASC, area shopping center.

8 The purpose of this zoning
9 change is to allow for commercial
10 development on this site. This site has
11 been a part of the Tioga Pipe Company
12 for many years, and Tioga Pipe has re
13 located outside of the City and is
14 trying to obtain development for its
15 former operations site.

16 The proposed change is
17 consistent with the existing pattern of
18 land use on Aramingo Avenue, and
19 therefore, this site is not considered
20 as a continued viable industrial site.

21 Accordingly, the Planning
22 Commission, at its meeting on February
23 20, 2007, recommended that Bill 070003
24 be approved.

25 I would be happy to answer any

1 2/21/07 RULES COMMITTEE BILL 070003

2 questions of the committee. Thank you.

3 COUNCIL PRESIDENT Verna: Thank
4 you.

5 Is there presently a shopping
6 center being proposed for this site?
7 And if so, who is the proposed
8 development?

9 MR. KRAMER: No, ma'am, there
10 is no proposal for development at this
11 site at this time. It is a request from
12 the Tioga Pipe Company to change the
13 zoning classification to allow for
14 easier sale of the property. Excuse me.

15 COUNCIL PRESIDENT Verna: Thank
16 you.

17 Are there any questions from
18 members of the committee?

19 (No questions.)

20 COUNCIL PRESIDENT Verna: Do we
21 have anyone else to testify on this
22 bill?

23 (No response.)

24 COUNCIL PRESIDENT Verna:
25 Seeing none, thank you.

1 2/21/07 RULES - PUBLIC MEETING (070003)

2 MR. KRAMER: Thank you.

3 COUNCIL PRESIDENT VERNA: I
4 would suggest that before we hear the
5 other bills on the scheduled list that
6 we go into a public meeting regarding
7 Bill No. 070003.

8 And the Chair recognizes
9 Clarke.

10 COUNCILMAN CLARKE: Thank you,
11 Madam President.

12 Madam President, I move that
13 Bill No. 070003 be reported out of
14 committee with a favorable
15 recommendation and a request for a rules
16 suspension as to allow a reading at the
17 next session of Council.

18 (Motion seconded.)

19 COUNCIL PRESIDENT VERNA: It
20 has been moved and properly seconded
21 that Bill No. 070003 be reported out of
22 committee with a favorable
23 recommendation, and further that the
24 rules of Council be suspended so as to
25 permit first reading at our next Council

1 2/21/07 RULES - PUBLIC MEETING (070003)

2 session.

3 All in favor will say aye.

4 Those opposed?

5 The ayes have it and the motion

6 carries.

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1 2/21/07 RULES - Bills 070006, 08 through 13

2 COUNCIL PRESIDENT VERNA: We
3 will now again go into our public
4 meeting regarding the gaming bills, and
5 I would ask Mr. McPherson to please read
6 the following bills: 070006, 070008,
7 070009, 070010, 070011, 070012, and
8 070013.

9 Bill No. 070006, an ordinance
10 amending Section 14-1605 of the
11 Philadelphia Code entitled "Regulated
12 Uses," by adding "Licensed Gaming
13 Facilities" as a regulated use, all
14 under certain terms and conditions.

15 Bill No. 070008, an ordinance
16 amending Chapter 14-400 of the
17 Philadelphia Code entitled "Commercial
18 Entertainment District," by deleting the
19 provision authorizing the City Planning
20 Commission to approve temporary
21 facilities; by removing licensed gaming
22 facilities and offtrack betting
23 facilities as permitted uses; and by
24 deleting any provision that may
25 undermine the Philadelphia local zoning

1 2/21/07 RULES - Bills 070006, 08 through 13
2 controls; all under certain terms and
3 conditions.

4 Bill No. 070009, an ordinance
5 to amend the Philadelphia Zoning Maps by
6 changing the zoning designations of
7 certain areas of land located within an
8 area bounded by Reed Street, Tasker
9 Street (extended), Christopher Columbus
10 Boulevard, and the Delaware River.

11 Bill No. 070010, an ordinance
12 amending Chapter 14-400 of the
13 Philadelphia Code entitled "Commercial
14 Entertainment Districts," by prohibiting
15 districts within one mile of one
16 another; providing additional
17 restrictions for gross floor area, open
18 area, and waterfront setbacks
19 requirements; and providing for
20 additional signage controls, all under
21 certain terms and conditions.

22 Bill No. 070011, an ordinance
23 amending Section 14-1600 of the
24 Philadelphia Code entitled
25 "Miscellaneous," by adding a new section

1 2/21/07 RULES - Bills 070006, 08 through 13
2 entitled "Prohibition on Licensed Gaming
3 Facilities," prohibiting the erection,
4 construction, alteration, or use of
5 licensed gaming facilities and providing
6 that no variance may be granted from
7 such prohibition, all under certain
8 terms and conditions.

9 Bill No. 070012, an ordinance
10 amending Chapter 14-1400 of the
11 Philadelphia Code, entitled "Commercial
12 Entertainment District," by providing
13 that no ordinance designating a
14 Commercial Entertainment District may be
15 enacted unless a Neighborhood
16 Improvement District has first been
17 created and includes within its service
18 area the proposed Commercial
19 Entertainment District, all under
20 certain terms and conditions.

21 And Bill No. 070013, an
22 ordinance amending Section 14-1605 of
23 the Philadelphia Code, entitled
24 "Regulated Uses," by prohibiting
25 regulated uses within 1,000 feet of any

1 2/21/07 RULES - Bills 070006, 08 through 13
2 Commercial Entertainment District and
3 adding "Payday Lenders" as a regulated
4 use, all under certain terms and
5 conditions.

6 COUNCIL PRESIDENT VERNA: Thank
7 you.

8 I would like the record to
9 reflect that we do have a quorum
10 present. To my extreme left is
11 Councilman Kelly, Councilman Savage, and
12 Councilman Greenlee. To my extreme
13 right is Councilman Kenney and also
14 Councilman Clarke.

15 At this time, the Chair
16 recognizes Councilman DiCicco.

17 COUNCILMAN DICICCO: Thank you,
18 Madam Chair, and good morning.

19 COUNCIL PRESIDENT VERNA: Good
20 morning.

21 COUNCILMAN DICICCO: First I'd
22 like to thank everyone for coming today.
23 It is truly appreciated.

24 Today, Madam President, it's
25 going to be a long day, but I think we

1 2/21/07 RULES - Bills 070006, 08 through 13

2 might actually accomplish something
3 today, and it wouldn't happen without
4 your support.

5 The question is: What are we
6 supporting? What am I trying to do?
7 The intent behind this legislation has
8 been questioned, and I wanted to make
9 myself perfectly clear.

10 When I first introduced this
11 package, one reporter -- excuse me --
12 one reporter called my approach "the
13 spaghetti theory." I didn't take that
14 as an ethnic slur. To that extent, he's
15 right, although it's a bit more thought
16 out than that.

17 This package of legislation
18 includes a Plan A, but it also includes
19 a Plan B and C and D. It attacks the
20 issue of gaming from a lot of different
21 angles, and that's a good thing.

22 We all know that if any of
23 these bills are enacted, the operators
24 are going to challenge these initiatives
25 in court, just like we're challenging

1 2/21/07 RULES - Bills 070006, 08 through 13
2 the Pennsylvania Gaming Commission
3 Board's decision in the court. We may
4 lose some of these challenges, just like
5 we might lose our appeal. So be it,
6 because we might win also.

7 That's the great thing about
8 the courts: You never know what the
9 person in the black robe is going to do,
10 and you always know that there's going
11 to be someone listening, because at
12 least in part, that's why we're so
13 angry.

14 The Gaming Act passed in the
15 middle of the night, the General
16 Assembly voted four times to preempt the
17 City's local zoning controls, and I
18 should note that we finally won that
19 one, and not because of any one
20 legislator, but because of the unity and
21 strength of the people in this room and
22 those who couldn't make it here today.
23 When the board made their the final
24 decision, they did so in the face of
25 logic, despite numerous public comments

1 2/21/07 RULES - Bills 070006, 08 through 13

2 to the contrary to their wards.

3 All in all, this process has
4 been screwed up from the start, and none
5 of us in the City has had a voice. It's
6 time to make sure we get that voice
7 back.

8 And if Harrisburg ignores us,
9 then maybe a judge will force them to
10 listen. That's what this package of
11 legislation is about. That's what plans
12 A through D are, and that's why I hope
13 this committee gives every bill a
14 favorable recommendation and suspends
15 the rules.

16 What are the plans?

17 Plan A is Bill No. 070011. It
18 bans gaming as a use completely, with no
19 option for a variance from the Zoning
20 Board of Adjustments. It directly
21 challenges the State's authority to
22 dictate business and industry in
23 Philadelphia.

24 And I know it will be
25 challenged as an exclusionary zoning,

1 2/21/07 RULES - Bills 070006, 08 through 13

2 and I admit the chances of it holding up
3 in court are slim, but it's time to
4 stand up and be counted.

5 If Plan A fails, however, there
6 is a Plan B; in other words, we won't
7 have all of our eggs in one basket.
8 Plan B is Bill No. 070008.

9 By passing Bill No. 070008, we
10 will delete gaming as a use for the
11 Commercial Entertainment District,
12 better known as a CED. That means we
13 can put the underlying CED controls in
14 place but not allow gaming by right and
15 still require public review and input
16 via the Zoning Board, and it gives
17 people another opportunity to challenge
18 the issuance of the gaming permit in a
19 court of law.

20 Plan C, which is Bill No.
21 070012, should be voted out of committee
22 and held on the Council's calendar for
23 final passage. If Plans A and B fail, I
24 will call this bill for a vote to help
25 guarantee that the near neighbors of

1 2/21/07 RULES - Bills 070006, 08 through 13
2 these facilities have a choice on
3 whether they want them built or not. It
4 sets up a de facto referenda process for
5 those directly impacted by the site.

6 Bill No. 070006 is Plan D and
7 requires that gaming facilities should
8 obtain a zoning certificate from the
9 Zoning Board of Adjustments. The
10 remaining bill should be passed
11 irrespective of our opinion on gaming
12 specifically.

13 Bill No. 070013 provides
14 important controls for the near
15 neighborhoods, if these facilities are
16 ever built, by providing restrictions
17 for regulated uses. I do have an
18 amendment today to that bill that alters
19 the definition of "Pay Day Lending."

20 Bill No. 070010 provides more
21 specific controls and closes loopholes
22 that developers might attempt to use to
23 circumvent the CED's original intent.

24 And finally, Bill No. 070009 is
25 an attempt to block any further attempt

1 2/21/07 RULES - Bills 070006, 08 through 13
2 by Foxwoods to pull zoning permits. It
3 came to our attention that the developer
4 tried to pull permits in January and
5 then intended to file a use variance. I
6 don't think that's appropriate, and the
7 effort continues to show that Foxwoods
8 is less than honorable.

9 That's the package. It may
10 hold up in the courts and it may not,
11 but maybe most important is that this
12 package of legislation finally gives
13 Philadelphians a voice that the General
14 Assembly, the Gaming Board, and the
15 Governor never gave them.

16 That's our job. I'm proud to
17 do it, and I'm happy that we're here
18 having this discussion today.

19 Thank you, Madam President.

20 (Applause.)

21 (Cheers.)

22 COUNCIL PRESIDENT VERA: Thank
23 you, Councilman.

24 I would like the record to
25 reflect that Councilwoman Miller has

1 2/21/07 RULES - Bills 070006, 08 through 13

2 joined the committee.

3 I would ask Mr. McPherson to

4 please call our first witness.

5 MR. MCPHERSON: The first

6 witnesses are Romulo Diaz and Thomas

7 Chapman.

8 (Witnesses come forward.)

9 COUNCIL PRESIDENT VERNA: Good

10 morning.

11 CITY SOLICITOR DIAZ: Good

12 morning.

13 COUNCIL PRESIDENT VERNA:

14 Please identify yourself for the record.

15 Do you have copies of your testimony?

16 CITY SOLICITOR DIAZ: We do,

17 Madam President, and I believe they've

18 been distributed.

19 COUNCIL PRESIDENT VERNA: We

20 don't have them.

21 CITY SOLICITOR DIAZ: I don't

22 know if they have been made available,

23 but we will make sure that the members

24 of the committee get their copies

25 immediately.

1 2/21/07 RULES - Bills 070006, 08 through 13

2 COUNCIL PRESIDENT VERNA: Thank
3 you.

4 You may proceed.

5 CITY SOLICITOR DIAZ: Thank you
6 Madam President.

7 Again, good morning Madam
8 President and members of the committee.
9 I am City Solicitor Romulo Diaz, Jr. I
10 am here to testify on Bill No.'s 070006
11 and 070008 through 070013.

12 I'm accompanied by Thomas
13 Chapman of the Philadelphia City
14 Planning Commission.

15 The introduction of gaming in
16 the Commonwealth and in Philadelphia
17 represents an historic economic
18 development opportunity. The
19 Commonwealth will receive approximately
20 \$1.5 billion annually in gaming taxes
21 and will use that money to reduce
22 property and wage taxes; spur economic
23 development, including expansion of the
24 Pennsylvania Convention Center; and
25 support the State's race-horsing

1 2/21/07 RULES - Bills 070006, 08 through 13
2 industry.

3 In Philadelphia, the
4 development of just the first phase of
5 the two casinos will employ
6 approximately 1,000 construction workers
7 who will earn \$34 million in wages.
8 Once open, the casinos will permanently
9 employ approximately 2,000 workers
10 mostly from Philadelphia, and will spin
11 off economic development that will
12 employ thousands more.

13 And our hospitality industry is
14 excited about the casinos as another
15 visitor attraction and the funding for
16 Convention Center expansion.

17 The City will receive 4 percent
18 of the gross revenue at these casinos as
19 host fees. The first \$5 million each
20 year will go to the Philadelphia School
21 District to enhance the public education
22 of Philadelphia's children. The
23 remaining 20 to \$25 million will be an
24 annual addition to the City's General
25 Fund. In the proposed Five-Year Plan,

1 2/21/07 RULES - Bills 070006, 08 through 13
2 these revenues are projected to begin in
3 fiscal 2009.

4 To be sure, gaming
5 (indiscernible) presents the City with
6 the challenge of balancing communitywide
7 interest with the issues that will face
8 the neighborhoods directly impacted by
9 the two casinos.

10 Notwithstanding the views of
11 some outside Philadelphia, we believe it
12 is appropriate for the City to retain
13 local land use control to assure a
14 proper balance is struck. The City is
15 the expert in this area, as we have
16 demonstrated time and time again, be it
17 the stadium complex development, the
18 Comcast Center, or numerous other local
19 development projects.

20 But we are only able to
21 exercise our authority in a manner that
22 complements rather than thwarts the
23 state statutory scheme.

24 The Pennsylvania Race Horse
25 Development and Gaming Act and the

1 2/21/07 RULES - Bills 070006, 08 through 13
2 regulations promulgated thereunder set
3 forth a comprehensive regulatory
4 framework.

5 Section 1202 of the Gaming Act
6 vests the Gaming Control Board with
7 general and sole regulatory authority
8 over the conduct of gaming or related
9 activities.

10 Section 1304(b)1 of the Gaming
11 Act dictates that two casinos will be
12 licensed in Philadelphia and that each
13 casino will be licensed by the Gaming
14 Control Board.

15 Section 1329 of the Gaming Act
16 further makes clear that casinos cannot
17 be relocated by any entity other than
18 the Gaming Control Board.

19 The decision of where the
20 casinos go is a State decision exercised
21 by the Gaming Control Board. The City's
22 powers in this regard are limited. We
23 must respect the Gaming Control Board's
24 licensing decisions -- decision, or else
25 we will face almost certain defeat in

1 2/21/07 RULES - Bills 070006, 08 through 13
2 the courts and inevitably will lose any
3 local land use control.

4 The Commercial Entertainment
5 District zoning classification created
6 by City Council last year on
7 recommendation of the Philadelphia
8 Gaming Advisory Task Force is a local
9 regulatory framework that I believe is
10 consistent with the comprehensive State
11 scheme.

12 The CED framework will allow
13 casinos and other future major
14 entertainment developments to be
15 undertaken in a responsible manner with
16 reasonable standards and community
17 input.

18 Amendments to the CED
19 classification are any other local land
20 use authority must be structured to
21 avoid conflict with the Commonwealth
22 statutory requirements. To do otherwise
23 would invite unnecessary litigation as
24 well as legal and legislative challenges
25 to land use control.

1 2/21/07 RULES - Bills 070006, 08 through 13

2 Finally, to the extent that
3 such litigation delays the opening of
4 Philadelphia casinos, there could be
5 significant impacts on the revenue
6 projections in the proposed Five-Year
7 Plan. I urge you to consider these
8 potentially serious fiscal implications
9 when considering the changes to the CED
10 framework represented by these bills.

11 This concludes my testimony. I
12 appreciate the opportunity to appear
13 before you today on this important
14 issue, and would be pleased to answer
15 any questions with respect to the
16 specific bills after Mr. Chapman
17 presents the recommendations of the
18 Planning Commission.

19 COUNCIL PRESIDENT VERNA: So,
20 Mr. Diaz, in essence, are you telling
21 the committee that the bills before us
22 are not legal?

23 CITY SOLICITOR DIAZ: I am not
24 saying that, Madam President.

25 What I am trying to suggest is

1 2/21/07 RULES - Bills 070006, 08 through 13

2 that there is a continuum of concerns on
3 my part about the ultimate review of
4 those bills should they be enacted.

5 The bill, for example, that
6 would preempt zoning entirely for gaming
7 in the City of Philadelphia perhaps is
8 at one extreme end of that continuum,
9 and I would have to say that were it
10 enacted by City Council, that my
11 concerns about the practical effects of
12 that bill and my concerns about the
13 authority that has been expressed in
14 legislation adopted by the General
15 Assembly would mean that I would be
16 hard-pressed to argue in support of that
17 particular bill as to its effects, the
18 practical effects.

19 On the other hand, I
20 understand -- and I have shared with
21 Councilmembers previously -- that as
22 City Solicitor, I represent City Council
23 and have a duty of loyalty to City
24 Council to attempt to effectuate its
25 legislative will. I believe that City

1 2/21/07 RULES - Bills 070006, 08 through 13

2 Council's legislative will is deserving
3 of respect and deference by the courts.

4 But in the context of a very
5 comprehensive and complete regulatory
6 framework that has been established by
7 the Commonwealth, it is my opinion with
8 respect to that particular bill -- and I
9 use that only as an example -- that I
10 would have to say in all candor that I
11 would find it highly unlikely that the
12 courts would ultimately determine that
13 such a bill would be legal. That is a
14 court determination.

15 My responsibility, I believe,
16 is to -- is to respect the legislative
17 will, but I also believe that I have a
18 responsibility to be candid and to share
19 with Councilmembers today my concerns
20 about an ultimate decision of the
21 courts.

22 And it is my conclusion that
23 such a bill would be most likely struck
24 down by the courts as preempted by the
25 Commonwealth comprehensive regulatory

1 2/21/07 RULES - Bills 070006, 08 through 13
2 scheme for gaming in the City of
3 Philadelphia.

4 COUNCIL PRESIDENT VERNA: Thank
5 you.

6 The Chair recognizes Councilman
7 Clarke.

8 COUNCILMAN CLARKE: Thank you,
9 Madam President.

10 Good morning, gentlemen.

11 WITNESS PANEL: Good morning.

12 COUNCILMAN CLARKE: Mr. Diaz,
13 your response to the Council President,
14 the assumption is that it's an informal
15 response, and we have not asked for an
16 official Solicitor's ruling; am I
17 correct?

18 CITY SOLICITOR DIAZ: That is
19 correct.

20 COUNCILMAN CLARKE: So is it
21 suggested that we ask for an official
22 Solicitor's ruling on each individual
23 bill that's been before us today?

24 CITY SOLICITOR DIAZ: I -- I'm
25 not attempting -- let me just be very

1 2/21/07 RULES - Bills 070006, 08 through 13
2 direct about this because I know it's an
3 important issue; it's of great concern
4 to members of this Council, and it's
5 certainly of great consequence to the
6 City generally.

7 It is -- this is an area which
8 is -- has been of great interest and
9 ongoing dialogue between myself and my
10 office and members of City Council. And
11 it is in that -- it's in that context
12 that I want to be very careful about not
13 overstepping what I believe is an
14 appropriate bound at this early juncture
15 in connection with the bills.

16 I'm not suggesting that I
17 should be asked for a legal opinion, but
18 if asked, I would certainly provide one
19 to you or other members of Council.

20 But I am very concerned about
21 the practical implications of these
22 bills because it's entirely conceivable
23 at some point down the road -- not on
24 the face of some of these bills, but
25 down the road, as factual determinations

1 2/21/07 RULES - Bills 070006, 08 through 13
2 are made, that an L&I inspector, for
3 example, or an L&I permit official would
4 be put to the question of whether a
5 permit should be issued or not. And
6 it's at that juncture that I believe the
7 facts as they will be known at that
8 time, which I don't have before me
9 today, might very well indicate that a
10 permit could not be issued.

11 In that circumstance where we
12 do not issue a permit and there is an
13 appeal under the Gaming Act to the
14 Pennsylvania Supreme Court, I believe
15 that the court would look at the
16 reasonableness of the -- of the
17 standards that would be implemented by
18 the City of Philadelphia in making that
19 decision and how we would have
20 implemented those standards.

21 And I believe that it would be
22 much, much harder to sustain an appeal
23 on behalf of the City of Philadelphia's
24 authority if we were to be found
25 unreasonable, as I believe we might be

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2 found with regard to a bill that says
3 you may not have a gaming establishment
4 anywhere in the City of Philadelphia.

5 And I look at this from the
6 perspective of the Commercial
7 Entertainment District legislation which
8 was crafted upon the recommendation of
9 the Philadelphia Gaming Advisory Task
10 Force.

11 And it seems to me, from all
12 that I have reviewed as to the state
13 regulatory scheme and that particular
14 legislation, that it is a proper
15 balancing of our interests, it is a
16 reasonable extension of our local land
17 use controls. I believe that it should
18 sustain court review if it were ever
19 challenged.

20 I don't have that same sense of
21 confidence, Councilman Clarke, with
22 respect to some of the other bills
23 before this committee today.

24 COUNCILMAN CLARKE: Did the
25 Pennsylvania legislature or the Gaming

1 2/21/07 RULES - Bills 070006, 08 through 13

2 Reform Commission review the CED that
3 was proposed earlier?

4 CITY SOLICITOR DIAZ: Yes,
5 Councilman Clarke. In fact, the Gaming
6 Advisory Task Force developed a model
7 regulatory bill for local land use
8 controls, and the CED legislation
9 ultimately passed by City Council last
10 year is essentially in conformity with
11 that recommendation.

12 We've reviewed it very closely.
13 We believe that it's a very strong piece
14 of legislation. I believe that
15 ultimately, the court -- that is, the
16 Pennsylvania Supreme Court -- would find
17 it to be reasonable, and that is the
18 process that we have, I believe,
19 previously provided legal opinions to
20 Council on. And we continue to stand by
21 that opinion.

22 COUNCILMAN CLARKE: Did they
23 respond formally, or was it just a
24 review and no response?

25 I mean, I'm not clear on how

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2 that -- I know there was some discussion
3 during the course of the hearings about
4 whether or not this allowed us to
5 circumvent the state preemption, and if
6 we had not done something that the State
7 would have preempted us totally as it
8 relates to rezoning.

9 Was there a formal response
10 from them with respect to that?

11 CITY SOLICITOR DIAZ: No, and
12 let me -- I think I understand your
13 question, Councilman. Let me see if I
14 can respond to it this way.

15 Once the Supreme Court struck
16 down the provision that would have
17 preempted local land use controls at all
18 --

19 COUNCILMAN CLARKE: Right.

20 CITY SOLICITOR DIAZ: -- there
21 were a series of steps taking by the
22 General Assembly, some in the General
23 Assembly, to essentially fix the
24 problems that had been found to exist
25 with that provision by the Pennsylvania

1 2/21/07 RULES - Bills 070006, 08 through 13
2 Supreme Court.

3 Essentially, the Supreme Court
4 said that there was a standard list
5 delegation of legislative authority to
6 the Gaming Control Board in making
7 decisions about which comments or
8 recommendations of local governments it
9 would take into account in making a
10 licensing decision.

11 And once that preemption
12 provision was struck down by the court,
13 there was nothing to take its place
14 short of a new legislative provision
15 that was being considered by the General
16 Assembly.

17 Ultimately, there was no
18 replacement for that preemption, but
19 there is a provision in the Gaming Act
20 which provides that any appeal with
21 respect to local land use issues -- and
22 I can provide you with that particular
23 language, but for the sake of brevity,
24 any appeals taken from local land use
25 decisions is one for which the

1 2/21/07 RULES - Bills 070006, 08 through 13
2 Pennsylvania Supreme Court has original
3 jurisdiction.

4 COUNCILMAN CLARKE: Right.

5 CITY SOLICITOR DIAZ: And
6 appeals will go immediately to the
7 Pennsylvania Supreme Court on any
8 decisions related to those actions.

9 COUNCILMAN CLARKE: Okay.

10 CITY SOLICITOR DIAZ: So there
11 has not been an opinion as such issued
12 by the General Assembly or the Gaming
13 Control Board.

14 But the CED legislation, which
15 originated in recommendations of the
16 Philadelphian Gaming Advisory Task
17 Force, we believed then, and I served as
18 general counsel to that task force, and
19 I believe now that that represents a
20 reasonable balancing of the interests of
21 the State with regard to comprehensive
22 regulation framework for gaming in the
23 Commonwealth and the local interests of
24 Philadelphia and its citizens to ensure
25 that any casinos that are constructed

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2 are done so in a way that respects our
3 local issues without thwarting the state
4 regulatory efforts.

5 COUNCILMAN CLARKE: Okay. One
6 last question, and I know that other
7 members are interested in having
8 questions.

9 Mr. Diaz, I'm assuming that
10 you're going to be asked to give a legal
11 opinion on all of the bills probably.
12 I'm a little concerned -- and I'm --
13 please don't take this as me questioning
14 your credibility and your sincerity in
15 your job -- that the testimony
16 references the possibilities and the
17 opportunities for gaming in the City of
18 Philadelphia.

19 And from my perspective, it
20 would probably have been better if you
21 had not given that portion of the
22 testimony because you are the legal
23 representative of both the Council and
24 the Mayor. And I would have felt a lot
25 more comfortable if you didn't have that

1 2/21/07 RULES - Bills 070006, 08 through 13
2 part of your earlier testimony.

3 (Applause.)

4 COUNCILMAN CLARKE: And, again,
5 I want to emphasize, 'cause I know you
6 quite well, all right? And I know you
7 are an extremely credible person, and in
8 no way, shape, or form am I trying to
9 imply, and I'm hoping no one takes it
10 that I'm trying to imply that you won't
11 do your job in the appropriate way.

12 But when you proceed with the
13 legal opinion, can we base it solely on
14 the legal facts as it relates to this
15 legislation and the state preemption
16 issue, there will be, you know, no
17 reference at all about anything else
18 other than the pure merits of the law.

19 (Applause.)

20 CITY SOLICITOR DIAZ:
21 Councilman, let me respond this way. I
22 think I was very careful in crafting the
23 testimony despite less than 24 hours --
24 substantially less than 24 hours to
25 craft it.

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2 I attempted, and I think I
3 succeeded, in being clear that with
4 regard to the legal issues I had
5 concerns and expressed them with regard
6 to the other issues.

7 They are offered for your --
8 for your consideration. They are not
9 legal factors that I would take into
10 account in connection with the legal
11 opinion as to the efficacy of particular
12 bills.

13 Having said that, I think it
14 would be remiss of me, appearing with
15 Mr. Chapman today with regard to these
16 bills, not to indicate that the revenues
17 that are being projected from these
18 casino operations are not only important
19 to the Commonwealth but also to the City
20 of Philadelphia treasury.

21 And, in fact, it is my belief
22 that as much of the incentive for the
23 comprehensiveness of the state
24 regulatory scheme in order to allow for
25 the revenues generated, for example,

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2 from Act 71, the Gaming Act, to be
3 available to make the programs that are
4 authorized with regard to Act 72 with
5 respect to Commonwealth tax reductions
6 possible.

7 And so I don't want to overlook
8 that fact, but that certainly would not
9 be the basis for a legal conclusion and
10 opinion rendered upon request to this
11 council.

12 COUNCILMAN CLARKE: Okay.

13 Thank you.

14 Thank you, Madam Chair.

15 COUNCIL PRESIDENT VERNA:

16 You're welcome.

17 The Chair recognizes Councilman
18 Greenlee.

19 COUNCILMAN GREENLEE: Thank
20 you, Madam President.

21 Good morning, Mr. Diaz.

22 CITY SOLICITOR DIAZ: Good
23 morning, Councilman.

24 COUNCILMAN GREENLEE: You kind
25 of answered this question in one of

1 2/21/07 RULES - Bills 070006, 08 through 13

2 Councilman Clarke's earlier questions,
3 but I -- just so I'm really clear, in
4 your statement, you say we will face
5 almost certain defeats in the courts and
6 inevitably will lose any land use
7 control.

8 Now, you talked about the
9 Commercial Entertainment District.
10 Could be a little more specific as far
11 as what else you're referring to there
12 that we could lose if this gets to the
13 courts in your opinion?

14 CITY SOLICITOR DIAZ: Well,
15 my -- my -- my concern is not only in
16 connection with how expansive a court
17 might render its decision --

18 COUNCILMAN GREENLEE: Mm-hmm.

19 CITY SOLICITOR DIAZ: -- if
20 there is an appeal taken from a contrary
21 decision on issuing a permit, for
22 example, for a construction.

23 COUNCILMAN GREENLEE: Mm-hmm.

24 CITY SOLICITOR DIAZ: But also,
25 it's to the response that might be

1 2/21/07 RULES - Bills 070006, 08 through 13

2 anticipated from the General Assembly.

3 COUNCILMAN GREENLEE: Mm-hmm.

4 CITY SOLICITOR DIAZ: We know
5 that the effort to prevent the General
6 Assembly from actually adopting as part
7 of revisions to the Gaming Act, but to
8 prevent the adoption of complete
9 preemption of the City of Philadelphia
10 with regard to local land use control
11 was very much a real possibility in the
12 last session of the General Assembly.

13 I think it would be hard to
14 avoid the possibility that that issue
15 would arise again in the context of
16 litigation associated with a denial
17 of -- what I would consider to be an
18 unreasonable denial of permits to gaming
19 operators and licensees in the City of
20 Philadelphia.

21 I've tried to suggest what I
22 think a reasonable basis might be. I
23 think a reasonable basis would be where
24 there is a conflict between the CED
25 legislation, which both licensees have

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2 committed in hearings before the Gaming
3 Control Board and in their expressions
4 to the City Administration to adhering
5 to, I think that a denial of some
6 approval consistent with the CED
7 legislation, I believe the City would
8 have a strong base for having that
9 denial upheld.

10 On the other hand, I believe
11 that a denial which is based upon on an
12 across-the-board prevention of casinos
13 operating in Philadelphia would be one
14 that would be skeptically reviewed and
15 received by the Pennsylvania Supreme
16 Court, and I think would most likely
17 reignite efforts to preempt the City of
18 Philadelphia's rightful responsibility
19 and rightful opportunity to review local
20 land use issues that affect its
21 citizens.

22 COUNCILMAN GREENLEE: Okay. So
23 you weren't just talking about the
24 courts; you were talking about what the
25 legislature might do. That's what I

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2 thought, but I wanted to make sure.

3 Thank you.

4 Thank you, Madam President.

5 COUNCIL PRESIDENT VERNA:

6 You're welcome.

7 Are there any other questions
8 from members of the committee?

9 (No questions.)

10 COUNCIL PRESIDENT VERNA:

11 Mr. Chapman.

12 MR. CHAPMAN: Good morning once
13 again, Madam President and members of
14 the Rules Committee. My name is Thomas
15 Chapman. I'm here today to testify on
16 behalf of the Planning Commission
17 regarding Bills 070006 and 070008
18 through 070013.

19 Before the committee this
20 morning are seven bills introduced by
21 Councilman DiCicco that would amend the
22 Philadelphia Code as it relates to
23 gaming or to the sites where gaming is
24 proposed.

25 In December 2005, we testified

1 2/21/07 RULES - Bills 070006, 08 through 13
2 before this committee in support of
3 adoption of a new zoning classification,
4 the Commercial Term District. Bill No.
5 051028 created a new Chapter 14-1400 in
6 the Philadelphia Zoning Code entitled
7 "Commercial Entertainment District."

8 The creation of this new zoning
9 classification was one of the many
10 recommendations of the Philadelphia
11 Gaming Advisory Task Force. The purpose
12 of this zoning classification is to
13 allow for the orderly development of
14 major entertainment facilities,
15 including licensed gaming facilities, in
16 the City of Philadelphia.

17 While Bill No. 051028 added the
18 provisions of the new district to the
19 Zoning Code, it did not map the district
20 anywhere in the City; that still
21 requires further action by City Council.

22 Since enactment of CED
23 legislation and in accordance with the
24 General Assembly's July 2004 mandate of
25 two casinos in the City of Philadelphia,

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2 the State Gaming Control Board has
3 selected the two licensees who will
4 operate those casinos.

5 The arrival of new businesses
6 that will provide thousands of new jobs
7 could be the most important development
8 in the City in the past 50 years. And
9 accordingly, this city has taken
10 appropriate steps to plan for this
11 industry.

12 We continue to believe that the
13 City must act effectively and
14 responsibly to ensure that the arrival
15 of casinos is managed in a manner that
16 maximizes returns and minimizes impacts
17 on the people of Philadelphia.

18 At this point, I would like to
19 direct my testimony to the specifics of
20 the bills on today's hearing list.

21 Bill 070006 would amend Section
22 14-1605 of the Philadelphia Zoning Code
23 by allowing licensed gaming facilities
24 as a regulated use. The regulated uses
25 section of the Zoning Code places a

1 2/21/07 RULES - Bills 070006, 08 through 13
2 number of restrictions on uses that, by
3 their very nature, have been recognized
4 as having negative impacts on
5 surrounding communities, especially when
6 these uses are concentrated in a.
7 Zoning Board of Adjustments approval is
8 almost always required for establishment
9 of a new regulated use anywhere in the
10 City.

11 We believe that the enactment
12 of Bill No. 070006 is unnecessary for
13 several reasons.

14 The provisions of the
15 Commercial Entertainment District
16 defines licensed gaming facilities and
17 sets forth the rules under such
18 facilities can be established in the
19 City of Philadelphia. Thus, gaming
20 remains a prohibited use and not a
21 regulated use everywhere in the City
22 except on properties zoned CED.

23 Because any CED district
24 development plan will require two
25 ordinances of City Council and review by

1 2/21/07 RULES - Bills 070006, 08 through 13
2 the Planning Commission, we believe that
3 there is sufficient regulation of such
4 uses.

5 The Planning Commission at its
6 meeting of February 20, 2007,
7 recommended that Bill No. 070006 not be
8 approved.

9 Bill No. 070008 would amend the
10 provisions of the Commercial
11 Entertainment District chapter of the
12 Zoning Code by deleting the definition
13 of "licensed gaming facilities" by
14 removing license gaming facilities and
15 offtrack betting as permitted use by
16 deleting provisions authorizing the
17 Planning Commission to improve temporary
18 facilities and by deleting certain other
19 provisions.

20 Removing the definition of
21 "licensed gaming facilities" and
22 removing license gaming facilities and
23 offtrack betting as permitted uses under
24 the provisions of the CED results in a
25 situation where these uses would not be

1 2/21/07 RULES - Bills 070006, 08 through 13
2 permitted as of right anywhere in the
3 City of Philadelphia. The creation of
4 the CED was part of the City's effort to
5 maintain zoning authority regarding the
6 development of the new casinos.

7 While it is true under state
8 law that the City could not, and cannot,
9 choose locations where gaming is
10 permitted, we believe that the
11 provisions of the CED allow for
12 significant and appropriate development
13 controls.

14 The deletion of the paragraph
15 authorizing the Planning Commission to
16 approve temporary facilities is
17 appropriate cleanup, as neither casino
18 plans a temporary facility. We do not
19 believe it is necessary to remove
20 Sections 14-14052 and 3, nor do we
21 believe it's problematic to do so.

22 With these exceptions, the
23 Planning Commission at its meeting of
24 February 20, 2007, recommended that Bill
25 No. 070008 not be approved.

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2 Bill No. 070009 would amend the
3 Philadelphia Zoning Maps by changes the
4 zoning designation of the area bounded
5 by Reed Street, Tasker Street,
6 Christopher Columbus Boulevard, and the
7 Delaware River from the existing C-3
8 Commercial to partly R-10A Residential
9 and partly C-3 Commercial. This
10 property is the site of the proposed
11 Foxwoods Casino.

12 R-10A residential zoning is a
13 classification that is mapped primarily
14 in the older rowhome neighborhoods of
15 the City and permits single-family
16 dwellings on 1440 square-foot lots.
17 This classification does not permit
18 commercial or entertainment uses and is
19 not an appropriate use of this large
20 waterfront parcel.

21 We do, however, believe a
22 zoning change to the CED classification
23 is appropriate, and we expect the
24 Administration shortly to transmit
25 legislation to rezone the site to the

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2 CED zoning classification.

3 The Planning Commission at its
4 meeting of February 20, 2007,
5 recommended that Bill No. 070009 not be
6 approved.

7 Bill No. 070010 would amend the
8 provisions of the Commercial
9 Entertainment District by prohibiting
10 CED districts within one mile of one
11 another by adding additional
12 restrictions on gross floor area, open
13 space, and waterfront setbacks, and by
14 amending signage controls.

15 The establishment of a
16 provision requiring a one-mile
17 separation between parcels designated
18 CED would not impact the sites selected
19 in December by the Gaming Control Board
20 because those sites are separated by
21 more than one mile.

22 However, in drafting the CED
23 legislation, it was anticipated that CED
24 districts could and would be mapped in
25 other locations other than casino sites.

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2 We believe that that amendment would
3 discourage the use of the CED zoning
4 designation beyond the two current
5 gaming sites.

6 In the absence of this
7 amendment, Council would continue to
8 have the option to use or not use the
9 zoning designation as it deems
10 appropriate in the future. We thus do
11 not support this amendment to the
12 district.

13 This bill also proposes to
14 amend Section 14-14065(b).1. This
15 provision of the CED designation allows
16 flexibility where conditions warrant
17 some relief from a setback requirement.

18 This provision remains
19 appropriate because City Council is
20 required to approve in the plan of
21 development -- the plan of development,
22 rather, under the provisions of the CED
23 after receiving a recommendation of the
24 Planning Commission so that any such
25 relief would come under considerable

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2 scrutiny. Accordingly, we did not
3 support this amendment to the district.

4 There are no objections to the
5 amendments proposed for Sections
6 14-14062 and 3 regarding gross floor
7 area and open area.

8 With the exception noted above,
9 the Planning Commission at its meeting
10 of February 20, 2007, recommended that
11 Bill No. 0700010 not be approved.

12 Bill No. 070011 would amend
13 Section 14-1600 of the Philadelphia Code
14 by prohibiting the establishment ment of
15 licensed gaming facilities in the City
16 of Philadelphia and by prohibiting the
17 Zoning Board of Adjustments, except
18 where the denial of a variance would
19 affect an unconstitutional taking, from
20 granting variances from this provision
21 of the Code.

22 We believe that it is already
23 prohibited, except in instances where
24 Council chooses to allow it and rezone a
25 property to the CED zoning designation.

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2 The Planning Commission at its
3 meeting of February 20, 2007,
4 recommended that Bill No. 070011 not be
5 approved.

6 Bill No. 070012 would amend the
7 provisions of the Commercial
8 Entertainment District chapter Zoning
9 Code by providing that no ordinance
10 designating a CED may be enacted unless
11 a Neighborhood Improvement District for
12 that area has first been created.

13 While we understand the need
14 for gaming to properly and completely
15 address the impacts that it will have on
16 the surrounding community, we believe
17 that a conclusion that those impacts can
18 be mitigated only through the enactment
19 of a Neighborhood Improvement District
20 is incorrect.

21 There are several other
22 possible models that may be implemented,
23 and the choice of this model is
24 premature because a Neighborhood
25 Improvement District is not necessarily

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2 the right vehicle to meet the needs of
3 these communities.

4 The Planning Commission at its
5 meeting of February 20, 2007,
6 recommended that Bill No. 070012 not be
7 approved.

8 Bill No. 070013 would amend
9 Section 14-1605 of the Philadelphia Code
10 by adding Pay Day Lenders as a regulated
11 use and by prohibiting regulated uses
12 within a thousand feet of any property
13 zoned Commercial Entertainment District.
14 Similar businesses such as check-cashing
15 establishments and pawn shops have been
16 designated as regulated uses under
17 provisions of the Zoning Code for many
18 years, and we believe that Pay Day
19 Lenders are exactly the type of use that
20 are inappropriate in close proximity to
21 the gaming facilities.

22 However, we believe that the
23 definition of "Pay Day Lenders" is
24 overbroad and will potentially eliminate
25 perfectly legitimate and appropriate

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2 commerce. As such, we have been
3 researching the wording for an
4 appropriate amendment to that
5 definition, and will respond shortly.

6 The Planning Commission at its
7 meeting of February 20, 2007,
8 recommended that Bill No. 070013 be
9 approved provided it is amended to
10 contain a revised definition of "Pay Day
11 Lenders."

12 This concludes my testimony. I
13 appreciate the opportunity to appear
14 before you this morning along with
15 Romulo Diaz to testify on this important
16 issue and would be happy to answer any
17 questions from the committee.

18 COUNCIL PRESIDENT VERNA: Thank
19 you, Mr. Chapman.

20 MR. CHAPMAN: Thank you.

21 COUNCIL PRESIDENT VERNA: Are
22 there any questions from members of the
23 committee?

24 The Chair recognizes Councilman
25 Greenlee.

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2 COUNCILMAN GREENLEE: Good

3 morning, Mr. Chapman.

4 MR. CHAPMAN: Good morning.

5 COUNCILMAN GREENLEE: Just one

6 question.

7 When you discuss Bill No.

8 070012, you say at the end here, "There

9 are several possible models that may be

10 implemented, and the choice of

11 Neighborhood Improvement District is not

12 necessarily the right vehicle."

13 Could you be a little more

14 specific? What else -- I mean, what

15 other possibilities could you have in

16 mind?

17 MR. CHAPMAN: Well, there could

18 simply be a contractual agreement

19 between a community group and gaming

20 interests and also the possibility of a

21 Special Services District.

22 COUNCILMAN GREENLEE: Okay.

23 CITY SOLICITOR DIAZ: May I

24 amplify on that answer?

25 COUNCILMAN GREENLEE: Sure.

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2 CITY SOLICITOR DIAZ: One of
3 the specific areas that the
4 Administration is currently undertaking
5 is the negotiation of what we've called
6 a "developer agreement" with each of the
7 two licensees.

8 And not unlike the priority
9 issues that the Mayor in his letter of
10 last December to the Gaming Control
11 Board identified, there were priority
12 areas for review of the five
13 applications. Those same priority areas
14 include fiscal impacts like public
15 safety issues and neighborhood impacts.
16 Those same priority issues are being
17 used as a framework for the developer
18 negotiations.

19 So we're looking specifically
20 at what kind of community reinvestments
21 are being agreed to by the licensees as
22 we consider the ultimate plans of
23 development that will come before the
24 operating departments, the Planning
25 Commission, and then ultimately before

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2 City Council as part of the CED process.

3 COUNCILMAN GREENLEE: All
4 right. Thank you.

5 Thank you, Madam President.

6 COUNCIL PRESIDENT VERNA:
7 You're welcome.

8 Are there any other questions
9 from members of the committee?

10 The Chair recognizes Councilman
11 DiCicco.

12 COUNCILMAN DICICCO: Just to go
13 back to an earlier question that was
14 raised by my colleague Councilman Clarke
15 to the City Solicitor, it is not unusual
16 that City Council has, in the past,
17 taken a different position than the
18 recommendations of the City Solicitor.

19 I can remember a couple years
20 ago, this Council approved the funding
21 for condominium trash collection. The
22 City Solicitor's opinion was that this
23 council did not have the right to make
24 those decisions. We went to court, and
25 we were successful -- we, meaning

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2 Council. Although the trash is still
3 not being picked up, we did win that
4 battle in court.

5 So I just wanted to point that
6 out to my colleague that it's not
7 (indiscernible) of the Solicitor's
8 opinion that comes down to something
9 that we are definitely bound by it; it
10 is strictly that, an opinion.

11 And I do respect the
12 Solicitor's opinion, and I respect the
13 hard work that he's done on all of these
14 matters.

15 Just to go back to Mr. Chapman,
16 when the Planning Commission made its
17 recommendations on these bills -- and
18 this is unusual. You and I and the
19 Planning Commission have really worked
20 quite a well over the past eleven years.
21 We've worked on some major development
22 in particular in my district.

23 But all of those development
24 schemes had a component in them that is
25 missing in this, and that is that there

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2 was public input. I'm a process guy.

3 (Applause.)

4 (Cheers.)

5 COUNCILMAN DICICCO: I'm a
6 process person. And I believe in that
7 process, although sometimes it takes a
8 little bit more time to get us to where
9 we eventually want to be.

10 But all of these community
11 groups have taken the time out of their
12 lives, their personal lives, with no
13 financial reward, and took the time to
14 work with developers -- small
15 development, large development.

16 Just recently, the folks in
17 Northern Liberties, after six, seven
18 months of negotiations and
19 deliberations, along with the Planning
20 Commission's input, approved the
21 development of a 65-story high-rise
22 development on Delaware Avenue, and no
23 one ever in their wildest dreams would
24 ever believe -- and myself included
25 initially -- that a community group

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2 would have approved and given the green
3 light to such a development.

4 But we did it because the folks
5 who live in that neighborhood had an
6 opportunity to talk about the issues as
7 it related to that development, what the
8 daily impact to their lives would be,
9 and we worked through a process.

10 We are not permitted to do that
11 under the Act 71. And for the City and
12 the Planning Commission, in my opinion,
13 with no disrespect, to take the position
14 that, well, we just have to basically
15 roll over on this one and agree that
16 we're going to lose in court, and
17 therefore, let's not do these bills, I
18 think, is irresponsible for us to do
19 that.

20 (Applause.)

21 (Cheers.)

22 COUNCILMAN DICICCO: And
23 furthermore, in your testimony on Page
24 2 -- and I'll --

25 CITY SOLICITOR DIAZ:

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2 Councilman --

3 COUNCILMAN DICICCO: -- in the
4 second paragraph, the arrival of new
5 businesses that provide thousands of
6 jobs --

7 CITY SOLICITOR DIAZ:

8 Councilman --

9 COUNCILMAN DICICCO: -- could
10 be, could be the most important new
11 development in the City's history in the
12 past 50 years.

13 It could be, but it also could
14 be a disaster. We don't --

15 (Applause.)

16 (Cheers.)

17 COUNCILMAN DICICCO: And I'm a
18 pro-development guy, 'cause there are a
19 lot of people in this room today who,
20 I'm sure, will put the political spin on
21 that I'm anti-development.

22 I've been probably one of the
23 most pro-development people in this
24 council in the last ten years. You
25 know, I authored the ten-year tax

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2 basement that caused the building boom
3 in this city, so I don't -- and I'm
4 proud of that.

5 So I'm not against development;
6 I'm for development. I'm for
7 development if it takes into
8 consideration what the impact to the
9 neighborhoods would be.

10 And when you look at the
11 remarks in this on Page 2, did anyone
12 take a look at what the possible
13 negative impacts to the surrounding
14 businesses would be in the southern end
15 of Columbus Boulevard?

16 (Applause.)

17 (Cheers.)

18 COUNCILMAN DICICCO: Has anyone
19 taken into consideration the 15 to
20 25,000 additional cars that will be
21 driving down that corridor, the Delaware
22 Avenue Columbus Boulevard, on a daily
23 basis?

24 Whether Ikea, whether Home
25 Depot, whether -- and I won't even use

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2 Wal-Mart 'cause they're not union, but
3 the other businesses down there will
4 they be able to survive? Will they be
5 able to compete to get their customers
6 in?

7 There are people who work in
8 those facilities who are primarily
9 Philadelphians who are earning a salary
10 to support their families. Will those
11 facilities eventually have to close up
12 because the customers will not be able
13 to get to them?

14 We don't know that. We don't
15 know that because we have not been
16 permitted to engage in that dialogue.

17 And I will tell you, I will
18 tell you, having represented the folks
19 along that corridor from Whitman all the
20 way up through Port Richmond and beyond:
21 These are not people who are saying --
22 these are not NIMBYs, and I can tell you
23 that for a fact.

24 Yes, sometimes they get a
25 little concerned. Yes, sometimes the

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2 normal -- the initial reaction is,

3 "Well, we don't think we want that."

4 But I will tell you, and I

5 think you would agree, on the eleven

6 years that I have been here and the

7 eleven years that I've been working with

8 these civic associations, we've always

9 come to a compromise to allow for

10 something to be built in everyone's best

11 interests, not in just the interests of

12 casino operators.

13 And that's what we're fighting

14 for today.

15 (Applause.)

16 (Cheers.)

17 CITY SOLICITOR DIAZ:

18 Councilman, if I may respond. I think

19 there were a number of questions, and

20 let me try to respond to them very

21 quickly.

22 Yes, you're right in connection

23 with the condo trash case that, in fact,

24 the ultimate decision was that the --

25 that the legislative will with respect

1 2/21/07 RULES - Bills 070006, 08 through 13
2 to a type of service -- not as to the
3 specifics but as to a class of
4 service -- was one that should be
5 respected.

6 And, in fact, that decision and
7 many of the discussions that I have had
8 and the City Solicitor's Office has had
9 with members of Council informs the
10 way -- the perspective I bring to this
11 issue today.

12 But that, you will recall, was
13 an issue where we had an institutional
14 difference between the executive and
15 administrative branch on the one hand
16 and the legislative branch on the other.
17 We haven't gotten there yet.

18 And so, when I look at these
19 issues about bills being considered
20 where the executive branch hasn't
21 spoken, there hasn't been passage, I'm
22 looking at it from the perspective of
23 what if?

24 And I am attempting to be
25 properly discrete recognizing that we're

1 2/21/07 RULES - Bills 070006, 08 through 13
2 early in this process, and many of the
3 concerns that I would have from a legal
4 perspective could be felt later down the
5 process as part of the practical result
6 of decisions being reached today.

7 But I have tried to be
8 balanced, I've tried to be informed with
9 regard to my perspective today based
10 upon the experience such as the condo
11 trash case, and I think I have done so.

12 Secondly, with respect to
13 community input, we also have to, you
14 know, remind ourselves that this is not
15 the first time that this matter has come
16 before Council or the Administration or
17 the City generally.

18 With regard to the Philadelphia
19 Gaming Advisory Task Force, my
20 recollection is that that was
21 established in 2005. And one of the
22 first efforts that it engaged in was in
23 a -- to schedule and hold a number of
24 community forums throughout all of the
25 districts, Councilmatic districts, and

1 2/21/07 RULES - Bills 070006, 08 through 13
2 in virtually all parts of the City to
3 make sure that there was early
4 opportunities for community views to be
5 heard on five applications before we
6 knew which of the applicants would be
7 successful in receiving a license.

8 You and I have been in meetings
9 specifically --

10 (Jeers.)

11 (Council President Verna bangs
12 gavel.)

13 CITY SOLICITOR DIAZ: You and I
14 specifically have been in meetings with
15 community groups where we have talked
16 about the CED legislation, heard their
17 concerns.

18 And one of the things that
19 we've also, I think, built into the CED
20 process is that this is going to be an
21 opportunity for the public to be heard
22 both in terms of the plan of the
23 development review by the Planning
24 Commission, which is an integral part of
25 that process; and secondly, once a

1 2/21/07 RULES - Bills 070006, 08 through 13
2 decision has been reached and a
3 recommendation made to Council, there
4 will also be an opportunity for Council
5 with respect to its review of the plan
6 of development for the two districts
7 once they're created to also hold public
8 hearings.

9 I have been informed by the
10 Mayor that he intends to begin a series
11 of community engagements in the very
12 near future particularly focused on
13 these two casino locations and the
14 adjacent neighborhoods.

15 So from 2005 until today, there
16 have been numerous opportunities for the
17 community to be heard.

18 Now, I am not trying to justify
19 today --

20 (Jeers.)

21 (Council President Verna bangs
22 gavel.)

23 CITY SOLICITOR DIAZ: I am not
24 trying to justify today --

25 COUNCIL PRESIDENT VERNA:

1 2/21/07 RULES - Bills 070006, 08 through 13

2 Please -- excuse me.

3 Please, let's have respect for
4 each other.

5 Thank you.

6 CITY SOLICITOR DIAZ: Thank
7 you, Madam President.

8 COUNCIL PRESIDENT VERNA:
9 Please proceed.

10 CITY SOLICITOR DIAZ: I'm not
11 trying to justify today the decision of
12 Gaming Control Board. They've stated
13 the reasons for the issuance of the two
14 licenses, and -- and they're the ones
15 who are responsible for supporting that
16 in connection with any potential
17 appeals.

18 But with respect to the City's
19 efforts, I can say that there have been
20 numerous meetings. There will be more
21 scheduled. There will be public
22 hearings in connection with any Planning
23 Commission review of a plan of
24 development for either the Foxwoods or
25 the SugarHouse Casino site.

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2 And there will also be, as part
3 of the CED legislative process, an
4 opportunity for the public to be heard
5 in connection with the City Council's
6 consideration of the plan of development
7 for these two casino sites.

8 So I think it is important that
9 the record reflect that not only is
10 community input important, not only am I
11 trying to argue for the opportunity to
12 continue to have that input by
13 demonstrating that we have a reasonable
14 set of regulations through the CED
15 process applicable to these -- to these
16 two licensees, but I'm sure that we will
17 continue to hear from the community, and
18 that is their right, and I think that
19 should inform the decision-making
20 process with regard to the plan of
21 development review.

22 COUNCILMAN DICICCO: Thank you.
23 And I do appreciate your comments,
24 Mr. Diaz. And the Mayor has indicated
25 to me as well that he wants to have

1 2/21/07 RULES - Bills 070006, 08 through 13
2 communities meetings.

3 The only exception I would take
4 as far as the City's Gaming Task Force,
5 which, I think, did a good job
6 (indiscernible) the fact that the
7 selection committee, site selection
8 committee made no recommendations nor
9 did they disapprove any of the sites.

10 (Applause.)

11 COUNCILMAN DICICCO: That, to
12 me, is (inaudible).

13 Thank you.

14 Thank you, Madam President.

15 COUNCIL PRESIDENT Verna:

16 You're welcome.

17 The Chair recognizes Councilman
18 Clarke.

19 COUNCILMAN CLARKE: Thank you,
20 Madam President.

21 Madam President, I just wanted
22 to make one reference to a response to a
23 reference about my questioning the City
24 Solicitor about a potential opinion to
25 my colleague.

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2 In no way did I mean that if I
3 sought an opinion that I would
4 necessarily pay any attention to it.

5 (Laughter.)

6 COUNCILMAN DICICCO: All right.
7 I was wondering what happened. I
8 thought it was a new Councilman Clarke
9 here.

10 COUNCILMAN CLARKE: Well, I do
11 believe that it is prudent to seek the
12 advice of counsel when you're in a
13 legal -- involved in a legal issue.

14 So while I will seek the
15 personally -- and I'm not sure if other
16 Councilmembers or the Chair will seek
17 that opinion. I'm not saying here today
18 that I will abide by that.

19 COUNCILMAN DICICCO: I
20 understand.

21 COUNCILMAN CLARKE: But I think
22 it's prudent to understand the nature of
23 the legislation, what from the -- our
24 lawyers' perspective is legal and not
25 legal and then proceed appropriately.

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2 COUNCILMAN DICICCO: And by no
3 means did I suggest -- want to suggest
4 or give anyone the thought that you
5 would automatically agree with the
6 Solicitor's opinion. I know that for a
7 fact.

8 COUNCILMAN CLARKE: Thank you.

9 COUNCILMAN DICICCO: Thank you.

10 COUNCIL PRESIDENT VERNA: Are
11 there any other questions from members
12 of the committee?

13 (No further questions.)

14 COUNCIL PRESIDENT VERNA:
15 Gentlemen, thank you.

16 CITY SOLICITOR DIAZ: Thank
17 you.

18 COUNCIL PRESIDENT VERNA: I
19 would ask Mr. McPherson to please call
20 our next witness.

21 MR. MCPHERSON: Steve Szapor.

22 (Witness comes forward.)

23 COUNCIL PRESIDENT VERNA: Good
24 morning. Welcome. Please identify
25 yourself for the record.and proceed with

1 2/21/07 RULES - Bills 070006, 08 through 13

2 your testimony.

3 MR. SZAPOR: My name is Steve
4 Szapor. I'm President of the Innovation
5 Group.

6 The Innovation Group is a
7 private consulting firm, and our role in
8 this process was, we were one of the
9 consultants on the task force, and I'm
10 here today to provide a few comments on
11 our process and our Task Force Report.

12 I think from an overall
13 perspective, the City of Philadelphia
14 has a special opportunity to have two
15 casino entertainment facilities targeted
16 in the City.

17 Our forecasted gaming numbers
18 out of these two facilities are
19 significant. The numbers approximate
20 \$700 million annually on a stabilized
21 basis, which would put the City in the
22 arena of a major gaming destination.

23 In addition, there's a variety
24 of ancillary revenues that go along with
25 that -- hotels revenues, food and

1 2/21/07 RULES - Bills 070006, 08 through 13
2 beverage revenues, and things of that
3 nature.

4 The combination of access,
5 location, and proximity to the City
6 center and the downtown as well as the
7 physical products that are being
8 proposed to be built here should really
9 combine to provide significant economic
10 benefits to the City. And I think
11 outlined in that Task Force Report were
12 four specific economic benefits:

13 The first one is job creation.
14 You know, both direct and indirect jobs
15 will be provided by these type of
16 developments. Overall, the task force
17 estimates that over 7,000 direct and
18 indirect jobs, both through construction
19 as well as ongoing operation, would be
20 created.

21 These are just not jobs that
22 provide minimum wages but also are
23 professional jobs and jobs that people
24 can utilize to develop a career out of.
25 Many people in the gaming industry today

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2 started at the bottom level and worked
3 themselves to be top executives and at
4 top-level positions.

5 The other economic benefit is
6 tax relief to Pennsylvanians. The task
7 force estimated a 13 percent drop in
8 residents' wage taxes alone.

9 The third impact would be
10 economic and tourism development. As
11 you know, a portion of the gaming tax
12 receipts will go towards the
13 Pennsylvania Economic and Tourism Fund,
14 estimated at \$150 million a year. This
15 is a significant amount of dollars, and
16 for Philadelphia, some of these funds
17 will be targeted to help pay for the
18 expansion of the Convention Center and
19 other promotional efforts.

20 These types of efforts are
21 critical to helping the City's tourism
22 and convention business, and will allow
23 Philadelphia to be competitive with
24 other major cities.

25 More and more research on

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2 tourists and travelers show the
3 importance of entertainment and night
4 life in an overall destination
5 experience and in people's decisions to
6 visit a particular location.

7 Philadelphia needs to be able offer a
8 competitive nighttime entertainment
9 experience for conventioners and
10 tourists alike.

11 And then, finally -- not
12 finally, but a fourth economic impact is
13 obviously the host fee that is paid
14 directly to the City. We've heard
15 testimony this morning about what that
16 host fee will be, approximately 20 to
17 \$30 million annually, and the potential
18 uses that it could go for.

19 The facilities being proposed
20 will have the distinct advantage of
21 operating in an environment whereby the
22 local and regional population base has
23 had significant exposure to a variety of
24 gaming alternatives already. This
25 should allow these facilities to ramp up

1 2/21/07 RULES - Bills 070006, 08 through 13

2 quickly and help ensure success.

3 One just needs to look at the
4 database of an Atlantic City casino or a
5 Delaware casino, and it becomes evident
6 that a significant portion of
7 Philadelphia residents and those of
8 surrounding counties have a propensity
9 to game already do so. These folks are
10 gamers that will now have a local
11 option, and it will allow them to keep
12 their expenditures in the State of
13 Pennsylvania.

14 And for once, Pennsylvania can
15 attract residents from the neighboring
16 states of New Jersey and Delaware, for
17 example, that have benefitted from
18 Pennsylvania residents spending their
19 money in those states for almost 30
20 years.

21 The task force also looked at a
22 variety of social impacts. The task
23 force spent considerable time and effort
24 analyzing these potential social impact
25 issues and costs from gaming being put

1 2/21/07 RULES - Bills 070006, 08 through 13
2 into the City. For one, a poll
3 conducted as part of the process noted
4 that the majority of Philadelphians do
5 not believe that gaming will be a
6 detriment to the overall quality of
7 life.

8 While there have been several
9 studies around the country conducted
10 regarding crime, there does not appear
11 to be a statistical link between the
12 introduction of gaming in other big
13 cities and an increase in crime rates.
14 In fact, improving economic conditions
15 that reduce unemployment and improve
16 policing can lead to a decline in some
17 rates.

18 The task force also took a look
19 at problem gaming and pathological
20 gaming, and the task force took a look
21 at varieties of studies that indicate
22 that the real problems affect about 2.9
23 percent of the population.

24 However, casinos today have
25 played an active role in dealing with

1 2/21/07 RULES - Bills 070006, 08 through 13

2 these types of issues. Through a
3 variety of training programs, they've
4 been able to help identify -- help
5 identify and deal with problem gaming.
6 They've implemented policies and
7 procedures to minimize them and are
8 setting aside funds by the State to fund
9 programs.

10 As previously noted, many
11 Philadelphians and the population in the
12 area have already been exposed to gaming
13 for many years, and it is likely that
14 many of the problem in pathological
15 gaming issues have already manifested
16 themselves.

17 In summary, casinos have been
18 in Atlantic City and Delaware for many
19 years and are now coming to
20 Pennsylvania. Their impact from an
21 economic intact perspective is widely
22 known, and evidence in other
23 jurisdictions supporting the positive
24 benefits is overwhelming.

25 Philadelphia should not be left

1 2/21/07 RULES - Bills 070006, 08 through 13
2 out. There is a unique opportunity to
3 bring more people into the City and for
4 them to spend more money and to enjoy
5 themselves.

6 Again, while there has been
7 some concern over potential crime and
8 social costs, I think we have to go back
9 and respond and look at the task force
10 study, which really noted that that
11 impact has not statistically been seen
12 in other jurisdictions.

13 This concludes my remarks in
14 this regard. I appreciate the
15 opportunity to provide them and would be
16 open to answer any questions at this
17 point in time.

18 COUNCIL PRESIDENT VERNA: Thank
19 you very much.

20 The Chair recognizes Councilman
21 Kenney.

22 COUNCILMAN KENNEY: Thank you,
23 Madam President. Excuse my voice.

24 Councilman DiCicco had earlier
25 raised some issues relative to job

1 2/21/07 RULES - Bills 070006, 08 through 13

2 creation and potential job loss.

3 I've heard a lot about job

4 creation. And I'll tell you the truth:

5 I'm conflicted. I'm torn between

6 wanting the revenues that can do so many

7 good things and deal ling with some of

8 the fallout relative to neighborhood

9 environment and also the jobs.

10 In your analysis of the effect

11 of job creation, both the construction

12 industry and permanent jobs, did you

13 also look at the impact of neighborhood

14 businesses -- taverns, restaurants,

15 retail like Ikea and Home Depot, and

16 those other places?

17 But more importantly, have you

18 looked at the impact on trucking --

19 offloading and onloading of cargo

20 ships -- and what impact that would have

21 on the Port of Philadelphia?

22 (Applause.)

23 COUNCILMAN KENNEY: And the

24 reason I raise that is because of my

25 knowledge of the port not only from what

1 2/21/07 RULES - Bills 070006, 08 through 13

2 Frank raised relative to -- Councilman
3 DiCicco raised relative to retail access
4 by vehicle. Do we get to a point,
5 because of the influx of automobiles
6 there, that our trucking is slowed to
7 the point that certain shipping
8 companies may choose other ports because
9 of the delays in accessing the
10 facilities that we have in the southern
11 end of Delaware Avenue?

12 (Applause.)

13 COUNCILMAN KENNEY: And if I
14 gain a job, which may be a good-paying
15 job and has a future, moving up from a
16 person who services slot machines to
17 management, do I also run the risk of
18 losing a job that's paying a sustaining
19 wage to a family in South Philadelphia
20 or in our region?

21 MR. SZAPOR: And I apologize
22 'cause I probably should have prefaced
23 my remarks with the -- with the aspects
24 of the task force that we were involved
25 in.

1 2/21/07 RULES - Bills 070006, 08 through 13

2 And we were involved in the
3 estimating of the gaming revenue
4 potential, and we were involved in
5 evaluating some of the social-impact
6 costs as well as providing some
7 qualitative insight into the pros and
8 cons of locations from the gaming
9 generation perspective.

10 The economic impacts from a job
11 creation and things of that nature were
12 done by a separate consulting firm.

13 COUNCILMAN KENNEY: Now, the
14 separate group, or the separate
15 consultant, did they do this analysis as
16 to what potential impact there may be or
17 may not be relative to congestion that's
18 caused because -- obviously, the casinos
19 want people to come.

20 People are going to come by two
21 methods probably. They're going to come
22 by car or they're going to come by bus,
23 and maybe some people from the
24 neighborhood will walk over.

25 That impact of that congestion,

1 2/21/07 RULES - Bills 070006, 08 through 13
2 while we're trying to figure out how we
3 can mitigate it through ramp
4 construction and all of the other kind
5 of things we're going to do to mitigate
6 to get people directly into the sites,
7 that doesn't happen overnight, and there
8 may be a period of three to five years
9 or more before we have that construction
10 of those ramps and other mitigation
11 factors.

12 I need to know from my own
13 perspective the impact that that time
14 period has on our container traffic, on
15 our truck traffic, and on those jobs
16 that I don't want to trade off on. I
17 mean, is there anything in that report
18 that indicates that?

19 MR. SZAPOR: You know, in the
20 full 375-page report, I'm not sure
21 what's in -- again, what's in that. I
22 can't answer for that other consulting
23 firm. I apologize.

24 COUNCILMAN KENNEY: All right.
25 But it's available for us to at least

1 2/21/07 RULES - Bills 070006, 08 through 13

2 look at?

3 MR. SZAPOR: Yes.

4 COUNCILMAN KENNEY: Okay.

5 MR. SZAPOR: I think they
6 described their methodology and what --
7 and whether they took that into
8 consideration or not.

9 COUNCILMAN KENNEY: Okay, but I
10 -- 'cause I do think, you know, we want
11 to try to do our best by everyone
12 here -- neighbors, residents,
13 businesses, you know, construction
14 industry, new casino workers. We want
15 to try to make everybody as happy as
16 possible.

17 But in order to make that
18 decision, I really got to know -- or we
19 need to know -- what impact in the short
20 term and long term it may have on other
21 important industries in Philadelphia
22 like our movement of cargo.

23 MR. SZAPOR: Okay.

24 COUNCILMAN KENNEY: Thank you.

25 COUNCIL PRESIDENT VERNA: Thank

1 2/21/07 RULES - Bills 070006, 08 through 13

2 you.

3 The Chair recognizes Councilman
4 Savage.

5 COUNCILMAN SAVAGE: Good
6 morning.

7 Could you comment on how much
8 revenue is going to be brought in out of
9 state from tourism and money?

10 MR. SZAPOR: Yeah. And that is
11 in the report.

12 I think the general range is
13 about 50 percent of the gaming revenues
14 were going to be from outside the state.
15 In fact, the report showed that about 67
16 percent of all wagering would be
17 non-Philadelphians.

18 So there is a significant
19 amount of wagering and revenues that
20 will be brought in from outside of the
21 immediate area.

22 COUNCILMAN SAVAGE: Thank you.

23 COUNCIL PRESIDENT VERNA: Thank
24 you.

25 Any other questions from

1 2/21/07 RULES - Bills 070006, 08 through 13
2 members of the committee of this
3 witness?

4 The Chair recognizes
5 Councilwoman Brown.

6 COUNCILWOMAN REYNOLDS-BROWN:
7 Thank you, Madam President.

8 For my own information, tell us
9 a little bit about Innovation Group.
10 And have you provided the kind of
11 insight and evaluation in other
12 municipalities that you just shared with
13 us today for Philadelphia County?

14 MR. SZAPOR: Yes. We're a --
15 we're a private consulting firm. We've
16 been around for -- for over 12 years.
17 We do a variety of work for both gaming
18 operators as well as, you know,
19 government entities.

20 We've worked in situations both
21 here in the U.S., in towns out in
22 California, and we've actually worked
23 for governments, state governments, and,
24 you know, foreign governments in terms
25 of evaluating their aspect of, you know,

1 2/21/07 RULES - Bills 070006, 08 through 13
2 what is the potential gaming revenues
3 and income from -- from gaming from that
4 perspective.

5 COUNCILWOMAN REYNOLDS-BROWN:
6 Ask so your focus is on the benefits or
7 liabilities of the industry separate
8 from community input, community opinion,
9 community participation.

10 MR. SZAPOR: Correct.

11 COUNCILWOMAN REYNOLDS-BROWN:
12 Okay. Thank you for your testimony.

13 Thank you, Madam President.

14 (Applause.)

15 COUNCIL PRESIDENT Verna: The
16 Chair recognizes Councilman DiCicco.

17 COUNCILMAN DICICCO: Thank you,
18 Madam Chair.

19 Good morning.

20 Going back to Councilman
21 Kenney's questions when, the task force
22 looked at the issue of gaming and the
23 possible -- did they look at possible
24 impacts to the port activities and other
25 retail establishments along the corridor

1 2/21/07 RULES - Bills 070006, 08 through 13
2 of Delaware Avenue Columbus Boulevard.

3 MR. SZAPOR: Again, as I
4 mentioned I should have prefaced my
5 comments. There was a separate
6 consulting firm that dealt with those
7 economic impact and those potential
8 impacts.

9 COUNCILMAN DICICCO: Were those
10 recommendations given eventually or
11 turned over to the task force for
12 consideration?

13 MR. SZAPOR: I don't know that
14 answer.

15 COUNCILMAN DICICCO: Do you
16 know anything about the site selection
17 committee of the Gaming Task Force?

18 MR. SZAPOR: Yes.

19 COUNCILMAN DICICCO: Do you
20 know who sat on that task force, and do
21 you know whether or not they made any
22 recommendations for any of the sites?

23 MR. SZAPOR: I believe the
24 input we provided was sort of -- was on
25 the advantages and the challenges of the

1 2/21/07 RULES - Bills 070006, 08 through 13
2 various sites that were considered at
3 that time. Whether they -- whether they
4 took that information and actually made
5 specific recommendations, I'm not sure.

6 COUNCILMAN DICICCO: So to your
7 knowledge, you don't know if they
8 rejected any of the sites either?

9 MR. SZAPOR: That's correct.

10 COUNCILMAN DICICCO: 'Cause
11 it's my understanding that there -- they
12 were silent on the issue.

13 The site selection committee of
14 the Philadelphia Gaming Task Force whose
15 job I thought it was to make
16 recommendations for sites, any of the
17 five sites that were in contention, my
18 understanding is they were silent.
19 There was no recommendation for or no
20 recommendation against.

21 MR. SZAPOR: I believe the
22 report listed each site and the pros and
23 cons of each. I'm not sure they made
24 specific recommendations.

25 COUNCILMAN DICICCO: I will

1 2/21/07 RULES - Bills 070006, 08 through 13

2 take that as they did not make a
3 recommendation either way.

4 I'm wondering why we had a site
5 selection committee in the first place,
6 but thank you.

7 Thank you.

8 (Applause.)

9 COUNCIL PRESIDENT VERNA: Thank
10 you.

11 Any other questions from
12 members of the committee?

13 (No further questions.)

14 COUNCIL PRESIDENT VERNA: Thank
15 you very much, sir.

16 I would also like the record to
17 reflect that the committee has been
18 joined by Councilman O'Neill and
19 Councilwoman Reynolds-Brown.

20 I would ask Mr. McPherson to
21 please call the next witness.

22 MR. MCPHERSON: The next
23 witnesses are SugarHouse representatives
24 Bob Sheldon, Dan Keating, Melanie Shaw,
25 Greg Carlin.

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2 (Witnesses come forward.)

3 COUNCIL PRESIDENT Verna: Good
4 morning.

5 MR. SHELTON: Good morning.

6 COUNCIL PRESIDENT Verna:
7 Please identify yourself for the record
8 and proceed with your testimony.

9 MR. SHELTON: My name is Bob
10 Sheldon and I'm the president of
11 SugarHouse Casino.

12 Council President Verna,
13 Councilman Clarke and the other members
14 of the Rules Committee, good morning.

15 COUNCIL PRESIDENT Verna: Good
16 morning.

17 MR. SHELTON: My name is Bob
18 Sheldon, President the SugarHouse
19 Casino.

20 I have with me: Dan Keating,
21 one of the owners; and Melanie Shaw, who
22 is helping lead our community relations
23 efforts and diversity efforts; as well
24 as Greg Carlin, our chief executive
25 officer.

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2 COUNCIL PRESIDENT VERNA: Good
3 morning.

4 MR. SHELDON: Seated behind us
5 are: Joe Martin, who is our director of
6 procurement; Joanne Weber, in charge of
7 human resources; and Debra Marchesi, who
8 will be our chief financial officer; as
9 well as John Donnelley, our counsel is
10 here as well, and he has a deep
11 background in gaming issues.

12 Thank you very much for
13 allowing us to testify today.

14 I know the specific question
15 before the committee is the package of
16 bills that would change the zoning
17 process for our site and delay the
18 beginning of our construction and our
19 hiring, but I would like to, if I may,
20 take a few moments to step back and
21 explain to you why we picked the site
22 that we did what kind of company we are.

23 We're extremely proud of the
24 fact that our proposal was rated as the
25 best of five city proposals by the State

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2 Gaming Control Board, an entity which
3 has three of its seven members,
4 including its chair, from Philadelphia.

5 We believe we were rated as
6 such because of the totality of our
7 proposal -- our facility, our location,
8 and our team.

9 SugarHouse Casino will be owned
10 and operated by HSP Gaming, a limited
11 partnership. Our ownership and
12 management have developed, managed,
13 built, financed, and designed some of
14 North America's most successful casinos
15 and urban mixed-use projects.

16 Locally, members of our
17 ownership group have developed the Four
18 Seasons Hotel, One and Two Logan Square,
19 the Pennsylvania Convention Center,
20 Lincoln Financial Field, and the Penn's
21 Landing Hyatt. With our local partners,
22 we have deep ties and a firm commitment
23 to the Greater Philadelphia community.

24 Our site, situated on 22 acres
25 along the Delaware River, is currently

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2 neglected and abandoned. It already has
3 a zoning designation that permits our
4 use. Our neighbors are primarily
5 industrial and entertainment, and we
6 will have ample free parking for our
7 employees and customers to keep cars off
8 neighboring residential streets.

9 There is good visibility of our
10 site, both from Interstate 95 as well as
11 the Ben Franklin Bridge. And,
12 importantly, access to our site is good.

13 As you may recall the Mayor's
14 Philadelphia Gaming Advisory Task Force
15 found that the north central Delaware
16 sites where SugarHouse is has excellent
17 highway access, and local street
18 congestion would be minimized.

19 The closest major intersection,
20 the Girard Avenue interchange, is
21 already scheduled to be expanded by the
22 Commonwealth, ensuring that traffic will
23 not flow through surrounding
24 neighborhoods. PennDOT has also
25 developed a plan to minimize congestion

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2 while the interchange is being built.

3 This was important to us because we
4 don't want traffic congestion anymore
5 than our neighbors do because it hurts
6 our business.

7 It's for all of these reasons
8 and many more that we selected the site.

9 As you know, the way the
10 Pennsylvania Gaming Act is written,
11 applicants must control their site when
12 they apply for the license. Our group
13 analyzed more than a dozen sites over a
14 two-year period, including many of the
15 sites examined in the Mayor's Gaming
16 Advisory Task Force Report.

17 We could have selected another
18 site; we selected this one because it
19 has all of the characteristics that will
20 make for a successful business.

21 The strengths of the site are
22 also why, when the State Supreme Court
23 struck down the preemption clause on
24 zoning issues, we were less concerned
25 about that than others because our site

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2 did not have some of the same problems
3 that others did.

4 When fully built out, the
5 SugarHouse Casino will be an exciting
6 \$550 million casino and entertainment
7 project. The first full phase of
8 development will include space for 3,000
9 slot machines, dining, over 3,000 free
10 parking-garage spaces, and a 6,000
11 square foot multi-use events center.
12 Future expansions will include
13 development of a new 500-room hotel,
14 expanded dining options, and a spasm.

15 And for the first time in a
16 generation for residents of Fishtown,
17 the Delaware River will no longer be
18 something they can see but not approach.
19 Our proposal opens the waterfront to our
20 neighbors with a public and accessible
21 riverfront promenade, which will create
22 a peaceful outdoor haven for visitors
23 and locals.

24 In crafting this waterfront
25 promenade, we've listened closely to the

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2 residents of Fishtown, even adjusting
3 our original plans because we heard
4 their desire for great public space
5 along the water.

6 We believe SugarHouse fits
7 perfectly within the City's desire to
8 revitalize the entire waterfront and
9 make it more accessible. In fact, the
10 design was specifically crafted to mesh
11 with that vision.

12 As much as we believe that this
13 project will benefit our company will
14 also benefit our company, we also
15 believe it will benefit our immediate
16 neighborhood and the larger Philadelphia
17 community.

18 According to the Task Force
19 Report, gaming represents a
20 once-in-a-lifetime economic development
21 opportunity for the City.

22 For starters, the development
23 of the two new casinos will have a
24 larger economic impact on the City and
25 its economy than anything in over 50

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2 years. For our project alone, the

3 benefit will be:

4 - 1 to \$1.2 billion in gaming
5 taxes over the first five years of
6 operation, which will fund tax-wage
7 reductions for all who live and work in
8 Philadelphia;

9 - \$17 million in host fees
10 payable to Philadelphia, 5 million of
11 which will go directly to the school
12 system;

13 - 7 to \$8 million annually in
14 additional local taxes;

15 - the expansion of the
16 Convention Center, which will create
17 additional jobs and additional tourism
18 revenues;

19 - and the creation of an
20 estimated 1100 permanent and
21 high-quality jobs at an estimated
22 average compensation of \$40,000,
23 including benefits.

24 We're committed to hiring
25 locally and contracting locally. In the

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2 other gaming properties our majority
3 owners have, they've established an
4 exemplary record of hiring locally and
5 using local companies and contractors
6 and suppliers.

7 When we held jobs forums in
8 Fishtown earlier this year, more than
9 300 people came, so we know there's a
10 desire for jobs among our immediate
11 neighbors.

12 Furthermore, SugarHouse Casino
13 is dedicated to diversity in hiring,
14 procurement, and contracting. As part
15 of our application to the Casino Gaming
16 Control Board, we submitted a detailed
17 diversity plan, which we will be
18 expected to live up to. This is not an
19 empty commitment, as evidenced by the
20 makeup of our senior management team.

21 Other local businesses will
22 benefit from the operations of
23 SugarHouse as well. In addition to the
24 direct jobs SugarHouse creates, we
25 expect it to create an additional 2,000

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2 new retail and hospitality jobs outside
3 the casino and another 2600 other
4 spin-off jobs in the service industries.

5 We're ready to go, and we
6 believe we're on pace to get the project
7 started as early as this fall.

8 Before I close, though, I want
9 to address two factually-false
10 statements that some have been making.

11 The first is the claim that
12 crime will increase in areas surrounding
13 the SugarHouse. According to the
14 Mayor's Task Force Report, crime rates
15 in comparable cities revealed no
16 discernible correlation between casinos
17 and crime. The fact -- in fact, the
18 task force study suggests that crime
19 rates have, for the most part, declined
20 during the period analyzed.

21 (Jeers.)

22 MR. SHELDON: But more to the
23 point, let me make it clear that if
24 there is an increase in crime around our
25 facility, we won't be successful as a

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2 business. We want people to come to
3 SugarHouse, enjoy our restaurants, and
4 play our slots. If people are afraid to
5 do so, we lose business. Its the nature
6 of our business and it is in our
7 interest to make sure crime does not go
8 up.

9 The second factually-false
10 statement I have heard some say is that
11 there was not ample time for the
12 community to comment on our proposal,
13 the implication being that we are trying
14 to run roughshod over our neighbors.

15 I cannot address what other
16 applicants for gaming licenses did, but
17 I can state flatly that for SugarHouse,
18 we meet repeatedly with members of the
19 community and have constantly sought to
20 work with them.

21 In addition to the two days of
22 public forum hosted by the Pennsylvania
23 Gaming Control Board at Drexel
24 University, we held at least ten public
25 meetings, forums, and roundtable

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2 discussions in the community before our
3 license was awarded.

4 We met with leaders of all
5 riverward community groups: The board
6 of the New Kensington Community
7 Development Council, the Board of
8 Fishtown Neighbors, and had multiple
9 meeting with the North Delaware Unity
10 Coalition.

11 we also participated in open
12 meetings in the auditorium of Adaire
13 Elementary, at a Port Richmond Neighbors
14 Association Forum on gaming, and two
15 general membership meetings of the
16 Northern Liberties Neighbors
17 Association.

18 We spoke at a gaming roundtable
19 sponsored by the Fishtown Spirt, and
20 hosted a walking tour of Fishtown.

21 These public meetings were all
22 publicized and well attended and did not
23 include the dozens of private meetings
24 we had with other community leaders or
25 the jobs forum.

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2 There were also community
3 meetings in every Council District as
4 part of the Philadelphia Gaming Advisory
5 Task Force.

6 We continue to be committed to
7 working with our neighbors to strengthen
8 our immediate surrounding areas. It's
9 one of the reasons we've committed a
10 minimum of a million dollars annually to
11 a Special Services District to be
12 controlled at the sole discretion of the
13 community to keep the area clean, well
14 maintained, and safe.

15 In closing, let me state we're
16 ready to begin construction. We're
17 ready to put a thousand people to work,
18 building our facility over the next few
19 months. We're ready to pay tens of
20 millions of dollars in taxable wages
21 over the next year. We're anxious to
22 begin operations that will mean
23 thousands of new jobs and millions of
24 dollars of new tax revenue to the City.

25 These bills would delay all of

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2 that. We believe that they're bad for
3 us and for the entire City of
4 Philadelphia, and I hope you don't
5 support them.

6 Thank you very much.

7 COUNCIL PRESIDENT Verna: Thank
8 you, sir.

9 (Applause.)

10 (Jeers.)

11 COUNCIL PRESIDENT Verna: The
12 Chair recognizes Councilman Kenney.

13 COUNCILMAN KENNEY: Thank you,
14 Madam President.

15 Sir, you had gone through a
16 list of meetings and interfaces that you
17 had with the community over the past
18 number of months. Were you ever at any
19 point in time close to a deal, so to
20 speak, or an arrangement or an agreement
21 with people in that community?

22 UNIDENTIFIED SPEAKER:

23 Councilman, we've actually provided a
24 draft of a community-benefits agreement
25 that --

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2 COUNCILMAN KENNEY: Sir, you
3 have to give your name for the record.

4 MR. CARLIN: I'm sorry. Greg
5 Carlin. I'm the CEO of SugarHouse.

6 We've actually provided a draft
7 of a community-benefits agreement to the
8 North Delaware Avenue Unity Coalition, I
9 believe, over a month ago.

10 COUNCILMAN KENNEY: I'm sorry.
11 What groups does that Unity Coalition
12 represent, if you know?

13 MR. CARLIN: There's eight
14 groups in that group. I -- I don't have
15 all of them off the top of my head.

16 MR. SHELDON: Fishtown,
17 Northern Liberties, Port Richmond.

18 MR. CARLIN: I think New
19 Kensington.

20 MR. SHELDON: New Kensington.

21 MR. CARLIN: Right. And
22 there's others.

23 MR. SHELDON: And I believe
24 there are some others too.

25 COUNCILMAN KENNEY: And how

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2 many people in that coalition were
3 involved in the casting of this
4 potential or had input in this potential
5 benefits agreement?

6 MR. CARLIN: Well, we had
7 several meetings with that group, and I
8 recall at least ten people from each of
9 the -- you know, ten people in
10 attendance that were representing that
11 coalition.

12 COUNCILMAN KENNEY: And they
13 represented the leadership of those
14 organizations, or just members?

15 MR. CARLIN: My understanding
16 is they represented they leadership of
17 those -- those organizations.

18 COUNCILMAN KENNEY: Okay. And
19 please proceed with what happened with
20 them.

21 MR. CARLIN: We provided -- you
22 know, based on discussions we've had, we
23 provided a draft of a community-benefits
24 agreement. You know, we support the
25 concept of special services district

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2 creation.

3 Unfortunately, the -- this
4 group has placed a moratorium on meeting
5 with us, and so they have not responded
6 to our proposal.

7 COUNCILMAN KENNEY: Was there a
8 reason given as to --

9 (Applause.)

10 MR. CARLIN: I -- I really -- I
11 really couldn't -- sir, I really
12 couldn't tell you, sir.

13 You know, we -- you know, we
14 think it's unfortunate, and we really
15 hope the moratorium is lifted soon and
16 that we can continue our dialogue with
17 them.

18 COUNCILMAN KENNEY: Now,
19 certainly, there's a number of people
20 here today who are going to testify, and
21 I'm sure that they will characterize
22 their position as they see it to be.

23 Could you characterize for us
24 your opinion on how close that
25 community-benefits agreement was.

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2 MR. CARLIN: Well, you know,
3 we're certain -- we've negotiated in
4 good faith with the community, and we're
5 certainly committed to providing this
6 money and setting up a Special Services
7 District.

8 I really can't comment on the
9 other side as to what they're --

10 COUNCILMAN KENNEY: No, no, no.
11 I'm not asking you to suppose what they
12 think now.

13 MR. CARLIN: Oh.

14 COUNCILMAN KENNEY: I'm just
15 asking you, in your opinion, did you
16 feel that you were in a position to have
17 the sign-on-the-dotted-line kind of
18 thing?

19 MR. CARLIN: Well, again, we
20 provided the drafting, you know, like in
21 any agreement like this, there's
22 normally negotiations back and forth
23 between the parties, and we just haven't
24 had any response from our -- from what
25 we've submitted.

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2 COUNCILMAN KENNEY: Could you
3 just kind of delineate for us what some
4 of those community benefits draft
5 language is.

6 MR. CARLIN: Well, I think the
7 primary feature was a -- I don't have a
8 copy with me.

9 COUNCILMAN KENNEY: Okay.

10 MR. CARLIN: But I can
11 certainly provide Council with copies of
12 it.

13 COUNCILMAN KENNEY: I would be
14 certainly be interested in seeing that.

15 MR. CARLIN: I would be happy
16 to do that.

17 COUNCILMAN KENNEY: Thank you.

18 MR. CARLIN: Our counsel's
19 here; we'd be happy to do that.

20 But the primary feature was
21 funding of a Special Services District
22 that would, you know, fund at a minimum
23 of a million dollars per year for really
24 the local community to decide, you know,
25 based on elections, you know, how that

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2 money should be spent.

3 COUNCILMAN KENNEY: Right.

4 MR. CARLIN: And that's the

5 major point.

6 COUNCILMAN KENNEY: Is there

7 anything -- I'm sorry. You look like

8 you want to add something.

9 MR. SHELDON: I -- there were

10 other issues about having open

11 communications to -- in advance of job

12 opportunities, working with the local

13 community to direct training

14 opportunities, keeping as much open

15 communication there so they would have

16 knowledge of everything that we were

17 doing as far as opportunities and as

18 well as local businesses.

19 MR. CARLIN: And work jointly

20 on things like traffic mitigation and

21 those kinds of things.

22 UNIDENTIFIED SPEAKER: But just

23 as importantly is that --

24 COUNCILMAN KENNEY: I'm sorry.

25 You have to identify yourself.

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2 MS. SHAW: I'm sorry. Melanie
3 Shaw.

4 An important part of that is
5 that the board of that was going to be
6 controlled by the community with no
7 representation from SugarHouse.

8 COUNCILMAN KENNEY: Okay. Are
9 there -- I don't know whether or not we
10 have on the schedule today anyone
11 testifying on behalf of Foxwoods.

12 COUNCIL PRESIDENT VERNA: Yes.

13 COUNCILMAN KENNEY: We do?

14 COUNCIL PRESIDENT VERNA: We
15 do.

16 COUNCILMAN KENNEY: I would
17 appreciate, when they get to the table,
18 that they also talk about whatever
19 interaction or whatever discussion
20 they've had with the communities
21 surrounding their particular facility.

22 'Cause, again, Councilman
23 DiCicco's worked very diligently through
24 the course of this whole really
25 difficult situation, and it's a

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2 difficult situation for everybody 'cause
3 it's a new thing for you us.

4 And I frankly am very upset
5 with the way in which the legislature --
6 and it's not your fault -- handed us
7 this -- or handed off to us this hot
8 potato, you know, with very little
9 ability on our part to legislate, with
10 the exception of what we're dealing with
11 now, to legislate any of this.

12 I mean, none of us here at this
13 table voted on Act 71. None of us ever
14 voted --

15 (Applause.)

16 COUNCILMAN KENNEY: None of us
17 at this table ever voted to preempt the
18 zoning code. I mean, there were people
19 who were represented in that area that
20 voted against the zoning -- to preempt
21 zoning code at least four times.

22 And I understand and I
23 empathize with my colleague who is now
24 dealing two of these facilities in his
25 district, and I know Councilman Clarke

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2 has his district touching that also.

3 We're doing our best to protect people
4 when the legislature basically just kind
5 of jammed it to us.

6 And despite all of the issues
7 relative to job creation and revenue, we
8 have serious problems that we have to
9 deal with, and we have handcuffs on
10 because of what the legislature has done
11 to us.

12 But --

13 (Applause.)

14 COUNCILMAN KENNEY: And I can
15 only speak to what I have heard, through
16 the Councilman's efforts and through
17 people in the community, that the real
18 problem here was not necessarily your
19 proposal and your activity relative to
20 the neighbors, but Foxwoods was perhaps
21 the worst site and has had the worst
22 problems in dealing with resolving their
23 issues.

24 So I'm -- you know, I'm not
25 suggesting that we split this up, but I

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2 mean, if you guys are -- and we're going
3 to hear from the community, but if you
4 were that close to a benefits agreement
5 with the neighbors, I mean -- and most
6 of the bulk of the complaint comes about
7 as a result of Foxwoods' location and
8 their congestion issues and their impact
9 on the community, I mean I think we
10 really have to seriously look at that.

11 So anybody else who wants to
12 testify when they come up and give their
13 version of what they think this is or
14 what their interaction with you was,
15 certainly I'll accept on good faith
16 their views.

17 But it seems like you've kind
18 of done your homework in dealing with
19 the community, and I mean, we are where
20 we are now, and we'll see how it turns
21 out, but I just wanted to say that.

22 MR. SHELDON: And we have --
23 and despite -- you know, we talked about
24 a lot of other meetings that may have
25 been one-on-one. For instance, we've

1 2/21/07 RULES - Bills 070006, 08 through 13
2 gone out to the Fishtown community,
3 walked door to door, and tried to touch
4 as many people as we can and hear their
5 views and --

6 COUNCILMAN KENNEY: Have you
7 met with other elected officials other
8 than Councilmembers?

9 MR. SHELDON: Uh, yes.

10 MS. SHAW: Yes.

11 MR. SHELDON: Representative
12 O'Brien.

13 COUNCILMAN KENNEY: Okay.
14 Anyone else?

15 MR. CARLIN: And I just
16 wanted -- one other point.

17 I've been listening to some of
18 the comments made earlier. I mean, you
19 know, we -- our original plan we brought
20 to the community back in March of 2006,
21 and there was some -- people had some
22 criticism, and good criticism of our
23 plan, and, you know, we went back to the
24 drawing board and we changed some
25 things.

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2 We made our open space bigger,
3 more accessible to the community. We
4 changed our entrance, bringing it closer
5 to Delaware Avenue. And these were all
6 suggestions we got in community
7 meetings.

8 So I really do think that we --
9 we've tried to address community
10 concerns and work with the community and
11 to be an open listener.

12 COUNCILMAN KENNEY: If you
13 could just indulge me for a second,
14 Council President.

15 I have one issue relative to
16 riparian rights that's -- it's a very
17 kind of a arcane type of legal issues
18 relative to the State's control over
19 riverbed and areas that used to be
20 riverbed. And you have some, I believe,
21 some riparian-rights issues of your own.

22 Could you explain what that is
23 and how that impacts you.

24 MR. CARLIN: Dan, do you want
25 to take that?

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2 MR. KEATING: Councilman, I'm
3 Dan Keating. I'm the chairman of
4 Keating Building Corporation, and we've
5 been involved in this process since day
6 one -- actually, since 2003. And there
7 are lawyers and other qualified people
8 to talk about the legality of riparian
9 rights.

10 But from a practical standpoint
11 as it relates to SugarHouse, it
12 effectively cuts the site in half, so
13 the end result of that from our end
14 would be that our building structure
15 would be higher and thinner.

16 It would take the back portion
17 of the property, the water side, and cut
18 it off from public use, which would be a
19 grave mistake and something I don't
20 think any other developer along the
21 Delaware has encountered.

22 COUNCILMAN KENNEY: Will the
23 lack of acquisition of riparian rights
24 cause some of the amenities and
25 givebacks, so to speak, that you've

1 2/21/07 RULES - Bills 070006, 08 through 13
2 given to the community or at least
3 negotiated, would that change access to
4 the river? Would it change how the --
5 the footprint of the building, obviously
6 you've said the footprint of the
7 building is affected. How does that
8 affect the visual and physical amenities
9 of the property?

10 MR. KEATING: Well, okay. Just
11 add to that, as Bob Sheldon referred
12 earlier, we went through an exhaustive
13 study of 15 different sites. We
14 actually took a casino model and
15 developed it on 11 of those 15 sites.

16 The SugarHouse site was not
17 chosen by accident, it wasn't a marriage
18 of convenience. It's 22 acres of land
19 with two lights at Shackamaxon and
20 Frankford Avenue.

21 If you were to take that 22
22 acres and cut it in half, the part that
23 would be developed is the part closest
24 to Delaware Avenue. The part that would
25 not be developed would be the ten acres

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2 back by the river. Access to that and
3 all of the promenades that have been
4 planned and worked through with the
5 community groups would disappear.

6 COUNCILMAN KENNEY: Okay.

7 MR. KEATING: So it would have
8 a dramatic negative impact.

9 COUNCILMAN KENNEY: All right.

10 Thank you, Madam President.

11 I'm sorry for the time.

12 COUNCIL PRESIDENT VERNA:

13 You're welcome.

14 The Chair recognizes
15 Councilwoman Brown.

16 COUNCILWOMAN REYNOLDS-BROWN:

17 Thank you.

18 Good morning -- good afternoon.

19 PANEL: Good afternoon.

20 COUNCILWOMAN REYNOLDS-BROWN:

21 For the record, could you please speak
22 to the outcome or the summary of where
23 you are with regards to MBE WBE
24 participation? Not knowing where we
25 will end up, what were the discussions

1 2/21/07 RULES - Bills 070006, 08 through 13
2 along the way?

3 MS. SHAW: Councilwoman, let me
4 address that for you.

5 Let me say that first and
6 foremost, this team was the only team,
7 prior to being awarded the notification
8 of license, to offer procurement
9 workshops in the community that reached
10 out to the minority and the women
11 business community as well as the local
12 business community.

13 Our diversity plan speaks
14 specifically to that, and we were cited
15 by the Gaming Commission as having the
16 best diversity plan.

17 We have also, by representation
18 of the gentleman here today, Mr. Martin
19 that will act as our procurement person,
20 diversity will come under him.

21 So from a structural
22 standpoint, we already have figured out
23 where we're going to put diversity and
24 the importance that it will play.
25 That's separate and apart from what will

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2 happen in terms of outreach to diverse
3 communities for jobs as well.

4 COUNCILWOMAN REYNOLDS-BROWN:

5 Mm-hmm.

6 MS. SHAW: We've also worked
7 with a number of community organizations
8 to talk about what type of training can
9 be put in place, the type of financial
10 support we will offer to help facilitate
11 that training, and to do a balance
12 between the local neighborhood and the
13 City of Philadelphia as well.

14 COUNCILWOMAN REYNOLDS-BROWN:

15 Okay, okay.

16 MS. SHAW: I think it's also
17 important to note that when we did the
18 jobs forum, that in addition to the fact
19 that it was over 400 people there, we
20 had families there, where it was a
21 grandmother, a mother and a father and a
22 son or a daughter that were all looking
23 for opportunities. And we have had --
24 continue to have communications from
25 them asking status of where we are in

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2 hiring and when we will start to hire.

3 COUNCILWOMAN REYNOLDS-BROWN:

4 Has there been any assessment in the
5 review of those perspective employees
6 around what percentage came from the
7 immediate community where the prospects
8 of these casinos may be and those who
9 came from outside the community
10 boundaries, whatever they are?

11 MS. SHAW: The zip codes
12 suggest that they come from all over the
13 City.

14 COUNCILWOMAN REYNOLDS-BROWN:
15 Okay.

16 MS. SHAW: But the majority of
17 the attendees at the career forum came
18 from the immediate community, and that
19 was intentional on our part --

20 COUNCILWOMAN REYNOLDS-BROWN:
21 Mm-hmm.

22 MS. SHAW: -- as a good-faith
23 effort to show that, first and foremost,
24 we want to make sure that we reach out
25 to the neighbors to let them know that

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2 we want to be a partner with them.

3 COUNCILWOMAN REYNOLDS-BROWN:

4 Mm-hmm. Now, as much as there is
5 sentiment that we should become more
6 regional in our approach to matters like
7 this, there is sentiment amongst this
8 legislative body that first
9 opportunities should go first to
10 Philadelphia residents.

11 What level of discussion or
12 commitment was spoken to that particular
13 issue?

14 MS. SHAW: We have an
15 overwhelming commitment to Philadelphia
16 first.

17 COUNCILWOMAN REYNOLDS-BROWN:
18 Okay. And so can one define that in
19 terms of numbers or percentage? Is it
20 75 percent Philadelphia --

21 MR. CARLIN: We're actually
22 working on an agreement with the City
23 right now, and those numbers will be
24 addressed in a development agreement.

25 We haven't finalized the

1 2/21/07 RULES - Bills 070006, 08 through 13
2 agreement yet but, you know, we
3 certainly expect to have a high number
4 in there.

5 COUNCILWOMAN REYNOLDS-BROWN:
6 Okay, okay, but -- I'll accept that,
7 although that doesn't completely answer
8 my question.

9 One other question. Uh...

10 MR. CARLIN: Well, I did want
11 to make one other point.

12 I mean, I think -- I really do
13 think that actions speak louder than
14 words. And to date, if you look at the
15 firms that we've hired to do things for
16 SugarHouse -- and there's been a lot of
17 different areas we've needed to hire
18 firms -- we've hired, I think, nine or
19 ten, you know, minority-owned or
20 women-owned businesses, you know, across
21 all facets of our operations.

22 So, you know, we -- to date, I
23 think we --

24 COUNCILWOMAN REYNOLDS-BROWN:
25 From the exec. to the non-skill area.

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2 MR. CARLIN: Correct.

3 MS. SHAW: That's correct.

4 COUNCILWOMAN REYNOLDS-BROWN:

5 Okay, okay.

6 I'm so sorry, Madam President.

7 I had another question that just escaped
8 me.

9 Thank you for your testimony.

10 MR. CARLIN: Thank you.

11 COUNCIL PRESIDENT VERNA: Are
12 there any other questions from members
13 of the committee?

14 COUNCILMAN DICICCO: Madam
15 President? I'm sorry.

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

18 COUNCILMAN DICICCO: I'll yield
19 to the Councilman.

20 COUNCIL PRESIDENT VERNA: Thank
21 you.

22 The Chair recognizes Councilman
23 Clarke.

24 COUNCILMAN CLARKE: Thank you,
25 Madam President.

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2 One quick question just for
3 clarity purposes. The million dollars
4 that has been offered for the community
5 as a part of the community-benefits
6 agreement, is it understood that that
7 million dollars will not have to pay for
8 police and traffic support that is
9 traditionally the responsibility of the
10 government?

11 MR. CARLIN: Correct. Again,
12 this money is for the -- for the
13 community group to decide how it gets
14 spent. There's no strings attached that
15 says, Hey, a certain percentage needs to
16 be spent on police or on traffic.

17 COUNCILMAN CLARKE: All right.

18 MR. CARLIN: It's really the
19 community's decision as to where that
20 money gets spent.

21 COUNCILMAN CLARKE: Okay. And
22 I thought I heard earlier testimony
23 about traffic -- traffic control, and I
24 just wondered if --

25 MR. CARLIN: No, that -- we're

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2 talking about having a dialogue with the
3 community, an ongoing with the community
4 on issues like that.

5 COUNCILMAN CLARKE: That
6 million dollars has no bearing on any
7 ancillary support for the operations and
8 --

9 MR. CARLIN: None at all.

10 MR. SHELDON: No.

11 COUNCILMAN CLARKE: Okay.

12 Thank you.

13 COUNCIL PRESIDENT VERNA: Thank
14 you.

15 The Chair recognizes Councilman
16 DiCicco.

17 COUNCILMAN DICICCO: Thank you,
18 Madam Chair. Good morning.

19 Mr. Sheldon, I do agree with
20 your testimony; SugarHouse has had
21 numerous meetings with the folks in the
22 northern end of my district as well as
23 Councilman Clarke's district.

24 Has there been any change to
25 your plan since the close of the public

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2 comment period in June?

3 MR. CARLIN: You mean our
4 development plans?

5 COUNCILMAN DICICCO: Yes.

6 MR. CARLIN: Well, as I
7 mentioned earlier, we met with -- you
8 know, we met with community groups in
9 March and showed them our original
10 plans, and we got a lot of feedback.

11 And subsequent to that, we did
12 make some changes, but, again, we had
13 public hearings before the Gaming Board,
14 where we presented our new plan, and our
15 website has all of our latest plans and
16 pictures for people to review.

17 COUNCILMAN DICICCO: So there
18 may have -- there were some changes that
19 had occurred between, I think it was,
20 June 6th or whatever was the public
21 comment period and this --

22 MR. CARLIN: I -- I --
23 Councilman, I can't recall the exact
24 dates we introduced our new plans, but I
25 can certainly get back to you on that.

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2 COUNCILMAN DICICCO: Okay.

3 Thank you.

4 Thank you, Madam President.

5 COUNCIL PRESIDENT VERNA:

6 You're welcome.

7 Are there any other questions
8 or comments?

9 The Chair recognizes
10 Councilwoman Brown.

11 COUNCILWOMAN REYNOLDS-BROWN:

12 Thank you, Madam President.

13 Additional questions around the
14 board, the community board. Speak to
15 agreements or potential agreements on
16 the composition of that board. And was
17 there discussion given to -- ultimately,
18 you have -- someone has to be there to
19 execute or implement those decisions
20 rendered by the board.

21 Speak to that, if you would.

22 MR. CARLIN: Well, again, it's
23 been our position that, you know, we
24 want to provide this money to the
25 community and let them decide who should

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2 be on the board and how all their plans
3 should be implemented.

4 I mean, we're certainly
5 available to assist and to consult, but
6 we really -- you know, the plans was to
7 really make that the community's
8 responsibility.

9 COUNCILWOMAN REYNOLDS-BROWN:

10 Okay. And then, finally, past
11 experience hopefully always informs how
12 you do things differently going forward.

13 Given SugarHouse's experience
14 in other municipalities, have there
15 been, we'll call this, "opportunities"
16 where you had to figure out a way to
17 keep the community whole while you moved
18 to make the goals of SugarHouse real?

19 MR. CARLIN: Do you want to
20 answer that?

21 COUNCILWOMAN REYNOLDS-BROWN:

22 And if so, how?

23 MR. CARLIN: Well, we
24 operate -- you know, the principals of
25 SugarHouse currently operate in Niagara

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2 Falls, and, you know, I think we have a
3 very good relationship with the
4 community up there, and we've been
5 active, good neighbors and active
6 community members.

7 And, you know, you could
8 certainly check that out for yourself.
9 I -- you know, I stand by our record up
10 there.

11 I'm not quite sure if that
12 answers your question, but...

13 COUNCILWOMAN REYNOLDS-BROWN:
14 Clarity would be helpful. Examples. I
15 mean, "good" means what? Define that
16 for me.

17 MR. CARLIN: Well, you know, we
18 make a lot of contributions to local
19 charities, and, you know, our employees
20 volunteer to do different things in the
21 community, whether it's, you know,
22 cleanup days or that kind of stuff.

23 And, you know, I think the City
24 of Niagara Falls had a positive
25 experience based on -- you know, based

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2 on our -- from our operation up there.

3 COUNCILWOMAN REYNOLDS-BROWN:

4 Okay. Did you want to add,

5 Mr. President, on this question?

6 MR. SHELDON: No. No, thank
7 you.

8 COUNCILWOMAN REYNOLDS-BROWN:

9 Okay.

10 MR. SHELDON: Well, the
11 majority of my experience was in Nevada
12 in Las Vegas and Reno, and those are
13 communities that are really built around
14 the tourism industry.

15 COUNCILWOMAN REYNOLDS-BROWN:
16 Mm-hmm.

17 MR. SHELDON: And so tourism,
18 casinos, hospitality all work closely
19 with the community for -- for -- in any
20 number of ways.

21 So -- but it's always been that
22 way there, so it's not exactly a
23 relative example, I would suppose.

24 COUNCILWOMAN REYNOLDS-BROWN:

25 Okay, then. Thank you all for your

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2 testimony.

3 Thank you, Madam President.

4 COUNCIL PRESIDENT Verna:

5 You're welcome.

6 Any other questions from

7 members of the committee?

8 (No further questions.)

9 COUNCIL PRESIDENT Verna: Thank

10 you very much.

11 MR. Sheldon: Thank you, Madam

12 President.

13 COUNCIL PRESIDENT Verna: Thank

14 you.

15 I would ask Mr. McPherson to

16 call our next witnesses.

17 MR. McPherson: Representatives

18 from Foxwoods: Jeff Rottwitt and

19 William Schwartz.

20 (Witnesses come forward.)

21 COUNCIL PRESIDENT Verna: We're

22 still trying to conduct the hearing, so

23 those of you who are having

24 conversation, may I ask that you do so

25 in the corridor.

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2 Thank you.

3 Good afternoon. Welcome.

4 MR. ROTTWITT: Good afternoon.

5 COUNCIL PRESIDENT VERNA:

6 Please identify yourself for the record
7 and proceed with your testimony.

8 MR. ROTTWITT: Madam President,
9 my name is Jeff Rottwitt. Members of
10 the Rules Committee and Councilman
11 DiCicco, thank you for having us here.

12 We're here to focus on the
13 bills that are before you and not
14 attempt to revisit the issues that were
15 thoroughly addressed by the Gaming
16 Control Board in terms of the award of
17 the license.

18 We also will try to not usurp
19 too much of your time to repeat some of
20 the very thorough and thoughtful
21 testimony that preceded us this morning.

22 I'll turn it over to my partner
23 William Schwartz.

24 MR. SCHWARTZ: May it please
25 the committee, my name is William G.

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2 Schwartz, and I am here with my partner,
3 Jeffrey B. Rottwitt. We represent
4 Philadelphia Entertainment Developer
5 Partners, LP, a successful licensee for
6 a Category II gaming license under the
7 State Gaming Act and owner of 1499 South
8 Christopher Columbus Boulevard.

9 We are here today to offer
10 testimony in opposition to the package
11 of ordinances, except for 070013 before
12 this committee relating to the rezoning
13 of our site at 1499 South Christopher
14 Columbus Boulevard as well as the
15 proposed changes which are detrimental
16 to and which limit and exclude gaming
17 from the Philadelphia Code.

18 This package of anti-gaming
19 measures is clearly an attempt to halt
20 the development of casinos in
21 Philadelphia and, in turn, impede the
22 much-needed creation of jobs as well as
23 wage and property tax relief and
24 increased tax revenues that the advent
25 of gaming to the Commonwealth of

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2 Pennsylvania will bring to the City of
3 Philadelphia.

4 More importantly, these bills
5 have not been subject to proper planning
6 and are poorly thought out, or not
7 thought out at all.

8 Further, most legal scholars
9 would interpret these ordinances as
10 violating State law and violating the
11 Commonwealth of Pennsylvania, as the
12 Pennsylvania Supreme Court has, on
13 numerous occasions, stated that unjustly
14 discriminatory, arbitrary, unreasonable,
15 and confiscatory zoning laws are
16 invalid.

17 Further, the State legislature
18 has made it clear that the Pennsylvania
19 Gaming Control Board has sole and
20 general jurisdiction over the siting of
21 licensed gaming facilities in the
22 Commonwealth.

23 Clearly, the rezoning of what
24 is known as "the Foxwoods Parcel" from a
25 commercial designation, which is in

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2 character with the surrounding retail
3 and commercial properties to a very
4 restrictive --

5 (Jeers.)

6 MR. SCHWARTZ: -- to a very
7 restrictive residential use is void of
8 the careful planning and thought that
9 went into the current Commercial
10 Entertainment District originally
11 planned for this site and which is
12 legally required for all zoning changes.

13 The R-10A zoning designation
14 will keep this site undeveloped and make
15 it, for all intents and purposes,
16 undevelopable.

17 Ordinance No. 070009 along with
18 the other package of bills, if passed,
19 will limit one of the City's most scarce
20 resources, waterfront property, to a
21 zoning classification that will continue
22 to hinder development.

23 The Commercial Entertainment
24 District, which was envisioned for this
25 site, went through extensive planning

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2 and has safeguards to ensure public
3 access to the river. Obviously, a
4 change to R-10A would not guarantee such
5 access, and most likely, such access
6 would be inconceivable in any R-10A
7 development. This would not allow the
8 development of the waterfront as
9 envisioned by the current administration
10 and, I guess, by this Council.

11 In addition to the lack of
12 utility that this zoning classification
13 will provide, it will cost the City
14 millions of dollars in lost tax
15 revenues.

16 Gaming revenues aside --
17 although projected in the millions --
18 limiting this land to single-family
19 homes rather than high revenue-
20 generating commercial projects
21 envisioned under the current commercial
22 zoning -- it's currently zoned C-3 --
23 and soon-to-be-proposed CED zoning will
24 deprive the City of millions of dollars
25 in property, wage, business, privilege,

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2 gross repeats, use and occupancy, and
3 numerous other taxes and benefits.

4 Add to the increased revenues
5 guaranteed by the advent of gaming, and
6 it is clear that this property should be
7 a cash cow for the City's General Fund
8 and allow for Council and the
9 Administration to appropriate additional
10 funds for education, police and fire,
11 and our other city services.

12 In addition to the potential
13 tax revenues, there are also the
14 thousands of permanent jobs and
15 thousands of building trades and
16 construction jobs, which the current two
17 casino developments will generation.

18 This attempt at change in
19 zoning is invalid because it constitutes
20 special legislation as well as spot
21 zoning. The ordinances would seek to
22 make gaming a regulated use subject to
23 the Zoning Board of Adjustment's
24 approval and/or seeks to prohibit gaming
25 entirely or also subject to challenge

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2 that casino use is preempted by the
3 State and would no doubt considered by
4 any court to be a de facto and de jure
5 exclusionary zoning, which the Supreme
6 Court has said violates both the United
7 States Constitution and the Pennsylvania
8 Constitution.

9 If such a decision is found by
10 the courts, then, as you know, gaming
11 would be allowed anywhere in the City.

12 CED was properly crafted
13 through a process to ensure that the
14 City did not usurp State authority on
15 the siting of casinos.

16 The R-10A and the other
17 proposed ordinances, except 070013, are
18 examples of private-interests,
19 shoot-from-the-hip legislation and
20 should be treated as such.

21 We ask that the committee vote
22 to oppose Bill No.'s 0706 [sic] through
23 07012 [sic].

24 Thank you.

25 COUNCIL PRESIDENT VERNA:

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2 You're welcome.

3 The Chair recognizes Councilman
4 Greenlee.

5 COUNCILMAN GREENLEE: Good
6 afternoon, everyone.

7 With all due respect, you made
8 a much different presentation than
9 SugarHouse. You didn't address --
10 are -- have there been any -- and I
11 understand your dispute with the
12 legislation, I understand that.

13 But have there been any
14 attempts or any conversations with the
15 general community down around you? And
16 if so, what have they been?

17 MR. ROTTWITT: Well,
18 Councilman, let me answer that.

19 COUNCILMAN GREENLEE: Mm-hmm.

20 MR. ROTTWITT: We have been
21 very diligent in our attempt to engage
22 in a dialogue. Unfortunately and very
23 regrettably, we have had little success
24 with the --

25 (Applause.)

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2 MR. ROTTWITT: We have met with
3 representatives of the major community
4 groups through the good offices of
5 Councilman DiCicco. We met with a
6 number of them early on. We have had
7 countless living room meetings and
8 coffees with as many people who would
9 meet with us as possible.

10 But the -- as the
11 representatives of SugarHouse said, the
12 major groups have essentially boycotted
13 efforts to have a substantive dialogue.

14 COUNCILMAN GREENLEE: Okay. I
15 think in fairness, I think there was the
16 indication that there was a lot of
17 progress up around the SugarHouse.

18 Was there -- would you define
19 any progress being made with the
20 residents around your site?

21 MR. ROTTWITT: Other than --
22 other than I believe that we had
23 successful living room meetings with
24 those who were in attendance in terms of
25 cutting to the chase and having the bare

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2 bones for a Special Services District,
3 no, we have -- we have really nothing
4 tangible in that regard.

5 We have said publicly to the
6 City and to the Gaming Board that we
7 will follow the paradigm, I think, that
8 was created in South Philadelphia for
9 the Sports District to create a Special
10 Services District.

11 We've had conversations with
12 the City Solicitor's Office about the
13 contours of that, and the Administration
14 has suggested that they may be more
15 interested themselves in defining which
16 groups are represented and how the
17 governance of that district would be
18 finalized.

19 And we are totally supportive
20 of, quite frankly, any outcome that is
21 embraced by the community groups and by
22 the City.

23 COUNCILMAN GREENLEE: Thank
24 you.

25 Just one more question, if I

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2 could. And I know it's a big question
3 whenever your site is brought up.

4 Traffic congestion. What -- I
5 know there are some plans, you know.
6 Could you just briefly kind of describe
7 it?

8 Because I think no matter where
9 you live in the City, when they describe
10 that area, the first thing is the
11 traffic congestion along Columbus
12 Boulevard and all.

13 What remedies have you
14 suggested? What people do you have
15 working on this to try to deal with
16 those kind of -- with the traffic, the
17 general traffic issues?

18 MR. ROTTWITT: Certainly.
19 That's the 800-pound gorilla that we
20 have to address, and we knew that. And
21 we think successfully so.

22 I mean, that's the message,
23 unfortunately, we have not been able to
24 successfully communicate because we have
25 been drowned out by many other voices

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2 that are addressing collateral issues.

3 We retained Orth Rogers, one of
4 the preeminent traffic firms in the
5 region, to analyze the current traffic
6 bottle necks that exist, largely driven
7 by a lot of the big-box retailers on the
8 south end of Columbus Boulevard.

9 And we knew that that was Job
10 One because there was no sense for us
11 looking to invest in Phase I over a half
12 a billion dollars and through three
13 phases approximately a billion dollars
14 if our customers couldn't get to our
15 facility.

16 COUNCILMAN GREENLEE: Mm-hmm.

17 MR. ROTTWITT: So out of pure
18 selfishness, we needed to solve the
19 problem. But, of course, being a good
20 citizen, we needed to address it for the
21 community groups.

22 They have undertaken probably
23 the most exhaustive of any of the five
24 applicants of a traffic analysis far
25 removed from the few intersections that

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2 surround our property and have come up
3 with a series of plans that involve
4 additional left-turn lanes, traffic
5 signalization, some widening that not
6 only addresses the marginal traffic that
7 our project would bring to the site, but
8 also actually, after taking that into
9 account, improves existing traffic flow
10 by 32 percent.

11 So in other words, the
12 situation --

13 (Laughter.)

14 MR. ROTTWITT: If I was a
15 community resident, I would also scoff
16 at that, and we welcome the opportunity
17 to sit down with them.

18 I think that the -- this
19 committee should take some comfort in
20 the fact that the Gaming Board had its
21 own independent traffic consultant that
22 reviewed our plan thoroughly and
23 confirmed and corroborated our
24 conclusion.

25 In addition, the City Streets

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2 Department we worked with through all
3 throughout the course of the calendar
4 year 2006, and the City Streets
5 Department also corroborates our
6 conclusions.

7 We, unfortunately, have been
8 frustrated with not having had the
9 opportunity to present this to people
10 who should be skeptical, who should look
11 at it as whatever we generate might be
12 propaganda.

13 We're happy to be able to have
14 the opportunity to sit down and explain
15 it and show why our conclusions are
16 correct and why they have been verified
17 and corroborated by independent traffic
18 consultants for the Gaming Board.

19 COUNCILMAN GREENLEE: Sir,
20 maybe I misheard you. Did you say a
21 little earlier, when you were describing
22 the traffic, did you call it "marginal
23 traffic"?

24 MR. ROTTWITT: The additional
25 traffic that our project would generate

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2 over the top of the existing traffic.

3 COUNCILMAN GREENLEE: So that's
4 additional more than marginal, right?

5 MR. ROTTWITT: It's just
6 semantics. We're just saying the extra
7 traffic --

8 COUNCILMAN GREENLEE: You're
9 saying your traffic is marginal?

10 MR. ROTTWITT: No, extra, the
11 extra traffic.

12 In other words, when you take
13 into account all of the traffic, which
14 is those -- the traffic that's currently
15 there plus what we would generate, the
16 conditions would improve by 32 percent
17 after our traffic improvements.

18 (Jeers.)

19 COUNCILMAN KENNEY: I'm just --
20 let me just piggyback on that question.

21 How many people do you expect
22 there a day on average?

23 COUNCIL PRESIDENT VERNA:
24 That's the question.

25 MR. ROTTWITT: Well, it depends

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2 upon what phase.

3 COUNCILMAN KENNEY: On your

4 busiest day.

5 MR. ROTTWITT: 15,000.

6 COUNCILMAN KENNEY: And how

7 will they get there?

8 COUNCIL PRESIDENT VERNA:

9 Marginal?

10 COUNCILMAN KENNEY: How will

11 most of the people get there?

12 MR. ROTTWITT: Most will

13 come -- most will come by car.

14 COUNCILMAN KENNEY: How do you

15 characterize that as a marginal increase

16 in traffic?

17 (Applause.)

18 COUNCILMAN KENNEY: They're

19 your words.

20 (Applause.)

21 (Cheers.)

22 MR. ROTTWITT: Councilman --

23 no, councilman, I was not using

24 "marginal" in the sense of suggesting

25 that it was insignificant.

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2 COUNCILMAN KENNEY: Oh.

3 MR. ROTTWITT: "Marginal" was
4 just simply by extra, additional
5 traffic. I'll re --

6 COUNCILMAN KENNEY: Oh, fine.

7 MR. ROTTWITT: Additional
8 traffic.

9 COUNCILMAN KENNEY: Okay.

10 'Cause I mean, obviously --

11 MR. ROTTWITT: I'm sorry.

12 COUNCILMAN KENNEY: -- anyone
13 sitting here --

14 MR. ROTTWITT: I was not trying
15 to be --

16 COUNCILMAN KENNEY: Okay. I
17 understand.

18 MR. ROTTWITT: It was not a
19 subjective label.

20 COUNCILMAN KENNEY: I'm sorry.
21 Thank you.

22 COUNCILMAN GREENLEE: Yeah, I
23 think we all misunderstood that. Okay.

24 The traffic report, have you
25 provided that to either Councilman

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2 DiCicco or anyone? I mean --

3 MR. ROTTWITT: Yes. The City
4 has, it the Gaming Board has it, and
5 we've distributed it actually to the
6 community groups.

7 COUNCILMAN GREENLEE: Okay.
8 Could it be distributed to the
9 committee, also?

10 MR. ROTTWITT: Certainly.

11 COUNCILMAN GREENLEE: Or to the
12 chair for the committee?

13 MR. ROTTWITT: Certainly.

14 COUNCILMAN GREENLEE: Thank
15 you.

16 Thank you, Madam President.

17 COUNCIL PRESIDENT VERNA:
18 You're welcome.

19 The Chair recognizes
20 Councilwoman Miller.

21 COUNCILWOMAN MILLER: Good
22 afternoon.

23 Why did you select this site?
24 How many other sites did you look at?

25 MR. ROTTWITT: Well --

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2 COUNCILWOMAN MILLER: And what
3 made you make your final decision?

4 MR. ROTTWITT: We -- we -- the
5 partnership that owns the site is
6 comprised of a large group of local
7 partners in Foxwoods' development. And
8 Foxwoods' development, they assessed
9 every site in town and probably
10 discussed the opportunities with every
11 landowner.

12 They ultimately decided to pick
13 the local partners in this who had this
14 site before Foxwoods' involvement
15 because of a combination of factors.

16 They -- they feel that with the
17 probability that there would have been a
18 casino on the northern end of the
19 waterfront, that this site presents an
20 historical opportunity for the City, who
21 has labored long and hard to try to get
22 waterfront development, (indiscernible)
23 development along the entire length of
24 the waterfront.

25 They recognized the traffic

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2 issues, but they understood that the
3 local partnership presented unique
4 aspects that no one else did. Forty-two
5 percent of the revenue from this
6 ownership group will go to charity.

7 So as they balanced, as most
8 things in life, Councilwoman, the
9 various pros and cons of the various
10 sites, their view was that this site
11 presented the best alternative.

12 COUNCILWOMAN MILLER: Okay.
13 Because isn't this site near -- you
14 know, I'm not from South Philadelphia,
15 you know, I'm not super-familiar with
16 Delaware Avenue, but isn't this near
17 Washington Avenue?

18 MR. ROTTWITT: It is.

19 COUNCILWOMAN MILLER: Okay, all
20 right. 'Cause I was actually down there
21 one Sunday, looking for Staples, and I
22 really didn't know where it was.

23 So I was going in and out of
24 the various shopping plazas, and it was
25 really a lot of traffic on that Sunday.

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2 So --

3 (Applause.)

4 COUNCILWOMAN MILLER: So just
5 lately is when I really kind of
6 understood exactly where your site was
7 going to be.

8 We -- I've been -- we were
9 dealing in this but further north with
10 the Trump project that was closest to my
11 district, and I hadn't really been
12 paying that much attention to the South
13 Philadelphia waterfront development.

14 However, I just think it's a
15 lot of traffic down there already. I
16 mean, it is heavy traffic.

17 (Applause.)

18 COUNCILWOMAN MILLER: So that's
19 what made me wonder why you chose that
20 site, because it's just so much going on
21 down there.

22 MR. ROTTWITT: We fully
23 acknowledge that the community is
24 enduring very difficult traffic
25 situations as it currently consists --

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2 uh, persists. And right now, there are
3 no plans that I'm aware of to attempt to
4 alleviate that. Essentially, you have
5 the status quo.

6 And we fully understand the
7 apprehension and skepticism that is
8 simply human nature, but we would love
9 to have an opportunity to come to
10 reappear. We can go over the traffic
11 with you so you could see yourself.

12 We believe we are the one
13 solution for the community to address
14 the current traffic predicament that
15 they currently have to endure. We
16 believe that we will create a -- an
17 improvement over the current traffic
18 conditions after you add our traffic
19 in --

20 (Jeers.)

21 MR. ROTTWITT: And we want to
22 be able to show that to you. We will be
23 happy to reappear at such time as you
24 would like to -- to schedule that.

25 COUNCILWOMAN MILLER: Well,

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2 those train tracks that are right near
3 you, they're not operable, are they? I
4 mean, it looks like it's a lot of weeds
5 and whatnot growing up out of that.

6 MR. ROTTWITT: The answer is
7 that they are sparsely used, and there
8 have been discussions about possibly
9 putting in a light-rail system that
10 might alleviate vehicular traffic by
11 providing an opportunity for people
12 throughout the entire waterfront
13 district to travel up and down to the
14 restaurants and to the condominiums that
15 are being built there, without ever
16 having to get in a -- in an automobile.

17 COUNCILWOMAN MILLER: All
18 right. Thank you.

19 Thank you, Madam Chair.

20 COUNCIL PRESIDENT VERNA: Thank
21 you.

22 The Chair recognizes Councilman
23 Kenney.

24 COUNCILMAN KENNEY: Thank you,
25 Madam President.

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2 Councilwoman, I can tell you, I
3 drive that street every day just about.
4 And from the exit ramp at Washington
5 Avenue to now about Oregon -- used to be
6 Snyder, now about Oregon -- is any time
7 of the day, not rush hour, it can be in
8 the middle of the morning or in the
9 middle of the afternoon, you can't move
10 on that street, and --

11 (Applause.)

12 COUNCILMAN KENNEY: And I -- I
13 know many people who have lived there
14 have developed this little trick of when
15 you're in the middle lane between
16 Christian Street and Washington Avenue
17 and the people are turning off onto
18 Christian Street, you got to do that
19 little zigzag to get on the -- it's --
20 it's dangerous and --

21 And the other issue, though, I
22 need to raise is the relationship to
23 your proximity to the commercial Port of
24 Philadelphia. I know that SugarHouse
25 has issues relative to the river, but

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2 they're somewhat back, they're somewhat
3 set back so -- and you guys are kind of
4 up, right up front there.

5 Truck traffic on our -- on
6 Columbus Boulevard, a/k/a Delaware Ave.
7 or /Delaware Avenue is an issue because
8 it does -- it's the major way in which
9 the port is fed its goods for export and
10 for import.

11 That traffic, as it's delayed,
12 costs money. The cost of that money
13 could -- and I think logically may --
14 create a situation where a shipper says,
15 You know what? I can't get in and out
16 of that port anymore. You know, my
17 truck guy's got to sit here --

18 (Applause.)

19 COUNCILMAN KENNEY: My trucking
20 company or my shipping company has to
21 have its, you know, people idling and
22 wasting gas, polluting the neighborhood,
23 polluting the environment, and also
24 creating costs for me to use the Port of
25 Philadelphia.

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2 I mean -- and we have a long
3 and important history of employment
4 there, both with stevedoring and with
5 trucking, and I don't think that that
6 should suffer.

7 Because the problem that I face
8 with all of the studies -- and I don't
9 discount that your -- the studies are
10 being done in good faith, and you want
11 to improve that area too 'cause you want
12 to get your customers in there.

13 I know from dealing with the
14 I-95 ramps from back in -- God, I'm
15 getting old 'cause this is back in 19 --
16 this has got to be 28 years -- 27, 26
17 years ago. It took forever to get
18 things done from PennDOT to mitigate the
19 situation relative to the ramps or 95
20 going through that neighborhood.

21 It's got to be --

22 (Applause.)

23 COUNCILMAN KENNEY: I would
24 estimate that if they started today to
25 appropriate the money to design the

1 2/21/07 RULES - Bills 070006, 08 through 13

2 mitigation ramps and highways things
3 that need to be done, it's got to be a
4 minimal of five years before those
5 things are actually operable.

6 And what do we do in the
7 meantime?

8 Because the traffic issue that
9 I talked to you about relative to the
10 Delaware Avenue artery and its relation
11 to the port, the other problem is that
12 if I'm sitting there, trying to get to
13 Ikea or to Home Depot or to your casino,
14 and I'm sitting there long enough, I'm
15 making a right-hand turn somewhere. And
16 I'm going to get on Front Street or I'm
17 going to get on Second Street or I'm
18 going to get on Moyamensing Avenue --

19 (Applause.)

20 COUNCILMAN KENNEY: -- and I'm
21 going to figure out a way to get where I
22 want to go, but I'm not going to sit and
23 idle in this traffic.

24 And that's the crux of the
25 problem. And not only is it the port

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2 and its commercial aspects, but it's --
3 it's shifting, because of congestion,
4 the traffic west. And west is where
5 people live.

6 And it's -- I mean, that's the
7 problem.

8 (Applause.)

9 (Cheers.)

10 COUNCILMAN KENNEY: So while I
11 -- while I -- and I know your task, as
12 part of the gaming of Act 71, is to get
13 that temporary facility and to get the
14 slots up and running as soon as
15 possible.

16 So we're going to be bringing
17 people to that area because the State
18 wants the revenue, the City wants the
19 revenue, you guys certainly want the
20 revenue, and there's nothing evil about
21 that.

22 But while we're waiting for the
23 mitigation, the concrete to be poured
24 for the ramp that goes directly to your
25 door, I don't know what's going to

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2 happen 'cause it's going to be a
3 nightmare for you and for us.

4 And that's the problem.

5 (Applause.)

6 MR. ROTTWITT: Would you like
7 me to respond?

8 COUNCILMAN KENNEY: Yeah, if
9 you can.

10 MR. ROTTWITT: Yeah. I think
11 you have very ably summarized the
12 challenge that currently exists, and I
13 won't take issue with anything you had
14 to say. In fact, I think you actually,
15 Councilman, make my argument.

16 What I'm saying to you right
17 now is that the shippers who might have
18 a legitimate question about whether it's
19 cost-effective for them to use our ports
20 have that current conundrum today, as we
21 speak. You just said, anytime of the
22 day, you run into the issues there.

23 We believe that we are the only
24 solution. There is no discussion --

25 (Jeers.)

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2 MR. ROTTWITT: And I -- I -- I
3 hear the -- I hear the audience, and I
4 understand, and you should be skeptical.

5 But what I'm saying is, you
6 should want to then hear the rationale
7 and see the money that Foxwoods will be
8 spending out of its pocket to improve
9 the conditions now so that those
10 shippers can get through.

11 COUNCILMAN KENNEY: I'm not
12 discounting your desire or your
13 intention in fixing an existing problem
14 and I have no argument with it.

15 What I have argument with is:
16 What is the impact of the 10 to 15,000
17 or more visitors per day and their
18 automobiles while the problem is being
19 solved?

20 Because you can't just throw
21 down an offramp without taking a lot of
22 time to design it and a lot of time to
23 build it. I mean -- and that's
24 basically --

25 And the other issue as it

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2 relates to any offramp or any other
3 mitigation, do I have to take a couple
4 streets? I mean, on-ramps don't
5 necessarily just appear.

6 (Applause.)

7 COUNCILMAN KENNEY: They
8 need -- they need expanse so that they
9 can move.

10 And what -- I mean, we lost --
11 and I don't want to go over old history,
12 and maybe you know the history of it or
13 maybe you don't.

14 We lost literally thousands of
15 homes from Queen Village through
16 Pennsport through Whitman because some,
17 you know, U.S. Department of
18 Transportation policy at the time gave
19 states tons of money to build highways.

20 And those homes had people
21 living in them and they had to move.
22 And those houses were torn down, and we
23 have a lovely concrete thing that goes
24 right down the middle of our community.

25 And I don't want to be in a

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2 position to have to tell some more
3 people or have the State tell some more
4 people that they got to get out of their
5 houses 'cause we got to build an exit
6 ramp into Foxwoods.

7 (Applause.)

8 MR. ROTTWITT: Again, I
9 couldn't agree more.

10 First off, we're not planning
11 to do a temporary facility, so we would
12 --

13 COUNCILMAN KENNEY: I thought
14 that was required by law.

15 MR. ROTTWITT: No.

16 COUNCILMAN KENNEY: No? I'm
17 sorry. I --

18 MR. ROTTWITT: No.

19 So we recognize the challenges
20 that would be present were we to attempt
21 to be attracting them while the roadwork
22 was underway.

23 We have a couple of years to
24 undertake and complete the roadwork, all
25 of which are changes to the local road

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2 network and not an offramp.

3 Were an offramp to be embraced

4 by PennDOT, it would not involve the

5 condemnation or the loss of one

6 residence.

7 COUNCILMAN KENNEY: Where would

8 it begin the exit from?

9 MR. ROTTWITT: Well, PennDOT is

10 planning -- it's in the --

11 COUNCILMAN KENNEY: Based on

12 PennDOT's last performance last week, I

13 don't know if I necessarily trust them

14 to be designing the ramp that well.

15 (Applause.)

16 COUNCILMAN KENNEY: But that

17 being said --

18 MR. ROTTWITT: Well said. But

19 I think that Rhina Cutler, who used to

20 be a City official, is leading the

21 effort now to begin to look at that --

22 COUNCILMAN KENNEY: Okay.

23 MR. ROTTWITT: -- which is down

24 the road, but I think a cornerstone of

25 that is that not one residence would be

1 2/21/07 RULES - Bills 070006, 08 through 13
2 taken.

3 COUNCILMAN KENNEY: All right.
4 I just wanted to -- and I think you
5 understand the passion that some of us
6 who have lived and grew up in that
7 neighborhood have relative to these
8 issues because they're deep-seated and
9 they're historical, and they've affected
10 a lot of people in negative ways.

11 And I'm not disagree -- again,
12 I'm not denigrating your efforts or your
13 studies, and I -- at some point in time,
14 I hope we could figure out a way to make
15 this all work, but I -- I know there's
16 going to be a period of real pain and I
17 don't know how long that period of
18 pain's going to be just on the
19 configuration of the roadway, not all
20 the arguments we could have about social
21 ills and all those things.

22 But I don't want to see -- as
23 you said, you're not taking one house.
24 I don't want to see one house taken, one
25 business taken, and I don't want to see

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2 one port job lost, and I don't want to
3 see anybody go out of business as a
4 result of us having to reconfigure this
5 whole area, and I know -- hopefully, you
6 share the same --

7 MR. ROTTWITT: Well, I born and
8 raised in Olney, but if I was from
9 Pennsport, I would probably be from
10 Missouri and say, "Show me."

11 COUNCILMAN KENNEY: Okay.

12 MR. ROTTWITT: And I -- and
13 that's the attitude they should have.

14 COUNCILMAN KENNEY: That's
15 fair.

16 MR. ROTTWITT: And we're -- al
17 we want is an opportunity to have that
18 dialogue to show them.

19 COUNCILMAN KENNEY: Okay, thank
20 you.

21 COUNCIL PRESIDENT VERNA: The
22 Chair recognizes Councilman DiCicco.

23 COUNCILMAN DICICCO: Thank you,
24 Madam Chair. And good morning,
25 gentlemen.

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2 For the Rules Committee's
3 benefit, the independent traffic study
4 engineer we hope to have signed on by
5 the end of this week. That was the
6 resolution supported by all members of
7 Council to retain an independent traffic
8 engineer.

9 On the issue of the City
10 Streets Department engineers' findings,
11 I think it's also important that the
12 Rules Committee understand that the
13 person who worked previously for the
14 Streets Department was immediately
15 dismissed upon supplying that
16 recommendation without authorization
17 from the Streets Department, meaning
18 that the Streets Department did not
19 necessarily concur with his findings.
20 He was fired as a result of that. He
21 did it basically on his own.

22 On the issue of the traffic
23 study, Foxwoods' study -- and correct me
24 if I'm wrong -- when you did this study,
25 it did not take into consideration two

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2 casinos on the Columbus Boulevard/
3 Delaware Avenue corridor that was
4 site-specific?

5 MR. ROTTWITT: That's correct.

6 COUNCILMAN DICICCO: Site-
7 specific. So it did not take into
8 consideration another casino within
9 three miles of its location.

10 MR. ROTTWITT: We're working
11 now with Gannet Fleming, the -- the
12 traffic consultant for SugarHouse, to
13 take a look at those issues.

14 COUNCILMAN DICICCO: So it's
15 reasonable to say that not only the
16 Streets Department study may have been
17 flawed; there may have been obviously
18 some opportunities that need to be
19 adjusted based on your own consulting
20 engineers' findings now that there's
21 another casino, a potential casino,
22 within three miles.

23 MR. ROTTWITT: We actually
24 thought the Streets Department analysis
25 was magnificent; we wouldn't call it

1 2/21/07 RULES - Bills 070006, 08 through 13
2 flawed.

3 COUNCILMAN DICICCO: Well,
4 certainly. It agreed with your
5 consultant, naturally.

6 I think, Mr. Schwartz, you
7 mention something about this casino kind
8 of fits into the City's riverfront
9 development plan?

10 MR. SCHWARTZ: What I said was
11 that the CED, which had originally been
12 looked at for this location as well as
13 the SugarHouse location for casino use,
14 took into consideration, with a lot of
15 planning, the neighboring uses on both
16 sides of these -- of this project.

17 On the one side where you have
18 a shopping center, it's a commercial
19 use. On the other side, you have the
20 Comcast and you have vacant land, and
21 then you have the sheet-metal workers
22 school as well as their meeting
23 building. These are -- these are
24 commercial uses.

25 And -- and the CED would be

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2 compatible with those uses.

3 COUNCILMAN DICICCO: Well, let
4 me, for the purposes of giving you some
5 information, there is and has been a
6 development plan that has been being
7 worked on on the sheet-metal union hall
8 site for a residential high-rise
9 condominium and mixed-use development.

10 MR. SCHWARTZ: Mm-hmm.

11 COUNCILMAN DICICCO: So it's
12 not specifically just going to be for
13 commercial use. There are a couple of
14 -- there are other

15 MR. SCHWARTZ: I'm just talking
16 about what's there on the ground now.

17 COUNCILMAN DICICCO: There are
18 other interests. I know what's on the
19 ground now.

20 MR. SCHWARTZ: Right.

21 COUNCILMAN DICICCO: I
22 appreciate it.

23 MR. SCHWARTZ: Right.

24 COUNCILMAN DICICCO: But there
25 are other interests, so it's not that

1 2/21/07 RULES - Bills 070006, 08 through 13
2 the City -- and the way that I
3 understood your comments was that the
4 City had a plan to keep this basically
5 commercial, and that's not accurate. In
6 fact, there is no plan.

7 MR. SCHWARTZ: Mm-hmm.

8 COUNCILMAN DICICCO: And that's
9 why the Mayor signed an executive order,
10 although some people may not be in favor
11 of that, but the Mayor did sign an
12 executive order where Penn Praxis is now
13 working with the community to develop a
14 master plan, and that master plan could
15 very well turn out to be more of a
16 residential environment as opposed to --

17 (Applause.)

18 COUNCILMAN DICICCO: -- as
19 opposed to additional commercial. No
20 one knows yet because that process is
21 still being fleshed out. And I thought
22 that was important for this committee to
23 understand that as well.

24 Also, are any of the owners of
25 Foxwoods here today?

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2 MR. ROTTWITT: No.

3 COUNCILMAN DICICCO: Well, I --

4 I think if I can use my colleague Wilson
5 Goode -- Councilman Goode, in a recent
6 discussion with Wachovia, I think it's
7 rather insulting -- and no disrespect to
8 you gentlemen, you're doing a job for
9 your client -- that the owners did not
10 even have the courtesy of coming here
11 today.

12 (Applause.)

13 (Cheers.)

14 COUNCILMAN DICICCO: And I
15 would hope that you bring this message
16 back to them, that in the future, if
17 these discussions continue, I think we
18 need a face with the operators to know
19 who we're dealing with.

20 Thank you. Thank you.

21 (Applause.)

22 COUNCIL PRESIDENT VERNA: Any
23 other questions?

24 COUNCILMAN DICICCO: Madam
25 President? I apologize.

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2 COUNCIL PRESIDENT VERNA: Oh,
3 I'm sorry.

4 COUNCILMAN DICICCO: Has your
5 plan, the Foxwoods plan, changed at all
6 since the public comment period ended in
7 June of '06?

8 MR. ROTTWITT: The architects
9 and engineers are -- are constantly
10 reviewing it, but there's really been no
11 material change. It's essentially
12 CED-compliant.

13 COUNCILMAN DICICCO: Well,
14 that's not the question. The question
15 was: There was a proposal that was
16 submitted, there was an architectural
17 rendition or a concept of what the site
18 would look like, and there was a plan
19 that was represented not only to the
20 community but also to the Gaming
21 Commission Board. Has there been any
22 adjustments to those physical plants
23 that you know of?

24 MR. ROTTWITT: I do not know
25 of.

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2 COUNCILMAN DICICCO: Would
3 someone get back to the Chair to let us
4 know if there have been any changes?

5 MR. ROTTWITT: Yes.

6 COUNCILMAN DICICCO: Thank you.

7 COUNCIL PRESIDENT VERNA: The
8 Chair recognizes Councilman Kenney.

9 COUNCILMAN KENNEY: Thank you,
10 Madam President.

11 I want to ask you gentlemen the
12 same question that I asked SugarHouse
13 relative to riparian rights. Do you
14 have a riparian-right issue at that
15 site? And how much land is necessary or
16 not necessary to -- what's your total
17 site size?

18 MR. ROTTWITT: Sixteen-and-a-
19 half acres.

20 COUNCILMAN KENNEY: And is any
21 of that riparian land?

22 MR. ROTTWITT: No.

23 COUNCILMAN KENNEY: Okay. Do
24 you have a desire to acquire riparian
25 land?

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2 MR. ROTTWITT: The answer is,
3 our plans envision a totally land-based
4 development. The decision about whether
5 there would be a riparian grant or not
6 is solely in the legislature and
7 Harrisburg's decision.

8 COUNCILMAN KENNEY: Right.

9 MR. ROTTWITT: The Gaming Board
10 asked us that question 'cause it seemed
11 to be that they were desirous of there
12 being a riparian development because it
13 would be a greater attraction as a
14 destination.

15 Our response to that was that,
16 actually, it's a much more efficient
17 operation for us to be totally
18 land-based. To extend out into the
19 water is creating a larger horizontal
20 development plate, which is more
21 inefficient.

22 But I think, as the chairman of
23 the -- of the -- of the tribe said, if
24 we were to have the opportunity to be
25 able to develop in the water, it would

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2 create an unparalleled customer
3 experience.

4 So the answer is that we do not
5 need it. We would welcome it if it were
6 available.

7 COUNCILMAN KENNEY: Does the
8 non-acquisition of riparian land create
9 a closer proximity of your front door to
10 the roadway?

11 MR. ROTTWITT: Not at all.

12 COUNCILMAN KENNEY: Not at all,
13 so having riparian land does not allow
14 you a further setback.

15 MR. ROTTWITT: That's -- it
16 doesn't affect us.

17 COUNCILMAN KENNEY: It does not
18 affect your setback.

19 MR. ROTTWITT: That's correct.

20 COUNCILMAN KENNEY: Okay.

21 Thank you.

22 COUNCIL PRESIDENT VERNA: Thank
23 you.

24 Any further questions?

25 (No further questions.)

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2 COUNCIL PRESIDENT VERNA:

3 Gentlemen, thank you very much.

4 WITNESS PANEL: Thank you.

5 COUNCIL PRESIDENT VERNA: I

6 would ask Mr. McPherson to please read

7 the names of the next group or panel.

8 MR. MCPHERSON: Our next panel

9 consists of representatives from

10 Casino-Free Philadelphia. They are Anne

11 Dicker, Caryn Hunts, Jeff Benedict.

12 (Witnesses come forward.)

13 COUNCIL PRESIDENT VERNA: Good

14 afternoon. Please identify yourself for

15 the record. and proceed with your

16 testimony.

17 MS. DICKER: Good afternoon.

18 My name is Ann Dicker, and I am an

19 organizer with Casino-Free Philadelphia.

20 Over the past few weeks -- in

21 fact, 20 days, we have collected over

22 27,000 signatures to try to get a

23 referendum placed on the May 15th

24 ballot. Although that referendum is not

25 on the topic today, one of the things

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2 that we have been trying fruitlessly to
3 get is an opportunity to have our say on
4 what is proposed to be a Las Vegas on
5 the Delaware Riverfront.

6 On June 2, 2006, all public
7 commentary was stopped from the
8 unelected Pennsylvania Gaming Board. We
9 asked that that commentary be reopened,
10 and we were denied on several occasions.
11 I am so happy to be here, giving
12 testimony in front of Council on that
13 issue.

14 I'm going to actually yield
15 over to Jeff Benedict, who has some
16 important testimony concerning the
17 experience of other places in putting
18 casinos in a residential area.

19 MR. BENEDICT: Madam President
20 Verna, members of the Council,
21 Councilman DiCicco, it's a pleasure to
22 be here this morning -- or this
23 afternoon. I am perhaps the only
24 out-of-towner here. I'm from
25 Connecticut.

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2 I actually live next door to
3 Foxwoods. I drove past there this
4 morning to get here -- to get to the
5 airport to fly here. I was interested,
6 Councilman O'Neill, in your --

7 COUNCILMAN KENNEY: You got us
8 confused, us Irish guys.

9 MR. BENEDICT: Sorry. In your
10 questioning about traffic and in the
11 answers that were made in response to
12 that. Perhaps I could provide a little
13 perspective in the opening to my
14 statement today.

15 Foxwoods owns a casino in
16 Connecticut. There is one another one.
17 They are less than twelve miles apart.
18 Yours presumably would be about three
19 miles apart.

20 Our two casinos currently
21 generate 80,000 motor vehicles per day
22 on our roads. Those are new motor
23 vehicles that were not there before
24 these casinos were opened.

25 Those are not all customers;

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2 those are employees, customers, buses
3 bringing senior citizens, delivery
4 trucks. But in sum total, it's 80,000
5 day. And that's the average day; that's
6 not New Year's Day, that's the average
7 day.

8 To put that in perspective,
9 think about a Philadelphia Eagles
10 football game and how many cars that
11 generates for a Sunday afternoon eight
12 times a year. This is every day --
13 80,000 cars a day.

14 That impact is a sudden impact.
15 It comes on like a light switch. When
16 these buildings open, the cars start
17 coming. You don't have to wait three
18 years for that impact to show up; it
19 will arrive overnight. And whether you
20 like it or not, it is going to change
21 the roads, the business, and everything
22 down there.

23 In our case, in Connecticut, we
24 started with a small-scale casino which
25 has grown over 15 years. Casinos never

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2 get smaller, and they build out. The
3 more -- the bigger they get, the more
4 revenue they generate and, they will
5 argue, the more revenue you will get.
6 And traffic increases.

7 Foxwoods has promised in
8 Connecticut that they will pay for the
9 roads and the changes. It hasn't
10 happened. The taxpayers and the state
11 are building and paying those buildouts.

12 And inevitably, properties do
13 have to be taken. When you widen a
14 road, land has got to be taken.

15 There are a whole host of legal
16 issues that arise, whether it's eminent
17 domain, because homeowners don't want to
18 give up their houses, businesses don't
19 want to go.

20 Traffic is -- it is a huge
21 factor. And I think when Foxwoods'
22 lawyers sit here and say in answer to
23 your question "What's the most people
24 you're going to have on your best day?"
25 15,000?

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2 First of all, I think that's a
3 very conservative number. Second of
4 all, you got to factor SugarHouse into
5 that, and that's probably a projected
6 double right there. And that's at the
7 beginning, that's now, when they open.
8 What's it going to be in five years?
9 And in ten years?

10 And, honestly, I didn't come
11 here to talk about traffic because I'm
12 not an expert on traffic; that's just a
13 significant experience we've had.

14 I was asked to come here
15 primarily to testify about impacts that
16 are economic in nature. Certainly,
17 traffic has an economic element.

18 But I think -- what interested
19 me -- and I have to confess: I've been
20 to a lot of these hearings, and so
21 there's not a lot that I see that's new,
22 but I - I heard two things here today
23 that did surprise me, and I wrote 'em
24 down.

25 One was that -- the quote was

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2 that these casinos would generate
3 "spin-off jobs," and the other one was
4 the quote, "The arrival of new
5 businesses and thousands of jobs."I've
6 heard that statement lots of times;
7 that's not new.

8 What surprised me was made it.

9 The spin-off comment came from the
10 Solicitor. The arrival of new
11 businesses came from the planner.

12 Now, what shocked me was in --
13 I've been involved in this issue for
14 many years in many states. I have never
15 heard a city official, an attorney, a
16 planner make that argument. It's always
17 been made by the lobbyists and the
18 lawyers for the casinos.

19 What surprises me here is that,
20 first of all that, that argument has
21 proven to be not true in almost every
22 location that casinos have gone in --
23 except for Las Vegas, a city whose
24 financial plan is built around the
25 gambling industry. That is not

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2 Philadelphia.

3 And to argue that you're going
4 to see spin-off in jobs, I think, is --
5 it's mythical, unless these two casinos
6 are able to do something that no other
7 casino has done.

8 Yes, they'll create some
9 constructions jobs 'cause you got to
10 build these things, and they're going to
11 employ a few thousand people that have
12 to staff them, but to suggest that your
13 neighboring businesses are going to
14 thrive and that there's going to be
15 spin-off is simply not the case.

16 Connecticut provides a great
17 illustration. We heard that pitch, we
18 bought that argument, we signed on the
19 dotted line for that economic spin-off
20 in jobs, and that has -- we're now 15
21 years in, and we have found that that
22 has not happened at all.

23 These casinos are typically an
24 enemy to any business that competes with
25 them. If you're in the service

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2 industry, if you have hotels, if you're
3 in the food-and-beverage industry, if
4 you're in the retail market, these are
5 not your friends.

6 They want to capture the
7 customer and keep them inside; they
8 don't want to encourage them to go eat
9 and drink across the street or encourage
10 them to stay in hotels in midtown.

11 If --

12 (Applause.)

13 MR. BENEDICT: And you don't
14 have to take my word for it. I mean,
15 Connecticut has Marriott, we have
16 Holiday Inn, we have Sheraton. Call
17 them up. Ask them what has happened to
18 their hotel occupancy rates in the
19 county around the two casinos. See
20 what's happened in the last ten years.

21 Ask the restaurant owners in
22 the counties around the casino not only
23 what's happened to your business, but
24 what's happened to your staff. They're
25 gone. We've lost our labor force.

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2 And I think these -- you know,
3 I'm not here to make an oral argument
4 about gambling; people can do what they
5 want on that. This is a financial thing
6 that you're being asked to consider.

7 You're being pitched that this
8 is going to be bring revenue and money
9 to Philadelphia and to the State. I'm
10 suggesting that that has been pitched in
11 many other locations, and those who have
12 played that game have found out through
13 sad experience -- Connecticut is a
14 perfect case -- that that doesn't pan
15 out.

16 Perhaps the best illustration
17 is, just a couple years ago, we get --
18 we get \$2.4 billion from Foxwoods;
19 that's how much money they've given our
20 state. That's just one of the two
21 casinos.

22 A proposal came up a few years
23 ago to build two more. Argument was, we
24 can double what we're giving you now if
25 you'd let us build two more. That's a

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2 nice chunk of money.

3 You might ask, Why did the
4 state of Connecticut recoil and pass a
5 piece of legislation that banned,
6 outlawed the construction of any more
7 casinos in the state?

8 Because we've played that game
9 for 15 years, and we have found out it's
10 a losing game. We were playing on house
11 rules, and the house always wins. We
12 lost. The cost was too high to our
13 businesses, to our infrastructure, to
14 our public-safety budgets.

15 And, frankly, the last thing
16 that I'll mention is -- and it's easy to
17 overlook this. You've all heard about
18 addictive gambling; this is what
19 concerned me most.

20 And I don't have a dog in this
21 fight, but if I lived here, if I sat in
22 the seats that you sit in, what would
23 concern me most is where they want to
24 build these two facilities.

25 (Applause.)

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2 MR. BENEDICT: There is -- the
3 gentleman who sat up here a little while
4 ago who's a consultant who said there is
5 no research to show or statistical work
6 to prove that when a casino of this size
7 comes to town, there's a correlation
8 between that and the upswing in crime.

9 Well, let me just tell you why
10 he can't find any research: Because it
11 has never happened. There is not a city
12 in the United States the size of
13 Philadelphia that has dared to do what's
14 being contemplated here --

15 (Applause.)

16 MR. BENEDICT: -- put casinos
17 in the heart of an urban area. Not one
18 but two casinos within three miles in
19 one of the largest urban centers in the
20 United States. There isn't a place you
21 can look in the country that is this big
22 and this densely populated that has
23 casinos within its city limits.

24 This is an experiment that
25 Philadelphia should not be part of. If

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2 you --

3 (Applause.)

4 MR. BENEDICT: If you look at
5 the study that was done for Congress in
6 1999 on gambling impacts, probably the
7 most important piece of research that
8 came out of that study was this fact:
9 Gambling addiction and problem gambling
10 doubles within a 50-mile radius of a new
11 casino.

12 Now, think about that for just
13 a second, where this is going to go.
14 They're going to put this right next to
15 urban neighborhoods, where people can
16 walk to the facility.

17 When these two casinos were
18 built in Connecticut, they were built in
19 rural areas -- you cannot walk to them,
20 it's a long drive from any urban center.
21 When they opened, we had one
22 state-funded gambling-addiction facility
23 in the state. We now have 17, and they
24 are jammed, jammed. We don't have
25 enough. And there is no one who can

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2 walk to our casinos.

3 When you make these things so
4 easily accessible to this many people,
5 one thing I can guarantee you will
6 happen, guaranteed: You will see an
7 incredible spike in the number of people
8 who do not gamble now -- they do not go
9 to Atlantic City, they do not go to
10 other states to gamble -- who will now
11 come here to gamble because they can get
12 off work at 5, meet up with five
13 friends, five women, and go play slots.

14 And I emphasize women for a
15 reason: Because what we have found in
16 Connecticut is that slot machines --
17 never mind table games and dice and
18 cards, which men play and have been
19 playing for a long time. Women are
20 particularly captive to slot machines.

21 The research is there; it is
22 compelling research. I can tell that
23 you over 90 percent of the people who
24 have been prosecuted in our county for
25 gambling-related thefts, larcenies,

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2 embezzlements, stealing are women who
3 had no prior criminal history, who had
4 good jobs, who became addicted to slot
5 machines because they started going to
6 Foxwoods and Mohican Sun after work and
7 on the weekends. It is the most
8 addictive device in a casinos.

9 And these two guys are selling
10 their ideas to you on the basis of slot
11 machines. That's the mother's milk of
12 SugarHouse and Foxwoods in Philadelphia.
13 It is going to have a huge impact on
14 people who live close.

15 And what I would just suggest
16 is that the cost of picking up and
17 cleaning up the mess that comes with new
18 troubled and problem gamblers is not
19 just as simple as the folks who need to
20 get treatment. It's the crime.

21 I'm not talking about
22 prostitutes and drug-dealing and that
23 kind of stuff out on the street that
24 happens in Atlantic City and other
25 places; you're going to see some of

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2 that, yes.

3 But more important than that is
4 the new class of people who you would
5 never expect to become problem gamblers
6 will become such. And with that comes
7 cost of treatment, of job loss, of
8 incarceration, of bankruptcy, of
9 property foreclosures. It is a cascade.

10 And so I've got my testimony
11 here. I would be happy to entertain
12 some questions after the other panelists
13 peak.

14 And I appreciate the privilege
15 of being here as someone who doesn't
16 live in Pennsylvania. Thank you.

17 COUNCIL PRESIDENT VERNA: Thank
18 you for your testimony.

19 (Standing ovation.)

20 COUNCIL PRESIDENT VERNA: Thank
21 you very much for your testimony.

22 The Chair recognizes Councilman
23 Kenney.

24 COUNCILMAN KENNEY: Thank you,
25 Madam Chair.

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2 Just for clarification's sake,
3 may have missed it if you said it
4 earlier. Are you with an -- I know you
5 have written testimony. Are you with an
6 organization or a group, or are you here
7 on your own?

8 MR. BENEDICT: Well, I'm here
9 by myself, but -- I'm not with a group,
10 but I was brought -- I was asked to come
11 here by a number of people who live in
12 some of these neighborhoods.

13 COUNCILMAN KENNEY: Oh, no.
14 Oh, no. I'm not -- I don't -- I'm glad
15 you're here. I'm just wondering whether
16 you were involved with an organization
17 that was --

18 MR. BENEDICT: I -- I used
19 to -- I used to be the -- I was one of
20 the cofounders and the former president
21 of the Connecticut Alliance Against
22 Casino Expansion, Inc., which was a
23 corporation that was formed in
24 Connecticut to essentially lead the
25 effort to pass legislation to stop

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2 casinos from --

3 COUNCILMAN KENNEY: Okay, but
4 you're here as a private citizen.

5 MR. BENEDICT: Yeah.

6 COUNCILMAN KENNEY: Okay.

7 MR. BENEDICT: Today I am.

8 COUNCILMAN KENNEY: Thank you.

9 MR. HUNTER: Madam President

10 and respected Councilmembers, I just
11 wanted to introduce myself. I'm Daniel
12 Hunter, Coordinator of Casino-Free
13 Philadelphia.

14 And part of the history of
15 Casino-Free has been trying to give a
16 chance for citizens to have more input
17 in the process. And, naturally, the
18 name suggests that we're anti-casino,
19 and many of us in the organization are.
20 But as the organization has developed,
21 it's become more and more of us who
22 aren't necessarily against casinos per
23 se, but we're particularly against
24 casinos within residential
25 neighborhoods.

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2 As Jeff Benedict just
3 mentioned, this is a new experiment to
4 be doing, and so that's one reason why
5 we put forward a referendum, which many
6 of these people in this room were
7 involved in getting signatures for, for
8 which we got 27,254 people who signed a
9 referendum to give Philadelphians a
10 voice in the process, because we've been
11 saying that again and again:

12 Philadelphians have been locked
13 out of this process. We've seen that
14 with the Pennsylvania Gaming Control
15 Board.

16 I was one of about 14 people
17 who were involved in an action
18 attempting to get -- make public some of
19 the documents that -- including the
20 updated traffic plans, some of the
21 updated architectural renderings that
22 Councilman DiCicco referenced earlier
23 from Foxwoods and SugarHouse as well as
24 the other -- three other sites here in
25 Philadelphia. Those weren't made public

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2 by the Pennsylvania Gaming Control
3 Board. We thought that was a serious
4 issue.

5 If we're going to have a real
6 conversation about what -- about these
7 buildings, about these casinos, the
8 public should be able to have quality
9 information about what's being built as
10 it's being built.

11 So we asked for updated traffic
12 plans, updated site plans, architectural
13 renderings, environmental-impact studies,
14 and all of those updates we weren't able
15 to receive until right until the
16 decision was reached on December 20th.
17 So we were involved in attempting to
18 retrieve those from the Pennsylvania
19 Gaming Control Board offices.

20 So the process itself has been
21 one which has locked out the public in
22 number of areas: One, in terms of
23 giving meaningful public input; two, in
24 terms of having access to quality
25 information so that we can make a good

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2 decision about this.

3 And what we're finding is as
4 we're learning more information, the
5 tide of discontent with these particular
6 plans is rising, not going down, and we
7 see it continuing to grow. We see it in
8 terms of support among union folks who
9 are seeing the impact it will have on
10 jobs, small businesses that are worried
11 about their -- about their security, and
12 you'll hear a bunch of testimony
13 following me about that.

14 I just wanted to raise to you
15 that we're looking for support on our
16 referendum, and the reason for that is,
17 our referendum would give the voters the
18 first chance that they've had in
19 Philadelphia to have a meaningful say on
20 whether or not casinos should be built
21 within residential neighborhoods.

22 Our bill puts forward
23 essentially a requirement that no casino
24 would be zoned within 1500 feet of a
25 residential neighborhood, a school, a

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2 church, a mosque, and various other
3 residential facilities.

4 Because you heard from both
5 SugarHouse and Foxwoods -- and neither
6 of them would defend the location in the
7 form of saying it's a good idea to put
8 it right next to where people live.

9 And SugarHouse, in their
10 proposal, referred to people who live on
11 Allen Street as a buffer, referred to as
12 the I-05 buffer, rather than
13 acknowledging the fact that there are
14 people who live right across from the
15 SugarHouse site.

16 Foxwoods -- again, the same
17 thing. There wasn't defense of the site
18 location, as you were asking.

19 And that's what we've seen over
20 and over again, which is, there isn't a
21 good argument to put casinos right next
22 to residential neighborhoods, and that's
23 why we're asking for voters to have a
24 chance to say whether or not they
25 believe, as we do, that casinos should

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2 not be placed right next to, right
3 nearby two residential-use facilities.

4 And I'm also happy to announce
5 here that as of this morning, the City
6 Clerk and the City Solicitor's Office
7 both approved those to go through, so
8 the petitions have been accepted and the
9 City Solicitor also accepted them.

10 (Applause.)

11 (Cheers.)

12 MR. HUNTER: So there's a lot
13 of passion behind me, and I appreciate
14 all of your patience on listening to all
15 of the hearing and testimony about this.

16 COUNCILMAN CLARKE: Thank you.

17 Anyone else?

18 MS. HUNT: Hi. I'm Caryn Hunt.

19 I'm a member of Casino-Free

20 Philadelphia.

21 It is the City's prerogative to
22 plan for usage. That means the City
23 must assess land-use issues and zone
24 accordingly, usually in accordance with
25 a plan, even if a particular use is

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2 mandated by the state.

3 The people of Philadelphia
4 demand that the City face its
5 responsibilities in the matter of
6 casinos and assert its zoning authority,
7 without -- withhold any zoning from
8 these sites that would enable them to in
9 any way begin the permitting process.

10 These casinos were foisted on
11 us as a result of a corrupt process that
12 denied citizens the right to
13 participation in a full and open debate,
14 a process that handed all sorts of power
15 to an unelected, and therefore
16 unaccountable, board in Harrisburg.

17 They have tried to take away
18 our zoning authority. They have failed.
19 Both Representatives O'Brien and Keller
20 have publicly stated that it is their
21 opinion that the City of Philadelphia
22 not only has this authority, but that if
23 asserted, it will not be opposed at the
24 state level.

25 It was a long journey to

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2 maintain our zoning authority, but we
3 have it and we must use it.

4 That being said, zoning is no
5 way to plan a city's development, and
6 it's been used to do just that for way
7 too long.

8 The proper way to grow the city
9 is through a comprehensive development
10 plan created through a process of
11 dialogue a process of dialogue with the
12 community, a long process, a process
13 that starts, as the Penn Praxis process
14 did start, with an assessment of the
15 values most cherished by residents.

16 Any decision about the future
17 of this city has to be made in
18 conjunction with the people. "No way
19 without our say" is not an empty phrase.
20 But you can neither zone nor design away
21 the disastrous impacts of these casinos.

22 It is a lie to believe that the
23 waterfront will be a family-friendly
24 amenity for the benefit of residents
25 once the casinos are there. Considering

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2 Casino-Free Philadelphia just handed in
3 27,254 petition signature demanding that
4 this issue be put on the May ballot --
5 that number gathered in just 20 days, by
6 the way -- it's plain that the
7 opposition to the casinos is growing,
8 not receding, and no Neighborhood
9 Investment District or Special Services
10 District scheme will suffice to buy us
11 off.

12 We have repeatedly been told to
13 negotiate with these casino operates for
14 so-called benefits. Well, there are no
15 benefits. The loss to quality of life
16 for those who actually live here and
17 love Philadelphia and see its greater
18 potential is too high.

19 Our quality of life here is not
20 negotiable. We don't want casinos.

21 Though the Pennsylvania Gaming
22 Control Board lists impacts considered,
23 the unconsidered impacts are staggering.
24 If you think these are not your problem,
25 think again, because, I assure you, you

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2 will be paying for them one way or
3 another, just like we'll be paying for
4 the privilege of traffic-mitigation
5 plans that disrupt neighborhoods.

6 If you think the paralysis that
7 will accompany the plans put forth by
8 the these two casinos to get people to
9 and from the riverfront is not our
10 problem, think again. The people who
11 work in the port industries know it's a
12 problem.

13 In addition to these and other
14 impacts that I'm sure you're going to
15 hear about, there are also health and
16 environmental impacts.

17 The Delaware River is our
18 river. The riverfront should reflect
19 our values and desires. We need to take
20 a good look at the needs of the river
21 and determine the best way to protect
22 this resource for the community. We
23 need to protect our river banks and
24 riparian lands.

25 These two casinos sites require

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2 riparian lands, lands below the water's
3 surface, lands held in trust by the
4 State for the people for their original
5 designs. These are ecologically-
6 sensitive lands.

7 If Philly is our heart, the
8 Schuylkill and the Delaware are the
9 lungs. We have an obligation, as a city
10 built on a watershed whose development
11 directly impacts river water that we and
12 people in other cities drink, to proceed
13 cautiously.

14 South Philadelphians have
15 experienced a number of incidences of
16 severe flooding in recent years. The
17 Water Department has few answers; mostly
18 they blame the weather. And certainly,
19 it's fair to say the problem has not
20 been resolved. Thus, further
21 connections to our sewer system should
22 be postponed until this issue is fully
23 addressed.

24 According to the Asthma and
25 Allergy Foundation of American,

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2 Philadelphia moved from the third-worst
3 city for asthma sufferers to the
4 second-worst city. We have a
5 higher-than-average rate of death from
6 asthma because we have worse-than-
7 average air. We're getting worse for
8 air quality.

9 A study in California recently
10 found that children living close to
11 congested highways risk significant lung
12 damage, which contributes later in life
13 to respiratory and cardiovascular
14 ailments.

15 So why would we want to bring
16 an industry to our city that plans to
17 attract 9 million new cars every year to
18 a three-mile area.

19 The City is commissioning a
20 traffic study. That's good. As long as
21 the City is asking for an independent
22 traffic study, we should also ask for
23 the what impact this industry, which is
24 a car-based industry, will have on our
25 air quality.

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2 Open spaces, especially along
3 waterways, in addition to providing an
4 anchor for long-term economic
5 prosperity, are necessary to the health
6 of our citizenry. Casinos are not
7 family-friendly uses. Open spaces and
8 recreational activities that truly
9 enhance neighborhoods and our children's
10 characters, that create community, not
11 destroy it, is what we want.

12 This doesn't mean stopping
13 development, but it does mean fostering
14 smart development. Casinos are not
15 smart development.

16 Casinos and the State are
17 targeting Philadelphia for one reason
18 only: To extract wealth from our
19 region, wealth that would otherwise
20 circulate in and strengthen our local
21 economy.

22 Though some would have us look
23 at casino operators as just another
24 private developer, the truth is that
25 gambling brings with it a bevy of vices

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2 and undesirable fallout that other types
3 of developments don't bring. The
4 casinos and the State rake off the
5 profits and leave the surrounding
6 communities to deal with the baggage.

7 There are any number of better
8 ideas for growing our riverfront wisely
9 and well, ideas that will strengthen our
10 local economy for the long term, not
11 suck it dry, and bring good jobs.

12 I commend our Councilmembers
13 who, at this late hour, are finally
14 responding to the will of their
15 constituency and doing what they can to
16 thwart the licensed casinos.

17 But I believe the true heroes
18 in this story are the citizens of this
19 city who have relentlessly denied the
20 mantra we've been told, that this is all
21 a done deal.

22 That we are where we are today
23 with opposition to the casinos growing
24 with demonstrable unity across the
25 neighborhoods of this city is a

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2 testament to the power of the people who
3 live here and their earnestness in this
4 issue.

5 The casinos that were licensed
6 are sparing no expense to prepare
7 themselves for legal challenge and to
8 protect their interests. The residents
9 are banding together also -- to protect
10 their investment in Philadelphia, their
11 children, their communities, their
12 quality of life.

13 There is only one acceptable
14 outcome right now: That neither casino
15 currently licensed for the riverfront be
16 built. And, therefore, I urge Council
17 not to zone the parcels of land involved
18 in the riverfront in any way that could
19 begin the permitting process, and to use
20 the City's zoning authority as it is
21 meant to be used -- in service of a
22 land-use plan that makes sense and
23 serves residents.

24 I urge City Council to place
25 the referendum, signed by over 27,000

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2 voters in Philadelphia, that says "no
3 casinos within 1500 feet of
4 neighborhoods" on the May ballot, and
5 let us make it clear to those who would
6 foist casinos on our city that
7 Philadelphia is a hostile environment
8 for casinos. We don't want them.

9 (Applause.)

10 COUNCILMAN CLARKE: Thank you.

11 One -- a couple of quick
12 questions. You referenced in your
13 testimony that Representative Keller and
14 O'Brien indicated to you that City
15 Council had the ability --

16 MS. HUNT: It was stated in a
17 public meeting, a Penn Praxis meeting.

18 COUNCILMAN CLARKE: Did they
19 give any supporting documents that show
20 in writing that we had the ability to
21 regulate this?

22 MS. HUNT: Not in writing, no.

23 COUNCILMAN CLARKE: It was a
24 public meeting.

25 MS. HUNT: It was a public

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2 meeting where they stated that.

3 COUNCILMAN KENNEY: I think
4 it's interesting that the people who say
5 that -- and Representative O'Brien
6 aside, 'cause he wasn't there then,
7 where the actual people --

8 MS. HUNT: He was there.

9 COUNCILMAN KENNEY: He wasn't
10 there in the legislature at the time.

11 MS. HUNT: Oh.

12 COUNCILMAN KENNEY: -- are the
13 actual people who gave us gaming in the
14 first place.

15 So, I mean, I don't mind -- I
16 think it's our responsibility to be here
17 and to be dealing with this problem, but
18 I'm going to say it for the record
19 again: I did not vote for Act 71, I
20 would not have voted for Act 71, and I
21 don't think it's fair to characterize --

22 (Applause.)

23 COUNCILMAN KENNEY: I don't
24 think it's fair to character his -- not
25 late efforts. He's been at this for

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2 months, dealing with people, find.

3 And the other issue on riparian

4 rights? I don't vote on them, either.

5 And I don't introduce the bills to vote

6 on them.

7 And while we may make mistakes,

8 do things you don't like or people don't

9 like, when we're trying to do the right

10 thing, we did not bring this problem to

11 this doorstep. It was left here by the

12 legislature.

13 And I just want to make sure

14 that the 27,200 signatures that you have

15 now be delivered to every single

16 legislator in the City of Philadelphia

17 and every senator in the City of

18 Philadelphia so that they can go back to

19 Harrisburg and help fix this problem

20 that they created, okay?

21 (Applause.)

22 COUNCILMAN CLARKE: Councilman,

23 I couldn't have said it better.

24 COUNCILMAN KENNEY: Thank you.

25 COUNCILMAN CLARKE: Thank you.

1 2/21/07 RULES - Bills 070006, 08 through 13

2 Any other questions?

3 Councilman DiCicco?

4 COUNCILMAN DICICCO: Thank you,
5 Mr. Chairman.

6 Good afternoon, everyone.

7 Thank you for your testimony, all of
8 you, and thank you for the

9 (indiscernible) effort in getting those
10 signatures. I mentioned that to you in
11 the hallway last week, to Anne and
12 David -- Daniel, excuse me, Daniel.

13 Mr. Benedict, you spoke about a
14 lot of issues and the ills, if you will,
15 of gaming.

16 Philadelphia, for years, for
17 decades, had been experiencing a huge
18 loss in its population. In recent
19 years, I'm happy to report, we've turned
20 the corner in that regard, and we are
21 seeing a lot of more of it -- a greater
22 interest in people living in the city
23 and people wanting to move to the city,
24 in particular in the central Delaware
25 waterfront area.

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2 Do you have any information
3 that you can speak to about what gaming
4 has done to property values in
5 neighborhoods that are adjacent to these
6 casinos?

7 MR. BENEDICT: Oh, that's a
8 good question. You know, I think --

9 COUNCILMAN DICICCO: I have
10 your book, but I didn't get to read it
11 yet. I apologize.

12 MR. BENEDICT: Well, this isn't
13 in there, but -- and I think I want to
14 preface what I say by admitting that the
15 comparison I'm going to give you isn't a
16 hundred percent on point because I'm
17 going to give you a comparison in
18 Connecticut.

19 And, again, our casinos are not
20 in the heart of an urban center where
21 there's a huge amount of residential
22 property right next door. We don't have
23 that, we also don't have a port and a
24 lot of other businesses nearby.

25 But what I can tell you, in

1 2/21/07 RULES - Bills 070006, 08 through 13
2 Connecticut, and then I'll try to
3 generalize this a little bit, is that
4 what we've seen in terms of the housing
5 market is that it has -- it has hurt the
6 housing market tremendously.

7 For one -- there's a couple
8 simple reasons for that. When you sit
9 there and think about, you know, where
10 do I want to buy my next house? one of
11 the things at the top of the list isn't
12 next door to a casino.

13 I mean, people -- that's a
14 deterrent to buy a house. People buy
15 houses based on the quality of the
16 school system and, you know, the good
17 neighborhood. They don't want to be
18 near a traffic generator, they don't
19 want to be near a problem generator.

20 And so, it has had a softening
21 effect on the property values in the
22 towns that are closest to where those
23 facilities are.

24 I think, along those lines,
25 it's fair to look at some other places

1 2/21/07 RULES - Bills 070006, 08 through 13
2 where it's more closer to your model.
3 And if you look in some of the urban
4 centers in other parts of the U.S. where
5 they have built casinos in the last ten
6 years, I think you're going to find a
7 similar thing.

8 This isn't a place where
9 residents or businesses are rushing to
10 acquire property. It is a move-away-
11 from type of object. There are very few
12 reasons that you would want to buy
13 property next door or in the
14 neighborhood of one of these buildings
15 because they offer so many of the things
16 that people don't want when they're
17 looking for residential.

18 And, you know, one of your
19 colleagues -- and forgive me for not
20 having all of the names straight on the
21 Council here, I apologize for that.

22 But one of your colleagues
23 sitting up front here earlier talked
24 about your port and the number of jobs
25 and the containers and the shipping

1 2/21/07 RULES - Bills 070006, 08 through 13

2 here. You know, I have to tell you,
3 sitting in the audience, I thought that
4 if there was -- if I were listing three
5 things that I would have at the top of
6 my list for concerns, that would be in
7 the top three.

8 I would see this as -- I'm not
9 here to advocate for casinos going
10 somewhere else in Pennsylvania; I'm just
11 saying I couldn't think of a worse place
12 to put them than where they're talking
13 about putting them.

14 (Applause.)

15 COUNCILMAN DICICCO: Thank you.
16 Thank you for testimony.

17 No further questions,
18 Mr. Chairman.

19 COUNCILMAN CLARKE: Thank you,
20 Councilman.

21 MR. BENEDICT: Thank you.

22 COUNCILMAN CLARKE: Thank you
23 so much.

24 Mr. McPherson?

25 MR. MCPHERSON: The next panel

1 2/21/07 RULES - Bills 070006, 08 through 13
2 consists of: Joe Mahoney, Greater
3 Philadelphia Chamber of Commerce;
4 Delilah Winder, African-American Chamber
5 of Commerce; Pat Coulter, Urban League
6 of Philadelphia.

7 (Witnesses come forward.)

8 COUNCILMAN CLARKE: Good
9 afternoon.

10 MR. MAHONEY: Good afternoon,
11 Councilman.

12 COUNCILMAN CLARKE: Please
13 proceed.

14 MR. MAHONEY: Thank you.

15 Good afternoon, members of
16 Council. I'm Joe Mahoney, Executive
17 Vice President of the Greater
18 Philadelphia Chamber of Commerce, and
19 I'm here today to offer prepared
20 testimony on the subject bills.

21 The Greater Philadelphia
22 Chamber of Commerce has long been a
23 proponent for economic development in
24 the City and has supported the concept
25 of gaming since the 1990s, when

1 2/21/07 RULES - Bills 070006, 08 through 13
2 then-Mayor Ed Rendell proposed riverboat
3 gambling as a vehicle to reduce the wage
4 tax for Philadelphians and commuters
5 alike.

6 In May 1995, the Greater
7 Philadelphia Chamber of Commerce
8 participated in the Business Community's
9 Perspective on Gaming at the Ernst &
10 Young CEO Forum on the positive impact
11 of gaming in Philadelphia.

12 In July 1995, the Greater
13 Philadelphia Chamber of Commerce
14 President and CEO Charlie Pizzi
15 testified before a House State
16 government committee in support of a
17 referendum authorizing riverboat
18 gambling in Pennsylvania.

19 In May 2003, the Greater
20 Philadelphia Chamber of Commerce Board
21 sent a letter to Governor Edward G.
22 Rendell supporting gaming in
23 Pennsylvania.

24 In March 2004, the Greater
25 Philadelphia Chamber of Commerce

1 2/21/07 RULES - Bills 070006, 08 through 13

2 President and CEO Mark Schweiker sent a
3 letter to the Southeastern Pennsylvania
4 Delegation urging the General Assembly
5 to legalize gaming in Pennsylvania.

6 This represents just a sampling
7 of the historic support the Chamber has
8 publicly stated for gaming in this
9 region. Again, economic development
10 remains the cornerstone of our mission.

11 As such, the Chamber was not
12 unhappy when the two casinos were
13 announced by the Gaming Commission to be
14 located on the Delaware River
15 waterfront. These locations could be
16 economic drivers, which can spur
17 development of Penn's Landing and other
18 sites along the waterfront.

19 After taking a look at the
20 thousands of jobs and millions of
21 dollars in new revenue the City stands
22 to gain from these two casinos, as
23 reported by the Philadelphia Gaming
24 Advisory Task Force, we believe it is a
25 win/win situation.

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2 In addition, millions of
3 dollars will be earmarked for schools,
4 for Convention Center expansion, and for
5 a 1 percent reduction in the City wage
6 tax.

7 SugarHouse Casino, located on
8 the northern site, will generate 1 to
9 \$1.2 billion in gaming taxes in its
10 first five years of operation.

11 Philadelphia's portion of funds will be
12 used for wage-tax reductions. Between
13 75 and 90 million will go towards host
14 fees to be deposited in the General
15 Fund.

16 SugarHouse is projected to
17 generate 85 to 100 million to the Gaming
18 Economic Development and Tourism Fund.

19 During the interim phase,
20 SugarHouse will directly employ
21 approximately 600 people. Once Phase 1
22 is completed, SugarHouse will directly
23 employ approximately 1100 people. In
24 addition, thousands more spin-off jobs
25 will be created in the hotel,

1 2/21/07 RULES - Bills 070006, 08 through 13
2 hospitality vendor industry to support
3 and supply the casino.

4 SugarHouse is committed to
5 diversity in all training and hiring
6 programs.

7 Foxwoods, located on the
8 southern site, envisions developing the
9 project in three significant phases,
10 totaling \$825 million of aggregate
11 investment. Phase 1 of the project will
12 generate 950 new permanent jobs.

13 Foxwoods Casino of Philadelphia
14 would employ hundreds of people from
15 neighborhoods throughout the City at
16 wage and salary levels higher than those
17 currently paid in the local hospitality
18 industry.

19 In addition, hundreds to
20 thousands of indirect jobs can be
21 created by the economic activity that's
22 generated by Foxwoods Casino,
23 Philadelphia's operations.

24 Foxwoods will also act as a
25 significant catalyst for the economic

1 2/21/07 RULES - Bills 070006, 08 through 13
2 development of the central Delaware
3 River waterfront. A major advantage of
4 this site is that the plan development
5 is consistent with the City's long-term
6 goal of economically reinvigorating
7 activity along the southern portion of
8 the riverfront.

9 According to Gaming Task Force,
10 the majority of Philadelphians do not
11 believe gaming will be a detriment to
12 overall quality of life.

13 SugarHouse is committed to
14 being a good neighbor and will address
15 critical needs in the areas of economic
16 development, community enrichment, and
17 health and human service improvement in
18 Greater Philadelphia. In addition,
19 SugarHouse will contribute to a separate
20 Community Development Fund managed
21 independently.

22 Likewise, Foxwoods Casino
23 Philadelphia will contribute financially
24 to a Special Services District that will
25 support traffic mitigation, education,

1 2/21/07 RULES - Bills 070006, 08 through 13

2 safety and security, supplemental city
3 services, and senior citizen programs.

4 Foxwoods Casino Philadelphia
5 has also established a unique mechanism
6 which will irrevocably distribute more
7 than 40 percent of the project's total
8 profits back into charitable causes in
9 the community. This commitment will
10 eventually generate hundreds of millions
11 of dollars for local charitable
12 purposes.

13 The Chamber recognizes the
14 concerns the neighbors have expressed,
15 particularly with increased vehicular
16 traffic along Delaware Avenue. We
17 believe that all options should be
18 considered to address traffic
19 remediation in the area.

20 The Chamber will reach out to
21 the gaming operators to inform them of
22 these concerns, of our concerns, and
23 encourage their active participation in
24 remediation efforts.

25 Given the statistics on new

1 2/21/07 RULES - Bills 070006, 08 through 13

2 jobs and increased revenues for the
3 City, the Chamber cannot support the
4 subject bills or any other bills that
5 would hinder development of these two
6 gaming venues along the Delaware
7 waterfront.

8 The Chamber stands ready to
9 assist in any way appropriate to help
10 garner support for these gaming venues
11 and looks forward to working with
12 Council, this administration, and the
13 incoming administration in bringing this
14 development to fruition.

15 Thank you for the opportunity
16 to testify today.

17 COUNCILMAN CLARKE: Thank you.
18 Councilman Greenlee?

19 COUNCILMAN GREENLEE: Yeah.
20 Just one quick question, if I could, on
21 something that was brought up before.

22 Did the Chamber look into the
23 existing businesses particularly around
24 Foxwoods and what impact this would have
25 -- I stole it, Councilman, sorry.

1 2/21/07 RULES - Bills 070006, 08 through 13

2 (Laughter.)

3 MR. MAHONEY: We looked,
4 Councilman, at the totality of the
5 development possibilities along the
6 waterfront. We know that there have,
7 over the years, been many efforts
8 unsuccessfully attempted to develop
9 Penn's Landing and other sites along the
10 waterfront.

11 You know, we just viewed, you
12 know, economic development opportunities
13 coming in both directions with bookends
14 as being something that -- that might
15 encourage that development and help in
16 that development.

17 COUNCILMAN GREENLEE: You
18 didn't exactly answer my question.

19 I -- I -- did you look into
20 any, you know, the Ikeas, the smaller
21 businesses just off Columbus Boulevard?
22 I mean, was any conversation given that?
23 And do you have an opinion on what it
24 would do to those businesses?

25 MR. MAHONEY: We recognize the

1 2/21/07 RULES - Bills 070006, 08 through 13
2 traffic, you know, is a concern. And as
3 I said, you know, we recognize that this
4 is a concern on the -- on the community,
5 and we've -- I've listened to the other
6 testimony today.

7 We've put out to our
8 membership, you know, our interest in
9 these projects, and we've not had
10 negative feedback from our members.

11 Have we reached out to specific
12 companies like Ikea? No, Councilman, we
13 haven't, so --

14 COUNCILMAN GREENLEE: They are
15 members?

16 MR. MAHONEY: Ikea is a member
17 of the Chamber, yes.

18 COUNCILMAN GREENLEE: And
19 they've expressed no concern?

20 MR. MAHONEY: They have not
21 reached out to us with concerns.

22 COUNCILMAN GREENLEE: Anybody
23 else down there that's members that you
24 know of?

25 MR. MAHONEY: To my knowledge,

1 2/21/07 RULES - Bills 070006, 08 through 13

2 we have not gotten -- we have gotten --

3 we have not gotten negative comments

4 back from any of our members in the

5 affected areas.

6 COUNCILMAN GREENLEE: Okay.

7 Thank you.

8 Thank you, Councilman.

9 COUNCILMAN CLARKE: Thank you,

10 Councilman.

11 Councilman DiCicco?

12 COUNCILMAN DICICCO: Thank you,

13 Mr. Chairman.

14 I have a follow-up to that

15 question, in relationship to the impact

16 that it may have on local businesses,

17 notwithstanding the big-box stores.

18 The walkability, and I think

19 Mr. Benedict raised this, the

20 walkability of these two sites to

21 adjacent neighborhoods. There are a lot

22 of small businesses there, and I think

23 Councilman Kenney spoke to this as well.

24 Did you take in the southern

25 end down at Second Street, where the

1 2/21/07 RULES - Bills 070006, 08 through 13

2 Mummers clubs are, where the small
3 mom-and-pop neighborhood shot-and-beer
4 joints are, as they refer to them, all
5 up and down that corridor from -- from
6 Whitman all the way up through the lower
7 end of Port Richmond and Old City and
8 Northern Liberties?

9 These are businesses -- some of
10 them have been long-established business
11 and there's some that have just begun
12 because the neighborhoods are now
13 repopulating.

14 MR. MAHONEY: Mm-hmm.

15 COUNCILMAN DICICCO: People are
16 moving into what were very depressed,
17 blighted communities.

18 If you look at Northern
19 Liberties, I mean, there's a renaissance
20 going on up there.

21 MR. MAHONEY: Absolutely.

22 COUNCILMAN DICICCO: What will
23 happen to those small businesses when
24 people are able literally to walk within
25 two blocks of where they live or now

1 2/21/07 RULES - Bills 070006, 08 through 13
2 walk within two blocks of an
3 establishment that they're accustomed to
4 frequenting being able to walk to
5 SugarHouse, or in the southern end,
6 being able to walk to Foxwoods.

7 Was any of that taken into
8 consideration? And was any other
9 consideration given to the fact about
10 what will it do to -- and I asked this
11 of Mr. Benedict -- to resale of
12 residential properties, the sale of new
13 residential properties?

14 And to suggest -- and you and I
15 have worked together. I mean --

16 MR. MAHONEY: Absolutely.

17 COUNCILMAN DICICCO: -- we had
18 the Briefcase Brigade when we fought the
19 Administration on the wage-tax reduction
20 stuff. We did a lot of things together.

21 But to suggest that this may be
22 the stimulus to develop our waterfront,
23 I think maybe ten years ago, that
24 argument would have held water -- no pun
25 intended.

1 2/21/07 RULES - Bills 070006, 08 through 13

2 MR. MAHONEY: Mm-hmm.

3 COUNCILMAN DICICCO: But there
4 is considerable amount of development
5 that has you occurred in the last
6 several years, and there are numerous
7 projects that are on the drawing board
8 as we speak.

9 Dockside. Mr. DePaul, who owns
10 Dockside, is considering building
11 another tower directly north of the
12 existing. So -- and Marina View and
13 Riverfront Square and Bridgeman's View,
14 and I can go on and on and on.

15 And I can speak to that with
16 authority, if you will, because it's in
17 my district.

18 MR. MAHONEY: Mm-hmm.

19 COUNCILMAN DICICCO: So we
20 don't need this today. Ten years ago --
21 (Applause.)

22 COUNCILMAN DICICCO: And I went
23 from a question into a statement, and I
24 have a tendency sometimes to do that
25 'cause I get kind of emotional about

1 2/21/07 RULES - Bills 070006, 08 through 13

2 these issues.

3 Ten years ago, you probably --

4 I think you could have convinced me, and

5 maybe you couldn't have convinced the

6 folks who live there, but you may have

7 convinced me ten years ago that we

8 needed some sort of a shot in the arm to

9 get us moving.

10 Yeah, it's true we haven't

11 developed that 14-acre site which we all

12 would think of as Penn's Landing in its

13 entirety, but we've developed other

14 sites that are a part of the Penn's

15 Landing portfolio and along that

16 corridor, and we're continuing to

17 develop.

18 Ten years ago, the argument

19 probably would have been -- would have

20 been justified that we need to figure

21 out a way to create development down

22 there to attract people to this city.

23 But we're bursting at the

24 seams. We're one of the best cities in

25 the country post-9/11. Tourism is up --

1 2/21/07 RULES - Bills 070006, 08 through 13
2 without casinos. So that argument just
3 doesn't work for me today.

4 And I wonder, again, as I go
5 back to my original question, was any
6 consideration given to the smaller, as
7 Councilman Kenney spoke to and I just
8 mentioned, the smaller businesses that
9 are, you know, within a block or two
10 walking distance, three blocks, four
11 blocks of where these -- the sites where
12 these two casinos are being proposed?

13 MR. MAHONEY: I can't answer
14 for the specific -- to the, you know,
15 the couple of blocks, Councilman. But,
16 you know, most of our members are
17 smaller businesses. And, you know,
18 we've discussed these issues with them.

19 And, you know, as I mentioned
20 to Councilman Greenlee, you know, we
21 have not received, you know, negative
22 comments back from our small businesses.

23 I wish I could give you a, you
24 know, a finer answer than that, but
25 it's -- you know, but that's you know,

1 2/21/07 RULES - Bills 070006, 08 through 13

2 as honest an answer as I can give you.

3 COUNCILMAN DICICCO: And I

4 appreciate your honesty.

5 And, Joe, just to go back, and

6 this is not being critical of you. You

7 know, you mentioned the Chamber, you

8 mentioned Charlie Pizzi when he was the

9 former head of the Chamber.

10 MR. MAHONEY: Right.

11 COUNCILMAN DICICCO: You

12 mentioned the governor, you mentioned a

13 whole lot of people who supported, wrote

14 letters of recommendation, supported the

15 notion of gaming.

16 MR. MAHONEY: Right.

17 COUNCILMAN DICICCO: And if you

18 add up all of those folks and all the

19 state lawmakers in the City of

20 Philadelphia, both legislators and

21 senators, you would probably come up

22 with maybe 150 at max.

23 Not one person in this room,

24 nor any person in this City Council, had

25 the opportunity to make their position

1 2/21/07 RULES - Bills 070006, 08 through 13
2 known to the State lawmakers. They gave
3 us this stuff; we didn't ask for it, and
4 we never voted on it, as Jim Kenney said
5 earlier.

6 So, you know, it's okay to say
7 all these guys support it because it's
8 good for economic development, but the
9 voices of the people were never even
10 given that consideration, and that's
11 what is at the heart of this debate,
12 this issue.

13 We were silenced. Jimmy's
14 right.

15 And we've talked about this,
16 and I got to be careful I don't go over,
17 you know, the edge politically, because
18 it is a political election year. But,
19 you know, the spin is that it's
20 everybody in the City. The ball was
21 dropped in our lap. We were dealt the
22 same hand that everybody else was dealt.

23 And all we keep hearing is,
24 well, it's going to create jobs and it's
25 going to create revenue. That may be --

1 2/21/07 RULES - Bills 070006, 08 through 13

2 that may be the case; we don't know
3 that. But we'd like to have some
4 responsibility for our own destiny, and
5 we haven't had that.

6 And we're going to do our best
7 in this council to try to figure out a
8 way to slow this process down.

9 (Applause.)

10 COUNCILMAN DICICCO: And to let
11 us have a say in this process because we
12 deserve it, and that's what we're here
13 to do.

14 But thank you, Mr. Chairman,
15 again.

16 COUNCILMAN CLARKE: Councilman
17 Kenney?

18 COUNCILMAN KENNEY: Thank you.

19 Mr. Mahoney, we have a lot of
20 different industries in Philadelphia --
21 the hospitality industry, financial
22 services, law; big, important industries
23 in Philadelphia.

24 MR. MAHONEY: Mm-hmm.

25 COUNCILMAN KENNEY: Where would

1 2/21/07 RULES - Bills 070006, 08 through 13

2 you rank the commercial port?

3 MR. MAHONEY: Oh, I think the
4 commercial port is a very key industry,
5 Councilman. We've seen it grow with the
6 strategic port designation, you know,
7 and I think that it's a key industry,
8 you know, for this community.

9 COUNCILMAN KENNEY: Wouldn't
10 the Chamber and/or the Mayor's
11 Commission or anybody else or the Gaming
12 Commission want to do an analysis of
13 what effect gaming on Delaware Avenue
14 would have to our commercial port before
15 we talked about the economic benefits of
16 it?

17 I mean, wouldn't that be --
18 wouldn't we want an assessment of that
19 to see what -- if we're stuck in traffic
20 for five years before the mitigation
21 stuff happens at Foxwoods, what effect
22 does that idling truck have at Delaware
23 and Washington Avenue when it can't get
24 to where it's supposed to be on time,
25 and that time costs money, and that time

1 2/21/07 RULES - Bills 070006, 08 through 13

2 costs the shipping costs to go up, and
3 that time causes all kinds of problems
4 that somebody may say, You know what?
5 Getting in and out of Philadelphia is
6 terrible. They're going to fix it, but
7 I can't have my business be
8 responsible -- or be responsible towards
9 my business. I'm going to -- maybe I'll
10 go to Baltimore, maybe I'll go to
11 Chester, maybe I'll go -- maybe I'll
12 just -- I'll go somewhere closer, but
13 I'll stop coming here.

14 Wouldn't that have a
15 devastating on both our economy and a
16 lot of people's jobs?

17 MR. MAHONEY: Well, it could,
18 Councilman, and I heard the response,
19 you know, in talking to -- to the -- in
20 particular to Foxwoods, you know, who
21 have told us about the traffic study
22 that they've done, and that the
23 remediations that they've plan, not with
24 new ramps, but with existing streets,
25 would cut the problem, you know,

1 2/21/07 RULES - Bills 070006, 08 through 13
2 significantly.

3 Our opinion was that, you know,
4 that that might be a helpful situation
5 for the port, not a detriment to the
6 port.

7 COUNCILMAN KENNEY: Even in the
8 interim, while they're -- before they
9 actually fix it?

10 MR. MAHONEY: We understand
11 that -- that -- that the problem is --
12 is tough now, and that in their
13 construction phase, they plan to fix it.

14 COUNCILMAN KENNEY: Well --

15 MR. MAHONEY: So our opinion
16 was that, you know, that those issues
17 will be --

18 COUNCILMAN KENNEY: But in
19 fairness, and I know you're here to put
20 out the Chamber's position, and I
21 respect you, and we've, again, worked
22 together on other things.

23 MR. MAHONEY: Absolutely.

24 COUNCILMAN KENNEY: You took
25 Foxwoods' view that this will be fixed?

1 2/21/07 RULES - Bills 070006, 08 through 13

2 MR. MAHONEY: Well, we also --

3 COUNCILMAN KENNEY: And then

4 said, Well, that seems reasonable, so

5 let's just say Fox is right? I mean, to

6 me, that's a big chance to take on

7 thousands of jobs.

8 MR. MAHONEY: As I said,

9 Councilman, we respect the port, we know

10 how important it is, you know. But, you

11 know, the information that we saw and

12 traffic studies, you know, led us to

13 believe, you know, that this was

14 something that was taken into

15 consideration and being addressed.

16 COUNCILMAN KENNEY: Okay. I

17 just wanted to raise it 'cause I know

18 it's an important part of our economy

19 here in Philadelphia. I know that the

20 people who run the operations down there

21 are members of your organization.

22 MR. MAHONEY: They are.

23 COUNCILMAN KENNEY: And I hate

24 to see them -- I'd hate to see you lose

25 them.

1 2/21/07 RULES - Bills 070006, 08 through 13

2 MR. MAHONEY: And I -- you
3 know, I should probably comment because
4 you -- you made the membership comment.
5 Neither SugarHouse nor Foxwoods, at
6 least at this time, is a member of this
7 --

8 COUNCILMAN KENNEY: No, I
9 wasn't --

10 MR. MAHONEY: No, no, but I --

11 COUNCILMAN KENNEY: I'm not
12 implying that. I'm --

13 MR. MAHONEY: I wanted to clear
14 the air on that.

15 COUNCILMAN KENNEY: No, no.
16 I'm talking about your (indiscernible)
17 and DRS --

18 MR. MAHONEY: No, I understand
19 that.

20 COUNCILMAN KENNEY: And Brown
21 and Penn Warehousing, those members of
22 your chamber.

23 MR. MAHONEY: I understand
24 that.

25 COUNCILMAN KENNEY: I wanted to

1 2/21/07 RULES - Bills 070006, 08 through 13
2 make sure we don't lose them from your
3 membership rolls.

4 MR. MAHONEY: No, but I also --
5 but I also wanted to just state, you
6 know, for the record that at this time,
7 neither Foxwoods nor SugarHouse are
8 members of the Chamber.

9 COUNCILMAN KENNEY: Okay, thank
10 you.

11 COUNCILMAN CLARKE:
12 Councilwoman Reynolds-Brown?

13 COUNCILWOMAN REYNOLDS-BROWN:
14 Good afternoon. For my own clarity,
15 what is the total membership of the
16 Greater Philadelphia Chamber?

17 MR. MAHONEY: About 5,000
18 members.

19 COUNCILWOMAN REYNOLDS-BROWN:
20 And you indicated in your testimony that
21 most, and I quote, are small businesses.
22 What percentage of that is small --

23 MR. MAHONEY: About 85 percent,
24 Councilwoman.

25 COUNCILWOMAN REYNOLDS-BROWN:

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2 About 85 percent?

3 At any juncture during this
4 process, to use Councilman DiCicco's
5 words, was the Greater Philadelphia
6 Chamber consulted? Were there any
7 meetings with the initial four and now
8 two prospective casino operators?

9 MR. MAHONEY: During the
10 process, we -- we met with, I believe,
11 all of the -- all of the proposed
12 operators, you know, to look at their
13 plans.

14 COUNCILWOMAN REYNOLDS-BROWN:
15 Mm-hmm.

16 MR. MAHONEY: You know, I
17 believe all four came in and met with
18 us.

19 COUNCILWOMAN REYNOLDS-BROWN:
20 And those meetings yield what? Did you
21 offer advice? I mean, you're in the
22 business of business, but no one
23 operates or lives in a vacuum.

24 So was there any opportunity to
25 enlighten the casino operators on the

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2 value of community input?

3 MR. MAHONEY: Absolutely. We
4 -- you know, we talked to them about the
5 importance of, you know, working with
6 communities. We talked to them about,
7 you know, our interest in traffic
8 remediation, you know, as a part of the
9 ultimate solution.

10 COUNCILWOMAN REYNOLDS-BROWN:

11 Mm-hmm.

12 MR. MAHONEY: You know, to
13 whatever sites were chosen.

14 COUNCILWOMAN REYNOLDS-BROWN:

15 I see.

16 MR. MAHONEY: Because we
17 recognize that, you know, the traffic
18 along Delaware Avenue would be of a
19 concern, no matter which of the sites
20 were chosen.

21 COUNCILWOMAN REYNOLDS-BROWN:

22 Mm-hmm.

23 MR. MAHONEY: So we -- you
24 know, we talked to all of them about an
25 interest in, you know, however their

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2 plans move forward, that, you know,
3 community input was important and that
4 traffic remediation was important.

5 We made no decisions on, you
6 know, which of the sites, you know, were
7 to be chosen. We made no
8 recommendations. It was not within our
9 realm.

10 COUNCILWOMAN REYNOLDS-BROWN: I
11 see.

12 MR. MAHONEY: But we did raise
13 those issues with each of the -- with
14 each of the operators.

15 COUNCILWOMAN REYNOLDS-BROWN:
16 Okay, then. Thank you for your
17 testimony.

18 MR. MAHONEY: Thank you,
19 Councilwoman.

20 COUNCILMAN CLARKE: Thank you.
21 Please proceed.

22 MS. WINDER: Councilman Clarke
23 and members of the committee, my name is
24 Delilah Winder, and I'm here on behalf
25 of the African-American Chamber of

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2 Commerce of which I am the chair.

3 I am also here to testify as a
4 small-business owner and as an
5 African-American business owner.

6 The African-American Chamber of
7 Commerce is the leading sector advocate
8 for black-owned businesses in Delaware
9 Valley. And as such, we have taken a
10 very active interest in the introduction
11 of gaming in our city.

12 We cosponsored a gaming seminar
13 with Wachovia Bank, the Philadelphia
14 Tribune, and Kleinberg, Bell & Becker on
15 September 8, 2005, and we attended the
16 Gaming Control Board seminar titled "The
17 Gaming Enterprise Diversity Forum
18 Program" on September 29, 2005.

19 Perhaps most importantly, we
20 surveyed our members and found that a
21 significant number were interested in
22 doing business with casino owners.

23 I believe that the introduction
24 of gaming into our city represents not
25 only an opportunity for business and

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2 individuals across the city, it
3 specifically represents an opportunity
4 for minority-owned businesses.

5 When I assumed the role as
6 chair of the African-American Chamber, I
7 said that to thrive, African-American
8 businesses need to be recognized as a
9 prime and subcontractors. We didn't
10 need a piece of the pie; they needed one
11 hundred percent of the pie. I also want
12 to see more.

13 The Gaming Act requires casinos
14 to strive for diversity at every
15 level -- hiring, contracting, and
16 procurement. Both of these casinos have
17 submitted plans detailing how they will
18 do so. I can think of no other industry
19 that has done something similar in
20 Philadelphia.

21 In closing, please let me say
22 that I know firsthand from my experience
23 in running multiple food-service
24 establishments for 22 years how hard it
25 is to run and grow a business. These

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2 new casinos, with their commitment to
3 diverse contracting and procurement,
4 represent an opportunity for
5 African-American businesses, an
6 opportunity that I believe will make us
7 a stronger city, a city proud of
8 business that represents a multicultural
9 picture.

10 We should not allow anything to
11 delay this process. Please oppose these
12 bills.

13 Are there any questions?

14 COUNCILMAN CLARKE:

15 Councilwoman Reynolds-Brown?

16 COUNCILWOMAN REYNOLDS-BROWN:

17 Thank you, Mr. Chairman.

18 My question is the same as it
19 was for Mr. Mahoney. Did at any
20 juncture in the process the casino
21 operators seize the moment to sit down
22 with the African-American Chamber of
23 Commerce and discuss all of those
24 relevant issues that have even come
25 before us today?

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2 MS. WINDER: Yes. We've sat
3 down with both entities, and we've
4 expressed to them our concern of having
5 involvement at all levels of business.
6 And they've expressed to us percentages
7 greater and above than what we've gotten
8 from any other project in the city since
9 far.

10 So the -- all the -- both
11 casinos have committed to doing business
12 with our businesses, in helping to grow
13 and develop our businesses.

14 COUNCILWOMAN REYNOLDS-BROWN:
15 Is that to suggest then that they are
16 willing to put in writing, for lack of a
17 better word, a contract that clearly
18 stipulates the extent to which they will
19 honor whatever their promises are?

20 MS. WINDER: I feel comfortable
21 that they would be willing to do that,
22 yes.

23 COUNCILWOMAN REYNOLDS-BROWN:
24 Thank you for your testimony.

25 COUNCILMAN CLARKE: Thank you,

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2 Councilwoman.

3 MS. COULTER: Good afternoon,
4 Councilman Clarke and other members of
5 the Rules Committee. My name is
6 Patricia A. Coulter, and I am President
7 and CEO of the Urban League here in
8 Philadelphia.

9 The National Urban League, of
10 which we are a local affiliate, is the
11 nation's older and largest community-
12 based movement devoted to empowering
13 African-Americans to enter the economic
14 and social mainstream by helping them
15 secure economic self-reliance, parity,
16 power, and civil rights.

17 We understand that the two
18 casinos would create jobs for workers
19 that come with benefits, and that they
20 are committed to hiring Philadelphians.

21 Critically as important to
22 jobs, we support the development of the
23 casinos to provide local companies and
24 companies owned by women and minorities
25 more procurement and contracting

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2 opportunities.

3 Both of these casinos have
4 committed detailed plans to the State
5 Gaming Control Board, plans that we
6 intend to hold them to ensure not just
7 diversity in hiring but diversity in
8 procurement and contracting. That's
9 something that not enough companies in
10 this region do.

11 I believe as a city and as
12 individuals, we need to do more to help
13 create, support, and develop local
14 companies and minority-owned businesses
15 and recognize and support entities that
16 commit to doing so.

17 In addition to the jobs they
18 will create directly and indirectly, the
19 casinos would generate tens of millions
20 of dollars for local government
21 annually, including \$5 million for
22 schools. At a time when our schools
23 continue to face a constant money
24 crunch, additional revenue should not be
25 dismissed. As we all know, education is

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2 the key to a better future. In the
3 Urban League movement, we have a saying:
4 Our children equal our destiny.

5 The additional tax revenues can
6 also be used to revitalize
7 neighborhoods, improve job-training
8 programs, and to make our city safer.

9 It is not every day that an
10 opportunity like this comes along. We
11 should not delay in making it an
12 opportunity of a lifetime for all
13 Philadelphia citizens.

14 Thank you very much.

15 COUNCILMAN CLARKE: Thank you
16 for your testimony.

17 Councilwoman Reynolds-Brown?

18 COUNCILWOMAN REYNOLDS-BROWN:

19 Good afternoon. Does the Urban League,
20 the National Urban League, have any
21 historical experience wherein the league
22 was intimately involved with the startup
23 of casinos in other municipalities in
24 the country?

25 MS. COULTER: The Urban League

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2 per se does not have that experience,
3 but if you know that our national CEO is
4 Marc H. Morial, who is the former
5 two-term mayor of New Orleans, and it
6 was under his tenure in New Orleans that
7 casinos did come to the City of New
8 Orleans.

9 COUNCILWOMAN REYNOLDS-BROWN:
10 And so can one assume, then, that the
11 Urban League would be able to bring that
12 experience to bear should this become a
13 reality in Philadelphia?

14 MS. COULTER: Yes. In fact, I
15 have talked to Mr. Morial about that,
16 and we've talked specifically about
17 contracting and procurement
18 opportunities for people of color.

19 COUNCILWOMAN REYNOLDS-BROWN:
20 Have any of the casino operators
21 approached the Urban League to discuss
22 the need for community input,
23 procurement opportunities, et cetera?

24 MS. COULTER: Yes. We have
25 been approached by them, SugarHouse in

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2 particular. And we have also had a
3 discussion about the procurement and
4 contracting models that they might use.

5 COUNCILWOMAN REYNOLDS-BROWN:

6 Okay. Thank you again for -- thank you
7 all for your testimony.

8 MS. COULTER: Thank you.

9 COUNCILMAN CLARKE: Thank you
10 so much. Thank you.

11 Mr. McPherson?

12 MR. MCPHERSON: Okay. The next
13 panel is Jim Paylor, International
14 Longshoremen's Association; Renee
15 Goodwin, Pennsport Civic Association;
16 and Mary Reinhart.

17 (Witnesses come forward.)

18 COUNCILMAN CLARKE: Good
19 afternoon. Please proceed.

20 MR. PAYLOR: Councilman, I want
21 to thank you for the opportunity. I
22 feel honored to sit in front of you
23 today and -- but I would like to start
24 out with some humor, if I may, just so
25 --

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2 COUNCILMAN KENNEY: Thanks.

3 COUNCILMAN CLARKE: We could
4 use that.

5 MR. PAYLOR: Because people
6 will possibly be crying at the end of my
7 presentation.

8 COUNCILMAN CLARKE: Thank you.

9 MR. PAYLOR: If I may.

10 Following Jeff Benedict, okay, with his
11 knowledge about the social ills of
12 casinos is a tough act to follow, but I
13 have recently -- or not recently, but a
14 few years ago, the opportunity to follow
15 Congressman Abercrombie from Hawaii. I
16 don't know if any of you ever heard him
17 speak, but he's fascinating and amazing,
18 and I got a tug on my jacket and was
19 told I was next to follow him, and it
20 was really a tough act to follow.

21 What I intend to do today and,
22 I will first plead your indulgence to
23 give me the opportunity to tell you what
24 our serious concerns are, number one,
25 and fill you in with as much information

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2 as you feel is necessary.

3 Some of the questions that have
4 been asked by Councilman Kenney and
5 others, okay, probably will be answered
6 by some of the things that I have to
7 offer.

8 To try to start off on what's
9 important and why I am here is, I
10 represent the International
11 Longshoremen's Association, of course,
12 and those people are my constituents
13 just as they are your constituents.

14 I grew up in South
15 Philadelphia, was born and raised there,
16 and I attended a meeting last night at
17 the Furness High School, which was my
18 junior high school, okay, where 600
19 people attended a meeting, and they
20 voiced very passionately their
21 displeasure to what was happening in the
22 city in regards to casino and other
23 waterfront development, which I'll get
24 into.

25 And basically, they feel like

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2 they've been part of a process that is
3 treating them with irresponsibility and
4 ignorance. It was quite clear at our
5 meeting.

6 What is a longshoreman? It's
7 someone who loads and unloads vessels,
8 for those who don't know, okay? And we
9 move cargo across the terminals. We're
10 in an industry that was being reduced
11 basically through automation over a
12 number of years.

13 The good news is that -- and
14 I'm going to touch on this at the very
15 end -- is that it's an industry right
16 now that is thriving, and millions and
17 millions of dollars are being spent in
18 other maritime cities to accommodate the
19 growth in cargo which creates job
20 generation and tax generation, something
21 that I'm sure you're very interested in.

22 But who are the longshoremen?
23 The longshoremen are a guy who shows up
24 every morning not know whether he's
25 going to go to work, and he's on call to

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2 work 20 different starting times because
3 our jobs are based around ship arrivals.

4 And ship arrivals, they come,
5 and they make their money based on
6 filling or unloading our going and going
7 and getting new cargo and going through
8 their next destination. If we delay
9 that operation, then we -- we probably
10 will lose that cargo to other competing
11 ports.

12 We have a history of being the
13 most productive port on the East Coast.
14 The result of that is we still have,
15 even though people don't understand it
16 or know it, we still have the highest
17 market share of (indiscernible) cargos
18 in the North Atlantic ports.

19 We have approximately 300,000
20 containers that come from Packer Avenue
21 alone. What that means is that there's
22 600,000 truck moves 'cause every one of
23 those containers goes from the facility
24 to a point of destination where they
25 unload the cargo into another warehouse,

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2 and then it's brought back and then
3 reloaded onto the vessel, okay? So
4 that's 600,000 truck driver moves during
5 the course of the year.

6 All of that is in jeopardy.
7 And why are we afraid of it? Very
8 simply, that our members -- and this is
9 where it gets into the serious part.

10 Our members, over the last few
11 years, have been asked to recognize some
12 of the inefficiencies in our port.
13 We've been asked to subsidize some of
14 the inefficiencies in our facilities.

15 As a result, the longshoremen
16 in the Port of Philadelphia -- and I
17 included that in the presentation that I
18 sent to Councilman DiCicco's office. I
19 hope you all have it; if not, I could
20 get you a copy. It shows that we have
21 the lowest paid pension on the East
22 Coast. It's something I'm not proud of
23 but it was something that the regional
24 economics dictated.

25 What we did a few years back

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2 was recognize that we had to offset some
3 of those inefficiencies, and by doing
4 so, we froze our pension plan in 1996.

5 We also asked our people to
6 make major concessions. Some people
7 took concessions of \$6 an hour, okay,
8 all done with the intention of bringing
9 back our industry.

10 Here's the good news. At that
11 low point, we went down from -- we were
12 down to 1.2 million man hours. Now, as
13 a result of the concessions that we
14 made, we are up to 1.9 million man hours
15 and constantly growing.

16 Recently, in the last few
17 years, we've employed 300 new people
18 that all come from the communities which
19 you represent.

20 Our pension fund is healthy at
21 this point, okay, but even though we're
22 not proud of it, it's healthy, but with
23 the new Pension Reform Act, if we lose
24 any one facility, okay, the funding that
25 we require is based on all of the

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2 facilities that are now working or
3 continue to work. That means the
4 pension that we are receiving right now,
5 even though it's at a low point, would
6 still have to be reduced most likely if
7 we lost any one of those facilities.

8 Now, when I get into what the
9 casinos will do to it, Jimmy -- or
10 Councilman Kenney, I'm sorry --

11 COUNCILMAN KENNEY: That's
12 okay.

13 MR. PAYLOR: Is that okay Jim?
14 Okay, he asked a few questions.

15 I asked those same questions,
16 Jim. I've attended numerous meetings,
17 okay, with PennDOT being present, with
18 the Delaware Valley Regional Planning
19 Commission, with the City Planning
20 Commission. And the very questions you
21 asked I asked:

22 Was there any studies that were
23 performed, including the ones that were
24 performed by the casinos and PennDOT,
25 that showed or determined what the

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2 impact would be on the existing
3 businesses that are in our area,
4 including and specifying, of course, the
5 stevedore industry.

6 And with some delay on
7 answering the question, in all cases,
8 the answer to that was no.

9 I asked them this question:
10 Did any of the analyses that were
11 performed include using the users of the
12 port -- meaning the shipping lines -- or
13 the stevedores themselves or the
14 terminal operators? The answer to that
15 was no.

16 So as a result, I asked for a
17 meeting of the Philadelphia Marine Trade
18 Association who represents the yard
19 operators and the shipping lines. And
20 we analyzed what was going on with the
21 casinos and what would the possible
22 impact be.

23 Well we have Piers 38, 39, and
24 40, which are about three blocks north
25 of the Foxwoods site. You have Pier 78,

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2 Pier 80, Pier 82 and Pier 84, which are
3 a few blocks south, okay, of the
4 Foxwoods site. You also have the
5 annexes that store that international
6 cargo along those facilities along the
7 Delaware Avenue or, in this case,
8 Columbus Boulevard.

9 All of that cargo recognized by
10 the terminal operators is at risk
11 because the congestion, number one, that
12 Councilman Kenney has already alluded
13 to, will interfere with the service, of
14 something that we have prided ourselves
15 on.

16 Getting the cargo going in and
17 out of that facility with the congestion
18 that already exists is a problem, but if
19 it's going to be compounded by casino
20 traffic, it's only going to get worse.

21 The bigger problem, okay, is we
22 all know if casinos are successful, once
23 built at that facility, there will be
24 encroachment onto the other industrial
25 sites that will basically eliminate the

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2 industry that we're working in right
3 now.

4 That being compounded, okay,
5 with this recent issue that has been
6 exposed, that the Governor wants to
7 float a \$350 million bond, which you
8 would think we would welcome because
9 it's more capital improvements in our
10 industry, would also move the
11 Philadelphia Food Distribution Center to
12 the east portion of the Navy Yard.

13 If we are bookended by the Food
14 Distribution Center, which is the only
15 place where we have left to grow, and
16 then also squeezed by the casinos, it
17 will be -- and I'm not trying to
18 exaggerate or dramatize. It will be the
19 demise of the 45,000 jobs that are
20 dependent on the waterfront.

21 And people say, well how could
22 it be 45,000 jobs? The International
23 Longshoremen's Association is only 1,000
24 people, 2,000 pensioners.

25 You have to look at the 100,000

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2 or 200,000 truck drivers that go in and
3 out of our facility on a yearly basis,
4 you have to look at the warehouse
5 people.

6 And then last night at our
7 meeting, I was hit with something that
8 illustrates everything that people don't
9 recognize. I met a woman named Peg.
10 She introduced herself to me, and she
11 said, Thank you for fighting for my job.
12 I'm an accountant and I work for
13 Inchgate (sp?), which is a shipping
14 agent. So it shows the spillover of the
15 industrial jobs into the white-collar
16 jobs, okay, into Bunny's Cleaners at
17 Third and Snyder, into the banks, and
18 into your own barbershops.

19 When 45,000 jobs are at risk
20 because of a ill-fated or uninvestigated
21 or lack of research plan or lack thereof
22 plan and one family-sustaining job is
23 lost, then that's a crime. If 45,000
24 jobs are lost, it's a holocaust.

25 It can't be afforded. The City

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2 can't afford it.

3 Now, I know there's some
4 dilemmas on the Councilpeople's part.
5 They're probably saying, Well, how do I
6 satisfy the transportation industry and
7 how do I satisfy the building trades who
8 are supportive of casinos?

9 The total issue of the casinos
10 should be defined as short-sighted for
11 this reason. There can be a healthy
12 mix. Even though we're longshoremen, we
13 do recognize that the facilities along
14 the middle Delaware River are obsolete
15 for our purposes, but the industry can't
16 be ignored.

17 So we're looking for the
18 opportunity to expand on an industry
19 that, once again, is thriving.

20 So what can we do? You have to
21 find out what the casino said. What is
22 compatible?

23 Casinos are not compatible with
24 our neighborhoods, casinos are not
25 compatible with our industry, casinos do

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2 not generate the family-sustaining
3 jobs--

4 (Applause.)

5 MR. PAYLOR: -- that our jobs
6 and the building trades jobs do provide.

7 Now, afterwards, a good
8 comprehensive plan, which the Penn
9 Praxis Group, which you delegated to go
10 out into the communities to design a
11 good, healthy environment for waterfront
12 development is recognized and
13 recommended.

14 Once they get through the
15 obstacles of trying to develop around
16 casinos, and once they get through the
17 obstacles of trying to design around a
18 short-sighted \$350 million bond issue
19 for other port development, they then
20 have to come up with their design.

21 If they didn't have those
22 obstacles, they then come up with a
23 design that includes residential and
24 includes commercial and includes
25 recreational and includes the building

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2 of a much-needed maritime facility.

3 Now, if the Martie facility is
4 being built, it's going to be built by
5 the building trades. If the industrial
6 development is going to be built, it's
7 going to be built by the trades. If the
8 commercial development is going to be
9 built, it's going to be built by the
10 building trades. If the parks and the
11 playgrounds that we want along the
12 waterfront are going to be built, they
13 will be built by the building trades.

14 (Applause.)

15 MR. PAYLOR: What I'm saying to
16 you, Councilman, is that a good,
17 well-designed plan could be healthy, and
18 it doesn't have to inflict pain on
19 anyone, okay? And I think that's where
20 we have to concentrate our energies.

21 I've been sitting in positions
22 where I've had your dilemmas, and the
23 dilemma is very simple. If I have a
24 political issue that creates conflicts
25 with the merits of an issue that creates

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2 conflict, how do I resolve that and
3 satisfy everybody?

4 My father told me, when I first
5 got elected to this job, "You're going
6 to wind up in that position of conflict,
7 and here's how you determine it." He
8 said, "You ask one key question to
9 yourself: Is it healthy for you?"

10 But, he said, more importantly,
11 "Once you're elected to represent your
12 constituents, you have to ask yourself
13 this question: Is it healthy for my
14 constituents?" And once you resolve
15 that conflict, okay, there is no longer
16 a conflict.

17 And I say to you that when you
18 analyze everything that you have to
19 analyze as far as casinos based on
20 compatibility and social ills, there is
21 no other issue. It's what healthy for
22 the people that I represent, and the
23 casinos don't provide a healthy
24 alternative to anything that we've
25 already talked about.

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2 (Applause.)

3 (Cheers.)

4 MR. PAYLOR: Also, I was told,
5 you have to apply common sense to things
6 that somewhat seem complicated and are
7 not really complicated. And I'm not a
8 urban engineer, but because of my
9 position, I have had the opportunity to
10 travel through many maritime ports in a
11 lot of different cities, including Las
12 Vegas, and here's what I do know:

13 I do know that the casinos that
14 are built around this country, okay, did
15 have some foresight, one by a gentleman
16 called Bugsy Segal. He said there's a
17 controversial issue of gaming -- where
18 do I put it where nobody don't care
19 about it? So I put it in the middle of
20 a desert, and if people want to come to
21 it, they'll come to it. Okay, and
22 that's where Las Vegas was born.

23 The other casinos that are in
24 our country are in the middle of the
25 wilderness. You go out to Lake Tahoe,

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2 you have to travel great lengths to get
3 to the casinos.

4 The other casinos are in places
5 like New Orleans, okay, and I'm talking
6 pre-Hurricane Katrina, and that casino
7 was in the middle of an area that was
8 run down, buildings were vacant, and
9 there was no other growth, and they
10 needed something to spark rejuvenation.

11 The other one which I think was
12 referred to here is in the city of
13 Detroit, a municipality similar to our
14 own, but it was put in an area where
15 there was no other progress, no other
16 development, and no vibrancy.

17 Casinos are being put in our
18 area, which you all know -- Jimmy
19 already referred to it -- are in an area
20 that right now are congested. There's
21 commercial development, there's people
22 moving into the industry.

23 And you have the working-class
24 people who have been there for many,
25 many years saying, I want to stay here,

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2 okay? Please help me with my social
3 structure. Don't let it erode because a
4 few people will get rich at the expense
5 of working-class people.

6 I hope that you will
7 consideration what I say, and I thank
8 you for the opportunity.

9 (Applause.)

10 (Standing ovation.)

11 (Council President Verna bangs
12 gavel.)

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

15 MR. PAYLOR: Madam Chairman, if
16 I may offer one more thing that I think
17 will give a lot of insight.

18 If we were just complaining
19 about this development, I could see some
20 people say we were a special-interests
21 group. We are preparing to propose to
22 the Philadelphia Regional Port Authority
23 on March the 2nd -- it's a plan.

24 It's a plan that will show how
25 we go from 300 million containers -- I'm

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2 sorry -- from 300,000 containers to
3 3.5 million containers. Our industry
4 last year paid \$43 million in taxes to
5 the City and State government, with
6 300,000 containers. If we take it to
7 3.5 million, can you imagine the tax
8 revenue that the City will -- will
9 generate?

10 So in response to the casino
11 who said, "We're the only solution to
12 your problem," what is happening in our
13 community right now in the maritime
14 industry has never been seen before.

15 The teachers' pension has just
16 invested \$2 million to purchase a
17 stevedoring company, \$2 million.

18 American International Global
19 Investment Company has just spent \$2
20 billion, okay, of their money to buy P&O
21 Court -- that was the Dubai Port
22 travesty. They just spent \$40 million
23 just to be licensed to work in New York.
24 They're an investment company, and what
25 they're saying is that we're not

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2 changing anything. The maritime
3 industry is where the money is right
4 now, okay?

5 My concern is Philadelphia is
6 closing the doors to something that
7 could replace any need for casinos.

8 Thank you.

9 COUNCIL PRESIDENT VERNA: Thank
10 you. Thank you very much.

11 (Applause.)

12 COUNCIL PRESIDENT VERNA: Good
13 afternoon. Please identify yourself for
14 the record.

15 MS. GOODWIN: Yes . My name's
16 Rene Goodwin, I'm a member of the Board
17 of Pennsport Civic Association, Chair of
18 Riverfront Communities United, and a
19 member of Delaware River Neighborhood
20 Alliance.

21 Thank you for the privilege to
22 come here and speak to you today. My
23 remarks are, first of all, to support
24 the ordinances, the various bills and
25 ordinances introduced by Councilman

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2 DiCicco.

3 My remarks are addressed mostly
4 to the fact that I am opposed to the
5 casino sites and specifically Foxwoods
6 only because it is the one I am most
7 familiar with; although the facts that I
8 will touch on, I think, are relevant to
9 both sites.

10 Fiction: A casino will enhance
11 the value of an area.

12 Fact: A 1998 Nevada study
13 found that homes experienced a 4.6 drop
14 in value when a casino moved into the
15 neighborhood. That is with a buffer of
16 2,000 to 5,000 between the properties
17 and the casino. At Foxwoods, the buffer
18 is 480 feet.

19 A 4.6 reduction in value in the
20 neighborhood in this area is a dollar
21 amount in excess of \$109 million, and
22 that does not even take into
23 consideration the accelerating
24 real-estate prices even in a somewhat
25 smaller market in the Queen Village,

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2 Society Hill, and Pennsport areas.

3 Fiction: Casinos will generate
4 revenue in the form of tax revenue.

5 Fact: Foxwoods has not agreed
6 to forego the ten-year tax abatement
7 and, I understand, have not yet paid
8 this year's current real-estate taxes on
9 the property, which exceed a million
10 dollars.

11 Fiction: Foxwoods will donate
12 42 percent of its profits to designated
13 charities.

14 Fact: Family charitable
15 foundations are a way of preserving
16 personal wealth, and they reduce
17 significantly the tax burden on such
18 wealth.

19 For example, if one leaves a
20 \$100 million estate covered by a
21 foundation, virtually no inheritance
22 taxes would be paid. You will have
23 saved your heirs a mere 47 percent or
24 \$47 million.

25 Fiction: Foxwoods' traffic

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2 mitigation plans, which include a new
3 I-95 ramp will address existing and
4 newly-generated traffic congestion and
5 will reduce congestion by an approximate
6 30 percent.

7 Fact: A federal consent decree
8 prohibits the building of additional
9 I-95 ramps between the Ben Franklin
10 Bridge and the Walt Whitman Bridge.

11 Fact: According to Delaware
12 Valley Regional Planning Commission, as
13 a result of additional traffic, quote,
14 there will be adverse impacts to the
15 local communities and infrastructure.
16 Forty percent of casino-generated
17 traffic will use local roadways.
18 Big-box retail stores contribute to the
19 congested nature, and the proposed
20 traffic generation from this site will
21 have increased problems.

22 Fact also: Some of the
23 mitigations that Foxwoods has
24 consistently proposed are relatively
25 simple steps that can be implemented

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2 right now by the City of Philadelphia
3 and PennDOT.

4 Fiction: The Pennsylvania
5 Gaming Control Board adjudication report
6 of February 1, 2007, states neither
7 Philadelphia entertainment, nor any of
8 its affiliates, including the tribal
9 nation, own any interest in any casino
10 located in Atlantic City.

11 Fact: According to the
12 Associated Press, the Mashantucket
13 Pequot Tribal Nation and MGM Mirage have
14 discussed building on a 14-acre site in
15 Atlantic City. This was never
16 disclosed.

17 Fiction: The casinos will
18 create jobs.

19 Fact: Yes, most of which are
20 \$9 an hour.

21 I heard Foxwoods
22 representatives state in front of a
23 group of people that for most of the
24 upper-management jobs, consideration
25 would be given to in-house personnel

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2 because that is their policy.

3 Fiction: Casinos will generate
4 revenue.

5 Fact: They don't generate
6 anything; they take from other sources
7 by drawing in persons to gamble with
8 monies that would be used for food,
9 clothing, rent, and so forth.

10 Additionally, an increase in
11 crime results, with an average increase
12 of \$34,000 per year, which is what is
13 spent by the State on correctional
14 institutions, \$34,000 a year a person
15 for every person who is incarcerated.

16 We should count on at least the
17 17 percent increase in crime.

18 Fiction: The design of the
19 casino will make it a destination, a
20 waterfront destination, and develop an
21 area in need of development.

22 Fact: According to the current
23 situation, the two casinos are not in
24 control of riparian rights; and contrary
25 to what the gentleman said from

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2 Foxwoods, the review that we have made
3 of the riparian-rights maps indicates
4 that approximately one-third of their 16
5 acres would be negatively affected by
6 the loss of riparian rights.

7 In fact, to go further, on
8 November 14th, at the Pennsylvania
9 Gaming Control Board hearings, the
10 Foxwoods representative said that
11 although they'd like to have them, they
12 are not sure they really want them
13 because it would be so costly to develop
14 on the waterfront, and without the
15 riparian rights, they can actually
16 increase the size of their casino by
17 30 percent. I'm assuming they're
18 talking about building up.

19 Fiction: It's a done deal.

20 Fact: Maybe not.

21 (Applause.)

22 (Cheers.)

23 (Council President Verna bangs
24 gavel.)

25 COUNCIL PRESIDENT VERNA: The

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2 Chair recognizes Councilman Kenney.

3 COUNCILMAN KENNEY: Thank you,
4 Madam President.

5 I appreciate both your comments
6 so far and applaud you for being here.

7 One of the issues -- I mean,
8 it's -- obviously, this legislation is
9 an attempt to kind of redefine the
10 conversation and slow things down or
11 stop 'em, whatever, whatever we finally
12 come up with.

13 One of the ways to slow this
14 down is the agreement that no
15 riparian-rights bill would be introduced
16 in Harrisburg by any House member or any
17 Senate member.

18 Has your coalition taken a
19 position formally?

20 MS. GOODWIN: Yes. In fact,
21 the letters are just about to go out,
22 signed by -- or signed by signatures
23 representing all of the community groups
24 who agreed to that, letters asking all
25 of the Senators, members of the House,

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2 the Governor, the Attorney General, just
3 to --

4 COUNCILMAN KENNEY: Are those
5 letter coming from the coalition or
6 coming from each individual civic
7 association?

8 MS. GOODWIN: Both.

9 COUNCILMAN KENNEY: All right.
10 So Pennsport has sent let --

11 MS. GOODWIN: Both. Yes, our
12 letters have actually already gone out.

13 COUNCILMAN KENNEY: Okay.

14 MS. GOODWIN: And the letter
15 requests not only that legislation
16 regarding riparian rights and associated
17 parcel not be introduced, but that any
18 other legislation that would be
19 accommodating or friendly to the casinos
20 not be introduced.

21 COUNCILMAN KENNEY: Could you,
22 if possible, get the committee copies of
23 those individual letters --

24 MS. GOODWIN: Absolutely.

25 COUNCILMAN KENNEY: -- from

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2 your civic association and from any

3 other groups, okay?

4 MS. GOODWIN: Absolutely.

5 COUNCILMAN KENNEY: Thank you.

6 MS. GOODWIN: Thank you.

7 COUNCIL PRESIDENT VERNA: Thank
8 you very much.

9 MS. GOODWIN: Thank you.

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

14 MS. REINHART: Hello. I'm Mary
15 Reinhart, and I live in Pennsport, and
16 I'm here simply to talk on my own behalf
17 because I want to tell you that I live a
18 two-minute walk away from the proposed
19 Foxwoods site.

20 And so on December 20th, when I
21 heard that they had been granted a
22 license, I was stunned and I was
23 sickened.

24 And, in part, I was feeling
25 that way because I was there in

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2 Harrisburg on November the 14th, when
3 Foxwoods made its presentation to the
4 Gaming Board, and I actually heard their
5 spokesman say that they plan to put an
6 offramp over Front Street and to widen
7 Front Street to the west to accommodate
8 the traffic.

9 And I live right there. And if
10 they widen Front Street to the west,
11 dozens of houses and buildings will go
12 down before a bulldozer. And this
13 stunned me, this upset me. I'm furious
14 about it.

15 The spokesman there was as cool
16 as a cucumber as he talked about our
17 fate, and the Gaming Board was mute.
18 They followed up with no questions.
19 They simply accepted calmly and
20 placidly, apparently, the fact that
21 these casinos will do these vile things
22 to our neighborhood.

23 If people choose to spend their
24 time gambling, to spend their money
25 gambling, you know, that's really their

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2 business. But it's my business when the
3 State wants to drop these slot parlors
4 into my neighborhood to corrupt it, to
5 destroy potential jobs, to take our
6 homes. Then it's my business, and I'll
7 do anything to stop that.

8 (Applause.)

9 MS. REINHART: I've
10 demonstrated, I've blocked traffic, I've
11 written to the newspapers, I've written
12 to State Representatives, to the
13 Governor, I've written to you, I've
14 collected hundreds of signatures on a
15 petition to put this question on the
16 ballot.

17 I'm even here testifying in
18 front of you in a T-shirt in this
19 beautifully elegant room so that you can
20 see that I'm prepared to do almost
21 anything to stop this.

22 And I hope that I won't have to
23 stand in front of bulldozer to stop that
24 bulldozer from tearing down my 1860s
25 house. And so I'm prepared to do that,

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2 but I hope I don't have to.

3 I'll also be in the voting
4 booth on May 15th supporting all of you
5 who help us. So I'm helping you.

6 (Applause.)

7 MS. REINHART: Frankly,
8 frankly, I'm pleading with you now to
9 use your zoning-rights abilities to keep
10 this corruption away from our doors.

11 Thank you.

12 (Applause.)

13 COUNCIL PRESIDENT VERNA: Thank
14 you very much.

15 The Chair recognizes Councilman
16 Kenney.

17 COUNCILMAN KENNEY: I just -- I
18 want to bring to your attention a
19 legislative nuance that's important to
20 understand when it comes to Harrisburg.

21 MS. REINHART: Yes.

22 COUNCILMAN KENNEY: In January,
23 when the members of the State House were
24 sworn in, it's quite a different
25 situation now.

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2 MS. REINHART: Good.

3 COUNCILMAN KENNEY: The

4 Democrats are in the majority.

5 MS. REINHART: Good.

6 COUNCILMAN KENNEY: Okay? The

7 people who represent most of

8 Philadelphia in the House are Democrats.

9 In the past, any piece of legislation

10 that would be introduced by a Democrat

11 from Philadelphia in the House

12 controlled by the Republicans was most

13 likely to ever see the light of day.

14 That has changed. We have a

15 different Speaker of the House, we have

16 different chairmanships of all of the

17 committees. So anything that's

18 introduced in the House to slow this up

19 or to change this or to make this better

20 will see the light of day because the

21 Democrats are in control.

22 Now, when it gets to the

23 Senate, it's a different story because

24 the Republicans still control it, and

25 the Governor supports gaming, so it --

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2 but the point is that if you can get a
3 piece of legislation to the floor, which
4 you can in the House of Representatives,
5 because of the change in leadership,
6 that is another arrow in our quiver to
7 try to do something the right way.

8 So you got to really stay on
9 your State House members to move
10 legislation through, because they have
11 the authority now to do it. They've all
12 moved up in seniority, they're all heads
13 of committees now, and it's easier to
14 get something on the floor of the House
15 than it is the Senate.

16 MS. REINHART: I appreciate
17 that guidance.

18 COUNCILMAN KENNEY: Good.

19 MS. REINHART: And I'm going to
20 use it. Thank you.

21 COUNCILMAN KENNEY: Thank you.

22 COUNCIL PRESIDENT VERNA: Thank
23 you very much.

24 MS. REINHART: Thank you.

25 (Applause.)

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2 COUNCIL PRESIDENT VERNA:

3 Mr. McPherson?

4 MR. MCPHERSON: The next panel

5 consists of Joe Dougherty and Sam

6 Staten.

7 COUNCIL PRESIDENT VERNA: Joe

8 Dougherty and Sam Staten?

9 (Witness comes forward.)

10 COUNCIL PRESIDENT VERNA: Good

11 afternoon.

12 MR. BOYER: Good afternoon.

13 COUNCIL PRESIDENT VERNA: Would

14 you please identify yourself for the

15 record and proceed with your testimony.

16 MR. BOYER: I'm Ryan Boyer,

17 Secretary-Treasurer of Local 332.

18 Mr. Staten could not be here so I'm here

19 in his stead to read his testimony.

20 Madam Chairwoman and members of

21 the committee, again, my name is Ryan

22 Boyer, and I'm the Secretary-Treasurer

23 of Local 332, and I thank you for this

24 opportunity to appear before you with my

25 brothers and sisters in the union

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2 movement to discuss the importance of
3 the casino construction projects which
4 are coming to Philadelphia.

5 As many of you may know, my
6 local is primarily made up of
7 African-Americans who live in
8 Philadelphia. In fact, many of them
9 live in the very neighborhoods where
10 these casinos will be built.

11 For them and all other members
12 of my local, gaming offers a unique
13 opportunity, an important economic
14 opportunity. It's an opportunity to
15 obtain union jobs in both the
16 construction and hopefully the operation
17 of casinos, which offer meaningful,
18 liveable wages, significant benefits,
19 and a real chance to both support a
20 family and maintain hope for the future.

21 Not only will these project
22 create hundreds, and eventually
23 thousands, of new jobs, but they will
24 also pump hundreds of millions of
25 dollars back into the City and the

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2 State, a portion of which will be used
3 to reduce our city's wage taxes, which
4 is an important issue for our members.

5 Moreover, an issue which has
6 gotten lost in the arguments is the fact
7 that some of these taxes will be used to
8 support the expansion of the
9 Pennsylvania Convention Center, another
10 critical source of new jobs for both my
11 members and the City of Philadelphia.

12 The gun violence which
13 permeates our city, and in particular
14 our minorities neighborhoods, is a
15 serious problem which weighs heavily on
16 everyone in this room. While there is
17 no magical single solution to this
18 unrelenting problem, the training for
19 the creation of real jobs which produce
20 hope rather than despair has got to play
21 a significant role in any resolution.

22 These casinos projects create
23 real potential to create significant
24 jobs and long-term hope for many. It is
25 rare for a building (indiscernible)

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2 industry to come to Philadelphia and
3 announce that it is prepared to create
4 thousands of new jobs in both
5 construction and operation of these
6 facilities.

7 For my members, these casinos
8 projects are not abstract arguments,
9 which are the subjects of editorials and
10 long legal briefs; rather, they provide
11 meaningful and tangible opportunities to
12 take real steps toward economic security
13 for the future. In the world I live in,
14 these types of economic engines are too
15 far and few between.

16 As elected representatives with
17 the responsibility to all citizens of
18 this great city, we should embrace these
19 opportunities rather than seek to delay
20 them at every turn. Every casino
21 executive has publicly committed to
22 creating economic opportunity for those
23 individuals and small businesses
24 particularly in the minority communities
25 who are often left on the outside

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2 looking in. In addition, they have
3 vowed to be good neighbors, both to the
4 neighborhoods surrounding them and the
5 City overall.

6 If they fulfill these
7 commitments, it will be good for them
8 and great news for Philadelphia. For
9 their benefit and ours, they deserve the
10 opportunity to try.

11 COUNCIL PRESIDENT VERNA: Thank
12 you very much. We appreciate your
13 patience. Thank you.

14 I would ask Mr. McPherson to
15 please call the next panel.

16 MR. MCPHERSON: Jeff Rush,
17 Richard Wolk, Kathy Dilonardo.

18 (Witnesses come forward.)

19 MR. RUSH: My name's Jeff Rush
20 and I am president of the Queen Village
21 Neighbors Association.

22 (Interruption.)

23 MR. RUSH: Good afternoon,
24 Madam President, Councilman DiCicco, and
25 other distinguished members of City

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2 Council. My name is Jeff Rush. I'm
3 President of the Queen Village Neighbors
4 Association and a charter member of the
5 Delaware River Neighborhood Alliance.

6 I'd like to thank Councilman
7 DiCicco and all of you for allowing us
8 the opportunity to speak with you this
9 morning.

10 This is not the first time I've
11 appeared before City Council. You may
12 know me. I'm a 25-year resident at Old
13 Swedes' Court at Delaware and Christian
14 Street.

15 And you may recall the last
16 time I appeared before this august body
17 was to ask for residential zoning for
18 the site previously occupied by Philly
19 Ship and the infamous chicken
20 slaughterhouse across from Swedes'
21 Court. Your approval enabled the
22 construction of 50 new townhomes and an
23 end to a hundred years of blight.

24 We are ail witnesses to a
25 remarkable period of development in many

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2 areas of our great city. Nowhere is
3 this more evident than in Queen Village.
4 The vibrancy and diversity of our
5 community is the cumulative result of
6 thousands of homeowners and businesses
7 who have worked hard for many, many
8 years creating a truly great
9 neighborhood, one that I am proud to
10 call home. As a result, we and our
11 neighbors to the north and south are
12 rapidly helping to rebuild
13 Philadelphia's tax base.

14 But the trust in our political
15 leadership engendered by such
16 enlightened local-government actions as
17 the rezoning of Philly Ship -- excuse
18 me -- and the slaughterhouse properties
19 is now in jeopardy.

20 That's because without
21 transparency or adequate consultation,
22 State authorities and their agent, the
23 Pennsylvania Gaming Control Board, have
24 highjacked our rightful participation in
25 the decision-making process, and

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2 selected totally inappropriate sites to
3 locate slot parlors in our
4 neighborhoods.

5 Swedes' Court and Gloria Dei
6 Church across the street from it are
7 only three blocks south of the double
8 slide-under ramp that would service the
9 Foxwoods Casino that the State would
10 site just three blocks down Columbus
11 Boulevard.

12 The result in traffic will
13 absolutely overwhelm Columbus Boulevard,
14 not to mention Christian Street and
15 Washington Avenue, which are gateways to
16 Queen Village and Pennsport.

17 As you are no doubt aware, we
18 are already inundated with the traffic
19 from Ikea and the other retail
20 developments to the south. The threat
21 of an additional estimated 50 to 60,000
22 visitors a week descending in and
23 through our streets would have an
24 immeasurable negative impact on our way
25 of life.

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2 I am here to tell you, this is
3 not acceptable. I do not believe that
4 City Council wants to, or should,
5 abdicate or otherwise abandon its
6 responsibility to Queen Village or any
7 other neighborhood in the City.

8 The State has systematically
9 stripped Council's rightful
10 decision-making power on behalf of its
11 residents and business-owners in the
12 strongest possible terms.

13 We urge Council to take back
14 its power. Continue to refuse zoning to
15 predatory gambling operators. Force the
16 State, by any means, to allow
17 Philadelphia to choose whether or where
18 to site any slots parlors. Continue to
19 support Councilman DiCicco's proposals
20 that will save our neighborhoods.

21 And, finally, support our
22 request for a referendum signed by
23 nearly 28,000 tax-paying residents of
24 the City of Philadelphia, and put the
25 question of slots parlors on the May

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2 primary ballot.

3 (Applause.)

4 MR. RUSH: And, finally, be the
5 strong, committed City Council doing
6 what it was elected to do.

7 Represent the best interests of
8 the citizens of Philadelphia. And by
9 doing so, restore our faith in equity
10 and justice.

11 Thank you.

12 (Applause.)

13 COUNCIL PRESIDENT VERNA: Thank
14 you.

15 Good afternoon. Please
16 identify yourself for the record.

17 MS. DILONARDO: Good afternoon,
18 Madam President and members of City
19 Council. Thank you for the opportunity
20 to speak at this hearing. I'm Kathy
21 Dilonardo.

22 I have lived in Queen Village
23 for 32 years. During that time, I've
24 worked for the National Park Service at
25 Independence National Historical Park

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2 and in the northeast regional office as
3 the Chief of Visitor Services before I
4 retired last year.

5 My husband and I have a son
6 who's a senior in high school.

7 I'm a member of the Queen
8 Village Neighbors Association Committee
9 on Casinos and their impact, and so I've
10 been doing a lot of reading on the
11 effects of casinos -- books, news
12 articles, studies by universities, and
13 reports by state governments.

14 And no matter what I've read,
15 nothing that I've read is positive. No
16 matter what I've read, the numbers, the
17 conclusions, the data were all very
18 similar -- equally horrific -- and have
19 far-reaching effects on our community.

20 Data from gambling communities
21 across the country indicates that
22 gambling fosters a significant increase
23 in crime. A U.S. News and World Report
24 analysis found crime in casino
25 communities to be 84 percent higher than

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2 the national average, and Philadelphia's
3 already well above the national average.

4 Court cases in the Mississippi
5 County, host to a large casino complex,
6 went from 689 a year to 11,100 five
7 years later. That's a 17-times increase
8 in court cases.

9 Police calls quadrupled in
10 Ledyard, Connecticut -- that's the town
11 adjacent to the Foxwoods Casinos -- from
12 4,000 to 16,700 five years later, four
13 times as many calls after Foxwoods
14 opened.

15 So imagine four times the
16 number of calls for the Philadelphia
17 Police Department. A lot of those
18 increased calls and crime would take
19 place in Queen Village, Pennsport, and
20 Society Hill.

21 Our concerns deepen when we
22 read about the unseen but, nevertheless,
23 real damages casinos will do to our
24 communities. Adolescent gambling
25 increases dramatically. Almost

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2 two-thirds of Atlantic City high school
3 students have been in the casinos in
4 Atlantic City.

5 Suicide rates go up. Atlantic
6 City found that abnormally high suicide
7 levels for residents and visitors
8 appeared only after casinos opened
9 there. Nevada has had the highest
10 suicide rate for more than ten years,
11 both residents and visitors.

12 Bankruptcy rates have reached
13 record levels in the country despite a
14 relatively robust economy. States
15 report that the counties in which
16 casinos are located have the highest
17 rates of bankruptcies in their
18 respective states, including Iowa,
19 Tennessee, Maryland, California, New
20 Jersey, et cetera, et cetera.

21 The study of the personal
22 bankruptcy crisis, which is related to
23 no gambling interests whatsoever, pro or
24 con, says that it now appears gambling
25 is the single fastest-growing driver of

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2 bankruptcy.

3 Divorce rates, child abuse and
4 neglect, domestic violence, gambling
5 addiction, and job loss all increase in
6 communities that have casinos. After
7 the casino arrived in Harrison County,
8 Mississippi, divorces are up by 850 each
9 year.

10 At Foxwoods in Connecticut,
11 authorities have had to put up signs in
12 the casino parking lots warning parents
13 not to leave their children in cars
14 unattended. What kind of parent needs a
15 sign to remind them of that.

16 As Jeff Benedict noted, before
17 Foxwoods and a second casino appeared in
18 Connecticut, the state had one
19 gambling-addiction center; now it has
20 17.

21 And one last point about jobs.
22 Casinos don't create new revenue; their
23 revenue is cannibalized from other
24 businesses where the money would have
25 been spent if a casino were not

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2 available. Gamblers spend 10 percent
3 less on food and 25 percent less on
4 clothing.

5 The job casinos create are
6 real, but one job figure casino
7 companies don't advertise is that for
8 every three slot machines, we will lose
9 two jobs in the economy that hosts the
10 casino. That is due to the \$100,000 per
11 year per slot machine that will not be
12 used somewhere else in the economy.

13 And for every dollar of casino
14 revenue going to the State, \$3 will be
15 spent on the social-service needs
16 created by the casino -- the added
17 addiction centers, the court-appointed
18 lawyers, unemployment, welfare,
19 counseling, prison, et cetera. That's
20 \$2 more the State has to find.

21 All of the money that casinos
22 give to the government in revenue cannot
23 offset the tsunami of economic and human
24 devastation their presence ignites in
25 the community. It's folly to think that

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2 we will be immune.

3 We need for you to work

4 together to find ways to keep casinos

5 out of not only Queen Village but all of

6 Philadelphia's neighborhoods.

7 Thank you.

8 (Applause.)

9 COUNCIL PRESIDENT VERNA: Good

10 afternoon. Please identify yourself for

11 the record.

12 MR. WOLK: My name is Richard

13 Wolk, and I'm a member of the Board of

14 Directors of QVNA, Queen Village

15 Neighbors Association, and the Delaware

16 River Neighborhood Alliance. And today,

17 I represent the new people who are

18 moving into the City and why.

19 Madam President and

20 Councilmembers, I thank you for this

21 opportunity to voice my support for

22 Councilman DiCicco's bills that are

23 before you today.

24 Almost four years ago, my wife

25 and I moved to Queen Village, after

1 2/21/07 RULES - Bills 070006, 08 through 13
2 spending months looking at properties
3 throughout the City. We chose Queen
4 Village because it is truly a village
5 within a large city, an historic village
6 comprised of rowhouses, many of which
7 are the oldest structures in our city,
8 some inhabited by five- and
9 six-generation families.

10 The historic significance of
11 Old Swedes' Church adds a testament to
12 the Swedish immigrants who settled here
13 before even William Penn.

14 The Shot Tower, one of only two
15 still standing in our nation and its
16 significance to the War of 1812.

17 The houses and factories along
18 Front Street are a testament to the
19 earliest merchants and workers who came
20 off the ships and settled here.

21 All of this history facing the
22 Delaware River, a stone's throw from
23 where a casino might be built with its
24 massive, windowless boxes and garish
25 neon signs.

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2 What is it about Queen Village
3 that my neighbors and I love? It's the
4 diversity and community of my neighbors.
5 It's the pleasure of walking its
6 historic streets. It's the
7 accessibility by foot to wonderful
8 dining, shopping, culture, and to the
9 Delaware River itself. It's the green
10 parks, community gardens, and the
11 playgrounds.

12 We have a community that is
13 involved and works tirelessly to
14 preserve the heritage of our village.
15 Even the quality of the neighborhood's
16 public grade school has remained one of
17 the best because of active
18 parent-teacher involvement, and that is
19 quite something to say in Philadelphia.

20 Philadelphia is a city that
21 thrives on tourism based on its historic
22 place in the formation of our country.
23 Families far and wide bring their
24 children here to see where it all began.
25 Visitors from foreign lands come to

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2 Philadelphia to experience the Cradle of
3 Liberty.

4 Families, I repeat, families
5 are the backbone of Philadelphia
6 tourism.

7 (Applause.)

8 MR. WOLK: They stay at our
9 hotels, eat at our restaurants, and shop
10 at our stores.

11 Las Vegas is the perfect
12 example of where gambling and family
13 entertainment does not mix. It started
14 out as the Sin City, spent millions,
15 millions trying to turn it into a family
16 resort; it did not work.

17 You've heard their slogan,
18 "What happens in Vegas stays in Vegas."
19 Do we want this to be Philadelphia?

20 Queen Village is a quiet,
21 wonderful neighborhood. At community
22 meetings, unfortunately, people who have
23 been here for years talk about moving
24 their families out if the casinos come.

25 Please, please help us save

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2 this historic jewel for future
3 generations who may not have the
4 opportunity to see how people lived in
5 the 18th and 19th century.

6 Thank you very much.

7 (Applause.)

8 COUNCIL PRESIDENT VERNA:

9 You're welcome. Thank you.

10 Are there any questions of
11 these witnesses?

12 (No questions.)

13 COUNCIL PRESIDENT VERNA: Thank
14 you.

15 Mr. McPherson, would you please
16 call the next panel.

17 MR. MCPHERSON: Rick Levins,
18 Eric Rudy, Phillip Bogaten, Dave
19 Dowling.

20 (Witnesses come forward.)

21 MR. LEVINS: Good afternoon,
22 Madam President and members of Council.
23 My name is Richard Levins, a lifelong
24 Philadelphian and a resident of Fishtown
25 for the last 25 years. My wife and I

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2 have raised my family -- two
3 daughters -- in Fishtown.

4 Thank you for holding today's
5 hearings on this important topic of
6 casino zoning and for allowing me to
7 testify. Thank you also for your
8 leadership on important zoning issues
9 affecting Philadelphia.

10 With your attention to planning
11 and economic development, our city has
12 undergone a major transformation this
13 decade that has strengthened
14 Philadelphia's position as a world-class
15 city.

16 As chairman and president of
17 the New Kensington Community Development
18 Corporation, coach for the Fishtown
19 Athletic Club, and participant in other
20 neighborhood organizations, I spend a
21 considerable amount of time volunteering
22 in my community.

23 Today, however, I testify as an
24 individual who lives just a few blocks
25 from the SugarHouse Casino site, and my

1 2/21/07 RULES - Bills 070006, 08 through 13

2 remarks pertain to this project.

3 At one time the SugarHouse site

4 housed the Jack Frost Sugar Refinery.

5 For generations, Jack Frost served as a

6 major employer for the neighborhood.

7 Nearby residents could walk to work,

8 earn an honest pay, and receive company

9 benefits that could help raise a family.

10 Unfortunately, Jack Frost went

11 the way of other factories along its

12 Delaware River. After closing, Jack

13 Frost became a rat- and trash-infested

14 eyesore, and it continues to this day to

15 be a barrier to the river.

16 As one would expect, the

17 proposal for SugarHouse has spurred

18 healthy debate in our neighborhood

19 regarding the future of the waterfront

20 and its impact on residents. While

21 neighbors are concerned with increased

22 traffic and the drain on existing city

23 resources in the vicinity, they also see

24 the casino as a contributor to the local

25 economy and a means to improve their

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2 family's quality of life.

3 Many of the residents I have
4 spoken with expressed their view that a
5 casino will bring many positive
6 developments. They see opportunity to
7 walk to a full-service restaurant, to
8 see a show, and enjoy a view of the
9 river.

10 They see opportunity for
11 employment for themselves and their
12 children. They see opportunity to
13 receive a fair wage, to obtain solid
14 health benefits, and advance the City's
15 growing hospitality industry.

16 Local merchants also see
17 opportunity for local vendors such as
18 flower shops, bakery, dry cleaners, and
19 other small businesses to expand their
20 operations in our neighborhood.

21 These are not the type of
22 opportunities that are afforded by
23 high-rise gated communities that offer
24 increased traffic congestion while
25 denying waterfront access and other

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2 economic benefits that a casino would
3 yield.

4 In my various volunteer roles,
5 I have seen firsthand the challenges
6 that many families face when they are
7 trapped in low-paying jobs that offer no
8 health or life insurance benefits.

9 Many times, these Fishtown and
10 Kensington families cannot afford the
11 \$45 registration fee to enroll their
12 child in a sports team that plays on a
13 rock-and-cinder field. Sometimes they
14 cannot pay their heating bills or afford
15 decent housing.

16 Often, members of these
17 families work jobs -- corner store by
18 day, bartending at night, and odd jobs
19 when they can get them.

20 Many of these families speak of
21 "the good old days" not too long ago
22 when their parents worked at the
23 American Can Company at the old Sugar
24 House and other neighborhood
25 manufacturers. To these families, a

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2 casino means jobs and the prospect of
3 not having to leave their neighborhood
4 to secure decent employment.

5 It also means having a
6 reputable business that is willing to
7 give back and work as a partner with the
8 community to ensure its future
9 prosperity.

10 Again, thank you for holding
11 these important hearings on this topic.
12 As you consider legislation to amend
13 Philadelphia's zoning laws, I ask that
14 you take care not to prevent responsible
15 business enterprises from making
16 investments that will strengthen the
17 fabric of our neighborhoods while
18 building upon Philadelphia's role as a
19 world-class convention and tourist
20 destination.

21 COUNCIL PRESIDENT VERNA: Thank
22 you very much.

23 (Applause.)

24 COUNCIL PRESIDENT VERNA: The
25 Chair recognizes Councilman Greenlee.

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2 COUNCILMAN GREENLEE:

3 Mr. Levins, just a quick question, if I
4 could. I take it by this, you have had
5 conversations with the SugarHouse
6 people; and if so, how have they gone?

7 MR. LEVINS: The answer is yes,
8 Councilman.

9 COUNCILMAN GREENLEE: Mm-hmm.

10 MR. LEVINS: I started
11 interactions with the SugarHouse Casino
12 along with several other community
13 residents early last year, probably
14 February, April. And I can say that
15 every time we called them to any
16 meeting, they were there.

17 And I can actually compare the
18 relationship that we had with the
19 SugarHouse applicant to the Pinnacle
20 applicant, and it was night-and-day.

21 The Pinnacle applicant, with a
22 lot of notice, came unprepared to every
23 meeting, made to commitment to the
24 community in any way, shape, or form.
25 Whereas, the SugarHouse, as early as

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2 last April, sent us a detailed letter
3 with a detailed commitment, financial
4 and otherwise.

5 COUNCILMAN GREENLEE: Okay.

6 And do you think, as time goes on, you
7 could reach a real community agreement
8 with them?

9 MR. LEVINS: Yes, yes.

10 COUNCILMAN GREENLEE: If it
11 continues?

12 MR. LEVINS: Yes.

13 COUNCILMAN GREENLEE: Okay. I
14 know the other residents from there too,
15 but I just wanted to get that on the
16 record.

17 Thank you.

18 MR. LEVINS: Thank you.

19 COUNCILMAN GREENLEE: Thank
20 you, Madam President.

21 COUNCIL PRESIDENT VERNA: Thank
22 you.

23 Any other questions from
24 members of the committee?

25 (No further questions.)

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2 COUNCIL PRESIDENT VERNA:

3 Please identify yourself for the record.

4 MR. BOGATEN: Good afternoon.

5 I'm Philip Bogaten, and I've been born

6 and raised in Philadelphia.

7 I've had my own business in

8 Philadelphia for the past 60 years, and

9 I bought the real estate north of Spring

10 Garden Street to Shackamaxon for the

11 last 30 years.

12 And most of the properties that

13 I bought were abandoned, as this

14 gentleman explained. And over the

15 years, I have spent millions of dollars

16 to rehab all those properties so that

17 now it's a wonderful neighborhood.

18 I own Building 1080 North

19 Delaware Avenue. It was -- I brought a

20 picture to show you, if you would like

21 to see what it looked like, and now

22 there's millions of dollars that have

23 been spent, there's hundreds of people

24 that work in the property, and it's a

25 wonderful neighborhood.

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2 And we're right across the
3 street from the SugarHouse, and it's
4 going to be marvelous to bring in and
5 rebuild that whole area.

6 As a matter of fact, here's
7 1450, which is part of the SugarHouse,
8 which is anticipating two condominiums
9 to be built on that area, which is
10 absolutely going to be magnificent.

11 So I really encourage the
12 Council to consider favoring the
13 SugarHouse.

14 Thank you.

15 COUNCIL PRESIDENT Verna: Thank
16 you. Thank you very much.

17 MR. Bogaten: Thank you.

18 (Applause.)

19 COUNCIL PRESIDENT Verna:
20 Please identify yourself for the record,
21 sir.

22 MR. Rudy: Hi. My name is Eric
23 Rudy. I'm a resident of Fishtown since
24 1991, and I've been involved with
25 Fishtown Athletic Club since 1998.

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2 Since then, I have started out
3 as a parent, became a coach, soccer
4 director, and treasurer of Fishtown
5 Athletic Club, and that's where I am
6 right now, in all four of those
7 capacities.

8 Being involved about eight
9 years ago meant the 10- and 12-year-olds
10 that I worked with are now at the age
11 where they'd be looking for jobs, and
12 they're not finding a lot of jobs in the
13 area that are high-paying that are 40
14 hours a week, provide health benefits,
15 and so on.

16 Being with the club for eight
17 years, I've seen also that we have
18 registration fees that are, in large
19 part, covered by people in the community
20 and by businesses in the community.

21 A lot of the mom-and-pop stores
22 that we had years ago have, with the
23 increasing values of the houses and with
24 the bigger stores, the chains like Home
25 Depot and places like Applebee's, you

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2 know, a lot of the mom-and-pop stores
3 are no longer. They've either been put
4 out of business or they've sold out at a
5 good value as our housing values went
6 up, but these are a lot of jobs that
7 have moved out.

8 In this last registration for
9 baseball, it will cost us about \$125 to
10 outfit one player for baseball. We're
11 only charging \$65 for that, and that's
12 because we hope to get \$40 for each
13 person playing baseball or softball.
14 We're hoping to get donations that will
15 offset that. We may fall short; the
16 last couple years we have.

17 Our balance has -- has gone
18 down really low. It now is in danger.
19 If we put registration fees up where
20 they should be, we're going to be losing
21 a lot of players. We're going to have a
22 lot more kids that will not be able to
23 play for the club. They're going to
24 lose a lot of experiences, they're going
25 to lose those values that you learn

1 2/21/07 RULES - Bills 070006, 08 through 13
2 through playing athletics.

3 Last spring, I met with Ken
4 Snider. He was touring around, looking
5 at what is going on in the community.
6 He met with us at the club and got to
7 know, like, what our needs were and what
8 we'd like to see.

9 If casino gambling does come to
10 our area, we would love to see a
11 community-benefits agreement that will
12 help stabilize the neighborhood,
13 stabilize our charities such as ours --
14 we're nonprofit, something that will
15 give us a lot of control on how we can
16 see the benefits of the casinos, you
17 know.

18 So I think that's it.

19 COUNCIL PRESIDENT VERNA: Thank
20 you very much. We appreciate your
21 patience in staying to testify. Thank
22 you so much.

23 Any questions?

24 (No questions.)

25 COUNCIL PRESIDENT VERNA: Thank

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2 you, gentlemen.

3 PANEL: Thank you.

4 COUNCIL PRESIDENT Verna:

5 Mr. McPherson?

6 MR. McPHERSON: The next panel
7 consists of Joe McNulty, A.J. Thompson,
8 Matt Ruben, Matt Pappajohn, Katie
9 Recker, Laura Lance.

10 (Witnesses come forward.)

11 MR. THOMPSON: It's still
12 Wednesday, right?

13 COUNCIL PRESIDENT Verna:

14 Pardon me?

15 MR. THOMPSON: It's still
16 Wednesday, right?

17 COUNCIL PRESIDENT Verna: As
18 far as I know.

19 MR. THOMPSON: Good afternoon,
20 members of Council and Chairwoman Verna.
21 Thank you for the opportunity to speak
22 today. My name is A.J. Thompson and I'm
23 a member of many things but I'm here
24 today as a father and a husband.

25 And I'm here because of some

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2 recent comments that I've read from none
3 of the people in front of me but some
4 members of Council who have sort of
5 given up, and the Solicitor's testimony
6 wasn't very encouraging, either. And my
7 testimony today focuses on what I think
8 Philadelphia and this Council should be
9 doing is to be standing up for everybody
10 in Philadelphia.

11 And I say this because it's
12 almost as if members of Council, the
13 Solicitor, and some other people have
14 treated the State as this all-powerful
15 Leviathan that can do whatever it wants
16 in this nebulous concept of Harrisburg
17 and how all-powerful it is, and nobody
18 wants to touch this third rail of
19 casinos, because Harrisburg is going to
20 do what it's wants.

21 COUNCILMAN KENNEY: Madam
22 President, I'm sorry.

23 I think we've been on the third
24 rail of casinos for the past number of
25 hours. I don't --

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2 MR. THOMPSON: I know.

3 COUNCILMAN KENNEY: I mean,
4 you're saying we're -- we don't want to
5 touch the third rail of casinos, the
6 Council here? What have we been doing?
7 We're listening to --

8 MR. THOMPSON: This is today.

9 COUNCILMAN KENNEY: We're
10 listening to people. We have ten pieces
11 of --

12 MR. THOMPSON: Councilman
13 Kenney, I've sat here --

14 COUNCILMAN KENNEY: We have ten
15 pieces of legislation.

16 MR. THOMPSON: I have sat here
17 for five hours --

18 COUNCILMAN KENNEY: So have I.

19 MR. THOMPSON: And I haven't
20 been paid for that time --

21 COUNCILMAN KENNEY: So have I.

22 MR. THOMPSON: -- so can I
23 have --

24 COUNCILMAN KENNEY: So have I.

25 MR. THOMPSON: -- some time to

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2 talk, please?

3 COUNCILMAN KENNEY: So have I.

4 But you got to tell the truth.

5 COUNCIL PRESIDENT VERNA: Just

6 a minute.

7 MR. THOMPSON: I'm not here --

8 I'm here to --

9 (Indiscernible; parties talking
10 over each other.)

11 COUNCIL PRESIDENT VERNA:

12 Please do not both --

13 COUNCILMAN KENNEY: That's what

14 you need to do.

15 MR. THOMPSON: Everybody

16 else --

17 COUNCILMAN KENNEY: You need to

18 tell the truth.

19 MR. THOMPSON: Listen to me,

20 sir, listen to me. That's all I ask

21 you. That's all I ask you to do.

22 COUNCILMAN KENNEY: (Inaudible,
23 off mic.)

24 MR. THOMPSON: Okay. And

25 before I said it, I said nobody in front

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2 of me has done that, okay? If you don't
3 like it go back to your cell phone.

4 COUNCILMAN KENNEY: Tell the
5 truth. That's all you need to do.

6 MR. THOMPSON: But what I see
7 is a change happening here in
8 Philadelphia. I think we do -- we are
9 gaining an upper hand here in terms of
10 how we deal with the State, okay? Maybe
11 because of some of the efforts of what
12 you've been doing.

13 So if you would have listened
14 to me, maybe you would have heard it,
15 okay? Try to jump down my throat before
16 I said anything, okay?

17 I'm here as a resident. You're
18 here 'cause I pay you to be here.

19 COUNCIL PRESIDENT VERNA: Whoa.
20 Now, listen. Let's have respect for
21 each other, please.

22 MR. THOMPSON: Okay. Well, I
23 don't believe I was respected.

24 COUNCILMAN KENNEY: Well, if I
25 didn't respect you, I apologize.

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2 MR. THOMPSON: Okay.

3 COUNCILMAN KENNEY: But I just
4 want the truth here and not some twisted
5 version of it.

6 MR. THOMPSON: I haven't
7 twisted anything.

8 COUNCILMAN KENNEY: Not that
9 you've done it.

10 MR. THOMPSON: Okay.

11 COUNCIL PRESIDENT VERNA:
12 Please proceed.

13 MR. THOMPSON: On many levels,
14 what was once used as an unchecked
15 reality to us on the waterfront has
16 become something that many don't view as
17 a forgone conclusion anymore.

18 Where people once thought we
19 had no power, the conduct of the PGCB
20 and its false reasons for choosing these
21 sites have proven to be an indictment on
22 the process and a reason for all of us
23 to question whether this development is
24 really meant to benefit taxpayers or a
25 select few.

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2 I say this as someone who
3 supports gaming in this city, and I do.
4 I believe there are many people on
5 Council who do. I say this as someone
6 who's spent a better part of my life in
7 the last year learning about the
8 intricacies and the issues and the
9 problem that face my community.

10 And I've done it, every minute
11 of it, because I believe and I care
12 about my neighborhood. I'm a
13 fifth-generation Fishtowner, and I've
14 done it because I care, okay? I didn't
15 do it because I wanted to twist any
16 truth or accuse anybody of not doing
17 anything. But I did it because I care
18 about my neighborhood.

19 And I say that it's possible to
20 be in favor of gaming and support the
21 bills that are before you today, it's
22 possible to do so.

23 It's possible because people
24 have gone out there and got signatures
25 for a referendum, 27,000 people in a

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2 couple weeks. It's the largest act of
3 citizen-initiated democracy in my adult
4 life -- and maybe in my life -- and
5 that's to be applauded.

6 People are looking to you to
7 stand up here to Harrisburg. We're
8 looking for you to do this. We're
9 looking for your votes on behalf of us
10 to take back what we see as the ability
11 for us to control our own destinies.
12 And if we pass the zoning provisions
13 that Councilman DiCicco has introduced,
14 we will do that.

15 Because I believe, and I think
16 many people also believe, that the PGCB
17 and its adjudication and the laws that
18 this is all resting on are on thin ice.

19 No politically savvy person
20 would agree that if this bill was
21 introduced today, in light of the
22 pay-raise shenanigans, that this would
23 have passed, no one.

24 So it's time to turn back the
25 clock. We've seen press releases from

1 2/21/07 RULES - Bills 070006, 08 through 13
2 the Governor's Office and everyone else
3 and the PGBC touting property tax reform
4 and how people in Adams County and
5 Potter County and Beaver County are
6 going to get \$120 off a year at the
7 expense of some of my neighbors.

8 And I've been out there as a
9 proponent 'cause I believe maybe gaming
10 will work in this city, but it's not
11 being done properly.

12 Representative O'Brien,
13 Councilman DiCicco, to some extent
14 yourself, Councilman Kenney, my
15 councilman, Councilman Clarke, have been
16 out there speaking about trying to get a
17 hold on this process and to get this
18 train that's been barreling out of
19 control since last year back on the
20 right track.

21 I think it's possible that, you
22 know, people who are for gaming think
23 that those of us who are now talking
24 about it in a different light say we're
25 drinking the Koolaid. Well, I don't

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2 drink Koolaid, and I know that you guys
3 aren't drinking Koolaid, because I think
4 we've taken a shot of courage here.

5 And I think everybody on
6 Council needs to take a shot of that
7 courage, maybe ten shots, and vote these
8 bills out of committee. And when they
9 get in front of the whole body, vote
10 them so that they're veto-proof and that
11 they go up there.

12 And unlike the Solicitor, who,
13 I'm sure, is a legal scholar and an
14 eminent legal mind, but when I hire an
15 attorney, I don't want him to tell me
16 I'm going to lose before I even start.
17 And if we pass these bills, let the
18 Supreme Court tell us that we're wrong
19 but give the people of Philadelphia a
20 voice here.

21 I liken this situation that
22 we're faced with right now with somebody
23 coming into your house as a guest. You
24 know, we invited this guest in -- the
25 State, the casino companies -- come on

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2 in to our house, you know, I'll give you
3 a room upstairs.

4 You know, we let the person
5 rearrange the room a little bit. We
6 damn sure don't let an interior
7 decorator come in, start knocking down
8 walls, and knocking everything down and
9 telling us what we're going to have in
10 our own home, 'cause we need to treat
11 our riverfront and our neighborhoods
12 like they're our home. And they are our
13 home.

14 And if you asked -- if you take
15 the Solicitor's comments today, he's
16 saying to us, Why should we even speak
17 up? Well, because if we don't do this
18 now, I believe that this gaming
19 development may not work the way we want
20 it to in the best way for our
21 neighborhoods.

22 So I think it's time for
23 everybody to -- to -- you know, when you
24 guys -- everybody's up for election.
25 When you guys are talking about running,

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2 everybody says, "I fight for our
3 neighborhoods," let's fight for it.

4 Well, it's time to fight this
5 Harrisburg nebulas, this monster that
6 everybody talks about -- Harrisburg,
7 Harrisburg, Harrisburg, Harrisburg.

8 Well, I think -- and, you know,
9 nobody would ever accuse anybody from
10 Fishtown of not being able to fight or
11 at least know what a fight was, but I
12 think it's time that Council fight for
13 us and for everybody who wants to have
14 this gaming development work, if it's
15 going to come.

16 But fight for us, pass these
17 bills, and live up to what I think you
18 guys want to do, and fight for our
19 neighborhoods.

20 Thank you.

21 COUNCIL PRESIDENT VERNA: Thank
22 you.

23 Who would like to testify next?

24 MR. PAPPAJOHNN: My name's Matt
25 Pappajohn. I am a resident of Fishtown.

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2 I've lived in Philadelphia all of my
3 life, and I thank you for having me here
4 today.

5 Madam President and members of
6 Council, I'm a member of NABR -- that's
7 Neighbors Allied for Best Riverfront,
8 and I am its delegate to the Delaware
9 River Neighborhood Alliance, which
10 comprises 18 civic groups which span the
11 Delaware from the Betsy Ross Bridge to
12 the Walt Whitman Bridge. The DRNA was
13 formed to enable our collective
14 communities to better deal with the
15 booming menace of gambling in
16 Philadelphia.

17 I also belong to the Fishtown
18 Neighbors Association, and I hope that's
19 the body that you will look to for
20 guidance on casinos vis-a-vis Fishtown.

21 I respect Rich Levins and what
22 he had to say, but he does not speak for
23 our community. The Fishtown Neighbors
24 Association is the recognized civic
25 group there. And, again, please look to

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2 us for guidance.

3 To protect my family, my home,
4 and my community, I've been forced to
5 live and breathe casinos for the last
6 year, and I resent that.

7 The legislature could have
8 easily drafted Act 71 to benefit and
9 protect anyone they preferred. They
10 clearly preferred the politically
11 connected rather than write provisions
12 into the law that would empower and
13 protect neighborhoods where these
14 out-sized slots boxes would be dropped.
15 Pennsylvania legislators instead chose
16 to include provisions which would
17 benefit their cronies, casino operators,
18 Pennsylvania horsemen, and even
19 themselves.

20 When it came time for the
21 Pennsylvania Gaming Control Board to
22 draft its regulations, it could have
23 done so on behalf of anyone it chose.
24 In spite of its primary mandate of
25 protecting above all else the residents

1 2/21/07 RULES - Bills 070006, 08 through 13
2 of the Commonwealth, the PGCB chose,
3 however, to favor and protect casino
4 operators and the politically connected
5 with its regulations.

6 Neither the legislature nor the
7 PGCB ever saw fit during the two-year
8 process to put forth a single community
9 preservation initiative or to offer any
10 assistance or guidance to communities
11 faced with these looming menaces.

12 Even as the Pennsylvania Gaming
13 Control Board and the legislature were
14 busy doing nothing for the residents and
15 communities of Philadelphia that might
16 host these slots parlors, they were
17 vigorously trying to take something from
18 us.

19 In spite of the Pennsylvania
20 Supreme Court's tossing out the
21 provision in Act 71, which would allow
22 the State to preempt local zoning,
23 legislature was making a grab for it
24 again.

25 Senate Bill 862, one of the

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2 most contemptuous bills ever to come
3 down our river, among other things,
4 sought to assert Philadelphia right of
5 home rule and placed zoning control over
6 casino sites back in the hands of the
7 PGCB, an unelected body of political
8 appointees who have thus far not
9 demonstrated anything but contempt for
10 the City.

11 This particular aggression by
12 the State is unprecedented. When has it
13 ever tried to take so much from us while
14 giving us so little?

15 As you know, though, many
16 people in the room, elected or not,
17 fought tooth-and-nail, kicking and
18 screaming to make sure that SB862 did
19 not pass.

20 With the help of our State
21 Representatives O'Brien, Taylor,
22 Lederer, and Keller and this
23 Councilmatic body, we won.

24 This victory cannot be
25 squandered. We must maximize and use

1 2/21/07 RULES - Bills 070006, 08 through 13
2 the zoning power for which we fought so
3 hard.

4 Councilman DiCicco's
5 resolutions strengthen our zoning
6 position vis-a-vis casinos. These
7 developments have the potential for
8 grave and irrevocable consequences for
9 our citizens and neighborhoods.

10 I can't imagine a Philadelphia
11 in which communities and Councilmembers
12 have no controls over what happens in
13 their districts. Please do not let the
14 casinos be an exception to our deciding
15 how, where, and even if development
16 happens in this city.

17 Many of us have repeatedly been
18 told that casinos are a done deal here.
19 I say they're not. They're far from a
20 done deal. And, in fact, they're a bad
21 deal. And your helping to pass
22 Councilman DiCicco's resolutions will
23 give us all a new deal. Please give him
24 your support.

25 And thank you.

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2 (Applause.)

3 COUNCIL PRESIDENT VERNA: Our
4 next speaker?

5 MR. McNULTY: Hi. I'm Joe
6 McNulty. I'm with New Kensington CDC,
7 and I'm here to speak directly to two of
8 the proposals that would amend the
9 Commercial Entertainment District in
10 order to minimize negative impacts from
11 any gaming facility near a residential
12 neighborhood. And these are namely
13 070008 and 070010.

14 The first one, 08. This
15 amendment would ensure that the City
16 retain zoning control of any Commercial
17 Entertainment District by eliminating
18 any provisions that would undermine
19 local zoning control.

20 Philadelphia has already been
21 forced to accept two licensed gaming
22 facilities and was in danger of losing
23 local zoning control under the auspices
24 of State Bill 62.

25 That the City narrowly escaped

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2 losing this local zoning control is a
3 testament to how delicate the situation
4 is. If we as a city are forced to
5 accept licensed gaming facilities for
6 the economic good of the entire state,
7 then we ought to, at the very least,
8 have a say in how these facilities
9 integrate themselves into our city.

10 Moreover, the neighborhoods
11 immediately adjacent to these gaming
12 sites should have the most input on how
13 the sites look, interact with local
14 traffic, and affect the overall quality
15 of life for those living closest to the
16 casinos.

17 There is a common perception
18 that the citizens of Philadelphia, and
19 particularly the residents of the
20 adjacent neighborhoods, have had very
21 little say on the placement and
22 development of the casinos. Zoning
23 control is the last line of defense the
24 City has for determining how these sites
25 will integrate into surrounding

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2 neighborhoods. And public zoning
3 hearings would allow for citizen input
4 on design and other impacts of casinos.

5 Furthermore, City Council could
6 even amend the zoning ordinance in such
7 a way as to prohibit casinos altogether
8 as a permitted use in the Commercial
9 Entertainment District if it is
10 ultimately proven that casinos are not
11 in the best interests of the City.

12 It should be an obvious
13 decision for this committee. Home Rule
14 dictates that Philadelphians have the
15 ultimate say on what goes on in our
16 city.

17 While recognizing that gaming
18 legislation presents an economic benefit
19 to the entire state in the form of
20 property-tax relief and to the City of
21 Philadelphia in the form of wage-tax
22 relief, new jobs, tax revenue and
23 potential of increased tourism, the bulk
24 of the burden of hosting a gaming
25 facility should not be borne by a few

1 2/21/07 RULES - Bills 070006, 08 through 13

2 neighborhoods without their even having
3 a voice in shaping the development of
4 that facility.

5 Onto the next one, number 10.

6 This amendment to the Commercial
7 Entertainment District is crucial in
8 that it seeks to directly offset the
9 compound and negative impacts that will
10 befall any neighborhood forced to accept
11 two casinos and further addresses the
12 negative impacts of siting even a single
13 casino close to a residential area.

14 As the Council knows well, the
15 northern neighborhoods of Fishtown,
16 Kensington, and Port Richmond along the
17 Delaware River are adjacent to three of
18 the five proposed sites for casinos,
19 including one of the approved
20 facilities, the SugarHouse Casino.

21 There is a remote possibility,
22 assuming that good cause is shown, that
23 the license for one of the approved
24 gaming facilities could become portable.
25 It is also feasible that another casino

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2 could be approved in the future.

3 Under such a scenario, the two
4 non-approved sites and possibly other
5 sites in this area could come under
6 consideration to accept a gaming
7 facility. In this case, the proposed
8 amendment to the Commercial
9 Entertainment District would prohibit
10 the gaming facilities from being sited
11 within one mile of each other.

12 As the I-95 Girard Avenue
13 interchange is about to be realigned in
14 a process that PennDOT estimates to take
15 no less than three years, including a
16 newly planned temporary ramp to
17 alleviate casino traffic and other
18 redirected traffic, it would be unwise
19 to allow two gaming facilities to be
20 sited in as close a proximity as the
21 three original northern-site proposals
22 would demand.

23 The expected influx of traffic
24 from even one gaming facility has
25 already rung alarm bells in the northern

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2 neighborhoods, as the SugarHouse
3 facility would likely bring a number of
4 cars through neighborhood streets. The
5 expected increase in traffic through
6 these local streets would present a
7 safety hazard to neighborhoods where
8 children often play in the streets. It
9 would also tax an infrastructure that is
10 not designed to handle such increased
11 traffic loads.

12 The obvious extension of this
13 argument is that two sites would affect
14 the safety and infrastructure of local
15 neighborhoods to an even greater extent
16 and would likely cause traffic failure
17 at many of the already-inefficient
18 intersections on Delaware Avenue, as
19 thousands of visitors are expected
20 daily.

21 Furthermore, the proposed
22 temporary ramp during the reconstruction
23 of the Girard Avenue interchange would
24 be the main road for visitors using I-95
25 and would not likely be able to handle

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2 the traffic loads brought in by two
3 casinos in the northern neighborhoods.

4 The siting of two casinos
5 within a mile of each other, without a
6 significant increase of resources, would
7 also present an acute drain on social
8 services, police enforcement, and
9 infrastructure elements such as sewers.

10 Just one Commercial
11 Entertainment District within a short
12 distance of a neighborhood will likely
13 tax such resources to an extent and will
14 require effective planning to
15 accommodate a casino.

16 Once again, siting two casinos
17 within a mile of each other would
18 compound this effect and place the bulk
19 of the burden on a limited geographic
20 area.

21 As for the other provisions of
22 this ordinance, City Council should
23 consider the prohibition or limitation
24 of electrical signs that could cause a
25 greater nuisance to adjacent

1 2/21/07 RULES - Bills 070006, 08 through 13
2 neighborhoods. Signs that are lit or a
3 mid light will likely have a spillover
4 effect into the nearby residential areas
5 if they are permitted to be situated
6 next to the road.

7 The committee should,
8 therefore, address both orientation and
9 design of any proposed signs to ensure
10 that adjacent neighborhood are given due
11 consideration, and any spillover effects
12 from light and noise or other forms of
13 nuisance are minimized.

14 Next, the waterfront setback
15 should be set at the level that will
16 afford the greatest public realm,
17 waterfront access, environmental
18 protection and flood control, and allow
19 for the alignment of a continuous trail
20 along the riverfront, connecting
21 residents to other current and proposed
22 forms of riverfront development.

23 For these reasons, New
24 Kensington CDC urges City Council to
25 adopt both of these resolutions in order

1 2/21/07 RULES - Bills 070006, 08 through 13
2 to minimize negative impacts on
3 neighborhoods nearest the casinos and to
4 afford a greater quality of life for
5 residents of these neighborhoods and,
6 indeed, all Philadelphians.

7 (Applause.)

8 COUNCIL PRESIDENT VERNA: Thank
9 you very much.

10 Please identify yourself for
11 the record.

12 MR. RUBEN: My name is Matt
13 Ruben, M-A-T-T, R-U-B-E-N.

14 Thank you, Madam President and
15 members of Council, for the opportunity
16 to testify today.

17 I am a resident of Northern
18 Liberties Neighborhood of Philadelphia.
19 I am former president and a current
20 board member of the Northern Liberties
21 Neighbors Association, or NLNA, which
22 represents one of the two communities in
23 whose boundaries the proposed SugarHouse
24 Casino would be located.

25 The NLNA is also a member of

1 2/21/07 RULES - Bills 070006, 08 through 13
2 the North Delaware Avenue Unity
3 Coalition and the Delaware River
4 Neighborhood Alliance, which
5 collectively include more than 15 civic
6 groups representing approximately
7 200,000 Philadelphians.

8 Personally, I have no moral
9 objection to gambling. I am also
10 opposed to casinos in Philadelphia. But
11 I'm not here to talk about my personal
12 view; I'm here to talk about the view of
13 the Northern Liberties Neighbors
14 Association and the community it
15 represents, which I speak for today.

16 Northern Liberties is a
17 community that is growing faster than
18 perhaps any community in Philadelphia
19 and perhaps any in the Commonwealth.
20 From the last census to the next census,
21 our population will double, if not
22 triple. That is, as far as I know,
23 fairly unprecedented in recent history
24 in Philadelphia.

25 We are not an anti-development

1 2/21/07 RULES - Bills 070006, 08 through 13
2 community. We are experiencing
3 tremendous growth, with approximately
4 3,000 new residential units under
5 construction or planned for the Delaware
6 Avenue corridor alone, with hundreds
7 more in the interior of the
8 neighborhood.

9 We have worked with developers
10 and successfully inked development deals
11 for projects with budgets as large as
12 \$800 million, which is approximately
13 double the budget of most of the casino
14 applicants.

15 So we are very much
16 pro-development. We want to see more
17 people come into the city, and we are in
18 favor of responsible development that
19 will positively impact the city. And we
20 are capable of taking a larger view.

21 The NLNA is also the only river
22 civic association that I'm aware of that
23 has both officially opposed casinos and
24 has tried, as part of the North Delaware
25 Coalition, to negotiate with them.

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2 And from that unique
3 perspective, I am here to tell that you
4 we are not in a place where it is
5 possible to properly protect our
6 interests and our quality of life at
7 this time, and that is why the bills
8 before you are so important.

9 Let me repeat that. Regardless
10 of whether you think casinos should be
11 stopped entirely or they should come
12 here with community protections, it is
13 my feeling, and I'm here to tell you, we
14 are not in a position as communities to
15 sufficiently protect our neighborhoods
16 and our quality of life should the
17 casinos be built.

18 (Applause.)

19 MR. RUBEN: We all know the
20 conditions under which Act 71 was passed
21 at the State level, and some of you up
22 there have spoken eloquently about the
23 extent to which the State legislature
24 expressed its utter contempt for the
25 people of Philadelphia and of

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2 Pennsylvania from the beginning, when
3 this last was passed, right through to
4 frankly what has often been puzzling
5 and, in some cases, appalling behavior
6 by the Pennsylvania Gaming Control
7 Board.

8 We have also talked a lot today
9 about the questions of jobs. Will
10 casino jobs, which the only applicant
11 that we heard specific figures from was
12 Pinnacle, and they said their jobs would
13 average \$19,000 a year.

14 Would casino service jobs take
15 away family wage jobs in the ports and
16 elsewhere? Will they compete -- and if
17 so, how much -- with locally owned
18 restaurants, taverns in neighborhood
19 commercial corridors.

20 How much will crime increase in
21 the vicinity, and will we have the
22 resources to police it properly?

23 Can a city as large as
24 Philadelphia, with residential areas as
25 dense as Philadelphia's, cope with 5,000

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2 slot machine facilities covering
3 multiple acres right on their doorsteps?

4 We don't know the answers to
5 these questions, although a lot of us
6 certainly have our good guesses.

7 And the reason that we are in
8 this situation, the reason that we have
9 this dilemma and don't have the all of
10 the facts and are in no way prepared to
11 understand in an educated way what could
12 really happen, is because this situation
13 that we find ourselves in is the fruit
14 of a poison tree, which is the process
15 by which casinos have been conceived,
16 legalized, and licensed in the State of
17 Pennsylvania and, therefore, in the City
18 of Philadelphia.

19 No one has ever given us the
20 ability to answer the basic questions,
21 the most basic questions, that anyone in
22 a democracy should be able to answer:
23 Do you want slot machine casinos in your
24 city? If so, where do you want them,
25 and how do you want them implemented?

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2 There are many ways to do this,
3 and we have fundamentally been denied
4 the right to have even the most basic
5 input into these most important
6 questions.

7 Some of the measures that
8 Councilman DiCicco has put before the
9 committee today would give the City
10 greater regulatory control over the
11 development of the two proposed casinos.
12 Such measures are certainly useful. The
13 City should have as much regulatory
14 control as possible.

15 But other measures before you
16 would perform a much more valuable
17 function. They would stop this process
18 as it is in its tracks and confront the
19 Commonwealth on the very heart of this
20 process, the very roots of the clear and
21 present danger Philadelphia's river
22 communities, ports, traffic system, and
23 social fabric now face because of the
24 way this process has been conducted at
25 the State level.

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2 It is very important to
3 understand that casinos are not private
4 development. As has been made very
5 clear from the Governor's Office on
6 down, they are public policy. They were
7 legalized in order to raise revenues.
8 And, therefore, as public policy, the
9 public -- us -- and our elected
10 representatives at the City level should
11 demand proper input as we would into any
12 public policy that affects our daily
13 lives.

14 (Applause.)

15 MR. RUBEN: We're telling you
16 today we want a meaningful say on
17 whether casinos constitute a part of our
18 future; and if so, how?

19 We're urging you in the
20 strongest possible terms to stand up for
21 your constituents and say, We draw the
22 line here. Not one more step, not one
23 more inch until we have a process that
24 respects the rights and prerogatives of
25 citizens who live in a democracy.

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2 The tree is rotten. Cut it
3 dow.

4 (Applause.)

5 MR. RUBEN: Pass these bills,
6 and we can stand together for what is
7 right for our communities, our families,
8 and our great city.

9 Thank you. And I'm happy to
10 entertain any questions on any community
11 process or issue.

12 Thank you.

13 COUNCIL PRESIDENT VERNA: Thank
14 you very much.

15 (Applause.)

16 COUNCIL PRESIDENT VERNA: Just
17 a moment, please.

18 The Chair recognizes Councilman
19 Kenney.

20 COUNCILMAN KENNEY: Thank you
21 very much, and thank you all for your
22 testimony. I appreciate it.

23 I do agree with your analysis
24 of the rotten tree; I think it's quite
25 well formed and very illustrative.

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2 The tree, as we've said
3 earlier, was planted in Harrisburg and
4 is growing rotten fruit that we're
5 having to deal with.

6 What's -- we've heard your
7 suggestions on what we should be doing
8 here. What do you think are suggestions
9 of what the legislature should be doing
10 to try to help assist us in working
11 together to either stop or reform the
12 process?

13 MR. RUBEN: Councilman, I just
14 want to say that anything I say from
15 here on end is my own personal view --

16 COUNCILMAN KENNEY: Absolutely.

17 MR. RUBEN: -- and not
18 representing my organization.

19 COUNCILMAN KENNEY: No,
20 absolutely.

21 MR. RUBEN: There's legislature
22 that has been introduced in the State
23 legislature that would strike all
24 mention of Category 2 facilities in
25 Act 71, and, I presume, would

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2 potentially increase Category 1 and
3 Category 3 licenses. I think that would
4 be a concrete improvement on the quality
5 of life of people in Philadelphia.

6 While I certainly would prefer
7 not to have casino development in
8 Pennsylvania, I think putting 500 slots
9 in areas that are already resort areas
10 and putting slot machines in places that
11 already have race tracks is certainly
12 something that I would prefer than
13 having stand-alone new slot facilities
14 in the locations that are proposed for
15 us or anywhere in our city.

16 So I think that's one step.

17 Of course, I would love to see
18 the repeal of Act 71 and the whole thing
19 start over.

20 I think that if the question
21 were put, as it was in Ohio on November
22 7th, there was a statewide referendum:
23 Do you want slot casinos? No. It so
24 happens it lost 57 to 43.

25 But even if it didn't lose

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2 here, people would at least have a voice
3 and there would be a public conversation
4 about how to implement them.

5 So I think those are just two
6 examples of what could be done at the
7 state level.

8 And I'm sure there's a lot
9 more. I mean, per se, I'd like to say
10 the Pennsylvania Gaming Control Board
11 eliminated. I think that its formation
12 constitutes an improper delegation of
13 legislative authority by the State.

14 And as I said in my testimony,
15 I don't want to sound overly rhetorical,
16 but it has been my experience as a
17 citizen of this commonwealth and this
18 city that the Pennsylvania Gaming
19 Control Board has acted in an utterly
20 unprofessional incompetent, and
21 imperious manner towards the citizen of
22 Philadelphia since its inception.

23 (Applause.)

24 MR. THOMPSON: I'd like to add
25 that I think that the way that the

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2 Gaming -- the State went about --

3 COUNCIL PRESIDENT VERNA:

4 Mr. Thompson, just a minute, please.

5 MR. THOMPSON: Oh.

6 COUNCIL PRESIDENT VERNA:

7 (Addressing Councilman Kenney.) Are you
8 finished with your line of questioning
9 of the witness?

10 COUNCILMAN KENNEY: No, I'll
11 entertain -- I think he's piggybacking
12 on Ruben's answer.

13 COUNCIL PRESIDENT VERNA: Very
14 well.

15 MR. THOMPSON: I think anybody
16 who looks at this process would agree
17 that this was done backwards. The
18 Gaming Board chose places and sites
19 without investigating any of the sites.

20 If you are going to put
21 something somewhere, wouldn't you
22 investigate the best site for this,
23 taking everything into account, and then
24 take requests for proposals for that
25 site?

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2 Here, the Gaming Board picked
3 people and sites without even taking the
4 sites into account. They don't even
5 have a traffic study for all of Delaware
6 Avenue. How insane is that.

7 It's impossible to think that
8 if you were putting responsible
9 development out there, you wouldn't have
10 a traffic study done for one of the main
11 arteries out of and into Philadelphia
12 and then you would put a place where
13 10 million people are going to go to a
14 year? How crazy is that.

15 COUNCILMAN KENNEY: There was
16 discussion earlier and testimony from
17 SugarHouse Casino that the issue of
18 riparian rights was critical to their
19 development as it relates to the ability
20 to provide potential amenities like
21 access to the waterfront, pedestrian
22 walkways, green space and the like.

23 In the event that either the
24 State preempts -- we do something here
25 and the State preempts us again, or the

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2 casino people sue and the court
3 overtakes us, what is your opinion on
4 the status of riparian rights as it
5 relates to the specific project in your
6 neighborhood, the SugarHouse?

7 MR. RUBEN: Well, I'm not sure
8 I fully -- well, I'm not -- I understand
9 the question. I'm not sure I understand
10 the specifics, but let me say this about
11 riparian rights.

12 And, again, I'm only speaking
13 for myself.

14 If SugarHouse comes and is
15 built, if they don't get riparian rights
16 or if there is some arrangements for
17 them to get riparian rights, personally,
18 I would prefer a fully publicly-owned
19 and controlled riverfront access in that
20 area to one that a private developer
21 leases and then, by its good graces,
22 let's the public walk on.

23 So, for example, I would
24 certainly want a better project rather
25 than a worse one, but there is no reason

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2 that a casino operators has to have all
3 of the riparian rights that it's asking
4 for.

5 I'd like to see a multi-acre
6 public park in that area, and if a
7 casino comes there, then there should be
8 a wide path right through the grounds of
9 the casino is on as a part of their
10 arrangement so that the public gets to
11 go its own public area and not something
12 that's a part of a promenade that can be
13 closed, as we've heard proposed, for
14 weddings and other events and that is
15 actually an accessory to a private food
16 court and restaurant area but something
17 that actually belongs to the public,
18 because my understanding is, it's the
19 public's land and it's the public right.

20 So I think that even if casinos
21 do come, I personally would not support
22 them getting the riparian rights; or if
23 they got them, I would not support them
24 getting all of that land because some of
25 it at least should belong totally to the

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2 public and should be under the exclusive
3 control of the public because it's our
4 land and it's our rights.

5 COUNCILMAN KENNEY: If riparian
6 rights were an issue of the SugarHouse
7 development and it comes to fruition,
8 will you have concerns about the massing
9 of the building or the setback of the
10 building or the parking issues relative
11 to the site if it's affected by the
12 riparian rights and their ability or
13 inability to obtain them?

14 MR. RUBEN: We have concerns
15 about that now, but I think A.J. wants
16 to speak on that.

17 MR. THOMPSON: I could say I
18 think I'm probably the only one on the
19 panel who remembers sneaking down past
20 the waterfront restaurant when it was
21 down there and being on the riverfront.
22 And I think my daughter who's two, I'd
23 like to have her to be the first
24 generation of Fishtowners in a long time
25 that didn't have to sneed through

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2 weed-choked lot to get to the river.

3 And if this happens, I think

4 the City Council and State

5 Representative O'Brien and everybody

6 else should do their best to make this

7 as public a place to go as possible,

8 because if you look at the riverfront

9 now, you have Penn Treaty Park, which

10 is, you know, on the rebound, but it's

11 pretty small compared to the amount of

12 waterfront space that we have.

13 And if we don't guarantee some

14 access to the river, we're going to have

15 het another generation of people in

16 Philadelphia, and especially in my

17 neighborhood, whose only connection to

18 the neighborhood is a little bit of Penn

19 Treaty Park, and they deserve better, I

20 think.

21 COUNCILMAN KENNEY: So based on

22 both your -- the way you approach the

23 issues, you're not out of hand

24 dismissing the acquisition or use of

25 riparian rights for development?

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2 MR. THOMPSON: Whatever gets
3 people to the river is what I want.

4 MR. RUBEN: I would like to see
5 another type of development besides
6 casinos in that area, and should that
7 type of development come, I would expect
8 that our city and state officials will
9 work with us and together with each
10 other to ensure that other better kind
11 of development would substantive public
12 access and use on the river.

13 (Applause.)

14 COUNCILMAN KENNEY: No, no.
15 What I'm trying --

16 MR. RUBEN: For example, if the
17 RiverWalk site is publicly owned landed
18 that the Penn's Landing Corporation
19 land-banked for many, many years, and
20 now it's eleven acres, nine of it on
21 land that could be used for a public
22 use, and I hope that the Penn's Landing
23 Corporation will change its policy of
24 land-banking and allow true public use.

25 And I'd love to see the same

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2 kind of approach taken in a cohesively
3 planned manner on the SugarHouse site
4 and the Foxwoods site so that you could
5 have mixed use combined with public use,
6 jobs and construction, commercial
7 activity, maybe some residential, and
8 something for people to actually enjoy
9 when they got to the river instead of
10 gigantic block-busting 5,000-slot
11 machine, 4,000-parking garage structures
12 right on our river.

13 (Applause.)

14 COUNCILMAN KENNEY: What I'm
15 trying to assess is not your position or
16 the -- not your organization's position,
17 is that if it affects -- if the
18 alternative uses of the riparian rights
19 affects the massing and the look of the
20 building, that's something you'll have
21 to wait and see what happens and have an
22 opinion about that then, or do you have
23 an opinion about that now?

24 MR. RUBEN: My organization
25 would have to see alternative renderings

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2 in such a situation.

3 COUNCILMAN KENNEY: Okay.

4 MR. RUBEN: I can tell you

5 that.

6 COUNCILMAN KENNEY: All right.

7 Thank you.

8 COUNCIL PRESIDENT VERNA: Thank

9 you very much.

10 Thank you, gentlemen.

11 PANEL: Thanks.

12 MR. MCPHERSON: The next panel

13 consists of: Ahmeenah Young,

14 Pennsylvania Convention Center

15 Authority; Wanda Paul and Jack Ferguson

16 from the PA Convention and Visitors

17 Bureau; Deborah Diamond, Greater

18 Philadelphia Tourism Marketing

19 Corporation; Valerie Ferguson, Bill

20 Walsh, Ed Grose, Philadelphia Hotel

21 Association.

22 (Witnesses come forward.)

23 COUNCIL PRESIDENT VERNA: Good

24 afternoon.

25 MR. WALSH: Good afternoon.

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2 COUNCIL PRESIDENT VERNA: Thank
3 you for your patience. Please identify
4 yourself for the record.

5 MR. WALSH: Good afternoon. I
6 appreciate the opportunity to speak to
7 Councilmembers today. My name is Bill
8 Walsh, and I am the general manager of
9 the Philadelphia Marriott Hotel.

10 And I'm not here to speak to
11 you today as an individual but rather as
12 an officer in the Greater Philadelphia
13 Hotel Association that represents 85
14 hotels in our region.

15 I'm here today to urge you not
16 to support the ordinances that have been
17 introduced that will either delay or
18 prevent casino development. Over the
19 past several years, the Philadelphia
20 Gaming Advisory Board has worked with a
21 great vision to compile a comprehensive
22 report that covers every facet of the
23 gaming initiative in our city.

24 This includes everything from
25 site expansion to casino design. It

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2 takes into account the social and
3 economic impact that gaming would have
4 on our community.

5 The revenues that would be
6 generated by gaming in Philadelphia have
7 been well documented. According to the
8 task force, two proposed casinos would
9 generate approximately \$685,000 in
10 revenue during their first full year of
11 operation alone.

12 This would be able to reduce
13 the City's wage tax by 13 percent for
14 our residents and 8 percent for our
15 nonresidents.

16 Additionally, the City would
17 receive between 26 and \$30 million
18 annually in host fees, with more than
19 7 million in dollars of that going back
20 into our Philadelphia school system.

21 In addition to the tax savings
22 for residents, two casinos will create
23 over 1500 real casino jobs and between
24 2 and 3,000 new jobs in ancillary
25 operations from casinos from the growth

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2 and other industries that service
3 patrons and businesses that support
4 casinos.

5 The over 1,000 new construction
6 jobs that will be created during the
7 building of these facilities will pay
8 between 30 and \$34 million in wages.
9 The indirect construction-related jobs
10 will provide employment to almost 1500
11 individuals and pay roughly \$73 million.

12 At this moment, I'd like to
13 deviate from my prepared remarks.

14 Earlier as I sat here, I heard
15 some testimony that said that the
16 creation of jobs and development from
17 casinos was not a reality. Being
18 somewhat of a curious individual, I took
19 the opportunity to excuse myself from
20 the room, and I have hotels that are
21 located in both the areas up in
22 Connecticut near the Foxwoods site and
23 up near Niagara Falls, where the
24 SugarHouse site is.

25 Both of those hotels report

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2 that their occupancies are at an
3 all-time high and that both environments
4 are proposing and considering
5 development of future hotels. That, to
6 me, lends credence to the theory that
7 there is further growth and development
8 that can come from the advent of
9 casinos.

10 However, what I want to talk
11 about, I think, that has the most
12 potential today is that with the revenue
13 generated through gaming, there is one
14 critical factor to consider when
15 deciding upon the proposed legislation,
16 and that is the impact it would have on
17 one of the city's largest economic
18 engines, that being the convention
19 business.

20 The expansion of the
21 Philadelphia Convention Center is
22 absolutely necessary in order to
23 maintain economic growth, development of
24 new business, creation of new jobs, and
25 providing to the City a vitality it

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2 needs to remain a top destination in the
3 United States.

4 My colleagues at the
5 Pennsylvania Convention and Visitors
6 Bureau have already booked more than
7 1.1 million room nights in our city, has
8 a direct spending of over \$680 million
9 in an overall economic impact of over
10 \$1.3 billion. And that's just on the
11 mere promise of an expanded center.
12 These are real numbers.

13 Unfortunately, we have also
14 turned away approximately the same
15 amount of money because our current
16 center has already been booked, or the
17 meeting that wants to come here is not
18 able to come to our convention center
19 'cause it's not large enough to hold it.

20 Once expanded, it will be
21 projected that more than 2,000 hotel
22 rooms would be needed resulting in more
23 than 1500 newly-created real jobs.

24 The expansion of the center
25 will occur only if gaming can come to

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2 Philadelphia. Gaming is the primary
3 funding mechanism, and without it, this
4 project will not happen.

5 The revenues created through
6 gaming in Philadelphia are the catalyst
7 that would spark further growth in
8 development just -- not just in a few
9 select areas of the city, but for the
10 entire city.

11 I believe that any proposal
12 that delays or prevents gaming would not
13 be prudent and would have a negative
14 effect for our city for a long time.

15 In closing, I would like to
16 recall everybody's attention to the
17 October 15th article in National
18 Geographic that named Philadelphia one
19 of America's next great cities.

20 I ask you not to support these
21 proposals, and I believe that that would
22 impede the vision by not allowing us all
23 to grow to reach our fullest potential.

24 Thank you.

25 (Applause.)

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2 COUNCIL PRESIDENT VERNA: Thank
3 you very much.

4 Good afternoon. Welcome.

5 Thank you for your patience. Identify
6 yourself for the record.

7 MS. PAUL: Good afternoon. My
8 name is Wanda Paul. I'm senior vice
9 president for the Philadelphia
10 Convention and Visitors Bureau.

11 The Philadelphia Convention and
12 Visitors Bureau is a membership
13 organization, and 85 hotels are a vital
14 part of that membership.

15 When the idea of gaming was
16 initially brought forth and discussed,
17 we serve a concierge, bell service,
18 front-desk personnel to 25 of those
19 membership hotels. What we found was
20 that guests' requests for arrangements
21 were made to Atlantic City ranged from
22 1 percent to 40 percent -- as high as 40
23 percent of all questions regarding
24 information for nighttime activities
25 each year.

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2 This means there are huge
3 dollars, and those are real dollars
4 going out of state for gaming, plus
5 other expenditures such as shopping and
6 dining. And in some cases, it actually
7 may mean someone checking out of the
8 hotel in Philadelphia to go to Atlantic
9 City or Delaware.

10 We want revenue to stay in
11 Philadelphia, meaning more jobs for the
12 citizens of Philadelphia.

13 And speaking of jobs, the
14 Philadelphia Convention and Visitors
15 Bureau and our Multicultural Fair
16 Congress have already met with one of
17 the casinos in regard to the importance
18 of diversity and the creation and
19 operation of these new destinations.

20 Many convention attendees and
21 their spouses as well as tourists
22 already leave Philadelphia for the
23 night, traveling to neighboring Atlantic
24 City or Delaware play, where they the
25 slots, dine in restaurants, see a show,

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2 or shop on the Boardwalk.

3 Why not have them spend that
4 time and discretionary dollars in
5 Philadelphia.

6 And we haven't even mentioned
7 the impact the slots could have on
8 attracting new tourists to Philadelphia,
9 including motor-coach tour operators and
10 our fast-growing international visitors,
11 now at an all-time high.

12 We support the value-added
13 attraction of the casinos as an
14 additional entertainment option for the
15 City of Philadelphia.

16 Thank you.

17 (Applause.)

18 COUNCIL PRESIDENT VERNA: Good
19 afternoon. Please identify yourself for
20 the record.

21 MR. FERGUSON: Thank you. Good
22 afternoon, Madam President and City
23 Councilmembers. I'm Jack Ferguson, the
24 executive vice president of the
25 Philadelphia Convention and Visitors

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2 Bureau.

3 The Philadelphia Convention and
4 Visitors Bureau is the official tours
5 and promotional agency for the City of
6 Philadelphia and the primary sales and
7 marketing organization for the
8 Philadelphia Convention Center.

9 We generate economic impact and
10 growth by increasing the City's hotel
11 occupancies and revenues while affecting
12 all segments of the hospitality
13 industry.

14 Philadelphia hospitality's
15 package is unique and with the
16 Pennsylvania Convention Center as its
17 hub. In most cities, convention
18 business makes up about 27 percent of
19 all hotel rooms consumed each year. But
20 in Philadelphia, the convention and
21 meeting business accounts for 40 percent
22 of all of the rooms that are consumed.

23 And Philadelphia has a solid
24 market mix of leisure and business
25 travel as well. One of the greatest

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2 attributes that Philadelphia offers is
3 the variety of free-time choices for
4 convention and tourism visitors when
5 they come to our city. The selections
6 we have currently are top-notch, but
7 they can always be enhanced as well as
8 improved.

9 Philadelphia is rich in the
10 history with new attractions that
11 Independence Park offers. Philadelphia
12 is second to none as a destination for
13 the birthplace of the nation.

14 Culturally, Philadelphia offers
15 a wide variety of choices.

16 Philadelphia's theater district can be
17 experienced on the Avenue of the Arts,
18 providing an array of entertainment.

19 Philadelphia is in the big
20 leagues when it comes to sports as well.
21 You can just ask any Philadelphia sports
22 fan.

23 Night life abounds in Old City,
24 South Street, Penn's Landing,
25 Rittenhouse Row, and in the hip area of

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2 Manayunk.

3 As a convention and tourism
4 destination, Philadelphia provides our
5 guests with great choices. Providing
6 choices ensures Philadelphia's continued
7 growth in its ability to attract
8 meetings, conventions and visitors to
9 hotels, restaurants, and venues, and to
10 keep the city with a fresh, new, and
11 exciting position.

12 To remain competitive as a
13 first-tiered city and to have the
14 ability to attract and rebook
15 conventions, we have to have the
16 visitors return again and again.
17 Philadelphia must continue to provide
18 more choices as we expand the
19 Pennsylvania Convention Center.

20 The two new casinos will expand
21 our nightlife offerings as well as
22 customers that are -- as well as our
23 customers always look for, and the
24 casinos will develop the waterfront to
25 become a wonderful visitor destination.

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2 When the casinos were first
3 being discussed, the PCVB and the Center
4 City District hosted a series of forums
5 to educate the hospitality and business
6 community and the local media on the
7 impact that the casinos have had in
8 other destinations and what they might
9 mean to Philadelphia.

10 Those findings were overall
11 positive, and it is why the Philadelphia
12 Convention and Visitors Bureau supports
13 Pennsylvania's desire to bring casinos
14 to Philadelphia.

15 Thank you.

16 COUNCIL PRESIDENT VERNA: Thank
17 you very much.

18 (Applause.)

19 COUNCILMAN KENNEY: I just have
20 one question for this. The issue
21 relative to funding of the Convention
22 Center expansion, I kind of understand
23 and get, and I don't mean to put you on
24 the spot, but could you tell me the
25 top-rated restaurants outside of the

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2 casinos in Atlantic City? Could you
3 give me a name of a top-rated restaurant
4 outside of a casino in Atlantic City?

5 MS. PAUL: Probably Docks or
6 Knife and Fork in Atlantic City.

7 COUNCILMAN KENNEY: But that's
8 like about it, right? Everything else
9 is inside of the casino, right?

10 MS. PAUL: Well, they have a
11 few other --

12 COUNCILMAN KENNEY: I've been
13 there, and those two places are decent
14 places and Chef (indiscernible), but
15 it's not an overwhelming restaurant town
16 outside the casino.

17 What -- what -- if the goal of
18 the casinos is to maximize the machines
19 by keeping people in front of them, how
20 does that enhance our nightlife in Old
21 City or -- I don't understand -- I don't
22 understand that comment, I really don't.

23 (Applause.)

24 (Cheers.)

25 COUNCILMAN KENNEY: Let me

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2 just -- if we're looking to maximize
3 revenues for the City, for the State,
4 for tax reduction, for Convention Center
5 expansion, I can buy all that, I really
6 can.

7 MR. FERGUSON: Mm-hmm.

8 COUNCILMAN KENNEY: I can't see
9 or fathom how a restaurant or a bar
10 outside a casino benefits from 5,000
11 people sitting at -- from 10,000 people
12 sitting at 10,000 machines. I don't
13 know how that enhances it.

14 MR. FERGUSON: I think, to
15 answer your question from the standpoint
16 of the visitor, the visitor, he or she
17 comes in and stays in the hotels, goes
18 out for dinner, and the dining
19 experiences all over the city are
20 wonderful.

21 COUNCILMAN KENNEY: Yeah.

22 MR. FERGUSON: After they dine,
23 what do they do? That's the question.

24 And that's where Philadelphia
25 falls short.

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2 COUNCILMAN KENNEY: Wait a
3 minute. If I'm going to -- and we could
4 have this debate all day, and I know
5 it's been a long day, but if I'm going
6 to a destination point, all right, and I
7 have a choice, and I'm coming from Ohio
8 or Texas or New York State, and I'm
9 going to come and stay in a hotel for a
10 weekend or a week, am I going to the
11 Bellagio, or am I going to Delaware and
12 Reed?

13 I mean, if I'm going to go to a
14 hotel, I'm going to go to a hotel and
15 stay there and gamble there. I'm not
16 going to come to the Marriott and then
17 get in a cab and go gamble at -- when 60
18 miles away are some of the nicest
19 hotels -- not that we don't have nice
20 hotels -- and some of the more expansive
21 gaming opportunities like table games
22 and other things that if I'm
23 traveling -- if I'm going to get on
24 JetBlue or AirTran and I'm going to fly
25 into this region to gamble and to stay

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2 overnight, I'm going to Atlantic City.

3 MR. WALSH: But there's -- I

4 think there's one other component to

5 consider, Councilman.

6 That may be true of individual

7 transient leisure travelers --

8 COUNCILMAN KENNEY: Right.

9 MR. WALSH: -- but when you

10 talk about conventions, convention

11 people will spend multiple nights in the

12 hotel and want to experience various

13 nightlife activities.

14 The casino environment might

15 only be one of those evenings. It might

16 be a night in another venue, so I don't

17 believe they're going to go there every

18 night; it's just another alternative to

19 them.

20 COUNCILMAN KENNEY: I'm just

21 having trouble understanding why a

22 conventioner from Texas, and he or she

23 wants to spend a gaming night, would not

24 get in a shuttle and go to Atlantic City

25 and gamble where they can gamble on

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2 other things.

3 I've seen -- I've seen -- I
4 don't go to casinos a lot, I don't
5 really gamble, I don't -- it's not
6 something that I like.

7 But I see what gets off the bus
8 at Atlantic City for the slot area. It
9 is -- it is not your high roller. It's
10 your basic senior citizens and, you
11 know, working people.

12 I don't see -- I don't get it,
13 that whole -- this whole argument about
14 that it attracts the nightlife. I think
15 in some ways, like Councilman DiCicco
16 said --

17 MS. PAUL: It's just another
18 option. We're not suggesting that --

19 MR. FERGUSON: It enhances the
20 nightlife.

21 MS. PAUL: It enhances it.
22 It's not a cure-all for the City of
23 Philadelphia; it's just another
24 entertainment option.

25 COUNCILMAN KENNEY: Right.

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2 MS. PAUL: You know, there will
3 be a night where they'll go out
4 gambling, there'll be a night where they
5 go to the Franklin Institute Museum.

6 Conventioneers don't
7 necessarily -- that's one of the
8 attractions Philadelphia currently has.
9 They don't necessarily want their
10 conventioneers going to Atlantic City;
11 they want them in Philadelphia.

12 They have an option of spending
13 a few hours in the casino after they
14 dine, after their sessions are over.
15 It's not like taking a hop to Atlantic
16 City and coming back.

17 COUNCILMAN KENNEY: Okay.

18 (Applause.)

19 COUNCILMAN KENNEY: All I'm
20 saying is it's pretty close. Atlantic
21 City is pretty close.

22 MR. FERGUSON: But it does get
23 into time as a currency. And what
24 happens there is, the person has limited
25 time, so he or she would explore

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2 Delaware Avenue or Columbus Boulevard as
3 opposed to going 60 miles east.

4 COUNCILMAN DICICCO: Madam
5 President?

6 COUNCIL PRESIDENT VERNA: The
7 Chair recognizes Councilman DiCicco.

8 COUNCILMAN DICICCO: Yes. Our
9 Convention Center expansion program, we
10 already have a certain number of
11 bookings for the expanded facility.
12 Have any of those bookings been based on
13 the notion that we may have gaming in
14 the City of Philadelphia?

15 MR. FERGUSON: Has that been a
16 determining factor; is that what you're
17 --

18 COUNCILMAN DICICCO: It's not a
19 part of the market, is it?

20 MR. FERGUSON: No, that has not
21 been a determining factor as to why that
22 convention could come.

23 COUNCILMAN DICICCO: So our
24 Convention Center business is doing
25 well.

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2 MR. FERGUSON: Mm-hmm.

3 COUNCILMAN DICICCO: Well
4 enough that we need to expand. We
5 already have bookings four years out, or
6 whatever the day is -- I can't remember
7 since I haven't been at a board meeting
8 in the last couple of months.

9 But the point I'm trying to
10 make is, it may be an amenity; I will
11 grant you that.

12 MR. FERGUSON: It is an
13 amenity.

14 COUNCILMAN DICICCO: But it is
15 not a deal-breaker for the Convention
16 Center expansion, nor will we lose any
17 customers as a result us not having
18 gaming facilities.

19 (Applause.)

20 COUNCILMAN DICICCO: But for
21 the revenues that are anticipated coming
22 from the casinos, we may not be able to
23 build the expanded convention center.

24 MR. WALSH: That's correct.

25 UNIDENTIFIED SPEAKER: That is

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2 the major critical issue with the
3 gaming.

4 COUNCILMAN DICICCO: And I
5 understand that, I understand that
6 perfectly. But I just didn't want
7 anyone to be of the impression that this
8 is an amenity that without this amenity,
9 we will not do conventions in this town
10 going forward.

11 MS. PAUL: Absolutely not.

12 COUNCILMAN DICICCO: All right.
13 Thank you.

14 MR. WALSH: The danger, though,
15 is without the expansion, there's
16 millions of dollars of business that we
17 enjoy as a city that will not return to
18 the City 'cause we (inaudible).

19 COUNCILMAN DICICCO: Well,
20 that's part of the debate that we can
21 have all day is, what about the
22 restaurants and the other entertainment
23 venues that we currently have; will
24 there be a negative impact on those
25 businesses?

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2 Are we shifting the economy or
3 the disposable income from one section
4 to another section of town to another
5 section of town? And who benefits at
6 the end of the day?

7 Thank you.

8 COUNCIL PRESIDENT VERNA: Thank
9 you.

10 Yes. The Chair recognizes
11 Councilwoman Brown.

12 COUNCILWOMAN REYNOLDS-BROWN:
13 Yes. We've spent some dialogue on
14 community expansion. Let's rewind back
15 to the building of the first Convention
16 Center, where there was volumes of
17 unrest and thinking of what the City
18 would or would not be were the center
19 built. And so let's just rewind and
20 place ourselves there.

21 I clearly remember sentiments
22 saying that the small businesses on that
23 corridor would -- would die and that the
24 world would not be better because of the
25 building of the Convention Center.

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2 Let's fast-forward to where we
3 are now. What would you say has been
4 the yield of the building of the center?

5 MR. FERGUSON: The existing
6 center?

7 COUNCILWOMAN REYNOLDS-BROWN:
8 Yes.

9 MR. FERGUSON: Well, that's a
10 great -- I have a very good answer for
11 that.

12 Just take yourself back 14
13 years and tell me what Philadelphia
14 looked like at 5 o'clock at night with
15 the old Civic Center in operation.

16 The fact that the Convention
17 Center was built in the very center of
18 the city and that it has created a
19 walkable city with hotels that are in
20 easy access to that center has made the
21 development of Philadelphia where
22 National Geographic rates it as the next
23 emerging city.

24 It's a critical component, and
25 it's really -- the Pennsylvania

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2 Convention Center is the economic engine
3 that is driving the hospitality
4 industry, regardless of whether it's
5 meetings and conventions or tourism or
6 even business travelers.

7 Business travelers used to come
8 into Philadelphia and not stay
9 overnight. They would come in from New
10 York and go back to New York that night.
11 From Washington, they would come up and
12 they would go back, or what they would
13 do is, they would train it on to New
14 York or train it to Washington, D.C.,
15 the opposite end and not stay in
16 Philadelphia.

17 The fact that 1,300,000 people
18 pass through the doors of the existing
19 Pennsylvania Convention Center on an
20 annual basis has made this a better city
21 not only for tourism but for the
22 residents and the business community
23 at-large.

24 (Applause.)

25 COUNCILWOMAN REYNOLDS-BROWN:

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2 Are there any lessons learned from that
3 circumstance?

4 Because in this instance, the
5 issue of keeping the community whole
6 clearly has not manifested itself in a
7 way that we can be proud of.

8 So what lessons can we take
9 from that when we look to see that we
10 have a community that legitimately has
11 some real concerns about what's before.
12 Us?

13 UNIDENTIFIED SPEAKER: The
14 absolute beginnings --

15 COURT REPORTER: Could I get
16 the speaker's name, please.

17 COUNCIL PRESIDENT VERNA: Ahmee
18 nah, you're going to have to identify
19 yourself for the record, please.

20 MS. YOUNG: Certainly. I'm
21 Ahmeenah Young, the executive vice
22 president of the Pennsylvania Convention
23 Center.

24 What is overwhelming about
25 lessons learned is that if you recall

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2 14, 15 years ago, there were people who
3 thought that the worst idea was to put
4 the Convention Center in the center of
5 town. And it was amazing that we never
6 saw ourselves as a center in terms of a
7 city, a place where people would want to
8 visit.

9 If you can remember 14 years
10 ago, hardly anyone would walk north of
11 Market Street after it began to get
12 dark. That area is bustling.

13 You want some quick facts about
14 it? Look at where the Reading Terminal
15 Market is now. It stays open late, it
16 stays open on Sunday. It was in itself
17 an economic impact that was falling
18 apart. In fact, if it wasn't for the
19 Convention Center, I daresay, the
20 Reading Terminal Market would no longer
21 be there.

22 We expanded our commercial
23 areas to move north of Market, east of
24 Broad, and in that square area, the new
25 businesses that were there is just

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2 incredible.

3 But even more than that,

4 Councilwoman, beyond the economic impact

5 is what we did to prepare our citizens

6 to take advantage of this bustling

7 industry.

8 COUNCILWOMAN REYNOLDS-BROWN:

9 Okay.

10 MS. YOUNG: No convention

11 center in the country allocated monies

12 as a part of the construction budget to

13 educate children in schools to be

14 prepared that gave them life-changing

15 options.

16 COUNCILWOMAN REYNOLDS-BROWN:

17 Choices. And so...?

18 MS. YOUNG: Can I give my

19 testimony?

20 COUNCILWOMAN REYNOLDS-BROWN:

21 Thank you for your remarks.

22 MS. YOUNG: Thank you.

23 Good afternoon. And I would

24 like to thank the committee and members

25 of City Council for the opportunity to

1 2/21/07 RULES - Bills 070006, 08 through 13
2 speak about the startup of an industry
3 that would positively transform the City
4 of Philadelphia and the Commonwealth of
5 Pennsylvania.

6 The purpose of my testimony is
7 to establish for the official record the
8 importance of a timely start of the
9 gaming industry in Philadelphia and the
10 positive economic impact for the City of
11 Philadelphia and the Pennsylvania
12 Convention Center's expansion.

13 The Pennsylvania Convention
14 Center is not here to endorse any casino
15 or to argue the merits of the
16 Pennsylvania Gaming Board Gaming
17 Control's decision as to the specific
18 locations of the casinos, but there is
19 little dispute regarding the
20 far-reaching significance of the
21 Pennsylvania Convention Center.

22 The center has been the
23 greatest single economic engine for the
24 City of Philadelphia and its region for
25 the past 20 years. It ignited the

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2 growth of a sleeping-giant hospitality
3 and tourist industry. New hotels were
4 built, older hotels were substantially
5 rehabbed.

6 New restaurants opened almost
7 daily. The Avenue of the Arts, the
8 Greater Philadelphia Market and Tourism,
9 Inc., the Independence Visitors Center,
10 the Constitution Center, and countless
11 other tourist venues were established.

12 The result: More than 65,000
13 new jobs were created.

14 But most gratifying was that
15 many of these workers were former
16 welfare recipients who today have
17 careers in this growing industry.

18 The Convention Center is proud
19 to have invested millions of dollars in
20 educational and training programs with
21 the School District of Philadelphia,
22 OIC, and Mercy Vocational Tech to ensure
23 that the citizens of Philadelphia could
24 and would be ready to participate in
25 this growing and exciting industry.

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2 Many cities have attempted to
3 duplicate our honored educational and
4 training program.

5 The funding for these programs
6 have come exclusively from a portion of
7 the hotel tax, a tax that, in large
8 part, is paid by conventioners who come
9 to work and play in our wonderful city.

10 The center is in the middle of
11 its expansion project, an expansion that
12 would return us to the forefront of the
13 convention industry. With the
14 expansion, the center would once again
15 be the premier convention center the
16 East Coast.

17 The cost of this expansion is
18 \$700 million funded almost exclusively
19 by the Commonwealth. This will be the
20 single largest capital project that the
21 Commonwealth has ever undertaken.

22 The fact that this exceptional
23 expansion project will be funded by an
24 Economic Development and Tourism Fund is
25 the major reason the Commonwealth has

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2 willingly agreed to spend this
3 incredible amount of money. This
4 Economic Development Fund is in addition
5 to all of the monies that will be
6 granted to local municipalities from
7 gaming revenues.

8 The decision to delay the
9 collection of these funds would
10 adversely affect the positive gains made
11 in the past and critically handicap the
12 future of our city, its region, the
13 Commonwealth, and the hospitality and
14 tourism industry.

15 COUNCIL PRESIDENT VERNA: Thank
16 you very much.

17 Please identify yourself for
18 the record.

19 MS. DIAMOND: Good afternoon,
20 Madam Chairwoman and members of the
21 Committee. My name is Dr. Deborah
22 Diamond; I am the director of research
23 and strategy at the Greater Philadelphia
24 Tourism Marketing Corporation. We're a
25 private nonprofit founded to promote

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2 Greater Philadelphia through marketing
3 and image-building that increases and
4 promotes the region's vitality.

5 Our CEO, Meryl Levitz, served
6 as a member of the Economic Impact
7 Committee of the Philadelphia Gaming
8 Advisory Task Force. I worked closely
9 with her on that study, and she sends
10 her regards and her regrets that she
11 can't be here today because of a
12 conflict.

13 I want to thank the committee
14 for the opportunity to speak about the
15 addition of gaming to the range of
16 activities that tourists will be able to
17 enjoy during their visits.

18 Philadelphia has recently come
19 into its own as a great tourist
20 destination. Mr. Welsh showed us the
21 National Geographic Traveler, where
22 Philadelphia was called "the next great
23 city."

24 Our tourism numbers have gone
25 up for five years in a row, reaching

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2 8.86 million overnight leisure tourists
3 in 2005, a 55 percent increase since
4 1997, when GPTMC first started
5 advertising Philadelphia as a tourist
6 destination.

7 Philadelphia has been
8 rediscovered, and when people come here,
9 they are not disappointed. As we say in
10 our ads, they fall in love with
11 Philadelphia and Philadelphia loves them
12 back.

13 In addition to our unique
14 tradition as America's birthplace with
15 unparalleled and authentic historic
16 sites, we have outstanding arts,
17 culture, dining, neighborhoods, and
18 boutique shopping.

19 We are an active city too.
20 Whether someone wants to watch sports in
21 our new stadiums or play them with their
22 friends in Fairmount or Pennypack Park,
23 there's something here for everyone.

24 The growth in the activities
25 are tourists have been able to enjoy has

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2 meant more tourists are coming, they
3 spend more time, they come back more
4 often, and they spend more money.

5 The economic impact of all
6 travelers in 2005 to the region
7 was \$10 billion, with leisure visitors
8 accounting for 60 percent of that.

9 Saturday night, the most
10 popular night for a visit for leisure
11 guests, has been the highest night for
12 hotel occupancy in Philadelphia for the
13 last couple of years. And now Saturday
14 night has the fastest-growing hotel
15 rates as well.

16 GPTMC just celebrated its tenth
17 anniversary, and over this last decade,
18 we've actively promoted Philadelphia as
19 a premier destination. Philadelphia is
20 now known as a comeback city and a great
21 place to live, work, and visit.

22 We can, we must continue to
23 build on this momentum. A city has to
24 continually grow in order to thrive. We
25 firmly believe that casinos will be yet

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2 another reason for people to come here,
3 experience our city, stay longer, and
4 come back.

5 As the Mayor's Gaming Advisory
6 Task Force found, a significant portion
7 of those who will visit the casinos will
8 come from another state.

9 This visitation will help us in
10 two ways. Many of those who come here
11 initially for gaming will discover
12 reasons to stay longer or come back:
13 Independence Mall, our museums, shops,
14 restaurants, and parks. And visitors
15 drawn here for our arts, culture,
16 restaurants, and history will be more
17 likely to stay longer or return in order
18 to fit in a casino visit.

19 Both of these scenarios are
20 good for the city and for the City's
21 businesses and hotels. They're good for
22 job opportunities and tax revenues too.

23 GPTMC tracks what our
24 blockbuster exhibitions like the current
25 one at the Franklin Institute, what

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2 these exhibitions add to our city. For
3 instance, the Dali exhibition at the
4 Philadelphia Museum of Art in 2005
5 generated 52,000 visits to other
6 attractions, 20,700 hotel room nights,
7 and \$55 million in economic impact.

8 Handled well, gaming has the
9 potential to be an all-year-round
10 blockbuster for the City, for tourists,
11 and from the businesses that benefit
12 from tourists coming here.

13 The expansion of the Convention
14 Center, which will be funded gaming
15 revenues, will also help grow our
16 tourism market.

17 For all of these reasons and
18 more, please do not pass any legislation
19 that would delay the construction of
20 these gaming facilities. We have too
21 much momentum built up; we should not
22 risk it.

23 Thank you for your time and
24 consideration.

25 (Applause.)

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2 COUNCIL PRESIDENT VERNA: Thank
3 you very much.

4 Are there any questions or
5 comments from members of the committee
6 for these witnesses in front of us?

7 (No questions.)

8 COUNCIL PRESIDENT VERNA: No?
9 Thank you all so very much.

10 Mr. McPherson?

11 MR. MCPHERSON: The next panel
12 consists of Gaetano Piccirilli, Suzanne
13 Haney, Cynthia Philo, Joe Schiavo, Cory
14 Kegerise.

15 (Witnesses come forward.)

16 COUNCIL PRESIDENT VERNA: Goof
17 afternoon. I thank you for your
18 patience. I don't know who's going to
19 testify first, but would you please
20 identify yourself for the record and
21 proceed.

22 MS. HANEY: Yes. My name is
23 Suzanne Haney. Some of you know me from
24 another capacity because I happen to be
25 a ward leader in the in the city, but I

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2 am here as the founder of the Southwark
3 Historic District Committee, and I'm
4 going to be speaking on behalf of
5 historical legacies that we have in the
6 immediate area of Foxwoods.

7 Thank you.

8 I think that I would like to
9 challenge something that was said by the
10 previous panel, but I will do that
11 during my presentation.

12 I think it's very important
13 that we think about the historic
14 perspective of Philadelphia. We happen
15 to be, our city is, America's history.
16 Our location along the river is our
17 country's history.

18 As someone said previously, we
19 go back to the Swedish and Dutch
20 communities that founded the area south
21 of South Street; Weccacoe, from river to
22 river; Old Swedes' Church, which stands
23 at Washington Avenue, happens to be in
24 the site where there might be the on-
25 offramps for one of our sites. It

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2 happens to be the -- a national landmark
3 from the National Landmark Society.

4 In addition, we also happen to
5 have a large number of historical homes.
6 As the city grew after being founded by
7 William Penn, it grew along the river.

8 I submitted, as part of a plan
9 by the Pennsport Queen Village Societies
10 CD ROMs of over 50 historical homes
11 certified in the Queen Village and
12 Society Hill and Pennsport area.

13 Among the ones that we
14 submitted were the homes of the first
15 mayor of Philadelphia, a signer of the
16 Declaration of Independence, and the
17 home of Henry Shippen, who happened to
18 be the father-in-law of Benedict Arnold
19 and was a Supreme Court justice in
20 Pennsylvania. I also submitted as part
21 of that an analysis of the impact that
22 this would have on the history of our
23 area.

24 I would like to mention that we
25 also included -- and I have additional

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2 photos that I will be bringing back, and
3 there are schematics in the front of
4 each of those -- of the Shot Tower and
5 the Naval Yard, which have been referred
6 to. I would like to remind you that the
7 Naval Yard, which was at Federal Street,
8 which is why Federal Street has its
9 name, was very historic and very much
10 involved in the history of our area.
11 That is only one block north of one of
12 the sites that we are discussing.

13 After 1797, when the City
14 outlawed all new cemeteries because of
15 diseases, our area south of South Street
16 was the hub of all of the new cemeteries
17 in the City. Mikva Israel, Old
18 St. Joseph's, Santa Luccia, Douglas, et
19 cetera.

20 I have here, and will be
21 presenting to you from the Preservation
22 Alliance newsletter, an article about
23 the restoration and retrieval of bodies
24 that we took from Washington Avenue,
25 which had been usurped by one of the

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2 construction sites. I would like to
3 also mention that the article also
4 happens to mention Philadelphia's
5 historic districts.

6 Pennsport and Queen Village are
7 not listed. However, if you do an
8 expensive search on the computer, you
9 will find that there are four historic
10 districts in Queen Village. One of the
11 problems is that we have both federal,
12 state, and local and city authentication
13 of historic District with different
14 criteria which are not on a regular
15 basis meshed.

16 I would also like to mention
17 that our area is very, very crucial in
18 the history of the Underground Railway.
19 Following the Christina riots and the
20 arrival of the Grimke sisters to
21 Philadelphia, whose homes have no
22 markings whatsoever, and the major
23 anti-slavery abolition movement, people
24 arrived in Philadelphia by river.

25 I've given tours of Underground

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2 Railway South Philadelphia where we have
3 taverns on Elsworth Street where there
4 were secret passages where people stayed
5 while they were being hidden.

6 When we get to the period of
7 the Civil War, we have Octavius V. Catto
8 known to our councilman here. I would
9 like to submit the fact that as a member
10 of the Octavius V. Catto Society that
11 has a ceremony every year the last
12 Saturday in February, we have a military
13 honor guard and honor the man who
14 desegregated our trolley cars in
15 Philadelphia, was a major in the
16 Pennsylvania militia, an instructor at
17 the Institute for Colored Youth. This
18 site and his area are right on the area
19 in South Philadelphia.

20 We have so many historical
21 sites the City has not adequately used.

22 I would also like to mention
23 that, among the types of things that we
24 had during the Civil War, we have the
25 Union and Cooper Refreshment Saloons.

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2 These were taken down when 95 was
3 constructed. The Union and Cooper
4 Refreshment Saloons fed and housed 10 to
5 20,000 men and horses a day. Every
6 Union Army soldier going north and south
7 to fight the Civil War, from New York,
8 New Jersey, and all of New York State
9 had to come through the Cooper and Union
10 Refreshment Saloons.

11 Jefferson Square Park, which
12 Councilman DiCicco knows that I helped
13 save from a development that they wanted
14 to put there, was an encampment site and
15 a site where we could enroll into the
16 war.

17 We have numerous other sites in
18 the immediate area which are very
19 historical.

20 I would also like to mention
21 that the USS New Ironside, the very
22 first ironclad vessel constructed in the
23 western hemisphere, was built by the
24 Merck Foundry between Fourth and Fifth
25 and Washington Avenues.

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2 We have so many of the
3 historical sites that we have in our
4 immediate area, but I would also like to
5 also mention that among the types of
6 things that we do have, which are very
7 valued, is our historical neighborhoods,
8 where people actually live.

9 And one of the reasons why
10 Philadelphia is so popular with
11 tourists, with people who come, is that
12 they can actually see the actual
13 environment in which people walked 1, 2,
14 and 300 years ago.

15 I should tell you that I was
16 over at the City Tavern at Walnut and
17 Fourth Street, and it was the 4th of
18 July -- and I was there -- 2nd Street.
19 And I was there at the time when they
20 were having a program. And in the back
21 of the building, they had all types of
22 pipers, food, music, everything else.

23 People coming by said to me,
24 "Oh how wonderful." They did not know
25 that this was not handled by the City as

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2 a tourism attraction; this was something
3 that was done by the owner of the
4 restaurant, which is leased from the
5 National Park Service on the fifth
6 anniversary of his ownership.

7 These are the kind of things
8 that attract people to utilize the
9 history of our city that we do not
10 adequately honor. It is something that
11 we really should use. We don't have to
12 build or contract for this. We already
13 have and maintain these sites.

14 I would like to conclude by
15 stating very briefly that we also have
16 in our area the neighborhoods where we
17 live and walk. It is a treasure that
18 other people would give everything they
19 have for. For me, it's very important.

20 I do not wish to dispute or
21 cast aspersions on any of the
22 intentions, possibly (indiscernible),
23 whatever for persons who would rather
24 sacrifice our nation and our city's
25 history for personal and financial gain,

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2 but I would like to say as a woman who
3 has four ancestors who were in the
4 Pennsylvania Assembly in the 1680s
5 representing our community, I really
6 feel very strongly that it is incumbent
7 upon us to honor those who have gone
8 before us, to honor the city that we
9 live in, and to protect our community
10 and our neighborhoods.

11 It is our responsibility. We
12 are the inheritors of what they paid
13 their life -- gave their work for. It
14 is our responsibility.

15 I thank Council for your help.
16 I will be presenting to you my
17 testimony. Unfortunately, my printer
18 was not working, but I want to thank you
19 very much and I appreciate it. Thank
20 you.

21 (Applause.)

22 (Cheers.)

23 COUNCIL PRESIDENT VERNA: Thank
24 you very much.

25 UNIDENTIFIED SPEAKER: (Address

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2 ing Ms. Haney.) They may have a
3 question for you.

4 MS. HANEY: Yes?

5 COUNCIL PRESIDENT VERNA: I'm
6 sorry. Were you saying something?

7 UNIDENTIFIED SPEAKER: No. I
8 just suggested that you may have a
9 question for her.

10 (No questions.)

11 COUNCIL PRESIDENT VERNA: Does
12 anyone on the committee have a question?

13 (No questions.)

14 COUNCIL PRESIDENT VERNA: Thank
15 you for your testimony.

16 MS. HANEY: Thank you.

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

20 MR. PICCIRILLI: Good
21 afternoon. I'm Gaetano Piccirilli, and
22 I'm here as a member of the Bella Vista
23 United Civic Association, the Delaware
24 Rivers Neighborhood Alliance, and as a
25 citizen of Philadelphia.

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2 Today I offer my testimony in
3 support of Councilman DiCicco's bills,
4 specifically those numbered 070008,
5 070009 and 070011.

6 South Philadelphia has always
7 been my home, and it likely always will
8 be. But I, like many others my age,
9 stand at a crossroads, and my decision
10 is whether to make the fifth generation
11 of my family in South Philadelphia.

12 And I'd like to think that in
13 making this decision, my wife and I can
14 look favorably to this City Council as
15 our partner giving us and so many others
16 a reason to stay.

17 We all know the statistics
18 about who and how many have left the
19 City of Philadelphia in the last five
20 decades. Despite those numbers, in many
21 of the areas most affected by casino
22 development, people are choosing to
23 stay.

24 In fact based upon my own
25 research, many of those communities are

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2 actually gaining population, and I
3 believe Matt Ruben pointed to Northern
4 Liberties as having doubled their
5 population, and that's very impressive.
6 Most importantly, through communities
7 such as these, Philadelphia is becoming
8 a place for young families again.

9 A student of urban planning and
10 good development practices would learn
11 valuable lessons from these communities
12 that are most affected by casinos.
13 Likewise, good urban development schemes
14 recognize it as not just a police
15 presence, a movie theater, or a
16 waterfront development that makes
17 neighborhoods safe and vibrant but
18 people in their daily interaction --
19 children playing on the streets, adults
20 talking to one another, small
21 businesses, and, yes, very interested
22 community associations.

23 In particular, related to
24 safety, it is a fallacy to think that
25 more police officers alone would make

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2 our city safer when at the same time, we
3 stand to lose stable communities through
4 ill advised development.

5 Jane Jacobs, who was a kind of
6 a very noted urbanist, wrote a classic
7 book called The death and Life of Great
8 American Cities, and she, discussing
9 city sidewalks, said: "A well used city
10 street is apt to be a safe street. A
11 deserted city street is apt to be
12 unsafe."

13 In discussing what makes a city
14 street, she provided: "A sidewalk must
15 have users on it fairly continuously,
16 both to add to the number of effective
17 eyes on the street and to induce the
18 people in buildings along the street to
19 watch the sidewalks in sufficient
20 numbers. Nobody enjoys sitting on a
21 stoop or looking out a large window on
22 an empty street."

23 In addition, Jacobs provides
24 that it is not necessarily fact that
25 isolates people from their communities

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2 but the mere perception of crime and
3 fear is enough.

4 The measures in front of this
5 community take one step forward in
6 preserving our communities. When voting
7 on this bill, please consider that in
8 counties with casinos -- I was only able
9 to find county statistics in my
10 search -- starting the third year of
11 operation, there's an 8.6 percent
12 increase of property crime and a
13 12.6 increase in violent crime
14 attributable to casinos.

15 Other studies point to higher
16 levels in communities surrounding the
17 casinos. These crimes include robbery,
18 larceny, auto theft, and prostitution
19 among others. In addition, there are
20 increases in issues such as domestic
21 violence and family disputes.

22 Underscoring my fear related to
23 the perception of crime, most Americans
24 assume that an increase in criminal
25 activity results from casinos.

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2 Also consider that between 40
3 to 60,000 additional cars are
4 anticipated each day to enter our
5 neighborhoods. And the casinos absorb
6 local businesses, including
7 entertainment venues and restaurants on
8 the borders of the project.

9 The communities most affected
10 by this casino are diverse. But by and
11 large, many remain stable neighborhoods
12 in this city.

13 I fear we will enter a spiral.
14 Empirical evidence indicates that crime
15 rates do increase around casinos.

16 But most importantly, it is the
17 perception of residents related to
18 increasing crime that can be most
19 damaging. And as a result, the fear of
20 crime would beget the abandonment of
21 what makes a community, and that is
22 interaction, not necessarily homes and
23 tidy sidewalks.

24 At the same time, relevant
25 considerations for this council, in my

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2 opinion, should include whether parents
3 in the communities would be more or less
4 likely to allow their kids to play
5 outside with 40 to 60,000 additional
6 cars on their streets and with an
7 increased sensitivity to what's criminal
8 activity. Whether it is more or less
9 likely that people will continue to use
10 sidewalks, stoops, and street corners as
11 places to gather when these same
12 elements are present.

13 And last, whether it is more or
14 less likely that Philadelphia can truly
15 afford the public-safety demands that
16 will necessarily occur when people in
17 these communities, like those throughout
18 the city, stop feeling safe in their
19 neighborhoods and wall themselves in,
20 have their kids no longer play on the
21 street, no longer walk to the grocery
22 store, and no longer use the sidewalks
23 for connection to their neighbors.

24 Famous Philadelphian Benjamin
25 Franklin once said, "An ounce of

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2 prevention is worth a pound of cure."

3 Until the state, including Governor

4 Rendell and the Gaming Commission,

5 become more reasonable, this council's

6 passing of these zoning and land-use

7 measures is our one ounce of prevention.

8 Otherwise, it is our neighborhoods whose

9 otherwise decent quality of life will

10 suffer, resulting in only great loss for

11 this city.

12 Casino operators can make

13 promises related to mitigating things

14 such as traffic, but they cannot assure

15 us that our way of life will be

16 preserved. Moreover, no matter what

17 they say, after the fact, they cannot

18 remedy the loss of community. If they

19 can, I challenge them to tell us how.

20 It is my opinion further that

21 disincentives to living in the city is

22 not something any Philadelphian in any

23 neighborhood, regardless of geographic

24 proximity to casinos, can afford,

25 particularly when it is on a pernicious

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2 gamble.

3 That was going to be the end of
4 my testimony, but I want to just rebut
5 two things said on the last panel.

6 One gentleman held up a copy of
7 the National Geographic that declared
8 that Philadelphia is America's next
9 great city. His contention that these
10 bills would hurt that has no merit, and
11 for two reasons:

12 First, we got there without
13 gaming; and second, one of the reasons
14 we were regarded as such was because of
15 the walkability of our downtown and our
16 neighborhoods surrounding the downtown.

17 (Applause.)

18 MR. PICCIRILLI: This
19 underscores my testimony that safe and
20 vibrant streets are essential to that
21 designation.

22 The second is, another panelist
23 on the last panel discussed how the
24 Convention Center made Philadelphia more
25 walkable. I do not see the casinos

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2 making the same contribution to
3 Philadelphia.

4 Comparisons to the Convention
5 Center are irrelevant in terms of
6 effect. To make that comparison, what
7 they would have to do is ask if the
8 casinos would make the communities
9 around them better, like the Convention
10 Center made Center City Philadelphia
11 better. And I think that if we really
12 considered that question, we would
13 probably discover that the answer is a
14 resounding no.

15 Thank you very much.

16 (Applause.)

17 COUNCIL PRESIDENT Verna: Thank
18 you very much.

19 I must say, you've all been
20 extremely patient, and I do appreciate
21 your staying and waiting to testify. We
22 appreciate that.

23 May I ask you to please
24 introduce yourself and proceed with your
25 testimony.

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2 MR. SCHIAVO: My name is Joe
3 Schiavo, and I'm here today representing
4 the community groups of Old City Civic
5 Association, Rivers Edge Civic
6 Association, and Franklin Bridge North
7 Neighbors Association; all are charter
8 members of the Delaware River
9 Neighborhood Alliance, and I am speaking
10 in support of Bills 070006, 070008
11 through 070013.

12 In July of 2004, the state
13 legislators voted to legalize casino
14 gambling in the State of Pennsylvania.
15 However, the voters in Philadelphia were
16 never asked if they wanted it in
17 Philadelphia.

18 As you are aware, in 2006, the
19 Pennsylvania Casino Control Board
20 selected five locations in Pennsylvania
21 to receive Category II casino licenses.
22 Two of those locations were in
23 Philadelphia.

24 While it's true that the
25 Pennsylvania Gaming Control Board site

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2 selection process permitted the public
3 opportunity to weigh in their opinions
4 on the Philadelphia sites considered,
5 unfortunately, that opportunity for
6 comment was very brief and closed six
7 months before numerous and significant
8 changes had been made to the
9 applications for those sites.

10 The effect of this process was
11 to render our voice moot. Not only were
12 Philadelphians never asked if we wanted
13 the casinos; we never had any meaningful
14 opportunity to guide the location and
15 selection in a way that would mitigate
16 negative impacts, lessen financial
17 burdens, protect established
18 neighborhoods, and buffer businesses and
19 communities, as you are also aware.

20 Site selection has been
21 accomplished in haste. Citizens in
22 Philadelphia made every effort to get
23 the Pennsylvania Gaming Control Board to
24 extend the time available to evaluate
25 the proposals.

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2 Repeatedly we asked to have the
3 comments period reopened. And while we
4 were asking for more people time, we
5 were simultaneously reviewing the
6 proposals of all three sites proposed on
7 North Delaware Avenue.

8 After reviewing the proposals
9 submitted by the applicants, it was
10 obvious that many of the most critical
11 issues and problems remained unresolved.

12 Studies on traffic were
13 incomplete and lacking in the scope to
14 adequately reflect the real impacts on
15 the streets surrounding the sites.
16 Social and financial impacts were
17 inadequately addressed. Worst of all,
18 at no time did anyone study the impact
19 of two casinos located within a few
20 miles of each other on the same
21 riverfront as the Pennsylvania Gaming
22 Control Board has now located them.

23 Now today, those of us who live
24 and work near the two locations the
25 State has selected on the Delaware River

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2 have to justify to ourselves why we must
3 accept the burden of these new
4 facilities when we were never asked if
5 we even wanted them in the first place.

6 The City of Philadelphia's
7 actions today, and in the near future,
8 may be our last ray of hope to reserve
9 what has been and remains a severely
10 flawed process.

11 The seven pieces of legislation
12 being considered today fall into two
13 categories. One group is designed to
14 protect us wherever possible from
15 negative impacts of these casinos. The
16 other group serves to create impediments
17 to the process that will bring casinos
18 to our neighborhoods.

19 And while the first group of
20 proposed regulations are protections
21 that the City must put in place in case
22 the casinos become a reality, it is the
23 second group that is our last and best
24 hope to stop the casinos and preserve
25 our right as citizens and protect our

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2 quality of life.

3 While our three community
4 groups unanimously support the efforts
5 of Councilman DiCicco and hopefully City
6 Council to protect our community, we
7 hope that the City will stand with us in
8 the expected fight in the State Supreme
9 Court. The reality is that any one of
10 the measures in the second group
11 proposed is likely to quickly bring the
12 City and the Gaming Control Board before
13 the State Supreme Court.

14 This is an issue, a fight that
15 we, the affected Philadelphians, need a
16 assurance that you, the City of
17 Philadelphia, is ready to take up with
18 all the energy, commitment, and
19 resources necessary to assure that you
20 will prevail on our behalf. We need you
21 to help us.

22 Thank you.

23 (Applause.)

24 COUNCIL PRESIDENT Verna: Thank
25 you.

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2 MS. HANEY: May I add
3 something. The gentleman to my left did
4 not mention -- and I quote The Daily
5 News -- that 2400 of the 2700 comments
6 to the Gaming Control Commission against
7 the casino came from the people in the
8 Foxwoods community.

9 Thank you.

10 COUNCIL PRESIDENT VERNA: Thank
11 you very much.

12 (Applause.)

13 COUNCIL PRESIDENT VERNA: Oh,
14 I'm sorry. Just a moment, please.

15 The Chair recognizes Councilman
16 Kelly.

17 COUNCILMAN KELLY: Thank you,
18 Madam President.

19 I just wanted to, of course,
20 thank you for your patience and for your
21 testimony today, but I just want to
22 commend Suzanne Haney and the hard work
23 she does for her community. I am very
24 familiar with some of her projects.

25 (Applause.)

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2 COUNCILMAN KELLY: And I will
3 just say that, Suzanne, keep up the good
4 work. You're doing a great job. Thank
5 you.

6 (Applause.)

7 MS. HANEY: Thank you.

8 COUNCIL PRESIDENT VERNA: Thank
9 you.

10 MS. HANEY: But I am not alone.

11 COUNCIL PRESIDENT VERNA:

12 Please call the last panel.

13 MR. MCPHERSON: Paul Boni,
14 Tania Rorke, Sue Patrone, Chris Meck.

15 (Witnesses come forward.)

16 UNIDENTIFIED SPEAKER: I'm
17 actually kind of late. Do you mind if I
18 leave after I say what I need to say?
19 It's really short. I have to get my
20 son.

21 COUNCIL PRESIDENT VERNA: Do
22 you have copies of your testimony?

23 UNIDENTIFIED SPEAKER: Yeah.

24 COUNCIL PRESIDENT VERNA: You
25 could leave that, and we will make it a

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2 part of the record, and you can leave.

3 We will give it to the stenographer, and

4 it will be made a part of the record.

5 UNIDENTIFIED SPEAKER: Okay.

6 COUNCIL PRESIDENT VERNA: Or

7 you could be the first one to be

8 recognized and testify. It's up to you.

9 What would you prefer?

10 UNIDENTIFIED SPEAKER: I could

11 be first.

12 COUNCIL PRESIDENT VERNA: That

13 would be fine.

14 UNIDENTIFIED SPEAKER: Would

15 that be okay with you guys?

16 WITNESS PANEL: Fine.

17 MS. MECK: I have a very short

18 testimony.

19 First of all, for the record,

20 my name is Chris Meck. I am a founding

21 board member of Passyunk Square Civic

22 Association. I am also a part of the

23 Delaware River Neighborhood

24 Association -- Alliance, I'm sorry.

25 I'd first like to thank Madam

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2 President and the committee for asking
3 really good questions during this very
4 long day and listening to our voices of
5 concern.

6 And I would also like to thank
7 Councilman DiCicco for -- and herald him
8 for his valiant effort in representing
9 the will of the people.

10 (Applause.)

11 MS. MECK: You've heard how the
12 process of getting gaming in
13 Philadelphia is in question, about the
14 site selection is in question, about the
15 gaming legislation that is in question,
16 the credibility of the casino applicants
17 is in question, and the impacts on our
18 communities is in question.

19 You've heard from the voters
20 from all over the city recommending that
21 casinos are not put in our
22 neighborhoods, as over 27,000 people
23 have signed a petition.

24 You've also heard that a
25 coalition of civic groups along the

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2 waterfront and further west have joined
3 in an alliance to address community
4 concerns. These concerns range from
5 traffic to social impact.

6 And I'm not going to read and
7 read my written testimony, which I've
8 already submitted, because it's pretty
9 much everything that you've already
10 heard, but I'm simply going to ask that
11 you support the communities and protect
12 our communities through the approval of
13 the bills that DiCicco has presented
14 forth.

15 We have been charged with the
16 responsibility of protecting our
17 communities, and we're asking for your
18 help by slowing down the process in
19 order to grow this city responsibly in
20 order to live up to our title that was
21 mentioned a few times of "the next great
22 city."

23 Thank you.

24 COUNCILMAN KENNEY: Thank you
25 very much for your testimony.

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2 Please identify yourself and
3 proceed, whoever's next.

4 MR. BONI: My name is Paul
5 Boni, and I'm from Society Hill Civic.
6 Our president, Tanya Rorke, had to leave
7 for child care duties, and unless
8 there's an objection, we would like our
9 friend Janet Coulter, who's from Old
10 City, to read Tanya's relatively short
11 testimony, if that's okay.

12 COUNCILMAN KENNEY: Absolutely.
13 No problem at all.

14 MR. BONI: So when she starts
15 off and says, "I'm Tanya Rorke" --

16 COUNCILMAN KENNEY: She's not.

17 MR. BONI: She's not.

18 COUNCILMAN KENNEY: Please
19 identify someone else for the record,
20 please.

21 MS. RORKE: My name and I am
22 president of the Society Hill Civic
23 Association, which is a founding member
24 of the Delaware River Neighborhood
25 Alliance.

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2 This past December, we learned
3 that SugarHouse and Foxwoods would each
4 receive a license to operate slots in
5 Philadelphia. Both casinos would be
6 located along the Delaware River --
7 SugarHouse to our north and Foxwoods to
8 our south. The precise midpoint is
9 Spruce Street, in the heart of Society
10 Hill.

11 We are also upset -- we are
12 upset -- by the entire process that
13 brought gambling to Philadelphia. In
14 2004, over the 4th of July weekend,
15 Pennsylvania House Bill No. 2330, a
16 33-line bill on the subject of
17 background checks for people who work at
18 race tracks, was on its
19 constitutionally-mandated third hearing.

20 The bill had been in the House
21 for 47 days, with no amendments. It had
22 been in the Senate for 100 days, with no
23 amendments.

24 However, in the early-morning
25 hours, all 33 lines of House Bill 2330

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2 were deleted, and a revised bill with
3 144 pages of amendments established the
4 means to bring gambling to Pennsylvania.
5 The bill was passed with no public
6 scrutiny, no public hearings, and no
7 public input. Pennsylvania became the
8 only state to legalize gambling without
9 a voter referendum.

10 How could this happen? It is
11 so shocking to learn that from 1999 to
12 2002, nearly \$2 million in campaign
13 contributions were poured into
14 Pennsylvania politics by gambling
15 interests, or that over \$800,000 of
16 those contributions went directly to the
17 Rendell campaign. We are sickened.

18 We have set our sites on the
19 Foxwoods site. Over the last few years,
20 there has been a tremendous amount of
21 development along the southern point of
22 Christopher Columbus Boulevard. The
23 current roadway system is often unable
24 to accommodate the present volume of
25 traffic.

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2 Imagine adding 40,000 cars a
3 day. Many of these cars will find their
4 way into our local residential streets.

5 While Foxwoods has proposed
6 improvements for roadways to remedy the
7 situation, a traffic consultant hired by
8 our organization has found Foxwoods
9 conclusions and remedies full of errors
10 and omissions.

11 This development and its
12 impacts are terribly inconsistent with
13 the historic character of our
14 communities.

15 We also expect to see an
16 increase in crime, which will place
17 serious burdens on our local police
18 force, which is already stretched too
19 thin.

20 Over 15 communities stretching
21 from Whitman to Port Richmond
22 representing over 200,000 residents have
23 united in opposition of the Pennsylvania
24 Gaming Control Board's decision to
25 license two Category II slot machine

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2 facilities along the Delaware River.

3 Over 27,000 residents signed petitions

4 in the hopes of putting a legally

5 binding referendum on the May 15th

6 primary ballot which would disallow the

7 zoning of casinos within 1500 feet of a

8 neighborhood.

9 We are here to ask each and

10 every member of City Council and the

11 Mayor to help us in our battle to

12 protect and preserve the quality of life

13 in our neighborhoods that many have

14 worked a lifetime to build. We hope you

15 will stand with Councilman DiCicco in

16 his efforts to promote community

17 interests by supporting his legislative

18 agenda.

19 If Philadelphia is getting

20 casinos, we ask that you demand an

21 independent study to identify the best

22 sites for gaming in the city. The City

23 of Philadelphia has the power and should

24 decide where to put these casinos.

25 (Applause.)

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2 COUNCILMAN KENNEY: Thank you
3 very much for your testimony.

4 It's nice to see that we don't
5 have that same process here in
6 Philadelphia. We have to introduce a
7 bill in public and have it be
8 subject-specific, have public hearings,
9 and vote in public -- in the -- usually
10 in the daylight. It's getting a little
11 dark now.

12 But that's our process here,
13 and we'll continue to try to defend your
14 situation based on that process.

15 Thank you for your testimony.

16 Any questions for this witness?

17 (No questions.)

18 COUNCILMAN KENNEY: Please
19 identify yourself for the record.

20 MR. BONI: My name is Paul
21 Bonny. I'm with the Society Hill Civic
22 Association.

23 Councilman Kelly, Councilman,
24 Kenney, Councilman Greenlee, Councilman
25 DiCicco, and special mention to

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2 Councilman DiCicco's legislative aide
3 Brian Abernathy, who's been doing a
4 great job --

5 (Applause.)

6 MR. BONI: Thank you for having
7 us here today.

8 There are many -- I, by
9 profession, am an attorney, and I
10 specialize in environmental land use and
11 zoning issues, and I'd like to talk to
12 you today about the power that this city
13 has and how that may intercept or not
14 with the power of the State.

15 There are many legal questions
16 that are in dispute about the casinos.
17 Is the gaming law constitutional? Does
18 the state -- did the state engage in a
19 fair and honest process? These
20 questions have yet to be answered
21 definitively.

22 But there is a settled question
23 that has not received enough attention.
24 The City of Philadelphia has complete
25 authority and control to effect the

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2 siting of these two casinos. Instead of
3 the two sites selected by the State, the
4 City can zone for gambling other
5 properties within the city limits. This
6 is not an issue that can be legitimately
7 debated.

8 I've heard the City Solicitor
9 say stuff, I've heard the City
10 Solicitor's junior attorney,
11 Mr. Greenberg, say other things. They,
12 I do not believe, are making statements
13 from a legally-defensible position.
14 They are making their statements --
15 their statements and conclusions are
16 political in nature.

17 How do we know this? We know
18 this because the Pennsylvania Supreme
19 Court has already said so. In June of
20 2005, the Pennsylvania Supreme Court
21 struck down as unconstitutional the
22 State's attempt to preempt the City's
23 local zoning and land-use power.

24 The court explained that the
25 state did not provide the Gaming Control

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2 Board with sufficient standards,
3 sufficient details about how to do the
4 preemption that it wanted to do.

5 The power over land-use
6 regulation and zoning control was,
7 therefore, restored fully to the City of
8 Philadelphia. In other words, the State
9 cannot dictate where these two casinos
10 should be built.

11 If you want to read the court's
12 decision, I have included it in my
13 materials. My materials altogether are
14 this thick (indicating).

15 After the court rendered its
16 decision to strike down the State's
17 attempt to preempt local zoning and
18 land-use control, the State legislature
19 amended the law -- this was in the fall
20 of last year -- and the State added a
21 provision that said as follows and, it's
22 a long sentence, but hang in with me
23 until the end because the end is the
24 point of it.

25 And the title of the section is

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2 called "Licensed Facilities, Zoning and
3 Land Use Controls." And it says:

4 "In order to facilitate the
5 timely implementation of the Gaming Act,
6 the Supreme Court of Pennsylvania is
7 vested with exclusive appellate
8 jurisdiction to consider appeals of a
9 final order determination or decision of
10 a political subdivision or local
11 instrumentality involving zoning, usage,
12 layout, construction or occupancy,
13 including location, size, bulk, and use
14 of a licensed facility."

15 There's no debate about this.
16 The Pennsylvania Supreme Court threw it
17 out, the State's attempt to preempt it.
18 And after that court decision, the
19 Pennsylvania legislature expressly
20 acknowledges that the local municipality
21 has the power to make decisions about
22 the location of these facilities.

23 Anything that's coming out of
24 the City Solicitor's Office is a
25 political statement, not a legal

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2 statement.

3 (Applause.)

4 MR. BONI: We heap contempt on
5 those politicians in Harrisburg who
6 enacted the Gaming Act, and we won't
7 forget it.

8 But the City has the power to
9 effect the siting of these facilities
10 now. And we, therefore, look to City
11 Council for help.

12 In 2005, the City enacted the
13 CED legislation, Commercial
14 Entertainment District legislation, but
15 it enacted it as a template. The City
16 has yet to lay down that template
17 someplace on the map of Philadelphia.

18 Some say -- the Solicitor's
19 Office says that the City must lay down
20 that template at the two locations
21 identified by the Gaming Control Board.
22 That is not true. The City can lay down
23 that template wherever it chooses.

24 But where? Arguably, and solely
25 for political reasons, the City might

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2 want to respect the part of the Gaming
3 Act that prohibits stand-alone casinos
4 from within ten miles of a race track
5 casino, one of which is in Chester and
6 the other in Ben Salem.

7 But even respecting those
8 exclusionary locations, there are still
9 other areas in the City of Philadelphia
10 where the City can lay down the CED.

11 I have one example. I can't
12 tell you where to put these casinos;
13 that's not my job; that's the government
14 of the City of Philadelphia has to make
15 those decisions.

16 But I do have an example about
17 one place that the CED could be laid
18 down. And that's the Navy Yard, where
19 the City has visions for a huge marina.
20 And that's a property that is so big
21 that it can accommodate at least one and
22 maybe even both of the stand-alone
23 casinos.

24 I'm talking about the area to
25 the west of the airplane hangar. I'm

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2 not talking about the area that the port
3 people are focusing on, I'm not talking
4 about the area that PIDC wants to put
5 the new food distribution center; I'm
6 talking about the area to the west of
7 the airplane hangar where PIDC and other
8 people in Philadelphia government have
9 visions of a marina.

10 As the Gaming Advisory Task
11 Force, the Philadelphia Gaming Advisory
12 Task Force, stated in its final report
13 in October of 2005, the Navy Yard site,
14 quote -- and two sentences I'm quoting
15 from: "... due to its quasi-public
16 ownership could provide the City with
17 leverage over design issues and an
18 additional revenue stream in the form of
19 lease payments."

20 It is also -- this is also --
21 I'm still quoting from the Philadelphia
22 Gaming Advisory Task Force: "It is also
23 sufficiently large that the possibility
24 of clustering two casinos adjacent to
25 each other is a real possibility if the

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2 resulting traffic problems could be
3 alleviated."

4 After meeting with community
5 groups from all along the river and
6 hearing the outrage over the locations
7 identified by the State, Councilman
8 DiCicco understands that City Hall has
9 the power to influence the siting of
10 these two casinos. He has shown great
11 leadership, and others in City Hall and
12 City Council should follow his lead.

13 We are watching closely to see
14 how the City exercises its zoning and
15 land-use authority at. Stake are the
16 health and safety of our riverfront
17 communities. Please help us.

18 I leave you with one last
19 point, and I tell you this from my
20 knowledge as a land-use attorney.

21 Do not pass exclusionary
22 zoning. Hand the casinos a strong case
23 and then blame the judge. Use your
24 zoning powers wisely and in the public
25 interests.

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2 We, the people of City of
3 Philadelphia, and you, our elected
4 representatives, should make decisions
5 that if you want two casinos in the City
6 of Philadelphia, pick two locations or
7 one for both of them, as I've suggested,
8 and affirmatively pass zoning
9 legislation that would allow that.

10 Do not hand these casinos a
11 judicial victory and then blame the
12 judge.

13 Thank you very much.

14 (Applause.)

15 COUNCILMAN KENNEY: Thank you
16 for your testimony.

17 Please identify yourself for
18 the record.

19 MS. PATRONE: I'm Susan
20 Petrone. I'm president of Passyunk
21 Square Civic Association, and we're also
22 a charter member, and we're also a
23 charter member of the Delaware River
24 Neighborhood Alliance.

25 Paul's testimony is very

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2 difficult to follow, and I will
3 synopsise what I had originally come to
4 say.

5 I guess we're all here for
6 community sustainability, and as we've
7 heard from other folks, family-
8 sustaining jobs and resource-sustaining
9 policy.

10 I think what's really key here
11 today is transparency in the process and
12 really getting -- becoming allies with
13 you guys, our locally-elected officials,
14 who really we need to have to step up to
15 the plate for us.

16 The folks in Harrisburg have to
17 see that we are united and that we are
18 having really productive conversations,
19 and that's what I think I really heard
20 the best thing today. The best thing I
21 heard today was -- the best things I
22 heard today were many productive
23 comments and conversations. That's the
24 beginning of good policy.

25 I'd also like to thank

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2 Councilman DiCicco for the courage it
3 took to put these packages together and
4 to really get people in City Council who
5 weren't aware of the depth of these
6 issues to really get everybody on the
7 same plate, on the same page.

8 I guess the second point I'd
9 like to make -- I'm making a few, I
10 guess. I'd like to say that we need
11 you, City Council, the city's
12 leadership, not so much in a showdown,
13 although that is a part of the process.
14 We really need us to begin to work
15 together, and I think today was a good
16 start. I know I was really educated
17 today with a lot of the testimony I
18 heard.

19 And I kind of would like to end
20 my brief testimony with a piece of
21 information that -- I think what this
22 all began with was a very flawed
23 process, and what I hope today is the
24 beginning of a really good, transparent
25 one.

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2 One of the other folks from the
3 civic came up with a piece about
4 Foxwoods, and I thought I'd like to
5 leave everybody with this just to give
6 you an idea of how flawed the process
7 was that got us here today.

8 The Pennsylvania Gaming Control
9 Board set up its own internal
10 investigations and enforcement bureau.
11 Did the board check with the Connecticut
12 attorney general during a time when this
13 important information could impact
14 Foxwoods' applications for a license in
15 Pennsylvania? Now, this inform -- it
16 should have been the most obvious place
17 to start.

18 Now, the -- I believe the
19 license was awarded December the 20th?
20 Well, on December the 14th, six days
21 before the license was awarded, the
22 Connecticut attorney general, Richard
23 Blumenthal, filed a lawsuit against
24 Foxwoods for violating its slots machine
25 revenue agreement, which was illegally

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2 reducing its payments to the state by
3 millions of dollars a year.

4 So -- and right now, that whole
5 thing is going on, and Foxwoods has
6 300-and-something-thousand dollars a
7 month in escrow to the state of
8 Connecticut.

9 So even though I wanted to
10 begin this with a positive note, I
11 wanted to give you folks something to
12 think about in terms of how quickly this
13 process came upon us and how flawed it
14 is.

15 Thank you very much.

16 COUNCILMAN KENNEY: Thank you
17 very much for your testimony.

18 Any questions for these
19 witnesses?

20 COUNCILMAN DICICCO: Councilman?

21 COUNCILMAN KENNEY: Councilman
22 DiCicco.

23 COUNCILMAN DICICCO: Mr. Boni,
24 you had requested that we do not move on
25 the exclusionary zoning bill; is that

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2 what you're asking?

3 MR. BONI: Well, I wasn't

4 speaking in particular about any

5 specific piece of legislation.

6 But I think when you look at

7 bills and whether to enact them into

8 law, you have to play out the legal

9 scenarios as they may play out in court.

10 And then that's what I was doing in my

11 own mind and in my own analysis.

12 And I think that the process

13 would be a lot more successful if while

14 you've got the stick, that you also have

15 the carrot, and that if we can beat back

16 both casinos and make Philadelphia

17 casino-free, I think that's our first --

18 that's our first choice.

19 That's a legislative -- I

20 believe that's a legislative endeavor,

21 and it has to be handled in Harrisburg.

22 And we'll have to see what the courts

23 say about that.

24 But if all we're going to do is

25 block these two particular casinos and

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2 don't give them another place to run to,
3 I fear that that makes the lawsuits a
4 little more difficult, and that they may
5 be -- that may play right into their
6 hand.

7 And they may seek their own
8 judicial relief. They may get their own
9 zoning by the court. That's not easy
10 for them to do, it's not slam-dunk, and
11 we'll fight them, and I hope to prevail.

12 But I think what the body needs
13 to do, what the legislative body needs
14 to do is decide, are there two locations
15 in the City of Philadelphia that it
16 thinks are the best locations or the
17 least worst locations, which is probably
18 how the conclusion would be, and that it
19 should plan for the that accordingly.

20 I don't think anybody believes
21 that these two locations are the best
22 locations or the least worst.

23 COUNCILMAN DICICCO: Thank you.
24 All right. No further questions.

25 Thank you.

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2 COUNCILMAN KENNEY: Thank you
3 very much for your testimony.

4 Mr. Gregory, Mr. Seidenberg,
5 Marc Stier, and Reverend Brown, are they
6 in the room?

7 MR. MCPHERSON: And Also
8 Reverend Ulman was added to that group.

9 COUNCILMAN KENNEY: Reverend
10 Ulman?

11 (Witnesses come forward.)

12 COUNCILMAN KENNEY: Good --
13 well, it's almost "good evening," but
14 please identify yourself for the record
15 and proceed.

16 MR. GREGORY: Ken Gregory,
17 Queen Village resident and a volunteer,
18 active volunteer with Casino-Free
19 Philadelphia.

20 I would like to debate the PA
21 Convention Authority a little bit here.
22 The Convention Center put food in my
23 mouth in the early '90s, and I relate
24 with their arguments and I relate with
25 the folks over here, the labor force

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2 that held up signs.

3 I couldn't make rent, and I
4 needed work, and I attributed Ed Rendell
5 in the '90s to giving me opportunities.

6 I tape-recorded meetings, like
7 this gentleman in the back here. It was
8 sporadic, it was contract, but luckily,
9 I could, you know, get some money in.

10 But I draw the line with the
11 creation of the PCC and what they want
12 to do now with gaming. And I believe it
13 was an amazing boom in tourism in the
14 '90s to enact that building.

15 But I believe at this point,
16 they're not going to recreate what
17 happened in the '90s, they're not going
18 to recreate what happened with the
19 Convention Center can be expanded.

20 But gaming is an entirely
21 different animal, and the way I put it
22 in my testimony here: The PCC, the
23 largest public construction project
24 undertaken in the State of Pennsylvania,
25 that included the restoration of an

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2 historic train shed. And despite some
3 occasional controversy, the PCC is run
4 by a diverse board of directors with the
5 City's best interests at heart.

6 And that's not what these
7 casinos are, and I'll just end my
8 testimony right there.

9 (Applause.)

10 COUNCILMAN KENNEY: Thank you
11 for your testimony.

12 Please identify yourself for
13 the record and proceed.

14 REVEREND ULMAN: My name is
15 Dick Ulman, and I income here as a
16 resident, and I come here as one of
17 Philadelphia's newer citizens. I'm a
18 Philadelphian not by birth but by
19 choice.

20 I once lived near the City, and
21 my wife and I decided, when we retired,
22 we would love to live in this town. We
23 would love to live in this town because
24 of all the things that have happened in
25 it to make it such a fine place to live.

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2 And we have heard -- I've --

3 I've been here all -- all day long, as
4 have you, and I am grateful for the
5 opportunity and for the transparency and
6 the openness and the patience of the
7 members of City Council listening to us
8 all in our pleas.

9 I come in support of the
10 package of bills that Councilman DiCicco
11 has put forward because of the great
12 progress that this city has made and my
13 fear that the flawed process around
14 casinos jeopardizes that progress and
15 the vectors that have already been
16 established.

17 I was asked by somebody, when a
18 friend -- when I told him that I was
19 going to be here, "Won't you please play
20 the morality card? You know, how
21 casinos are bad and do bad things for
22 good people?"

23 Well, no, I'm not going to play
24 the morality card. We know that
25 gambling is not a health-giving

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2 activity. We know that the chief
3 motivations are less than noble, namely
4 greed, both for the gambler and for the
5 casino and indeed for those who hope to
6 benefit by a tax stream in that way. We
7 don't need to be leched on that.

8 What I do want to say is, I
9 think there's a high morality in what we
10 are experiencing here at the today in
11 the careful and patient listening to all
12 sorts of data, to all sorts of citizens.

13 And I believe that the package
14 of legislation that Councilman DiCicco
15 has presented will buy time for more
16 openness and more transparency and more
17 of that kind of high legislative
18 morality.

19 And I thank you for that, and I
20 hope that you will support Councilman
21 DiCicco's package for that reason.

22 COUNCIL PRESIDENT VERNA: Thank
23 you very much, Reverend. Are there any
24 questions from members of the Committee?

25 (No questions.)

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2 COUNCIL PRESIDENT VERNA: Thank
3 you again.

4 Please identify yourself for
5 the record and proceed with your
6 testimony.

7 MR. STIER: My name is Marc
8 Stier. I'm a member of Neighborhood
9 Networks.

10 You know, there's an old joke
11 at political conventions. On the third
12 day, they say everything's been said but
13 not everyone has said it. And I imagine
14 by the sixth hour of hearings,
15 everything has been said and not
16 everyone has said it, so I'm going to
17 try to be very, very brief.

18 It seems to me that by now, you
19 know all of the problems with casinos --
20 the regressive taxation, the economic
21 drain on thriving neighborhoods and
22 thriving businesses, the gambling
23 addiction that's caused, the
24 prostitution.

25 And I'm sure you've also heard

1 2/21/07 RULES - Bills 070006, 08 through 13
2 about the particular problems at these
3 locations -- the traffic. I've been
4 telling my friends in Mt. Airy that
5 given that the two casinos are going to
6 be in the same place and the traffic
7 they're going to generate, it's still
8 going to be faster to get to Atlantic
9 City than it will be to get to Delaware
10 Avenue.

11 (Laughter.)

12 (Applause.)

13 MR. STIER: And then there's
14 the tremendous problem of the port. We
15 have so much potential in this port, so
16 many opportunities to create thousands,
17 maybe 10,000 new jobs paying \$40 an hour
18 or more, and yet we seem to be willing
19 to throw away those jobs without really
20 a second thought in return for jobs that
21 pay ten bucks an hour.

22 So it seems to be casinos have
23 been a bad deal for everyone in the city
24 since the beginning, but whether you
25 think casinos are good or bad, there's

1 2/21/07 RULES - Bills 070006, 08 through 13

2 just been something terribly wrong with
3 the process of decision-making when we
4 decide to put massive buildings and
5 maybe even bigger garages on a
6 waterfront that itself has its own
7 potential, not just as a port, but as a
8 place of recreation and as a place of
9 entertainment and as a place to
10 reconnect us with the past, a place to
11 reconnect us with nature.

12 Much of the blame for this
13 problem belongs on the State
14 legislature; they gave us Act 71, they
15 gave us the rules under which the
16 casinos were sited.

17 But I have to tell you that
18 many citizens in this city have been
19 disappointed by the failure of Council
20 to take charge of this issue to the
21 extent that you could.

22 So citizens have been trying to
23 take matters into their own hands. We
24 fought to get control over zoning back
25 from the State, an effort I helped lead,

1 2/21/07 RULES - Bills 070006, 08 through 13

2 and we won. And then we waited for City
3 Council to act, and nothing happened.

4 I know people were afraid that
5 Council would act and then the State
6 would take away that zoning control
7 again, but I have to tell you, if the
8 State tried to do that, we would
9 organize and we would fight it, and I
10 think we would ultimately prevail
11 because I think things have changed in
12 the whole state, and people now are a
13 lot more suspicious of casinos and a lot
14 more concerned about the process by
15 which we're getting casinos.

16 So again, while we're waiting
17 for Council to act, we decided to take
18 matters into our own hands again, and I
19 came up with the idea of petitioning
20 Council to put a Home Rule Charter
21 change on the ballot that would
22 implement reasonable zoning restrictions
23 on the location of the casinos, and that
24 would, I believe, prevent them from
25 opening in the currently proposed

1 2/21/07 RULES - Bills 070006, 08 through 13

2 locations.

3 Hundreds of activists took
4 those petitions around the city, 27,000
5 people signed them, and that's, as you
6 know, no small feat.

7 So I come to speak in favor of
8 putting this Home Rule Charter change on
9 the ballot and also in favor of the
10 other measures Councilman DiCicco's has
11 proposed.

12 I think this Council is being
13 faced with demands all over the City to
14 take action to do what you can, as
15 limited as it might be under State law,
16 to try to delay these casinos, and if
17 possible, block them, especially from
18 these terrible locations.

19 Thank you very much.

20 (Applause.)

21 COUNCIL PRESIDENT VERNA: Thank
22 you.

23 Are there any questions from
24 members of the committee?

25 (No questions.)

1 2/21/07 RULES - Bills 070006, 08 through 13

2 COUNCIL PRESIDENT VERNA:

3 Again, I thank you all for coming and
4 thank you so much for your patience.

5 Mr. McPherson, our next
6 witness?

7 MR. MCPHERSON: The next panel
8 is Vernon Anastasio, Henry Lewandowski,
9 and Ed Kerlin.

10 COUNCILMAN DICICCO: Kerlin is
11 not here.

12 (Witnesses come forward.)

13 COUNCIL PRESIDENT VERNA: Good
14 afternoon.

15 MR. ANASTASIO: Good afternoon,
16 Madam President and members of Council.
17 Good to see you again.

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

20 MR. ANASTASIO: My name is Vern
21 Anastasio. I am a lifelong resident of
22 South Philadelphia, and I live less than
23 one mile from the Delaware River
24 waterfront.

25 First and foremost, I'd like to

1 2/21/07 RULES - Bills 070006, 08 through 13

2 thank the sponsor of these bills before
3 you today. For helping us preserve and
4 help our neighborhoods from these
5 casinos, Councilman DiCicco deserves
6 much credit. Thank you.

7 (Applause.)

8 MR. ANASTASIO: I am here today
9 as a private citizen who is literally
10 appalled at the lack of respect,
11 thoughtful analysis, and basic
12 competence exhibited by the Pennsylvania
13 Gaming Board. I'm here as a former
14 member of the Gaming Task Force Site
15 Selection Committee, which was
16 fundamentally a sham.

17 And like most of us, I have
18 questions.

19 First, were there any specific
20 criteria used to select these two casino
21 sites as it related to neighborhood
22 input and impact? And why wasn't the
23 public engaged in developing any kind of
24 criteria before the selections?

25 Second, what are the short- and

1 2/21/07 RULES - Bills 070006, 08 through 13
2 long-term effects on noise, pollution,
3 crime, and traffic of having two
4 waterfront casinos? And why on earth
5 wasn't this question asked by the Gaming
6 Commission before this selection?

7 Third, what are the short- and
8 long-term effects on casino revenues
9 when we have two casinos on the
10 waterfront? Would it not be more
11 beneficial to have two casinos farther
12 apart from each other in order to
13 realize larger economic gain for both
14 casino operators and the general public?

15 We honestly don't know. After
16 two years, there is still so much that
17 we just don't know.

18 Some call these bills before
19 you today a spaghetti approach to see
20 what sticks. I prefer to see them as a
21 full court press, an attack on all
22 flanks, a multilateral approach to a
23 problem of epic proportions.

24 And I am here to send one
25 specific message to those investors of

1 2/21/07 RULES - Bills 070006, 08 through 13

2 SugarHouse and Foxwoods: This is just
3 the beginning. Months, even years after
4 these bills see the light of day, take
5 effect, or get struck down, we'll go
6 still be here fighting.

7 (Applause.)

8 MR. ANASTASIO: And you have my
9 personal word that you will live to
10 regret the day you picked these
11 waterfront sites.

12 As we sit here today, the value
13 of almost every home in the 1st Council
14 District is in danger. The safety of
15 our children, the economic security of
16 our senior citizens, the success of our
17 port, and small-business community are
18 all now in jeopardy.

19 And so now, it is up to this
20 City Council to do the work that the
21 Gaming Board refused to do. It's time
22 for all of us together to speak up in
23 this crisis, to stand as one city,
24 setting aside any differences we may
25 have had in the past, and support these

1 2/21/07 RULES - Bills 070006, 08 through 13
2 bills that will lead to the answers we
3 seek and stop these casinos by any means
4 necessary.

5 I thank you for this
6 opportunity.

7 COUNCIL PRESIDENT VERNA: Thank
8 you very much.

9 (Applause.)

10 COUNCIL PRESIDENT VERNA: Are
11 there any questions or comments from
12 members of the committee?

13 The Chair recognizes Councilman
14 Kelly.

15 COUNCILMAN KELLY: Yeah.
16 Mr. Anastasio, I just have one question
17 about your testimony.

18 MR. ANASTASIO: Yes, sir.

19 COUNCILMAN KELLY: You said you
20 were as a former member of the Gaming
21 Advisory Board?

22 MR. ANASTASIO: Yes, sir.

23 COUNCILMAN KELLY: And you
24 consider the board a sham? Could you be
25 more specific on why you --

1 2/21/07 RULES - Bills 070006, 08 through 13

2 MR. ANASTASIO: Certainly, yes,
3 I can.

4 I was specifically on the site
5 selection committee that never selected
6 a site. And what we did was, we were
7 basically given a list of sites that the
8 casino developers were interested in
9 developing, and these sites came from
10 the newspapers, leaked by the casino
11 operators.

12 So the casino operators would
13 let the newspapers know which sites they
14 were interested in, and then we would
15 then open up the newspaper and say,
16 Well, it looks like Trump is interested
17 in this particular site, let's look at
18 that site. It looks like RiverWalk
19 might be interested in this site, so
20 let's look at that site. It was
21 completely backwards.

22 What should have happened was,
23 the City of Philadelphia, in conjunction
24 with the people who live here, should
25 have determined which sites we would

1 2/21/07 RULES - Bills 070006, 08 through 13
2 permit casino developers to build, and
3 then, after those sites were selected,
4 we would then put an RFP out to see who
5 would want to build, and how they'd want
6 to build.

7 That's what I mean when I call
8 it a sham.

9 COUNCILMAN KELLY: Okay. They
10 did it the opposite.

11 MR. ANASTASIO: Certainly.

12 COUNCILMAN KELLY: They picked
13 the developers and then the site.

14 MR. ANASTASIO: Yes.

15 COUNCILMAN KELLY: Okay, thank
16 you.

17 MR. ANASTASIO: You're welcome,
18 sir.

19 (Applause.)

20 COUNCIL PRESIDENT VERNA: Thank
21 you.

22 Good afternoon. Thank you for
23 your patience. Please identify yourself
24 for the record and proceed with your
25 testimony.

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2 MR. LEWANDOWSKI: Good
3 afternoon. My name is Henry
4 Lewandowski. I'm the vice president of
5 the Whitman Community Council. I am
6 also a lifelong resident of both
7 Pennsport and Whitman. In fact, I was
8 raised one city block from the entrance
9 of the proposed Foxwoods Casino.

10 I'm not here today in my
11 capacity as vice president of Whitman
12 Council; I'm merely here today in my
13 capacity as a Whitman resident.

14 I did have some prepared
15 statements, some information I wanted to
16 convey to the board, but many of those
17 have been said over and over again. I'm
18 not going to waste your time, as I think
19 we just passed from afternoon to
20 evening.

21 However, I do want to make it a
22 point that the Whitman community is
23 concerned about traffic that these
24 casinos will bring. The Whitman
25 community is concerned about the

1 2/21/07 RULES - Bills 070006, 08 through 13

2 expansion of the industrial port.

3 And the Whitman community is
4 also concerned about crime in our
5 neighborhood and any other ancillary
6 problems that may come with the approval
7 of casinos, specifically the Foxwoods
8 site. I won't get into it, because
9 you've already heard it from many other
10 people.

11 It's interesting some of the
12 things that have happened, however, over
13 the course of the day today. For
14 instance, a few hours ago now, I was
15 given a piece of paper from Jim Paylor,
16 the president of the International
17 Longshoremen's Association whom you've
18 already heard testimony from today.

19 The document that he gave me,
20 and I'm going to pass into the record if
21 I could, is research that shows that the
22 average Atlantic City casino worker
23 earns about \$12.50 an hour. So if you
24 assume they work an ordinary 40-hour
25 week, that means that they net about

1 2/21/07 RULES - Bills 070006, 08 through 13

2 \$1,487.50 per month.

3 The normal monthly expenditures
4 for mortgage, car payment, gas,
5 electric, cable television, gas for your
6 car, and things like that, groceries,
7 car insurance, come to \$2,375, meaning
8 that, not including any expenditures for
9 clothing, tuition, recreation, home
10 maintenance or car maintenance, you have
11 a deficit for each and every casino
12 worker.

13 So much of the testimony --
14 and, again, I received that from Jim
15 Paylor, and I'd like to pass that into
16 the record at the appropriate time.

17 Much of what you heard about
18 the job creation and the economic boom
19 that these casinos will bring, I think,
20 will prove that just is not true.

21 I just want to talk about what
22 I've heard today and what you heard.
23 It's no speculation; it's exactly what
24 we've heard.

25 What you've heard today is the

1 2/21/07 RULES - Bills 070006, 08 through 13
2 arrogance and disrespect of these casino
3 operators towards the citizens of
4 Philadelphia, and more importantly,
5 towards you, our elected officials.

6 I'll never forget the first
7 time I was in a room with Foxwoods. I
8 was invited to Orth Rogers' offices to
9 view the Foxwoods traffic proposals. I
10 showed up in that office begrudgingly,
11 for fear that any of my neighbors might
12 see me in the same room as a Foxwoods
13 representative. Clearly, I'm not for
14 Foxwoods.

15 Every one of their maps stopped
16 at Moore Street. For those of you who
17 are not familiar with South
18 Philadelphia, Whitman is farther south
19 than Moore Street.

20 Every answer to every question
21 about traffic from the Foxwoods experts
22 was, "We'll funnel the traffic farther
23 south." Farther south to my
24 neighborhood, farther south to the port,
25 farther south to all of the people that

1 2/21/07 RULES - Bills 070006, 08 through 13
2 they didn't consider when they obtained
3 this site and when they made their pitch
4 to operate a full-scale casino in such a
5 residential neighborhood.

6 It was arrogance, it was
7 disrespect.

8 I thought maybe by this point
9 in time, they would have put aside that
10 arrogance and disrespect and would
11 comport themselves in a more
12 professional manner.

13 Instead, what I heard today --
14 unless I heard incorrectly, they came
15 here and they said to you, much
16 different from what SugarHouse said to
17 you: You can't do this. You can't pass
18 Councilman DiCicco's bills because if
19 you, do the Supreme Court of
20 Pennsylvania will tell you you are wrong
21 and, you will lose out.

22 They challenged you as a body.
23 They said, Don't fight us, don't fight
24 the State, you're stuck with it. That's
25 what they've been telling us as

1 2/21/07 RULES - Bills 070006, 08 through 13
2 residents in their coffee house meetings
3 in one or two people's homes.

4 They were so arrogant -- and
5 luckily, you guys noticed it -- they
6 didn't even show up. They don't need to
7 show up here in Philadelphia, just like
8 their proceeds don't need to remain in
9 Philadelphia.

10 They claim that they've been
11 diligent in reaching out to the
12 community to hear the community's
13 concerns and have an open dialogue.

14 Ladies and gentlemen, what did
15 they do when they were finished speaking
16 here today? They left. They had a room
17 full of community members here to tell
18 them all they wanted to hear, and they
19 left, because they don't care, they
20 don't respect us, they don't respect
21 your body, they don't respect us as
22 residents.

23 (Applause.)

24 MR. LEWANDOWSKI: Despite the
25 multitude of outrageous and ridiculous

1 2/21/07 RULES - Bills 070006, 08 through 13
2 comments that I've heard today from
3 casino proponents, the worst was this
4 statement coming from Foxwoods, and I
5 quote. "We are the only solution to fix
6 the traffic problem."

7 (Laughter.)

8 MR. LEWANDOWSKI: They're the
9 only solution.

10 Now, their traffic plans
11 allegedly are public, which means that
12 we should all have the information, you
13 all should have the information. If we
14 do, why are they the only solution? Why
15 can't we take their plans and implement
16 them without a casino?

17 They don't think we're smart
18 enough to figure that out, but we are.
19 Councilman DiCicco is; that's we he put
20 together these bills; that's why we're
21 here today supporting his bills.

22 Over 27,000 people signed a
23 petition saying "Let us be heard." I
24 think that's a mere fraction of the
25 number of Philadelphians who really want

1 2/21/07 RULES - Bills 070006, 08 through 13

2 to tell you what they think.

3 Unfortunately, someone didn't get to

4 them with a petition to sign. But we'll

5 get to them.

6 I implore you to support

7 Councilman DiCicco's bills, each and

8 every one of them. Although I agree

9 with Paul Boni -- I too am an attorney

10 by trade -- we don't want to hand the

11 casino operators a win on a silver

12 platter.

13 But I implore you at this stage

14 to support these bills that Councilman

15 DiCicco sponsored, to support them here

16 in this committee, and then to support

17 them at the Council as a whole.

18 We've heard a lot about

19 opportunity, folks. Here's an

20 opportunity for you: You are our

21 elected officials. You have the

22 opportunity to stand up to the

23 Philadelphia City Solicitor, you have an

24 opportunity to stand up to Foxwoods, you

25 have the opportunity to stand up to the

1 2/21/07 RULES - Bills 070006, 08 through 13

2 State legislature, whether they be in
3 the House or the Senate or in the
4 governor's mansion, and say to them,
5 "We've been elected by the citizens of
6 Philadelphia. The citizens of
7 Philadelphia do not want these sites or
8 these casinos, and we're passing
9 Councilman DiCicco's bills because we
10 fight for our constituents."

11 If you say that, you're going
12 to have a lot of support. If you don't,
13 it's unfortunate to say, Foxwoods was
14 right in being arrogant and
15 disrespectful, because we're afraid to
16 fight 'em. And I don't think that's
17 true.

18 I appreciate your support and I
19 appreciate Councilman DiCicco putting
20 these wonderful bills before you.

21 COUNCIL PRESIDENT VERNA: Thank
22 you very much.

23 (Applause.)

24 COUNCIL PRESIDENT VERNA: Are
25 there any questions from members of the

1 2/21/07 RULES - Bills 070006, 08 through 13

2 committee?

3 (No questions.)

4 COUNCIL PRESIDENT VERNA: Thank
5 you again.

6 Mr. McPherson, do we have
7 anyone else?

8 MR. MCPHERSON: Our next
9 witness is Representative O'Brien.

10 (Applause.)

11 (Witness comes forward.)

12 STATE REPRESENTATIVE O'BRIEN:

13 Madam President and members of Council,
14 I believe I'm the first today who can
15 say "good evening." We've been here for
16 quite a while.

17 Let me just hand forward my
18 testimony on these bills, and if I can
19 just quickly, quickly make a few points
20 in summation and save us some time.

21 Certainly, over the past few
22 months for me, since my election, and
23 over the past year or so for Councilman
24 DiCicco, what you have heard here today,
25 tonight is what we've been hearing --

1 2/21/07 RULES - Bills 070006, 08 through 13

2 the concerns of these folks who live
3 along the riverfront communities.

4 And as they've gone through the
5 process, we've come to one decision, one
6 inalienable decision, one irrefutable
7 decision -- that this process is fatally
8 flawed.

9 I have introduced legislation
10 to strike Category II licenses
11 throughout this commonwealth. It is
12 time to throw the baby out with the bath
13 water.

14 (Applause.)

15 STATE REPRESENTATIVE O'BRIEN:

16 But as we've been having conversations
17 with the various community groups, we've
18 come to the decision that it's time to
19 also begin on a parallel-track strategy,
20 where as standing and fighting to do
21 away with these -- these licenses in
22 Philadelphia, also to enter into a
23 series of conversations with the
24 casinos.

25 Certainly, a number of these

1 2/21/07 RULES - Bills 070006, 08 through 13
2 amendments to the CED that Councilman
3 DiCicco is offering are well thought
4 out, are very good.

5 With the Councilman introducing
6 part of it to keep sites more than a
7 mile away, it allows the City to prevent
8 an infill of casinos if the Commonwealth
9 should expand the number of licenses in
10 Philadelphia.

11 With the Councilman's technical
12 amendments with square footage, with
13 signage, it allows -- it allows more
14 liveable area.

15 But the most important thing
16 that the Councilman has done, and
17 something that this Council will have to
18 take extra care with, is the
19 introduction of the concept of a
20 Neighborhood Improvement District.

21 I would ask the Council to
22 refer to the enabling State legislation
23 when they do this, to see that there are
24 areas in that legislation, loopholes
25 that are open in that legislation that

1 2/21/07 RULES - Bills 070006, 08 through 13

2 can enable existing nonprofits to take
3 over this Neighborhood Improvement
4 District. And I would ask that the
5 Council work diligently to ensure that
6 this Neighborhood Improvement District
7 truly represents those folks that are
8 most deeply impacted by this.

9 And I have nothing more. Time
10 to go home.

11 COUNCIL PRESIDENT VERNA: Thank
12 you very much.

13 COUNCILMAN DICICCO: Madam
14 President, Madam Chair?

15 COUNCIL PRESIDENT VERNA: Yes,
16 the Chair recognizes Councilman DiCicco.

17 COUNCILMAN DICICCO: Thank you.

18 And thank you, Mr. Legislator,
19 for your testimony.

20 I just want to say for the
21 record that some of the items that the
22 State Representative spoke about were
23 actually amendments that he had offered
24 to me, and we made those amendments to
25 some of the legislation he spoke of.

1 2/21/07 RULES - Bills 070006, 08 through 13

2 It was at his request, so I --

3 STATE REPRESENTATIVE O'BRIEN:

4 And I thank the Councilman for his
5 diligent, hard work on this and
6 commitment to openness and transparency
7 in the process.

8 Thank you, Councilman.

9 COUNCILMAN DICICCO: You're
10 welcome.

11 COUNCIL PRESIDENT VERNA: Are
12 there any questions or comments for this
13 witness?

14 (No questions.)

15 (Applause.)

16 COUNCIL PRESIDENT VERNA:

17 Again, thank you very much.

18 STATE REPRESENTATIVE O'BRIEN:

19 Thank you very much.

20 COUNCIL PRESIDENT VERNA: We

21 appreciate your patience.

22 Do we have anyone else to
23 testify on this bill? Would anyone else
24 like to testify on this bill?

25 (No response.)

1 2/21/07 RULES - Bills 070006, 08 through 13

2 COUNCIL PRESIDENT VERNA: The
3 stenographer would like to take a
4 five-minute.

5 (Short break taken.)

6 COUNCIL PRESIDENT VERNA: The
7 stenographer is back.

8 This will conclude our public
9 hearing for today, and the committee
10 will stand in recess, and we will
11 continue this hearing until Wednesday,
12 March the 14th, at 1 p.m.

13 However, before we conclude, I
14 would like to make an announcement
15 concerning another gaming-related
16 matter.

17 Last week, a petition was
18 presented to Council proposing an
19 amendment to the Home Rule Charter
20 relating to the location of licensed
21 gaming facilities in the City. The
22 Chief Clerk's Office has now completed
23 its review of the petition, and the
24 petition has been accepted for filing
25 with Council.

1 2/21/07 RULES - Bills 070006, 08 through 13

2 (Applause.)

3 COUNCIL PRESIDENT VERNA:

4 Effective tomorrow, February 22, 2007,
5 this means the Council is now required
6 to consider whether the Charter
7 amendment proposed by the petition
8 should be submitted to the voters for
9 approval.

10 As required by statute, I
11 intend to introduce at tomorrow's
12 session of Council a resolution and a
13 companion bill providing for submission
14 of proposed amendment to the voters.

15 The resolution and the bill
16 will be referred to the Committee on Law
17 and Government for a hearing that will
18 be scheduled on Friday, March 2, 2007,
19 at 10 a.m.

20 I'm sure I look forward to
21 seeing all of you at that time, and I
22 know it's been a long day, and we
23 appreciate your patience. You've all
24 been absolutely wonderful, and I thank
25 you all very much.

1 2/21/07 RULES - Bills 070006, 08 through 13

2 Thank you very much.

3 (Applause.)

4 * * *

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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, February 21,

2007, and that this is a true and correct

statement of same.

JOSEPHINE CARDILLO
Registered Professional Reporter

(The foregoing certification

of this transcript does not apply to any

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of the certifying reporter.)