

HOUSE OF REPRESENTATIVES
COMMONWEALTH OF PENNSYLVANIA

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Operations & Economic/Social Impact
of Hollywood Casino at Penn National
on the Community At-large

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House Gaming Oversight Committee

The Holiday Inn
604 Station Road
Grantville, Pennsylvania

Thursday, May 8, 2008 - 9:00 a.m.

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BEFORE:

Honorable Harold James, Majority Chairman
Honorable Joseph Brennan
Honorable Florinda Fabrizio
Honorable Mike O'Brien
Honorable Chris Sainato
Honorable James Wansacz
Honorable Paul Clymer, Minority Chairman
Honorable Jim Marshall
Honorable Mark Mustio

IN ATTENDANCE:

Honorable Ronald Marsico

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1 ALSO PRESENT:

2

Terrence Alladin

3 Majority Executive Director

4

Tara Smith, Esquire

5 Majority Counsel

6

Mandi Love

7 Majority Consultant

8

Becca Sammon

9 Majority Research Analyst

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LaTasha Williams

11 Majority Research Analyst

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Garth Shipman, Esquire

13 Acting Minority Counsel

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C O N T E N T S	
SPEAKERS	PAGE
1	
2	
3	Opening remarks
4	Honorable Harold James..... 5
5	Honorable Ronald Marsico..... 7
6	Todd Mostoller, Executive Director..... 9
7	Pennsylvania Horsemens Benevolent and Protective Association
8	Gary Luderitz, General Manager..... 33
9	Hollywood Casino at Penn National
10	John Nelligan..... 50
11	Emergency Management Coordinator East Hanover Township
12	Wayne Isett, President..... 53
13	Grantville Volunteer Fire Company
14	African-American Chamber of Commerce of Central Pennsylvania
15	Robert Jackson, President & CEO..... 59
16	Elizabeth Jones, Chairman of Board..... 74
17	David Black, President..... 75
18	Harrisburg Chamber of Commerce
19	Peter Russo, Board of Directors..... 89
20	Jump Street, Inc.
21	Grantville Area Food Pantry
22	Richard Elliott..... 92
23	Bob Lauver..... 93
24	
25	

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

SUPPORT INDEX

REQUEST FOR PRODUCTION OF DOCUMENTS

Page	Line	Page	Line	Page	Line
45	5-11	98	24-		

1 CHAIRMAN JAMES: Good morning. My
2 name is Harold James, Chairman of the Gaming
3 Oversight Committee, the Majority Chairman.
4 We're going to call the Gaming Oversight
5 Committee to order. And just to -- A little
6 housekeeping just to let you know that PCN,
7 Pennsylvania Cable Network, is going to be
8 televising, and we want everybody to talk or
9 speak -- to speak right into the mike and to
10 share the mikes, so that would help them in
11 terms of their taping and recording.

12 So thank you for taking the time to
13 be here today at this important Gaming Oversight
14 Committee informational public hearing today.
15 We will hear testimony from community leaders,
16 local-elected officials and other stakeholders
17 regarding the impact that the Hollywood Casino
18 is having on and in this community.

19 The purpose of this public hearing is
20 to provide members of the committee the
21 opportunity to get first-hand information from
22 the people most impacted by gaming in this
23 community. This committee takes seriously its
24 role of ensuring that the legislative mandate of
25 Act 71 of 2004 and Act 135 of 2006 are being

1 carried out.

2 As Chairman, I think community input
3 is important so that we as legislators can
4 understand how to best address any concerns or
5 issues. We want all Pennsylvanians to benefit
6 from gaming, and that gaming is working to their
7 best interest.

8 In the next few weeks, most
9 homeowners in the Commonwealth will be receiving
10 over \$613 million in property tax relief, and as
11 more casinos come on-line, the property tax
12 relief will increase. The City of Philadelphia
13 will get over \$86 million in wage tax relief.
14 This is the first step towards the benefits that
15 casinos will bring to all Pennsylvanians.

16 I thank all of those that are going
17 to testify here today and thank you for your
18 consideration. At this time, I'm going to
19 ask -- Who's going to call the roll? Becca is
20 going to call the role, and then we're going to
21 hear from Representative Marsico.

22 (Roll call held off the record.)

23 CHAIRMAN JAMES: That's it. Thank
24 you. All right. Now, Minority Chairman Clymer
25 is going to be arriving a little later. He had

1 some district -- things he had to do in the
2 district.

3 And now we -- I understand that we
4 are in the district of, you know, the Chairman
5 of the -- Minority Chairman of the Judiciary
6 Committee, Marsico, and so we definitely need to
7 hear from him, because, you know, this is his
8 district.

9 REPRESENTATIVE MARSICO: Thank you,
10 Mr. Chairman, and thanks to you and the
11 committee for being out here in the 105th
12 Legislative District in Grantville, Dauphin
13 County, Pennsylvania. We certainly
14 appreciate --

15 Speaking on behalf of the citizens of
16 this area, the elected township officials, the
17 county officials, et cetera, we certainly
18 appreciate the opportunity for me to be here
19 representing the district, to hear the -- from
20 the different testifiers on the concerns and the
21 needs of how things are going out here with the
22 actual new slots operations here at Penn
23 National.

24 As you can see, this is a beautiful,
25 peaceful rural community, and we're -- It's been

1 quite an impact here so far on the community.
2 And so, this obviously -- I'm looking forward to
3 hearing testimony, you know, from the Penn
4 National folks who have -- certainly have been a
5 very good partner with the community, and also
6 the other impact that's happened and will
7 happen, to continue on the infrastructure of the
8 township and the community, as well as the
9 impact on the public safety aspect of the new
10 operation here, and the transportation impact as
11 well.

12 So, I just thank you very much for
13 bringing the committee out here. And I think
14 this is the second time, since I've been in
15 office, that a committee, a full committee has
16 been out here in East Hanover Township,
17 Grantville. The first was the Tourism and
18 Recreation Committee that was at that time
19 chaired by Representative Godshall.

20 And so, once again, I'm very
21 appreciative that you're out here so the
22 committee can hear the -- what's going on and
23 the impact here in the community. Thank you.

24 CHAIRMAN JAMES: Well, thank you.

25 All right, we're now going to -- And also we

1 have the stenotypist here, so we want you to
2 take it easy. And whenever you need a break,
3 you just signal and let us know.

4 Okay. We're going to hear from Todd
5 Mostroller (phonetic). Did I get that right?

6 MR. MOSTOLLER: Mostoller.

7 CHAIRMAN JAMES: Mostoller. Sorry
8 about that. Thank you.

9 MS. SAMMON: Close.

10 CHAIRMAN JAMES: Todd is the
11 Executive Director of the Pennsylvania Horsemens
12 Benevolent and Protective Association. Does
13 everyone have a copy of his testimony?

14 MR. MOSTOLLER: Yeah, you should have
15 a copy of my testimony. I'm going to speak
16 extemporaneously. You can read the testimony,
17 but I want to touch on some key points.

18 As you mentioned, my name is Todd
19 Mostoller. I'm the Executive Director of the
20 Pennsylvania Horsemens Benovolent and Protective
21 Association. We represent approximately
22 3400 members throughout the state, owners and
23 trainers, that participate in racing. I also
24 represent the horsemen that race at Presque Isle
25 Downs in Erie.

1 On behalf of those members, I'd like
2 to thank the -- Chairman James and the committee
3 for the opportunity to testify today regarding
4 our membership at Penn National Race Course. A
5 large percentage of those individuals are, are
6 the community at-large. They've settled around
7 Penn National Race Course because this is where
8 they conduct their business. So my testimony
9 today will reflect how it's impacted my
10 membership and how their life has begun to
11 improve because of the passage of Act 71.

12 The passage of Act 71 has had a
13 profound impact on the racing industry in the
14 community around Hollywood Casino at Penn
15 National Race Course. We are in the early
16 stages of slot operations. I believe February
17 14th was our first night of operations. So far
18 we have seen a dramatic increase in our daily
19 purses. The daily purses are what horsemen run
20 for on a daily basis. It's the only revenue
21 that they generate. It's how they support their
22 families in the area.

23 When we began slot operations, we
24 immediately went to a hundred and eight thousand
25 dollars a day. Prior to the slot passage we

1 were at 62,500. So you can see there's been a
2 dramatic increase already. This increase has,
3 obviously, given my members increased earning
4 power. They're able to improve their racing
5 stock, to improve the program that we send
6 throughout the country. We anticipate upon full
7 implementation of the category 2 licensees that
8 we will be in the neighborhood of \$200,000 a
9 day.

10 The one thing that we've made sure is
11 that we've had a gradual increase; that those
12 members that have supported racing at Penn
13 National can move along. As the purses
14 increase, that they've had an opportunity to
15 improve their racing stock so they can compete
16 at the level that we're going to. Purse levels
17 at \$200,000 a day will be able to sustain a
18 vibrant racing community.

19 Passage of Act 71 has also enabled a
20 state-of-the art racing facility. From what I
21 understand, you're going to have a tour after
22 the hearing. To fill -- The facility that Penn
23 National has built is state-of-the art racing,
24 you know, integrated racing and gaming. It is a
25 fabulous facility for our members to participate

1 in racing. We have had, as with any new
2 opening, some issues that we're dealing with
3 with Hollywood Casino at Penn National Race
4 Course, and we expect to have those rectified.
5 We understand that with any new facility you're
6 going to have those issues.

7 One of the provisions in the act, as
8 I'm sure you're aware, was the backside
9 improvement provision. There was dollars that
10 were allocated to the improvement of the
11 backside. Our backside was built in 1972.
12 Obviously, it was in a dilapidated condition for
13 the most part. I could honestly say it was a
14 community eyesore.

15 We have an agreement with Penn
16 National to spend \$10 million over a ten-year
17 period that includes 19 new barns, six
18 refurbished barns, inside wash racks, which will
19 be a very nice amenity. We race year-round. We
20 do not take off December, January and February.
21 It's cold in the wintertime. It will be nice to
22 be able to hose our horses inside for a change.

23 The first barn under the plan is
24 scheduled to be completed within the next month.
25 We will also build another barn adjacent to that

1 barn. We are hopeful that will be completed by
2 the end of the calendar year, and then the
3 remaining barns and refurbishments to be
4 completed in that ten-year time period.

5 The medical insurance that is going
6 to -- that is provided by Act 71. Prior to Act
7 71, the economic scale at Penn National really
8 didn't allow our members -- or my members to
9 have the financial means to have medical
10 insurance. Therefore, I would estimate 90 to
11 95 percent of our people that participated in
12 racing did not have medical insurance. With the
13 escalating costs of medical expenses today, I'm
14 sure you can appreciate the fact that with Act
15 71, the dollars that have been allocated, we
16 will be able to provide medical insurance for
17 those eligible members.

18 In fact, we have a meeting May 19th,
19 an enrollment meeting. Highmark is going to be
20 our carrier. We're excepting approval from the
21 gaming board, hopefully, in either May or June.
22 So that, as of July 1 for the first time, a
23 landmark from the standpoint of people that
24 participate in Penn National racing, they will
25 have medical insurance, and we will provide

1 that. That's going to be a fantastic provision
2 that we're able to provide. It's gone on far
3 too long regarding the inadequacies of the
4 medical care for -- for our members.

5 The one thing that's also struck me
6 as I travel throughout the country, as we're a
7 member of the national association, is the
8 perception of Pennsylvania racing. I make two
9 or three trips a year. I visit with 34 of our
10 other affiliates through the national HPPA, and
11 there is a buzz about Pennsylvania racing.

12 And we have begun to see a migration
13 of individuals that are in other jurisdictions
14 come to Pennsylvania. They -- They're looking
15 for land. They're looking to open breeding
16 operations. They're looking to open racing
17 operations from all over, from Oklahoma to
18 California.

19 It's -- It's quite revealing and
20 satisfying of what we accomplished from the
21 standpoint of the act when you see individuals
22 that are changing their location to take
23 advantage of what we've created. And it has
24 started. It will only intensify, and we believe
25 we will be able to see the effects from the

1 standpoint of farmland preservation, the
2 infusion of millions of dollars into the local
3 economy, the farmers, the feed shops, the vets.
4 It's going to have a profound broad-based
5 economic impact on this area.

6 All the aforementioned benefits of
7 Act 71 are essential in improving the equine
8 industry in Grantville and statewide. We must
9 continue to improve upon the accomplishments of
10 the past and cultivate new ideas that will
11 benefit not only the equine industry within the
12 Commonwealth, but will have a broad-based
13 economic impact on the agricultural industry in
14 the Commonwealth Pennsylvania.

15 At this time I thank you for allowing
16 me to participate and entertain any questions.

17 CHAIRMAN JAMES: I want to thank you
18 for your testimony. And as we get our questions
19 together, what is it, do they have any minority
20 or African-American, minority horsemen in your
21 association?

22 MR. MOSTOLLER: We do. The
23 participation is probably not as great as it
24 possibly could be, from an interest, minorities
25 in actually racing. I think that's just the lay

1 of the land, unfortunately. I mean, we
2 certainly encourage it, and participation.

3 CHAIRMAN JAMES: What about females?

4 MR. MOSTOLLER: Oh, we do have a
5 large contingency of female participation. In
6 fact, one of our leading trainers at Penn
7 National Race Course, her name is Stephanie
8 Beattie. She's actually, I think at this point,
9 ranked 15th in the country in the number of wins
10 in North America. We do have a -- And our
11 leading trainer actually last year was also a
12 woman, so we do have a large participation from
13 women.

14 CHAIRMAN JAMES: So since Act 71 has
15 both of those entities increased?

16 MR. MOSTOLLER: They'll both increase
17 simply because it's now economically feasible to
18 come to Pennsylvania and participate in the
19 program. Previously it was a labor of love. It
20 still is a labor of love, but now you have an
21 opportunity to make a living doing it.

22 To give you an idea, prior to the
23 passage, we had 1200 horsemen on the backside of
24 Penn National Race Course at an annual upkeep
25 cost of about \$18 million to train and feed

1 those horses. We ran for \$12 million. So
2 before we ran one race on any given year, I knew
3 my membership was going to split a five- to
4 six-million-dollar loss that was going to be
5 distributed throughout the people I see every
6 day. Obviously, economically that doesn't add
7 up.

8 CHAIRMAN JAMES: Thank you.
9 Representative Mustio.

10 REPRESENTATIVE MUSTIO: Thank you,
11 Mr. Chairman, and thank you for testifying
12 today.

13 Just for those of us that didn't grow
14 up in the backside of a racetrack, maybe you
15 could help me and some of the viewers with some
16 of the terminology. But, in addition, when you
17 say the horsemen are going to benefit, can you
18 describe all the occupations and who all those
19 people are that are benefiting.

20 MR. MOSTOLLER: Well, the horsemen I
21 usually refer to are the owners and trainers.
22 The owners are the individuals that purchase the
23 horses. They contract with the trainer to train
24 their horse. The trainers then have employees
25 or people that help on a daily basis. There's

1 grooms. They usually care for five to ten
2 horses. That's their job. They're assigned to
3 those horses and they care for those horses on a
4 daily basis.

5 There's exercise riders who gallop
6 the horses in the morning. Some are fortunate
7 enough, trainer-wise, to be able to afford hot
8 walkers. They are people that would -- After a
9 horse has exercised they need to walk for 20 to
10 30 minutes in a cool-down period, and those
11 individuals would be employed by the trainers
12 also and they would be called hot walkers.

13 REPRESENTATIVE MUSTIO: So when you
14 were talking about people being able to earn
15 more money and obtain health insurance, is it
16 that entire group of people that you were
17 referring to, or is it just the owners and the
18 trainers?

19 MR. MOSTOLLER: Well, it's mainly the
20 trainers. But what we want to create, and we're
21 hopeful that Highmark will accomplish this goal
22 for us, is that we want to, as -- as the
23 economics improve, it will have a trickle-down
24 effect to those grooms and those hot walkers.
25 And what we -- What we anticipate allowing to

1 happen is, those individuals to participate as a
2 part of the group, to get the cost savings.
3 Now, they would have to pay premiums, and maybe
4 it's a split cost between themselves and their
5 trainers. But as noneligible members, grooms
6 technically are not our members. They would not
7 be included in that. But we will allow them --
8 They wouldn't be included that we would pay
9 the -- that the premium will come out of Act 71.
10 But we want to give them access to the group and
11 the preferential price.

12 REPRESENTATIVE MUSTIO: The reason
13 that I ask, we are always dealing with that
14 issue here in Harrisburg separately, and I just
15 wanted to get a feel for the impact on the
16 business.

17 How about economically? When we were
18 talking about the, you know, the increase in the
19 improvement in the facilities, obviously, those
20 are jobs to build and construct. If you're
21 racing more, have more horses coming in, that's
22 good for agriculture I assume with feed. Can
23 you kind of expand on some of that economic
24 impact as well?

25 MR. MOSTOLLER: Yeah. Obviously,

1 there's a cost associated with feeding the horse
2 hay, oats. The farmers will benefit from that,
3 feed shops will benefit from that. You have the
4 blacksmiths, you have the vets. It's really
5 going to have a total --

6 With each horse that would arrive,
7 there's a cost associated with that and an
8 economic impact. And there will be -- They will
9 come. We've built it, and now they will come.

10 REPRESENTATIVE MUSTIO: Okay. Thank
11 you, Mr. Chairman.

12 CHAIRMAN JAMES: I thank you.
13 Chairman Marsico.

14 REPRESENTATIVE MARSICO: Todd, thanks
15 for your testimony. You and I have been
16 together several times prior to the passage of
17 Act 71, and I'm glad to hear that, through the
18 agreements and the legislation that there were
19 much needed improvements to the backside, and
20 that those are going forward.

21 And it's good to hear that because,
22 as a -- the legislator for this area and knowing
23 that many of the people that work the backside
24 are constituents, there certainly was, like I
25 said, much needed improvement for that whole

1 area, and with your guidance and your help with
2 that. So we appreciate that on behalf of all
3 the constituents, too, because it was your
4 leadership that helped get that moving, and also
5 thanks, obviously, to Penn National.

6 I just wanted to make the viewers
7 aware of that, because that facility back there
8 at several years ago certainly wasn't suitable
9 for living conditions that would be -- that you
10 would want to put your family into. And so,
11 with your leadership and the help of your
12 association, as well as Penn National, that's
13 great to hear that it's all -- that it's all
14 moving forward.

15 And also with the health care
16 benefits that you also will be providing, I
17 think, with Representative Mustio with that
18 question, I mean, obviously, that's a concern in
19 Harrisburg. I'm certainly glad to see that
20 that's going to be forthcoming as well.

21 So I just want to say thanks for your
22 help with this on behalf of the people in this
23 area.

24 MR. MOSTOLLER: Well, I thank you
25 very much. It's always been a passion. From a

1 horseman's standpoint, it's always been a
2 passion and always will be a passion. And what
3 we have accomplished, I don't want to say in a
4 short time because it's been a substantial
5 amount of work over the last -- When I took this
6 position it was 1999, and it seems like it's
7 been a constant, a constant goal.

8 We're not there yet. We have the
9 resources to get there, and it's imperative that
10 we do get there. And I think with the
11 cooperation of both the horsemen and Penn
12 National Race Course, for Hollywood Casino at
13 Penn National Race Course we will get there, and
14 this will be a vibrant community and it will be
15 an envy, the envy of a lot of jurisdictions
16 throughout the United States.

17 They will come here because it's
18 financially far easier to come to this location
19 because of the cost of living than it would be
20 to go to the Philadelphia area. And the land
21 here is abundant, it's affordable. The schools
22 are exceptional, the area, community, the
23 entertainment. It's just a wonderful place to
24 relocate to, and they will -- they will -- they
25 will come.

1 CHAIRMAN JAMES: Thank you. I might
2 have missed it. How many members did you say
3 you have?

4 MR. MOSTOLLER: That participate in
5 racing at Penn National, about 2400. But we
6 also represent those at Presque Isle, so it's a
7 total membership of about 3600.

8 CHAIRMAN JAMES: Okay. I was just
9 interested in just to hear you say how now
10 they're going to be able to be involved with
11 health insurance, and I think that's so
12 important, with the way health insurance is in
13 our communities and the lack of people being
14 able to participate in health insurance and easy
15 access. So it's good to hear that. That's a
16 great benefit.

17 MR. MOSTOLLER: Well, the concept --
18 When we first came up with the concept, I mean
19 the rallying cry that I -- from a lobbying
20 standpoint was 95 percent of my members are a
21 heart attack away from being bankrupt and out of
22 business. And there was never a truer
23 statement, and that's a true fact.

24 To close that loophole from a
25 personal financial position was imperative. I

1 mean, how do you -- How do you go to work on a
2 daily basis and work as hard as the people on
3 the backside do and have that loophole in your
4 financial plans? You're -- You're swimming
5 upstream and the current is rather strong.

6 CHAIRMAN JAMES: Right. Okay. We
7 want to announce and welcome also Representative
8 Wansacz to our committee hearing, and I
9 understand you have a question to ask, sir.

10 REPRESENTATIVE WANSACZ: Thank you,
11 Mr. Chairman. Todd, good seeing you again.

12 MR. MOSTOLLER: How are you?

13 REPRESENTATIVE WANSACZ: I'm okay.
14 I've got a question. Currently, the way it's in
15 the statute now, I believe the horsemen get
16 12 percent of the take.

17 MR. MOSTOLLER: Well, the way the
18 racehorse development fund was created, it
19 actually is 18 percent, but the participants or
20 the contributors are capped at 12 percent. So
21 once the additional category 2's, which is the
22 stand-alones, come on-line, they contribute to
23 the racehorse development fund.

24 So, ultimately how it is calculated,
25 it's 18 percent of the gross terminal revenue at

1 the Hollywood Casino at Penn National Race
2 Course. But the individual contributors, the
3 category 1's and category 2 licensees are capped
4 at 12 percent, but we will get to 18 percent
5 once the category 2's come on-line.

6 REPRESENTATIVE WANSACZ: And since
7 you've been seeing gaming do exceptionally well
8 here in Pennsylvania with the facilities that
9 are open, and I apologize -- I walked in a
10 little late, so I apologize if you've answered
11 this question. But, how is this money being
12 distributed? What type of improvements is it --
13 is it making? Because you are probably talking
14 about a big considerable amount of money right
15 now.

16 MR. MOSTOLLER: Well, we currently
17 run for about a hundred and eight thousand a
18 day. Prior to slot operations, we were at
19 \$62,000 a day. And I don't know when you
20 arrived, but that's a considerable improvement.

21 As I was explaining to Chairman
22 James, prior to the passage of Act 71, we had
23 about \$18,000 to train the horses on the back --
24 or \$18 million to train the horses on the
25 backside, 1200 horses. We ran for \$12 million.

1 The only way that horsemen earn money is through
2 purses.

3 So, we had a situation where we knew
4 for a fact we were going to lose \$6 million
5 prior to the first race being run on any given
6 year. Now, that has changed. It will continue
7 to change and improve, and we anticipate to go
8 to about \$200,000 a day, which will support a
9 vibrant racing community.

10 REPRESENTATIVE WANSACZ: So does
11 that -- And I apologize. So does that money go
12 directly into the pursing, into the daily wages?
13 Is that where the money is coming from, the
14 18 percent of the take? Is that going to boost
15 up the purses that the average better would --
16 That kind of thing? Or does that go to
17 individuals or improvements at the facilities?
18 I'm just trying to get a better idea of how --

19 MR. MOSTOLLER: Purses themselves are
20 distributed to the owners. The owners pay the
21 trainers to train. So those purses get
22 distributed all the way down to the bottom of
23 the barrel; you know, the last member of the
24 food chain, so to speak, the grooms, the hot
25 walkers.

1 And as our economic scale improves,
2 you will see a situation where, obviously, they
3 can pay more to get quality help. They can
4 pay -- The grooms will earn more, the hot
5 walkers will earn more. The trainers, the money
6 that they earn, to provide for their families
7 will increase.

8 So, the old rising tide, you know,
9 rises all ships is -- is evident in this
10 industry, and that's what will happen. You will
11 see a situation where the financial quality of
12 life for all participants in the industry will
13 improve dramatically.

14 REPRESENTATIVE WANSACZ: So it's up
15 to the owner of each facility then to distribute
16 the money based on how they see fit?

17 MR. MOSTOLLER: No. The owner at
18 each facility -- As horsemen, those dollars come
19 directly to our account, the slot dollars.
20 Those dollars are allocated for purses only.
21 They cannot -- By law, they only can be
22 allocated through purses. So every dollar of
23 that 18 percent eventually goes back through the
24 racing community through purses.

25 REPRESENTATIVE WANSACZ: And that's

1 what I was trying to get at.

2 MR. MOSTOLLER: There was no other
3 way. No. By law it must go into purses. And
4 that's the best place for it from a standpoint
5 of the membership that I represent.

6 REPRESENTATIVE WANSACZ: And with
7 those purses, obviously, you've seen--I know I
8 caught the tail end of your conversation--you've
9 seen more people relocating here to
10 Pennsylvania, breeding horses. So, obviously,
11 there's more money to be made.

12 MR. MOSTOLLER: Correct.

13 REPRESENTATIVE WANSACZ: So, have you
14 seen an increase in attendance at the track as
15 well?

16 MR. MOSTOLLER: Attendance-wise,
17 prior to slots, it's difficult. There is a
18 buzz. I can tell you that--Since now we don't
19 take official attendance figures, because people
20 migrate from the slots, from the casino, to
21 racing and vice versa--for the first time in a
22 long time there is a buzz in the grandstand
23 during live racing. There's cheering. We've
24 seen a much younger crowd that are taking in the
25 excitement of the integrated facility.

1 I would venture to say, based on what
2 I have seen, there is definitely increased
3 attendance. I don't believe -- And I don't
4 believe Penn National -- or Hollywood Casino at
5 Penn National Race Course--I'm sorry, I'm stuck
6 to Penn National--can give you attendance
7 numbers. Maybe they can.

8 But, from what I see on a nightly
9 basis, I would say there's definitely been an
10 increase, and there's been a change in the
11 demographics of actually who is attending the
12 race. And it's good to see that there is a
13 buzz, there's a definite buzz, and we need to
14 continue to work to expand that.

15 REPRESENTATIVE WANSACZ: Thank you.

16 CHAIRMAN JAMES: Okay. Thank you.
17 Also, in light of what happened in the Kentucky
18 Derby we just had, we had some interest in terms
19 of related -- horse-related -- horse racing-
20 related accidents. Can you tell me what the
21 percentage of, in terms of accidents that you
22 may have experienced since -- you know, since
23 we've started here, in terms of animal accidents
24 and human accidents?

25 MR. MOSTOLLER: I can tell you that

1 from a Penn National standpoint, what they talk
2 about when they talk about accidents is
3 breakdowns per thousand. We are around the
4 national average. You're anywhere from
5 1.8 to 2.2 per thousand is the national average.
6 We haven't seen an increase. We haven't seen a
7 decrease.

8 It's a situation where we have
9 numerous discussions regarding track safety.
10 Obviously, as horsemen, that's where our assets
11 compete, we train on a daily basis. We will
12 always advocate the safest racing conditions.
13 And I believe we've made progress in that area.

14 Can we improve upon it? I don't
15 there is anything you can't improve upon, and we
16 will continue as horsemen to try to improve upon
17 that.

18 In light of the Kentucky Derby, I
19 don't know whether, you know, from a personal
20 standpoint if this is the time or the place to
21 address that. But if you'd like to ask me a
22 specific question, obviously, I'd certainly
23 answer it.

24 CHAIRMAN JAMES: Well, I'll hold
25 over. Representative Fabrizio.

1 REPRESENTATIVE FABRIZIO: Thank you,
2 Mr. Chairman. Thank you, Mr. Mostoller.

3 Representative Mustio had essentially
4 asked the same question that I was going to ask,
5 so I'm going to provincialize it. I
6 represent -- Presque Isle Downs is my district.

7 MR. MOSTOLLER: Okay.

8 REPRESENTATIVE FABRIZIO: So the same
9 benefits that you're talking about, are they
10 accruing or will they accrue to your members up
11 in Erie?

12 MR. MOSTOLLER: Absolutely.

13 REPRESENTATIVE FABRIZIO: Even though
14 it's a new track, you know.

15 MR. MOSTOLLER: From -- Are you
16 talking from a standpoint of medical insurance
17 or from a stand --

18 REPRESENTATIVE FABRIZIO: Yeah.

19 MR. MOSTOLLER: Yeah. From a medical
20 insurance standpoint with a 30-day meet last
21 year, obviously, it was a new race meet. Those
22 participants under our eligibility requirements
23 would not be eligible simply because they didn't
24 have the required number of starts to become
25 eligible. With a hundred-day meet this year,

1 there will be a number of those individuals that
2 will become eligible.

3 And I will say, with a hundred-day
4 meet also, I have had a number of calls
5 regarding people looking to relocate to the Erie
6 area because of the purse structure that's
7 there, as well as the racing surface that is
8 there. We have a state-of-the-art synthetic
9 surface that's called Tapeta Footings, and my
10 belief it's the best racing surface in North
11 America. And that is a big draw for a lot of
12 horsemen to come participate in the program
13 there.

14 REPRESENTATIVE FABRIZIO: Thank you.

15 CHAIRMAN JAMES: Okay. Do we have
16 more questions?

17 (No response.)

18 CHAIRMAN JAMES: Okay. We want to
19 thank you for testifying. We appreciate it, and
20 we will be calling you again. And we hope that
21 things continue to progress.

22 MR. MOSTOLLER: Feel free to contact
23 me any time. We'd love to be a resource for any
24 horse racing-related questions, related
25 questions you may have in the future.

1 CHAIRMAN JAMES: Okay, thank you.

2 MR. MOSTOLLER: We appreciate it.

3 Thank you.

4 CHAIRMAN JAMES: All right. Next
5 we're going to call the General Manager, Mr.
6 Gary Luderitz, of Hollywood Casino. Is anybody
7 going to be with you? Are you going to go by
8 yourself?

9 MR. LUDERITZ: I'm going to go by
10 myself.

11 CHAIRMAN JAMES: Okay. All right.

12 MR. LUDERITZ: I will go it alone
13 today. But I am accompanied by several others,
14 which I will introduce in just a moment.

15 CHAIRMAN JAMES: Okay.

16 MR. LUDERITZ: I have a list of --
17 several pages of prepared remarks, which I'll
18 read from so I don't miss anything in my
19 comments today.

20 First off, good morning, Mr.
21 Chairman, members of the committee. My name is
22 Gary Luderitz. I'm the General Manager of
23 Hollywood Casino at Penn National Race Course,
24 which is right across the street from our
25 location here today. We're delighted to have

1 you here at Grantville. We're delighted to have
2 you this morning near our property. We look
3 forward to a tour of our facility later on this
4 afternoon.

5 I'd like to begin by providing a bit
6 of background about Penn National Gaming, our
7 parent, and our exciting new facility here in
8 central Pennsylvania. As some of you may know,
9 Penn National Gaming is a proud Pennsylvania
10 company which began in 1972 as the operator of
11 one of the Commonwealth's original thoroughbred
12 racing licenses at our namesake track here in
13 Grantville. Our company went public in 1994,
14 and on the strength of that single racetrack
15 alone, we've grown to what it is today.

16 It's one of the most -- the largest
17 and most broadly diversified gaming and
18 pari-mutuel wagering companies in the nation.
19 Operating in 15 jurisdictions around the
20 country, Penn National offers a distinct brand
21 of gaming entertainment ranging from resort
22 casinos to riverboat gaming, to thoroughbred,
23 harness and greyhound racing.

24 As you might imagine, given that our
25 corporate headquarters is a short drive away in

1 Wyomissing, the opening of Hollywood Casino at
2 Penn National Race Course has been one of the
3 most anticipated and exciting new development
4 projects in our company's history. Hollywood
5 Casino proudly serves at the centerpiece of our
6 company's portfolio of gaming properties. We
7 invested approximately \$310 million to bring
8 this state-of-the-art integrated racing and
9 gaming facility to central Pennsylvania.

10 The finished product features over
11 2,000 slot machines, a five-story garage, an
12 innovative, multi-media Hollywood design theme,
13 bars, restaurants, ranging from casual dining to
14 higher-end fare. A 350-seat buffet and an
15 upscale steakhouse are expected to be fitted out
16 during the third and fourth quarters of this
17 year to give patrons even more dining options.

18 On the top floor of the five-story
19 casino complex are banquet rooms with panoramic
20 views of the racetrack and the mountains, which
21 feature exciting year-round thoroughbred racing
22 and simulcast wagering.

23 I should note that excluding slot
24 machines, sixty-two-and-a-half percent of our
25 overall construction budget went to

1 Pennsylvania-based properties -- companies.
2 Nearly 11 percent went to certified minority
3 business enterprises and women business
4 enterprise companies, and 72 percent of direct
5 construction went to union-affiliated
6 contractors.

7 I should also note that our facility
8 was built with protecting the environment in
9 mind. We invested in a state-of-the-art water
10 re-use system that uses waste water at the
11 facility for irrigation of the racetrack,
12 landscaping, and non-potable water uses inside
13 the building, such as commode flushing. And I
14 believe that we are the first Pennsylvania
15 company to receive this approval for re-use of
16 water under the Department of Environmental
17 Protection's new rules.

18 Since opening, Hollywood Casino at
19 Penn National Race Course has quickly emerged as
20 one of the premier entertainment attractions in
21 central Pennsylvania, with strong growing
22 visitation. We're very pleased with the
23 facility's financial performance to date with
24 win-per-day-per-device averaging approximately
25 \$262 since our opening in February.

1 In the first full year of operation,
2 the facility is excepted to yield approximately
3 \$180 million or more in gaming revenue. Through
4 this slot revenue we have been able to help
5 bolster the horse-racing industry and to provide
6 over \$3 million towards purses for live racing
7 year to date.

8 The facility offers the latest games
9 from major equipment suppliers and has capacity
10 for an additional 1,000 slot machines. In fact,
11 we are hoping to add up to 300 additional slots
12 at the facility in the near term, and we have
13 requested approval from the Pennsylvania Gaming
14 Control Board to do so.

15 The long-term master plan for
16 Hollywood Casino at Penn National Race Course,
17 which is located on 600 acres nearby, includes a
18 hotel and conference center, retail outlets, an
19 entertainment center, and an additional parking
20 deck, and additional casino space, which would
21 allow the facility at full capacity to
22 accommodate up to 5,000 slot machines,
23 generating gaming revenues in excess of
24 \$330 million.

25 Like any business, our most important

1 asset is our people. And let me stop at this
2 juncture and point out that accompanying me
3 today from Hollywood Casino at Penn National
4 Race Course is Lynn Burkholder, our Vice
5 President of Marketing, who is out here in the
6 audience.

7 MS. BURKHOLDER: Good morning.

8 MR. LUDERITZ: Nadine Hall, our Vice
9 President of Operations and Community Relations;
10 Eric Schippers from Penn National Gaming's
11 corporate office. He's our Vice President of
12 Governmental Affairs. And also accompanying us
13 is Scott Gould from McNees Wallace, who is one
14 of our important counsels that the company has
15 today.

16 I'm proud to say that our facility in
17 total employs nearly a thousand full-time
18 employees, most of whom have been hired within
19 the last six months with benefits and offers
20 training and upward mobility programs. To
21 provide for the safety of our patrons, we employ
22 nearly 100 fully trained security officers, many
23 with EMT training. Our security team provides
24 constant surveillance of the property. We have
25 mobile units patrolling the parking lot and

1 throughout the facility. We also have a medical
2 doctor and nurse on site during racing hours.

3 Penn National is committed to
4 diversity in all aspects of our operations, from
5 construction to employment. We work closely
6 with the African American Chamber of Commerce of
7 Central Pennsylvania on outreach communities and
8 the minority community, and with other such
9 organizations in the regional area. We continue
10 to partner with the Greater Harrisburg NAACP.
11 Nadine Hall, whom I just introduced, is with me
12 and also serves on the board of the NAACP and
13 oversees our ongoing diversity efforts.

14 We're also proud to serve as a
15 responsible corporate citizen. We help to make
16 a difference in our community by supporting a
17 number of worthwhile local charitable
18 organizations, including Jump Street out of the
19 Harrisburg area, Joshua Group, Nativity School,
20 the Grantville Food Pantry, the Whitaker Center
21 for Science and the Arts, the Grantville
22 Community Outreach Program, and Hospice of
23 Central Pennsylvania.

24 We've also provided significant
25 contributions to our local fire company in

1 Grantville, including most recently from our
2 test nights some \$36,000 in additional financial
3 support, and we've supported the Ono Fire
4 Company as well. And we have and will continue
5 to donate funds in supply of youth and community
6 sports activities right near here in East
7 Hanover Township.

8 In addition, Penn National Gaming
9 hosts the annual Penn National Charity Golf
10 Classic in Hershey to benefit Crohn's and
11 colitis research at the Hershey Medical Center.
12 Organized by employees of Penn National Gaming
13 and Hollywood Casino, both from this facility
14 and our corporate office, this annual event has
15 raised nearly a million dollars to support
16 medical -- the medical center's research
17 efforts.

18 Penn National has also committed a
19 million dollars to the Penn State Hershey
20 Medical Center's campaign to fund the creation
21 of a free-standing children's hospital for
22 families across central Pennsylvania.

23 We're also working closely with our
24 local and regional business community. Last
25 year I accepted an invitation by the Dauphin

1 County Commissioners to join the restructured
2 Hershey/Harrisburg Regional Tourism Bureau to
3 work together with area business leaders in
4 Dauphin, Franklin and Perry counties to help
5 drive more tourism into the region. Penn
6 National is also serving on the Dauphin County
7 Community and Economic Development's quality of
8 Life Task Force, which is charting a course
9 toward creating family-sustaining jobs well into
10 the next generation.

11 With that, I'd like to thank you for
12 allowing me this opportunity to share with you
13 the very positive impact Hollywood Casino at
14 Penn National Race Course is having on central
15 Pennsylvania. We're thrilled to be here. We
16 look forward to continuing our successful
17 partnership with the community and with the
18 state.

19 I'll be happy to take any questions.
20 Thank you very much.

21 CHAIRMAN JAMES: Thank you. Thank
22 you for your testimony. It seems that you've
23 been a great asset to the community here.

24 In terms of the minority occurring in
25 the environment, I see where you say you have

1 11 percent. Is that something, a goal that you
2 set, or is that -- How did you reach that
3 percentage at this point?

4 MR. LUDERITZ: Well, we -- While we
5 did not set any specific goals, we set a very
6 aggressive agenda to reach into every possible
7 minority and the WBE opportunity that we could
8 during our construction project, and we would
9 have taken as much as a hundred percent had we
10 be able to find that to support the construction
11 operation.

12 CHAIRMAN JAMES: Okay. Thank you.
13 Representative Marsico.

14 REPRESENTATIVE MARSICO: I just want
15 to say thanks for being such a good partner here
16 with the community. You certainly have done
17 that the last several years. I appreciate that
18 on behalf of the township and the county and the
19 people in the area.

20 MR. LUDERITZ: Thank you,
21 Representative.

22 REPRESENTATIVE MARSICO: You're --
23 What you have done here with providing financial
24 help to the fire company and to other
25 organizations has been a big -- a big help and a

1 big thank you from them as well.

2 The question I've got to ask, though,
3 I've noticed the paper the other day, in the
4 Patriot News about there's the possibility of
5 Penn National selling parts of the -- of
6 their -- of the track or their slots. I'm not
7 quite sure what it said. But there was -- there
8 was -- Yeah. There was something that Penn
9 National may be selling something, some
10 facilities or some venues within the -- your
11 structure. Could you comment on that?

12 MR. LUDERITZ: Penn National -- Penn
13 National Gaming is -- is being sold, and that's
14 our parent company; being acquired by two
15 private equity investment firms, and that
16 that -- that arrangement has been in the works
17 for about a year right now and it's expected to
18 close on June 15th.

19 The acquisition itself by these
20 private equity firms represents no change in
21 neither our business model, our business
22 operations. Fortress Investments Limited and
23 Center Ridge Partners, who are the two
24 investment firms, are not casino operators.
25 Quite frankly, they are arranging to purchase us

1 because we are proven business operators and are
2 a feather in their cap from an investment point
3 of view.

4 So that business arrangement is
5 expected to close in about a month or so, and we
6 don't expect any changes at all, operationally
7 and structurally to our organization. In fact,
8 our chairman continues to serve as chairman
9 under the arrangement that was created for many
10 years to come.

11 REPRESENTATIVE MARSICO: Well, that
12 is good to hear, because your chair and the
13 family, his family, and the corporation has been
14 very generous with regard to helping the
15 community, like I said before. So we hope that
16 doesn't change. Thanks.

17 MR. LUDERITZ: Thank you.

18 CHAIRMAN JAMES: Thank you. Could
19 you tell me what percentage of your vendors are
20 African-American or female?

21 MR. LUDERITZ: I don't have the
22 percentages with me today. I can tell you that
23 in our on-going review of our expenditures and
24 our -- and our staffing, we -- our numbers have
25 typically reflected what our community reflects.

1 We're very proud of that. And I think those
2 numbers can only grow to what we have
3 accomplished so far. But I don't have any
4 specific stats for you today, sir.

5 CHAIRMAN JAMES: Okay. So, if you
6 can get that to us as, you know, whenever you --
7 as soon as you can, I would appreciate it.

8 MR. LUDERITZ: And specifically those
9 stats would be what?

10 CHAIRMAN JAMES: The percentages of
11 your African-American and female vendors.

12 MR. LUDERITZ: Indeed, I can do that.

13 CHAIRMAN JAMES: Representative
14 O'Brien.

15 REPRESENTATIVE O'BRIEN: Thank you,
16 Mr. Chairman. Thank you for joining us this
17 morning. And I have to say back on test night I
18 had the opportunity of coming out and visiting
19 you, and it's just an absolutely magnificent
20 facility. Well done.

21 MR. LUDERITZ: Thank you.

22 REPRESENTATIVE O'BRIEN: Absolutely
23 well done.

24 I'd like to turn my question for a
25 moment to your long-term master plan. Now, you

1 fellows find yourself in a unique position, as I
2 understand, that you're split between two
3 counties; your site is split between two
4 counties. So now you're coming with this master
5 plan, and I'm sure when you guys build this out,
6 this is going to be equally magnificent to what
7 you guys -- what you've already done. Help me.

8 Now, I'm an infrastructure junkie. I
9 like what's under the ground just as much as I
10 like what's above it. So help me get my head
11 around with the host fee concept, the money that
12 goes to the municipalities now being split
13 between -- or your site being split between two
14 counties. As you build this out over the 600
15 acres, how do you deal with the infrastructure
16 improvements that need to be done, your water,
17 your sewer, traffic, you know, those -- those
18 sort of issues? Give me around the process, the
19 minutia of this.

20 MR. LUDERITZ: Well, I would start by
21 saying that the primary infrastructure for that
22 growth plan is there already, and I think we
23 would build around that existing infrastructure.

24 REPRESENTATIVE O'BRIEN: Does it feed
25 into the municipal or the county water and

1 sewer?

2 MR. LUDERITZ: We -- We have our --
3 We have a brand-new waste water treatment
4 facility operation on the 600 acres of the
5 property that -- that will serve our facility.

6 REPRESENTATIVE O'BRIEN: So you're
7 self-contained?

8 MR. LUDERITZ: Yes.

9 REPRESENTATIVE O'BRIEN: You don't --

10 MR. LUDERITZ: We have been, quite
11 frankly, since the property opened in 1972.

12 REPRESENTATIVE O'BRIEN: No flow into
13 a -- into a municipal system?

14 MR. LUDERITZ: No. And the same is
15 true of our water systems. Obviously, we have
16 enough space there infrastructurally to grow in
17 and around the existing footprint.

18 REPRESENTATIVE O'BRIEN: Thank you.

19 MR. LUDERITZ: You're welcome.

20 CHAIRMAN JAMES: Yes, Chairman
21 Marsico.

22 REPRESENTATIVE MARSICO: Just real
23 quick. Just the 600 -- Was it 600 acres, you
24 said?

25 MR. LUDERITZ: Approximate, yes.

1 REPRESENTATIVE MARSICO: Future
2 development, any of that future development is
3 going to be in the adjacent county, Lebanon
4 County?

5 MR. LUDERITZ: No.

6 REPRESENTATIVE MARSICO: You have
7 several acres in Lebanon County --

8 MR. LUDERITZ: Yes.

9 REPRESENTATIVE MARSICO: -- which is
10 really mostly -- maybe part of the backside; not
11 even the back, but it's mostly fields I think.

12 MR. LUDERITZ: Yes, that's correct.

13 REPRESENTATIVE MARSICO: Any of your
14 further development going to be in Lebanon
15 County?

16 MR. LUDERITZ: Currently the master
17 plan has no plans for that particular site.

18 REPRESENTATIVE MARSICO: Okay.
19 Thanks.

20 MR. LUDERITZ: You're welcome.

21 CHAIRMAN JAMES: Thank you. Okay.
22 Any other questions on this side? Any on this
23 side?

24 (No response.)

25 CHAIRMAN JAMES: Okay. Well, I want

1 to thank you again for test -- your testimony,
2 and it is a beautiful facility. Like
3 Representative O'Brien, I came last night
4 because I wanted to make sure I would be able to
5 get here this morning. So, I mean, it was just
6 lit up, and I was going to the casino and I
7 wound up in the parking garage where the horse
8 racing was, so I wasn't sure which was which
9 until I you saw the casino. But it's a really
10 beautiful place. And I think it's going to do
11 good in the county here.

12 MR. LUDERITZ: Thank you very much.

13 CHAIRMAN JAMES: So, thank you.

14 MR. LUDERITZ: And again, I'm
15 available any time for anyone. If you'd like to
16 call on me, I'm pleased to answer whatever I
17 can. Thanks.

18 CHAIRMAN JAMES: I'm sure we're going
19 to see you on the tour part.

20 MR. LUDERITZ: Yes, you will.

21 CHAIRMAN JAMES: Okay, great. Now,
22 what I want to do now is, I want to call up Mr.
23 John Nelligan and also Mr. Wayne Isett. Can you
24 both come up, you know, for sake of time, you
25 both, hear from you. Just -- Before you speak,

1 just identify yourself, and I guess Mr. Nelligan
2 start first. Just say your name for the record.

3 MR. NELLIGAN: All right. Fine.

4 Thank you. Good morning, Mr. Chairman, and
5 members of the committee. I am John Nelligan.
6 I'm the Emergency Management Director for East
7 Hanover Township, Dauphin County, the
8 municipality that you're now visiting here
9 today. On behalf of the Board of Supervisors of
10 East Hanover Township, we welcome you, and it's
11 been a number of times that committees have been
12 here, and we appreciate the attention and thank
13 you for coming.

14 I have already given you a copy of my
15 testimony, but I will be reading from that
16 because it deals with facts and figures, of
17 which the general public is of interest, and I
18 don't want to miss those facts.

19 The Emergency Management Office that
20 I head up provides the eyes and ears, if you
21 will, of all of the emergency service providers
22 in our municipality. And to that end, during a
23 presentation that I gave to the Tourism and
24 Recreational Development Committee of the House
25 of Representatives, and that was on June 27th,

1 2005, a long time ago, I spoke to at that time
2 projected needs of the emergency service
3 providers to cover the casinos facility in our
4 township.

5 At that time we did not know what we
6 did not know. We were using from some base-line
7 information that I had received from a facility
8 in West Virginia, owned by the Penn National
9 Gaming Corporation, and they were very helpful
10 in helping us establish some guidelines and some
11 bench marks, perhaps.

12 Based upon this projection, my office
13 established a tracking system to gather actual
14 call rates for services that are being provided
15 to support the casino. The data to date has
16 shown an increase in providers' activities.
17 However, only a few months of operation of the
18 facility has provided some indications of the
19 total impact that we're going to see in the
20 community resources.

21 I would like to be very specific and
22 speak to the three emergency providers that are
23 now providing service to our community. The
24 township emergency ambulance service provider
25 has responded to the casino 19 times since its

1 opening. The management of the casino has
2 stated to our provider that we could potentially
3 expect as many as three calls per day, far above
4 the actual needs our provider has really
5 experienced to this point in time.

6 I would expect this call rate to
7 increase as the facility grows in popularity,
8 but at this time the provider's capability to
9 respond has not been taxed beyond its
10 capability. I will closely monitor service
11 required and should be capable of establishing
12 an actual trend as the business ramps up and as
13 we move forward this year.

14 To date, Pennsylvania State Police
15 have reported an average daily call rate to the
16 township is two calls per day, and there has
17 been no significant increase since the opening
18 of the casino. They also report that incidents
19 requiring police intervention in the casino are
20 being handled adequately by the troopers
21 assigned inside the casino. I will continue to
22 monitor the call rate to determine any change to
23 this trend.

24 Finally, I have only two events
25 requiring the fire company response, one a car

1 fire and one a smoke scare inside the casino.
2 The fire company also responds to medical
3 emergencies with their Quick Response Squad to
4 assist emergency ambulance service. To date,
5 earlier projections have not be met, but as the
6 summer season approaches more traffic accidents
7 are expected to increase, and I would imagine
8 the volunteer fire company will become quite
9 active during this tourism period.

10 That summarizes my statistics to
11 date, and I know the committee has interest in
12 these numbers. And as I say, I will continue to
13 follow this and we will track it have carefully.
14 And I would entertain any questions that the
15 committee might have.

16 CHAIRMAN JAMES: Okay. We're just
17 going to hear from Mr. Isett first, and then
18 we'll do the questions simultaneously.

19 MR. ISETT: Okay. I'm Wayne Isett,
20 President of the Grantville Fire Company. I
21 thank you for letting us come here this morning
22 and talk. I will give you some statistics and
23 what services we provide; and also, not only
24 what Penn National, but what the whole
25 surrounding areas we're facing with the

1 Grantville Fire Company.

2 We are the only fire company within
3 East Hanover Township. There's no -- We do do a
4 lot of -- Being in the country we do a lot of
5 mutual aid. As a matter of fact, two of the
6 other townships, which is approximately
7 169 calls to the other townships and mutual-aid
8 companies, which -- One of the reasons for that
9 is because, in a rural community water is a real
10 critical situation, so Grantville has one of the
11 good tanker systems which is called upon quite
12 heavily to support the water for the surrounding
13 townships and municipalities.

14 The services we provide, one of our
15 number one key is fire prevention and safety.
16 That is our number one role; responder safety
17 and health, and, of course, our firefighting
18 operations and support. We also deal with
19 hazardous material response, search and rescue,
20 and as he mentions, we have a Quick Response
21 Squad medical center -- medical unit, which was
22 by the -- the first in Pennsylvania, and it's
23 been a successful unit for many, many years.
24 And we also provide East Hanover Township fire
25 police support for the -- for the township and

1 surrounding areas.

2 I'll give you some statistics what we
3 do. The company provides emergency services for
4 2600 households and 5,384 residents. This is
5 based on the 2000 Census. We have five miles of
6 heavily traveled Interstate 81, with averages of
7 61,000 vehicles per day.

8 Pennsylvania 743, Exit 80 has
9 100 tractor-tractors per day that transport
10 Hershey Foods and General Mills -- come to
11 General Mills Distribution Center. Hershey
12 attractions can draw up to 55,000 people daily.
13 Route 743 is a two-lane road and a major route
14 to the park; Giant Center and the stadium, a
15 dangerous accident corridor.

16 U.S. Route 22 is a four-lane
17 heavily-used highway utilized for local traffic
18 and the alternate emergency route to Interstate
19 81;

20 The active Penn National Hollywood
21 Casino and Race Track, which draws thousands
22 daily, 24 hours a day.

23 And we also in this township, we have
24 the Texas Eastern -- yeah, Texas Eastern
25 Transmission Corporation has two major gas lines

1 that goes through it with the plant right here,
2 within a mile of us and Penn National Race
3 Track.

4 The Grantville Fire Company call rate
5 has been increasing in user rate for the last
6 two years. The numbers: In 2006, the fire
7 company itself responded to 303 calls, and EMS,
8 443 with a quick response for a total of
9 746 calls.

10 In 2007, the fire was 382. EMS, 393,
11 for a total of 775 calls.

12 In 2008, as of May 5th the fire
13 company has responded on 145 calls, EMS, 221,
14 for a total of 360.

15 Since the opening of the Hollywood
16 Casino, the GVFC has been dispatched for fire
17 assistance 32 times, EMS, 37, for a total of
18 69 activities.

19 This is a large call volume for a
20 total volunteer fire company of 26 assigned
21 firefighters, 15 emergency medical technicians,
22 and 12 fire police personnel. The 360 calls so
23 far this year is large, considering that most of
24 the emergency calls are responded to during the
25 101 days of summer. The combination of the

1 increased traffic traveling to the Hollywood
2 Casino, Hershey and the local activities could
3 bring more accidents and traffic problems to all
4 East Hanover Township highways.

5 The major concerns of the Grantville
6 Volunteer Fire Company: The financial cost to
7 the company, approximately 25 percent of the
8 income comes to us from taxes, with the rest
9 coming from donations and fundraising
10 activities. These same volunteers do 60 percent
11 of the fundraising. With the increased usage of
12 equipment and materials, we will need additional
13 financial assistance.

14 The company is in the process of
15 building a new fire station. The company is and
16 has grown out of its current station. The
17 facility can no longer house equipment and
18 personnel to conduct a safe emergency response
19 operation, plus allow space for good classroom
20 and practical training. At this time three
21 emergency vehicles must be kept outside in all
22 types of weather. The new facility could cost
23 the company one and a half million dollars to
24 \$2 million.

25 All three of our firefighting

1 apparatus are 14 years old or older. With the
2 additional use for -- With additional usage, our
3 1989 engine will need to be replaced in the next
4 five years. The price of this would be
5 approximately \$500,000 at today's prices.

6 Before and since the opening of Penn
7 National Hollywood Casino complex the
8 relationship between Penn National staff and the
9 Grantville Volunteer Fire Company has been
10 outstanding. The coordination between the two
11 entities has been flawless to this date.

12 In summary, the infrastructure growth
13 in East Hanover Township has grown due to the
14 opening of the Hollywood Casino. This will open
15 a new chapter in how the GVFC will have to
16 conduct business in the future, a company moving
17 quickly from a rural farm and a housing
18 community to a heavy flow business community.

19 The Grantville Volunteer Fire Company
20 and this community will need additional
21 financial support to meet our emergency response
22 needs. The Grantville Fire Department for the
23 past 60 years has provided this community
24 non-stop, 24-hour-a-day service, and we will
25 continue to make that our goal in the future.

1 The life and safety of our businesses, residents
2 and the visitors passing through East Hanover
3 Township is our number one goal. That is pretty
4 much in a nutshell what we do and how we -- and
5 where we are going and where we are at this
6 time.

7 CHAIRMAN JAMES: All right. Thank
8 you. Thank you for your testimony. Chairman
9 Marsico.

10 REPRESENTATIVE MARSICO: Thank you as
11 well for being here and providing your
12 testimony. The fire company does an outstanding
13 job. There is no question about that. Because
14 you offer as I know valuable service to our
15 community, information that you provided us,
16 obviously, has been helpful in determining your
17 future needs, and I hope that you have had an
18 opportunity to provide this information to the
19 township, as well as to Dauphin County for the
20 information that they need to help determine
21 the -- where they can direct some of the revenue
22 fund from the slots to the fire company as well
23 as to the emergency service demands of the
24 township.

25 Obviously, there has been a

1 tremendous burden on the township for impact,
2 let's say on the infrastructure needs as well as
3 the public safety needs. And the county has
4 stepped forward to -- through reading this
5 morning's paper in The Patriot News. An article
6 in the Patriot News, an article about the fact
7 that the county may be providing those extra
8 revenues, additional revenues needed by the
9 Public Safety Department as well as the fire
10 company. So I think if you continue to work
11 with the county and the township with your --
12 let them know of your needs, and your immediate
13 needs as well as your long-term needs, that
14 would be helpful.

15 But, once again, with the fire
16 company being such rural volunteer, small
17 volunteer fire company and having this growth
18 expected in the next few years, you certainly
19 need to reach out on to not just to the county,
20 but also to the state for additional revenues.
21 So I just want to say thanks, and thanks for
22 your tremendous help here for the township.

23 MR. ISETT: Thank you.

24 CHAIRMAN JAMES: Well, certainly.

25 Thank you, Chairman. It's certainly good to see

1 that in your testimony, that you say that.
2 Since the opening of Penn National Hollywood
3 Casino complex, the relationship between Penn
4 National staff and the Grantville Volunteer Fire
5 Company has been outstanding and it continues to
6 do so.

7 And as Chairman Marsico just said,
8 you outline the fact and indicated your needs
9 are growing. And with the indication of what we
10 have heard so far, it looks likes they will be
11 met soon.

12 MR. ISETT: Right.

13 CHAIRMAN JAMES: Representative
14 Mustio, I am sorry.

15 REPRESENTATIVE MUSTIO: Thank you.
16 Just a quick comment. In John (sic) Luderitz --
17 John Luderitz general manager testimony, he
18 indicated there were a hundred fully trained
19 security officers, some with EMT training. In
20 some of the other testimony that we have had, is
21 a lot of the employees at the Penn National
22 Raceway are local community residents.

23 And I just wondered if there would be
24 the opportunity for some sort of outreach to
25 those employees to help bolster your membership,

1 so to speak, particularly since, you know, it's
2 going to be a growing business, sort of like
3 a--What did we do?--the United Way fund drive;
4 this will be the volunteer department fund drive
5 or the recruitment or those type of things.

6 Because you are clearly -- You're going to be
7 struggling for revenues and the training time.
8 And with the demand on citizens, it's just going
9 to be tougher and tougher to recruit members.

10 So just throw that as maybe another
11 possible cooperative effort that you can put
12 into your long-range planning since you do have
13 so many, you know, there are already so many
14 security-trained and EMT-trained individuals.

15 Thank you, Mr. Chairman.

16 CHAIRMAN JAMES: Thank you.
17 Representative Marshall.

18 REPRESENTATIVE MARSHALL: Thank, Mr.
19 Chairman. My friend Representative Mark Mustio
20 had my question in hand already. As a volunteer
21 firefighter myself, I understand the problems
22 with membership, and I thought that there could
23 be some tie-in with that.

24 The other two questions for you, Mr.
25 Isett, are how many of your volunteers have

1 Training Essentials or Firefighter 1? Do you
2 feel that your staff does receive adequate
3 training?

4 MR. ISETT: Yeah, I think we receive
5 adequate training. It's -- The main problem
6 there is getting that volunteer fire company to
7 have the time to do the training. We were very
8 fortunate last year to have six people become
9 state certified, which is our best for a lot of
10 years, and that was a big plus.

11 And also, with the Quick Response
12 Squad unit, we had a total of eight people get
13 trained as EMTs last year, which as you can see,
14 I said we had 12, which is -- that's very -- the
15 best in our whole lifetime. It's -- They all --
16 like I said, eight. It was a lot of work to
17 becoming an EMT and a Firefighter 1.

18 REPRESENTATIVE MARSHALL: And another
19 question for you, sir. Where do you draw your
20 water? Do you have municipal water in the area?
21 Do you draw from a pond, cisterns?

22 MR. ISETT: I will turn part of that
23 to John. But, Penn National has been one of our
24 big water suppliers for years on their hydrants,
25 and that's -- and it still continues one of our

1 big thing. I'll turn it over to Mr. Nelligan
2 because he's been instrumental in doing a lot of
3 water stuff.

4 MR. NELLIGAN: Thank you. I just
5 wanted to mention that it might come as quite a
6 surprise, but in East Hanover Township there is
7 no municipal water anywhere. And as of just
8 last year we finally completed installing -- The
9 municipal government installed 11 dry hydrants
10 on creek beds and ponds to assist our volunteer
11 fire company.

12 We're very concerned about the water
13 issues in East Hanover. The aquifer is
14 shrinking as this corridor is growing, and it's
15 something we're addressing presently, and we're
16 very, very concerned about that.

17 I would also like to mention a trend
18 because of the difference between the fire --
19 volunteer fire company, and I'm -- I've been
20 involved in the volunteer fire company for
21 years. But there is a trend and, perhaps, you
22 might see this as coming.

23 The emergency service provider, the
24 ambulance provider in this community is provided
25 by a nonprofit corporation, which provides

1 services for four municipalities, four townships
2 and three boroughs. They respond to over
3 11,000 calls a year, including the business of
4 also transport, of paratransit.

5 The trend is, and it's a scary trend,
6 but it's a trend in Pennsylvania, a corporation,
7 a nonprofit corporation employs 85 personnel,
8 all paid professionals, both 23 paramedics and
9 the rest are EMTs, most of the administration.
10 There aren't any volunteers in the ambulance
11 business anymore, and we're stretching to get
12 volunteers in the fire service.

13 So I just wanted to mention that it's
14 a trend, and we're suffering in Pennsylvania in
15 the fire service. These guys are doing a
16 tremendous job with what they've got.

17 REPRESENTATIVE MARSHALL: I'm sure
18 they are.

19 One thing to consider maybe to help
20 out with the water service would be future
21 cisterns or -- I see the re-use at Penn is very
22 good, that they're not depleting as much water
23 as possible because of their re-use system.

24 Good luck with your growth, and I
25 hope you do get more recruits. Thank you.

1 MR. ISETT: Thank you.

2 CHAIRMAN JAMES: Thank you.

3 Representative Fabrizio.

4 REPRESENTATIVE FABRIZIO: Thank you,
5 Mr. Chairman. Mr. Nelligan, just a quick
6 question.

7 Have you worked out any agreement, any
8 kind of a plan, coordinated kind of any efforts
9 for an evacuation in case of an emergency with
10 the casino operators?

11 MR. NELLIGAN: Not with the casino
12 operators, but we do have evaluation plans in
13 place.

14 REPRESENTATIVE FABRIZIO: All right.

15 MR. NELLIGAN: We have some immediate
16 concern areas which could cause us major
17 incidents in the area. We have not addressed
18 the evacuation process with Penn National at
19 this time. They seem to be on top of the system
20 based on my information that I'm getting from
21 Pennsylvania -- from the Pennsylvania State
22 Police on site. So they're quite satisfied with
23 what's going on at this point in time.

24 REPRESENTATIVE FABRIZIO: Okay. So
25 it's in the works then, you mean?

1 MR. NELLIGAN: Yes, it's a mitigation
2 issue and it's in works.

3 REPRESENTATIVE FABRIZIO: Thank you.

4 REPRESENTATIVE MARSICO: Just a real
5 quick question if I could, Mr. Chairman. I
6 heard reports that with the traffic congestion
7 and traffic impact, that there has been some
8 backup on 81, onto the entrance and the exit
9 ramps of 81. Is that -- Have you -- Are you
10 aware of that at all?

11 MR. NELLIGAN: Yes, I am aware of
12 that. And we have a unique situation ongoing,
13 and it is -- it's a -- The planning at this
14 point in time was not well done. The interstate
15 bridge on the feeder road is presently under
16 reconstruction, and it's now a one lane, and
17 most of you probably came across that bridge
18 this morning.

19 REPRESENTATIVE MARSICO: Right.

20 MR. NELLIGAN: And that's excepted to
21 go on through till the end of July. That
22 bothers us because we're going to have major
23 tie-ups as a result of the traffic flow heading
24 towards Hershey.

25 Other than that, we've not suffered

1 any major issues. That is an issue to itself,
2 and it will have to clear. And once this is
3 done, then we'll have a better grasp on traffic
4 issues.

5 REPRESENTATIVE MARSICO: So you think
6 most of the back-up has been because of the
7 construction, bridge construction?

8 MR. NELLIGAN: Correct. Yeah.

9 REPRESENTATIVE MARSICO: Okay.
10 Thanks.

11 CHAIRMAN JAMES: Thank you. Any more
12 questions?

13 (No response.)

14 CHAIRMAN JAMES: Okay. We'd like to
15 thank you -- We'd like to thank you both for
16 your testimony and just keeping that up
17 volunteer services. That is certainly important
18 to the community, and it looks like help and
19 hope is on the way.

20 MR. ISETT: Thank you.

21 MR. NELLIGAN: Thank you for having
22 us.

23 MR. ISETT: Thank you, sir.

24 CHAIRMAN JAMES: Okay. For the sake
25 of time again, we're going to call up Mr. Robert

1 Jackson, President and CEO of the African
2 American Chamber of Commerce of Central
3 Pennsylvania, and also Mr. David Black,
4 Harrisburg Chamber of Commerce.

5 So if we can have Mr. Jackson first
6 identify yourself and then you go ahead and
7 start and then Mr. Black.

8 MR. JACKSON: Greetings, Mr.
9 Chairman, and members of the committee. My name
10 is Robert M. Jackson, President and CEO of the
11 African American Chamber of Commerce of Central
12 Pennsylvania. I am accompanied by Elizabeth
13 Jones, which she didn't want to come up --

14 CHAIRMAN JAMES: Oh, wait a minute.
15 Hold it, hold it. Come on, Miss Jones. No, no,
16 no. That's right. You let it be known that we
17 are equal employees here, opportunity.

18 MR. JACKSON: Thank you, ma'am.

19 CHAIRMAN JAMES: Okay, now you can
20 say it.

21 MR. JACKSON: I can say it. I am
22 accompanied by Elizabeth Jones, chairman of the
23 board.

24 Our initial relationship with
25 Hollywood Casino at Penn National early on

1 started with Eric Schipper, Vice President of
2 Public Affairs for the Pennsylvania National
3 Gaming, Incorporated. Eric joined our board and
4 worked closely with the board members to support
5 the African American Chamber of Commerce
6 initiatives.

7 When Gary Luderitz was brought aboard
8 as general manager, we welcomed him and
9 introduced him to the minority community
10 leaders. Our relationship focused on three key
11 areas, minority contractor compliance -- We were
12 initially on the compliance contract with Penn
13 National to find qualified minorities to bid on
14 the jobs at Penn National. And I think we did a
15 pretty good job, but it was such a fast pace
16 that we couldn't bring in the people that we
17 wanted to bring in because they were small
18 business, but we did bring in what we could
19 bring in at that particular time. And I think
20 we did an outstanding job. And plus, we had a
21 two-year contract with Hollywood Casino at Penn
22 National to do their compliance, so that helped
23 us out tremendously right there.

24 Number 2 was recruiting minority
25 candidates. The initial focus was on finding

1 qualified candidates for management and
2 supervision -- supervisory positions. On May
3 the 1st, 2007, we supported HCPN by assisting
4 with the organization and registration of job
5 fairs/community awareness event at the Crispus
6 in York, Pennsylvania.

7 On May the 10th, 2007, we also
8 assisted with the same type of event at Wildwood
9 Conference Center at Harrisburg Community
10 College in Harrisburg. Just to name a few, we
11 responded for get -- We were responsible for
12 getting the word out through the use of the web
13 site, posting flyers in the community and in our
14 office building and mailing information on
15 employment opportunities to our members. We
16 attended many job fair events, and again, our
17 goal was to get the word out to the minority
18 community.

19 Number 3, community outreach. We
20 coordinated three major events with HCPN over a
21 six-month period. The AACCCP organized the
22 Allison Hill neighborhood clean-up project,
23 where two of their executive members came out
24 and picked up trash in the Allison Hill
25 neighborhood. Now, that was something to see,

1 to have two of their executive people, plus me
2 out there on Market Street picking up trash. So
3 we know that Hollywood Casino at Penn National
4 was committed to the community and neighborhood.

5 The AACCCP helped to organize the
6 efforts to allow families to pick up baskets at
7 the office of the chamber. We gave away over
8 100 turkey baskets. Now, most people when they
9 give away turkeys they give away just a turkey.
10 They gave away the works with the turkey. They
11 had everything, all the things that people had
12 do with the -- to take the turkey -- I mean, the
13 stuffing, everything was there.

14 CHAIRMAN JAMES: Even the cranberry
15 sauce?

16 MR. JACKSON: The cranberry sauce,
17 everything was there, so I thought that was a
18 good thing.

19 The AACCCP identified 200 needy
20 families for employees of HCPN to purchase toys
21 and gifts for kids ranging from the age of three
22 to 16 years old. The HCPN employees rallied to
23 make the Christmas holiday special for kids who
24 may not have ever otherwise had anything for
25 Christmas.

1 Now, when they came there, I mean,
2 you ought to hear the people testifying when we
3 gave away the toys, we gave away the turkeys. I
4 mean, people came there that didn't have
5 anything for Christmas. They didn't have
6 anything for Thanksgiving. I mean, we had
7 people there from Penn National seeing what was
8 going on. I was shocked myself because I think
9 they did a great job. I think the chamber did a
10 great job. This -- This is what you call a
11 partner.

12 When you said, well, we want to
13 partner with the chamber, a lot of people say we
14 want to partner with the chamber, but what are
15 you going to do for the chamber? And they
16 stepped to the plate. I am really happy with
17 Hollywood Casino at Penn National. I really am.

18 Finally, our partnership continues to
19 be strong. HCPN is hosting -- Now, we've been
20 trying to get somebody to host our annual dinner
21 for 16 years, 16 years. So one day I got brave.
22 I stepped to Nadine Hall. I said, Nadine, why
23 don't you guys host our annual dinner this year?
24 She said, well, Mr. Jackson, let me think about
25 it. You know me, I don't go away. Right, Mr.

1 Black?

2 MR. BLACK: Absolutely.

3 MR. JACKSON: So I kept on talking to
4 her, and she said, okay, this is what we're
5 going to do. We're going to host your annual
6 dinner. Now, the money that we make from this
7 annual dinner, we're going to be able to do more
8 things in our community, in our neighborhood,
9 and we're going to be able to hold our staff
10 person that we have at the chamber for almost a
11 year. So these are the things that I look at by
12 being the president and CEO of the
13 African-American Chamber of Commerce.

14 I just think they're doing a
15 tremendous job. I have open communication with
16 them. Whenever I call somebody, they call me
17 back. They are in the community and the
18 neighborhood. That's all I have to say about
19 Penn National.

20 CHAIRMAN JAMES: Well, thank you.
21 Miss Jones.

22 MS. JONES: Well, Mr. Jackson said it
23 all. But one of the things that I wanted to say
24 is that, we were very excited when we became
25 partners with Hollywood Casino.

1 The turkey give-away was one of the
2 most -- I can't even think of the words to say,
3 but I really -- it made you bring tears to your
4 eyes when one of the incidents, when a lady came
5 that had four children and she didn't have no
6 way to get the turkey give-away to her home.
7 She had borrowed a grocery cart from one of the
8 local stores and she walked from Derry Street to
9 State Street with this grocery cart just so that
10 her family would have food. And I mean, if you
11 just could have been there to see the gratitude
12 of these people that didn't have anything, and
13 to see that the people from Hollywood Casino was
14 touched by this also.

15 So these are the things that we hope
16 to continue in our community. Thank you.

17 CHAIRMAN JAMES: Okay. All right,
18 very good.

19 Mr. Black, President and CEO of the
20 Harrisburg Regional Chamber.

21 MR. BLACK: Thank you, Representative
22 James, Mr. Chairman.

23 And before I start I'd just like to
24 say a word about the Republican Chair, Mr.
25 Marsico. We deal -- In our region we serve

1 Cumberland, Dauphin and Perry County, and we
2 have 12 members of the House of Representatives
3 that we work with on a regular basis. Mr.
4 Marsico has been an excellent representative for
5 us, and he's always available for us. He gives
6 us a straight answer. We agree probably
7 95 percent of the time. But we appreciate it
8 even when there are some areas of disagreement.

9 REPRESENTATIVE MARSICO: I thought it
10 was a hundred percent.

11 MR. BLACK: Well, it's most of the
12 time. But we surely appreciate his
13 representation of our district, and he's a fine
14 representative. And, quite frankly, it's a
15 little difficult sometimes when you live in the
16 shadow of the Patriot News here. You know, you
17 get painted with the same brush as everybody,
18 and Ron just does an exceptional job.

19 And to the rest of the committee,
20 thank you for being here in the Harrisburg
21 region. Thank you for spending your money here.
22 We invite you to stay a little bit longer, spend
23 a little more money if you'd like.

24 It is a pleasure to be with you today
25 to share some thoughts about the Hollywood

1 Casino at Penn National Race Track. And I
2 should also say, it's good to share the table
3 with Mr. Jackson. Our two chambers do have
4 reciprocity for board member seats. I sit on
5 his board as a nonvoting member, and Elizabeth
6 Jones sits on our board as a nonvoting member.
7 We get along very well here in the community.

8 As noted, I am David Black. I'm
9 president of the chamber and CREDC, which is our
10 economic development corporation. We are a
11 combined chamber and economic development
12 corporation serving, as I said, in Cumberland,
13 Dauphin and Perry counties. We are a large
14 chamber by Pennsylvania standards with nearly
15 1700 members, representing over 110 employees --
16 110,000 employees. We realize, of course,
17 commerce does not recognize county lines, so we
18 do interact on a regular basis with our friends,
19 business friends in Lebanon, Lancaster and York
20 counties.

21 Penn National Race Track has been a
22 fixture in our region for many years. It was
23 common for both local and those groups holding
24 conferences in the Harrisburg region to have
25 dinner and enjoy some racing at the old Penn

1 National facility, as well as local horse racing
2 fans who became regulars at the old venue.

3 With the passage of the Pennsylvania
4 Gaming Law several years back, it became
5 apparent that Penn National Race Track would be
6 seeking approval to become a site for a gaming
7 facility, something we generally saw as a good
8 thing and as we were awaiting details.

9 With an established presence in this
10 community, this facility and Penn National
11 Gaming, the parent company, proceeded very
12 methodically to get their license and build this
13 facility. Over the course of the last few
14 years, new faces have appeared at Penn National
15 Race Track as the Hollywood Casino came out of
16 the ground, in addition to some of the old
17 familiar faces that we've known out at the
18 facility over the years.

19 Without getting into a lot of detail,
20 I think people say a lot about the nature of an
21 organization and about a business. Gary
22 Luderitz, the general manager, who you heard
23 from earlier, told me at one of our first
24 meetings that their goal with this facility was
25 not necessarily to get it done fast, but to get

1 it done right. Penn National Gaming wanted a
2 quality facility that would make a trip to the
3 Hollywood Casino a memorable experience, and
4 likewise, enhance our region for visitors and
5 residents alike. I believe they have
6 accomplished that goal.

7 And while I know nothing about the
8 application that the Gaming Board approved for
9 this facility, my guess is that it was also
10 meticulously prepared, and the information
11 requested was provided in an orderly and timely
12 basis. It just seems to be the culture of this
13 company and this facility. These people believe
14 in doing what they say. They believe in getting
15 the job done and getting it done right. I
16 believe the facility speaks for itself in that
17 regard, and is rapidly becoming a very positive
18 experience for people living in the region, as
19 well as visitors alike.

20 Likewise, that speaks to their
21 approach in the community. The Hollywood Casino
22 at Penn National team is led locally by Gary
23 Luderitz, the general manager, Nadine Hall, and
24 Lynn Burkholder, who you've already met, and
25 others who have become an active part of our

1 community, in addition to working very long
2 hours to get this facility open and operating.
3 They have maintained active lives in the
4 community.

5 While there are many others, the
6 three I mentioned have been my principal point
7 of contact, and Nadine even serves on our
8 chamber board, as well as the committee that's
9 looking to raise some money for our economic
10 development organization.

11 I judge organizations and businesses
12 by the type of people that lead and work for the
13 organization. Gary, Nadine and Lynn reflect the
14 culture of their company, the culture of this
15 facility that is very similar to the work ethic
16 and conservative nature of the Harrisburg
17 region. They have supported organizations in
18 the community, but have done so in a very
19 methodical and measured fashion. They have done
20 their due diligence to make sure that the
21 charitable investments they are making were
22 going to organizations with both the capacity
23 and the track record to do what they said they
24 will do, or have proven they have done in the
25 past.

1 The Penn National folks have a
2 process in place like many other businesses that
3 required us, for example, to appear before a
4 board of senior staff and make our case.
5 I find this a very positive approach as a
6 business advocacy and economic development
7 organization. Sometimes when people think of
8 slots and gambling facilities they have images
9 of facilities with just all kinds of money
10 available. While significant cash flows through
11 the Hollywood Casino, a large chunk of that
12 money goes to the state or is otherwise
13 designated for county government and local
14 municipalities.

15 It's like any other business that we
16 deal with. They need to meet their payroll, pay
17 their taxes and other mandatory fees. They
18 believe in being good corporate citizens, which
19 also means supporting local not-for-profit
20 organizations.

21 Hollywood Casino at Penn National
22 supports local organizations, but also
23 encourages us and other organizations to
24 demonstrate our results and assure them that we
25 operate under sound business practices. We

1 couldn't agree with this approach any more
2 ourselves, because not only does the money help,
3 but the process that they make us go through
4 helps nonprofits with their administrative
5 structure and accountability.

6 I mentioned payroll, and as a chamber
7 I would be remiss in not mentioning the
8 increased employment at this facility. With
9 nearly 1,000 employees at the facility, it adds
10 to the employment race -- employment base in our
11 region. It also helps to diversify the types of
12 businesses we have in the region.

13 The tourism and entertainment-related
14 employment is fortunately growing here, along
15 with other business clusters such as technology
16 solutions, advanced manufacturing, biosciences
17 which are anchored by the Hershey Med Center,
18 the logistics industry, along, of course, with
19 the government presence at both the state and
20 federal levels. This helps to create balance in
21 our industry base which creates a stable economy
22 locally. And 1,000 jobs is significant in any
23 region, and obviously, those new jobs are a
24 welcome addition to our work force base and
25 helps to keep our unemployment rates

1 consistently low.

2 I should also mention--It's not in my
3 testimony--we do have a business diversity
4 initiative within our chamber and,
5 Representative James, your question to Gary
6 reminded me a little earlier, Penn National has
7 been supportive of that initiative, and what
8 we're trying to do with that is educate our
9 broader business community about the value of
10 business diversity in both their vendors, their
11 employees and other opportunities.

12 The final point that I'd like to make
13 today is, in addition to the Hollywood Casino at
14 Penn National is the addition to our tourism
15 base. We all know we like people to come to our
16 regions in Pennsylvania. We like them to leave
17 money behind. We like them to visit our
18 attractions, our hotels, our restaurants and our
19 retail operations.

20 Hollywood Casino is active on the
21 board of the Hershey Harrisburg Convention and
22 Visitors Bureau and another strong addition to
23 our already internationally-known attractions
24 just out the road in Hershey. It complements
25 and, hopefully, over time we'll see a day or two

1 added to overnight stays for travelers who are
2 coming here to visit Hershey Park, to explore
3 Pennsylvania history, or just relax and play a
4 little golf.

5 We appreciate Hollywood Casino at
6 Penn National's involvement and commitment to
7 our region, and feel in the long term they will
8 be a key partner in our larger business
9 community.

10 I thank you for the opportunity to
11 offer some comments today. I would be willing
12 to answer any questions you may have.

13 CHAIRMAN JAMES: Thank you for your
14 testimony. In terms of playing golf, do you
15 have any programs that help young people learn
16 how to play golf?

17 MR. BLACK: We're not involved in
18 any, but I believe there are some in the region,
19 or some people actually have looked at The First
20 Tee organization and they're starting golf for
21 young people. The mayor does do an annual golf
22 outing for parks and recreation. It's kind of
23 unique. We take a young person along with us,
24 and for better or for worse they're exposed to
25 playing in a foursome of people from the

1 business community. And I think it's a learning
2 day for them, and we're all, obviously, very
3 cautious about the way we play the game.

4 CHAIRMAN JAMES: Okay. All right,
5 great. That is interesting.

6 In reference -- And, Mr. Jackson, in
7 reference to the chamber -- Miss Jones, I'm
8 sorry. You had indicated that some lady had
9 walked from one place to another, but most of us
10 on the panel don't know how far that is.

11 MS. JONES: We're talking 10,
12 15 blocks, and that is a distance, like I said,
13 to walk to get food, with a borrowed --

14 CHAIRMAN JAMES: Food cart.

15 MS. JONES: -- grocery cart --

16 CHAIRMAN JAMES: Grocery cart.

17 MS. JONES: -- from someplace else.

18 And that was not only -- one instance. There
19 were many instances of people trying to get food
20 for their children when their lights were cut
21 off, and just to know that they wouldn't have
22 Thanksgiving without the chamber and Hollywood
23 Casino.

24 CHAIRMAN JAMES: So you really have
25 noticed that impact in the community. And I

1 understand you also said something about, you
2 had a two-year contract.

3 MR. JACKSON: Yes.

4 MS. JONES: Mr. Jackson.

5 CHAIRMAN JAMES: Go ahead. I mean,
6 does that -- When does that end?

7 MR. JACKSON: Well, it's already
8 ended.

9 CHAIRMAN JAMES: And it hasn't been
10 renewed?

11 MR. JACKSON: It hasn't been renewed.
12 But it was a big help to the chamber. You know,
13 they're doing things for the chamber. We was
14 doing the compliance for the construction part
15 of it. And when that was over with, then the
16 contract was over with.

17 But we're looking for Hollywood
18 Casino at Penn National to do other things with
19 the chamber, because we really need help in the
20 African-American community, and I've been there
21 for 27 years. I've been in business for
22 27 years there, and I also gave up my business
23 at a period of time to come there to run the
24 chamber and put my money into the chamber.

25 Because now, I don't want the chamber

1 to go away so I am getting young people involved
2 in the chamber, because I am 64 years old so I
3 won't be there all the time. So we have to
4 bring all those younger people to run the
5 chamber. But I have to be there to teach them
6 how to run the chamber.

7 CHAIRMAN JAMES: That's good, and we
8 definitely look forward to that working
9 relationship growing and continuing with the
10 casino.

11 MR. JACKSON: Yes.

12 CHAIRMAN JAMES: Representative
13 Marsico, Chairman Marsico.

14 REPRESENTATIVE MARSICO: Thank, Mr.
15 Chairman. The good things that both of you have
16 said about Penn National being excellent
17 corporate citizens certainly doesn't surprise
18 me, and I just appreciate you saying that as
19 well because I've always thought that. And I
20 appreciate your thoughts on that and your
21 testimony. And, Dave, thanks for your comments,
22 the nice -- the things you said about me.

23 Obviously, this all is going to take
24 a look into the future, a team effort from the
25 community, the township, the county, the

1 chambers; of course, Penn National to make this
2 area of tremendous economic opportunities,
3 development, job opportunities. But I know one
4 thing, Mr. Jackson, I'd want you on my team any
5 time.

6 MR. JACKSON: Thank you, sir.

7 REPRESENTATIVE MARSICO: And I hope
8 you continue to be on with the chamber. What is
9 your business, by the way, if you don't mind my
10 asking?

11 MR. JACKSON: I'm a general
12 contractor in construction --

13 REPRESENTATIVE MARSICO: Okay.

14 MR. JACKSON: -- and real estate
15 investor.

16 REPRESENTATIVE MARSICO: Okay. But
17 what you had to say and with your persistence
18 and aggressiveness, like I said, we hope you can
19 continue to be part of the commerce, the Chamber
20 of Commerce in Dauphin. Thanks.

21 MR. JACKSON: Thank you, sir.

22 CHAIRMAN JAMES: Very good. Any
23 questions on either side?

24 (No response.)

25 CHAIRMAN JAMES: Okay. I want to

1 thank you both for your testimony, and the fact
2 that how Penn National and Hollywood Casino has
3 been helping you in the community, and we look
4 forward, and it's very good and I can get the --
5 kind of understanding the feeling that you have
6 in terms of how they've been working as a
7 partnership, and I hope that continues and I
8 hope it would be more involved, and I hope that
9 you get the contract.

10 MR. JACKSON: Thank you.

11 CHAIRMAN JAMES: We're now going to
12 call up our last panel, Mr. Peter Russo, Board
13 of Directors of Jump Street. And also, we did
14 receive testimony and a call from Grantville
15 Food Pantry. Are they here? Would you mind
16 coming up, also. Okay. So I just want --

17 Mr. Russo, will you start, identify
18 yourself and go ahead.

19 MR. RUSSO: My name is Peter Russo.
20 I am on the board of directors of Jump Street,
21 and I also run their annual fundraising events.

22 Chairman James, and committee, thank
23 you very much for giving us this opportunity.
24 If I can tell you a little bit about what Jump
25 Street is. Jump Street is an nonprofit arts

1 incubator. We use art to develop educational
2 and economic opportunities for all ages.

3 We service a complete cross-section of
4 the community. Race, age, ethnicity, we cross
5 it all. Our main service community is Dauphin,
6 Cumberland and York counties, but our programs
7 reach all the way to Pittsburgh. We have
8 programs like the Gift of Music, which are now
9 being adopted by other states in the United
10 States of America. So, our programs far go
11 beyond the local community.

12 Hollywood Casino gave us the
13 opportunity, and we've been dealing with -- with
14 Penn National for the last three years. Penn
15 National Gaming Foundation has actually
16 supported us for at least three years in
17 different capacities. But this year we were
18 given the opportunity, just like the pantry, to
19 be part of the test nights. And the test nights
20 generated about \$36,000 of benefit to our
21 organization.

22 Again, as the person who runs their
23 annual fundraiser, we make all of our money by
24 getting grants from governmental agencies,
25 attempting to get grants from private

1 organizations. But, we run one fundraiser a
2 year, and Hollywood's donation basically gave us
3 a 20 percent increase in what I've able to put
4 together ever year. We have a wonderful event,
5 but to get a 20 percent increase right off the
6 bat was amazing.

7 With that 20 percent increase we are
8 able to actually put on a new full-time staff
9 member. We have a six -- I'm sorry, five-person
10 staff prior to this acquisition. Now we have a
11 sixth staff -- sixth staff member. That sixth
12 staff member was able to create basically an
13 industry-leading pamphlet.

14 One of the programs we do is painting
15 for Alzheimer's patients. We try and go into
16 nursing homes and centers and teach Alzheimer's
17 patients how they can use art as an outlet;
18 frustration, expression, whatever they need to
19 do.

20 We created basically a handout that
21 we could give to the staff that they could
22 themselves continue the work that the trained
23 artist is doing when the artist isn't there.
24 They can run these programs, day, night, as long
25 as they want.

1 So, it's be an incredibly opportunity
2 for us to work with -- with Hollywood Casino,
3 and the support they have given us has been
4 unbelievable. And again, their touch, the scope
5 has gone far, far, far beyond this local
6 community and has impacted probably all of your
7 constituents in one way or another.

8 So we thank them for the opportunity
9 to be involved with them. We look forward to a
10 continuing relationship with them. And again,
11 thank you so much for the opportunity to express
12 our gratitude to you, and express that the
13 positive impact that they've had on this
14 community has been enormous. Thank you.

15 CHAIRMAN JAMES: Thank you. And the
16 food pantry, do you want to identify yourself,
17 and go ahead and start.

18 MR. ELLIOTT: My name Richard Elliot.

19 MR. LAUVER: I'm Bob Lauver.

20 MR. ELLIOTT: We are two members of
21 the operating committee for the Grantville Area
22 Food Panty, and I'd like to forego the reading
23 of the written testimony and have you accept it
24 as such, and just make some general statements
25 about the food panty.

1 Since January, we have jumped in
2 total registration from the 270's to 314.
3 However, only four of those people have any
4 association with Penn National, so they're not
5 presenting us with any unusual burden. We have
6 52 registrants that are associated with Penn
7 National, 98 family members, 24 of which are
8 children, 64 adults falling between the ages of
9 19 and 59, and 10 senior citizens, those that
10 are 60 and over.

11 We have received from Penn National
12 Gaming in the last three years somewhere in the
13 area of \$56,000. And we do plan to use some of
14 that money to expand our facility, simply
15 because we are outgrowing what we currently
16 have.

17 Bob is responsible for a lot of the
18 activities that take place back at the race
19 track, so I'm going to let him speak to
20 recreational and other events.

21 MR. LAUVER: First, I would like to
22 tell you and cite to you that Penn National not
23 only has been a good neighbor, they've been a
24 concerned neighbor. The first time that we
25 attempted to contact them, within a week we got

1 a call back from the corporate office asking if
2 they could set up an appointment with us to
3 review our facility and what we're doing.

4 Within six months, they gave us the
5 first donation, and that was very important.
6 That was a very important start for a nonprofit
7 food pantry with all volunteers. We operate out
8 of a 1500-square-foot basement, which is --
9 we're outgrowing. So this was a leg up, a step
10 up for us to -- to start a program to reach out
11 and build -- building blocks to build further.

12 We -- We -- We know the community not
13 just from Penn National. That's not the
14 community. This being an old town, fast
15 growing, actively growing, we can see the needs
16 and anticipate the needs that are going to be
17 growing from the food pantry and services --
18 social services to go with it.

19 So that's pretty much where -- If
20 there's questions in regards to the course, what
21 I work with, what we call the back stretch, what
22 was called the people in the back stretch and
23 how I coordinate with the chaplains there to
24 bring people to the food pantry, transport them,
25 the activities that we do, the meals that we

1 provide, the sports program, on the weekly
2 sports program in the summer and what we do for
3 the back stretch.

4 MR. ELLIOTT: The group of people
5 that come to the food panty from Penn National
6 are the group that Todd did not address. They
7 are the grooms, they are the hot walkers, they
8 are the other stable personnel. They are not
9 the owners, they are not the trainers, okay?
10 They are the backside people.

11 CHAIRMAN JAMES: So you service the
12 backside, so to speak?

13 MR. ELLIOTT: Because of the income
14 levels that are dictated to us by the state and
15 county, the trainers and the owners for the most
16 part would not qualify. Only those people at
17 the lower income levels would qualify. They
18 would be the backside people.

19 CHAIRMAN JAMES: Well, we hope to be
20 able to raise those income levels of the people
21 on the backside at some point that we -- they
22 may not qualify also.

23 MR. ELLIOTT: I agree. And we may
24 not know that effect until we re-register people
25 starting in July.

1 CHAIRMAN JAMES: I see.

2 MR. ELLIOTT: In July we may see a
3 decrease in the number of registrants associated
4 with Penn National. We already had two people
5 that have taken jobs with the casinos and have
6 voluntarily removed themselves from coming for
7 either food or clothing.

8 CHAIRMAN JAMES: Well, that's a good
9 thing. That shows progress and, hopefully, you
10 know, Penn National, the racing industry, it
11 just started in February and, hopefully, by the
12 time we come maybe next year that the food
13 pantry will be expanded somewhere else and
14 servicing people. But, hopefully, we want to
15 raise those levels, as I think Chairman Marsico
16 said earlier, how the backside was an eyesore
17 and now it's going to, hopefully, be something
18 that we can all be proud of at some point.

19 MR. ELLIOTT: I'll agree with that.

20 CHAIRMAN JAMES: Chairman Marsico,
21 I'm sorry. Oh, Mustio, okay.

22 REPRESENTATIVE MUSTIO: Thank you for
23 your testimony, and I appreciate you kind of
24 tying this in with Todd's testimony earlier.

25 Just for some clarification, are the

1 employees -- The people that work in the
2 backside, are they employees of Penn National,
3 or are they employees of the people that own the
4 horses and the trainers? I'm not exactly sure
5 of the connection there.

6 MR. ELLIOTT: They are individual
7 contractors. They do work for the trainers.
8 The owners employ the trainers. The trainers
9 employ the grooms and the hot walkers, the
10 exercisers and the other stable people.

11 REPRESENTATIVE MUSTIO: So, are they
12 considered employees or are they considered
13 independent contractors? We're going through
14 that debate in Harrisburg right now on some
15 other issues.

16 MR. ELLIOTT: I'm not sure. I
17 thought they were independent contractors.

18 REPRESENTATIVE MUSTIO: Okay, thank
19 you. And that was -- That's really one of the
20 issues. I think when we talked to Todd earlier
21 my question was, where is the money going? Does
22 it go to the owners and the trainers, and
23 certainly the goal then is to get, as the
24 Chairman just indicated, the pay raise so that
25 you don't have as many people coming to your

1 food pantry.

2 MR. ELLIOTT: As the purses grow, the
3 amount that goes to the trainer increases and
4 that should trickle down. We won't know if
5 that's the case until we start re-registering
6 people, and hopefully then we'll know.

7 REPRESENTATIVE MUSTIO: Mr. Chairman,
8 I've been to a couple of these hearings that
9 you've had at the various locations, and I think
10 that this one points out to me a couple things
11 that maybe we can follow. One is to gather
12 statistics along this line to see where the
13 trickle-down does take effect and the impact
14 that it has or doesn't have.

15 Now, the second thing I think that we
16 need to, perhaps, ask voluntarily of the casino
17 operation to provide to us is something that has
18 really hit me today as a very positive, from
19 Penn National, is their community outreach. I
20 don't recall in a couple of the others that I've
21 been to the significant nature of the community
22 outreach, the involvement and the charity
23 donations that they've made.

24 So if there is some way in the future
25 that we could get annual voluntary reports

1 indicating that, monetary donations that are not
2 necessarily in statute, where you've gone beyond
3 the statute, I think that would help all of us
4 to continue to see the positive impact that
5 you've had on the community, because we
6 certainly have heard a lot of good things today.

7 Thank you, Mr. Chairman.

8 CHAIRMAN JAMES: Well, thank you.
9 And I think you raised a good point, and that's
10 something that our staff and our committee will
11 ask, you know, in a voluntary basis to try to
12 get that because you have really -- Penn
13 National has really indicated here in terms of
14 their community output and outreach and we did
15 hear some of that from Philly Park, talking
16 about the backside, because, you know, how the
17 backside was not doing good at some point, and
18 then also in Chester.

19 But, I think that it is important
20 that we look at that because we want to, surely
21 want to raise those income levels and raise
22 those living conditions that we used to hear
23 about before slots and gaming came to -- come to
24 Penn -- come to Pennsylvania. So now that it's
25 here, hopefully, we will expand on those kind of

1 things and raise those kind of income levels and
2 conditions, and that gaming would help more
3 impacting the community as Penn National seems
4 to be starting out doing the right thing here.

5 Chairman Marsico, any closing
6 comments or any other questions?

7 REPRESENTATIVE MARSICO: Just thank
8 you for having us -- having this out here. We
9 certainly did receive a lot of good -- in my
10 opinion a lot of good news regarding the good
11 that's happening with the slots casino here at
12 Penn National. And, hopefully, some of the
13 concerns that are still out as far as
14 infrastructure needs and public safety issues,
15 that all in all I certainly want to say that I
16 appreciate to the fire company, the public
17 safety director and Grantville Food Pantry and
18 those in the immediate area for your help, your
19 cooperation with the community. And, once
20 again, I want to thank the chair of the
21 committee for having this hearing. Thanks.

22 CHAIRMAN JAMES: Thank you. I just
23 want to make a little announcement. You know,
24 since we have finished a little earlier than we
25 anticipated, which is a good thing, because a

1 lot of good things have been said here, so we're
2 going to, like, start the tour, those that are
3 interested in the tour about 12:30. So we're
4 going to have a little break for lunch here, and
5 we can start the tour at 12:30. That will give
6 us all a chance to beat the traffic, you know,
7 as we indicated that some folks had talked
8 about.

9 But I would like to thank all the
10 testifiers who came here today to offer their
11 testimony. I also would like to thank the
12 members of the House Gaming Oversight Committee
13 who were here today. And I look forward to our
14 next scheduled meeting next Thursday on May the
15 15th as we look at having a hearing on table
16 games. But that's just to, you know, to get
17 some feedback so we can continue our -- continue
18 our Gaming Oversight Committee charge in which
19 we want to see how -- how it's impacted in
20 Pennsylvania and how it can help taxpayers in
21 terms of what's going on and how we can --
22 Hopefully, those rebates will come soon, and as
23 indicted by the Secretary/Treasurer that they
24 will be coming soon.

25 So, again, I want to thank everybody

1 here. I want to thank the hosts here, I want to
2 thank the hotel and thank Penn National and
3 Hollywood Casino for all the good we sponsor --
4 we got here from the community and, hopefully,
5 this continues as the seventh casino that just
6 opened, and that we look forward to the casinos
7 coming on-line.

8 Thanks again, and the meeting is now
9 adjourned.

10 (At or about 11:00 a.m., the hearing
11 concluded.)

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C E R T I F I C A T E

I, Karen J. Meister, Reporter, Notary Public, duly commissioned and qualified in and for the County of York, Commonwealth of Pennsylvania, hereby certify that the foregoing is a true and accurate transcript of my stenotype notes taken by me and subsequently reduced to computer printout under my supervision, and that this copy is a correct record of the same.

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Dated this 23rd day of May, 2008.

Roxy Cressler - Reporter
Notary Public

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