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COMMONWEALTH OF PENNSYLVANIA
HOUSE OF REPRESENTATIVES
GAMING OVERSIGHT COMMITTEE

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PUBLIC HEARING

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BEFORE: REP. SCOTT PETRI, Co-Chairman
REP. PATRICK HARKINS, Co-Chairman
Rep. Daniel Deasy, Member
Rep. Ed Neilson, Member
Rep. Bud Cook, Member
Christopher King, Executive Director
Rep. Russ Diamond, Member
Rep. Bill Kortz, Member
Rep. Jeff Wheeland, Member
Rep. Curt Sonney, Member
Rep. Harry Lewis, Member
Rep. Kristin Phillips-Hill, Member
Josiah Shelly, Executive Director
Joe Sinnot, Mayor

HEARING: Tuesday, March 28, 2017
10:00 a.m.

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1 LOCATION: Bayfront Convention Center

2 1 Sassafras Pier, Room 120

3 Erie, PA 16507

4 WITNESSES: Kathy Dahlkemper, Jay Breneman, Nancy

5 Agostine, Perry Wood, William Garvey,

6 Ph.D., Shawnta Pulliam, Matt Harris, Mike

7 Batchelor, John Buchna, Casey Wells, Liz

8 Wilson, Shawn Waskiewicz, Michael Victor,

9 Danny Jones, Tammy Roche

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Reporter: Shannon C. Fortsch

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CHAIRMAN PETRI:

Let's start with an introduction of Members who are here. And if you would describe where you're from, that would be helpful.

We'll start down there.

MR. DEASY:

Good morning.

State Representative Dan Deasy, District 27, Allegheny County, City of Pittsburgh.

MR. NEILSON:

Representative Ed Neilson, 174th Legislative District, Philadelphia in the Northeast part right on the border of Philadelphia and Bucks County.

MR. COOK:

Bud Cook, Representative, 49th District, Washington and Fayette Counties, the Mon Valley, 30 miles south of Pittsburgh.

MR. HARKINS:

Good morning, everyone. Welcome.

Pat Harkins, 1st District, Erie.

Thank you for coming.

CHAIRMAN PETRI:

1 Scott Petri, Chairman of the Gaming
2 Oversight Committee. I'm from Bucks County.

3 MR. SHELLY:

4 Josiah, the Executive Director of the
5 Gaming Committee.

6 MR. WHEELAND:

7 Representative Jeff Wheeland, the 83rd
8 District, which part of my district is the City of
9 Williamsport, home of Little League baseball. In five
10 months, we'll be hosting the world, so come visit.

11 MS. PHILLIPS-HILL:

12 Good morning. Kristin Phillips-Hill,
13 State Representative, 93rd District in Southern York
14 County, Central Pennsylvania.

15 MR. LEWIS:

16 Good morning.

17 My name is Harry Lewis, State
18 Representative from Chester County. That's West
19 Chester, Downingtown, coastal area in the Southeast
20 part of the State.

21 Thank you for having us this morning.

22 MR. KORTZ:

23 Good morning, everyone.

24 My name is Bill Kortz, State
25 Representative, 38th District, Allegheny County.

1 MR. DIAMOND:

2 Good morning.

3 Representative Russ Diamond from the 102nd
4 District, which is Eastern Lebanon County. Lebanon
5 County actually has a part of a casino in its borders,
6 but it does not benefit from any local sheriff
7 assessment.

8 Thank you, Mr. Chairman.

9 MR. SONNEY:

10 Good morning, everyone. I'm Curt Sonney.
11 I represent the 4th Legislative District. Obviously, I
12 think most of you know that. It's that way
13 (indicating).

14 But I just want to thank the Committee for
15 coming to Erie. You know, it's --- I drive all the
16 time to Harrisburg back and forth. It's rare that they
17 drive from Harrisburg to Erie. So, I'm really happy to
18 see the Committee come, and I'm really happy to see the
19 room full.

20 You know, all of us legislators from Erie
21 County, we know the importance, you know, of this
22 revenue and what it does for our community. And so I'm
23 really pleased that the Committee is having these
24 hearings, you know, and getting the input from the
25 local citizens so that, you know, we can move forward

1 on this and get this taken care of in hopefully the not
2 too distant future.

3 So, thank you Mr. Chairman, and Chairman
4 Harkins also for bringing the Committee here.

5 CHAIRMAN PETRI:

6 Any other members in the room? I don't
7 know --- see any, but they might be hidden.

8 I'm going to make some opening comments
9 and then Chairman Harkins is going to make some opening
10 comments. Then we'll get right into the testimony.

11 So, many of you have asked what is really
12 going on, and what is the Committee doing? There are a
13 number of proposals in front of the Committee. Some
14 deal with the expansion of Gaming, such as internet
15 gaming, and potentially video gaming terminals.

16 And one of the purposes the Committee has
17 is to understand throughout the Commonwealth and with
18 the different casinos in local areas is would that be
19 beneficial or harmful?

20 For the Members who did not see it, we
21 were welcomed with an above-the-fold front page story.
22 And that's clear news to us. We understand what that
23 means. That means that this is very, very important to
24 Erie and we're pleased to be here.

25 We always learn things when we go to

1 communities. Last time I was in Erie, we were holding
2 an economic summit. And one of the takeaways I had ---
3 it was right before school started. And I saw Canadian
4 family after Canadian family with a rack full of
5 clothes going back to Canada. And I remember then a
6 couple months later somebody said, oh, well, we should
7 sales tax everything, including clothing.

8 And so make no mistake, the impressions
9 you leave with the Committee will be lasting. That was
10 a lasting impression to me say, well, you better think
11 about what that would do to a retailer to tax clothing
12 in the Erie area.

13 Today, we're going to talk about local
14 share and fixing the local share because of the court
15 challenge primarily. Certainly we would welcome
16 comments you have on the other two topics, namely
17 Internet Gaming, if you have any, and VGTs.

18 We will have a VGT bill in front of our
19 committee and start doing hearings probably within a
20 week or so.

21 So, I want to thank everyone for last
22 night's reception and attendance. Your local officials
23 were out in full force. And I think we saw
24 demonstrative proof of the positive impacts that that
25 local share is having on your community.

1 And I must say as the Chairman, and as a
2 Member of the House for a long time, I don't ever
3 remember such a warm welcome from a community. And the
4 masses here tell us how important this is. So, I'm
5 really looking forward to your comments and your
6 thoughts on a lot of topics.

7 Chairman?

8 CHAIRMAN HARKINS:

9 Thank you, Mr. Chairman. Thank you again
10 and welcome. There are so many people to thank for
11 putting this all together. This was all possible due
12 to a great effort of many of my --- of my Co-Chairman
13 Scott Petri, and his Executive Director Josiah Shelly.
14 Both are great to work with, and we are all learning
15 the process more thoroughly as we move forward.

16 I would also like to thank my Executive
17 Director Chris King for his --- all his dedicated and
18 hard work. To all my colleagues who made the trek up
19 to Erie, thank you, and I hope you get to see all we
20 have to offer, and what a great area we have during all
21 four seasons.

22 I did hear from somebody --- I won't
23 mention any names, but they wouldn't have been here if
24 there was any call for snow --- on the weather as a
25 whole ---.

1 Thank you to Perry Wood, an outstanding
2 job last night, Perry from ECGRA, Erie County Gambling
3 and Revenue Authority, for all his hard work in putting
4 this up, the event and last night's events together.
5 He really hit it out of the park. And with the talent
6 he showcased and that was displayed, I think everyone
7 that was here was just overwhelmed with what the city
8 has to offer.

9 Thank you to Kathy Dahlkemper, our County
10 Executive, and Fiore Leone, our County Executor --- or
11 County Councilman, for their insight and their
12 assistance over the years on a number of these issues.
13 They've been a sounding board on many of these things
14 that come up. And whether it's morning, noon, or
15 night, and sometimes late into the night, I reach out
16 to them and try to get answers and seek their
17 assistance. And they're always very readily available.

18 Mark Campbell from the Ridge Policy Group.
19 Mark, if you'd just give us a wave? Mark has been very
20 instrumental in helping us with the events of the last
21 couple days. It's great to have him up here. He's a
22 holdover from the Tom Ridge days, and we're very proud
23 of the things that he's done for us. Thank you again,
24 Mark.

25 We have written testimony today from a

1 number of interested parties who weren't able to be
2 here; Lake Erie Fanfare, Ray Luniewski.

3 MS. DAHLKEMPER:

4 Luniewski (corrects pronunciation).

5 CHAIRMAN HARKINS:

6 Luniewski (changes pronunciation). I'm
7 sorry. Former Congressman Phil English, and City
8 Councilman Thad Plasczynski, and Bob Merski have
9 submitted comments for the record.

10 Also, I wish to acknowledge the General
11 Manager of Presque Isle Downs and Casino, Jeff Favre.
12 Jeff is a great guy. He runs a great operation at the
13 casino, and he's always accessible and we never
14 encounter any problems with Jeff at the helm.

15 Is Jeff here currently? Jeff, if you
16 would stand up, please. Thank you.

17 Thank you also to the Convention Authority
18 for allowing us to hold this venue here and --- another
19 example of the great investment along the waterfront.

20 I was explaining to some people last night
21 how when I worked for UPS, this actually was a dumping
22 ground down here many years ago. You'd see tires and
23 couches and everything else littering the area. And it
24 wasn't something to be proud of, but through a great
25 effort of everyone locally, we were able to turn it

1 around and that's something to be proud of.

2 I'd also just like to add that
3 Representative Fabrizio had a prior commitment. He is
4 unable to join us. He sends his regards and anything
5 for the casino he said count him in.

6 Brian DeVoe is in Pittsburgh with the
7 Policy Committee. And we just heard from Curt Sonney,
8 a great Colleague. He works very closely across the
9 aisle, and like I said, he called me early this morning
10 on some issues and we're working on some things with
11 the school district.

12 Without going any further, I would also
13 like to acknowledge the Mayor, who I would like to say
14 just a few opening remarks and welcome everybody to the
15 City of Erie.

16 Mayor Sinnott, if you would, please.

17 MAYOR SINNOTT:

18 Mr. Chairman, Members of the Committee,
19 thank you for being here. I hope that you are enjoying
20 your time in our City. It's a beautiful City. And the
21 hardest thing to get people to do is to come here the
22 first time. And once they come here, they always come
23 back.

24 And those of you who have been here before
25 understand what I mean. So, we're very happy to have

1 you here on this important issue to our community.

2 Again, my name is Joe Sinnott. I am the
3 Mayor of the City of Erie. I'm in the middle of my
4 12th and final year as Mayor, which is to say that I've
5 been around through the entire process of the local
6 share gaming funds coming into this community. So,
7 I've seen how important it is to this community.

8 The City of Erie itself is not a direct
9 recipient of gaming funds, but there's many
10 organizations within this community that have done
11 great things with those funds to help make this
12 community a better place.

13 It's affected arts and culture. It's
14 affected events, economic development, social services,
15 and even government function within this community.

16 As all of you know, as state and federal
17 funds continue to dwindle in this country, many of
18 those services could not be supported by what the tax
19 base, the property tax base of these communities will
20 tolerate. As such, the gaming funds have filled a lot
21 of those gaps.

22 It's allowed us to maintain services and
23 even grow them in this community where we would not
24 have otherwise been able to do so. It's communities
25 like Erie that will suffer greatly if these funds go

1 away. We've become --- we've become a community that
2 utilizes them for many broad things. Like I said,
3 they've gone a long way in the community.

4 You'll hear from a lot of the providers of
5 these services today. They will tell you how much they
6 rely on these funds, and what they've been able to do
7 for the community with these funds.

8 We ask that you give that weight as you
9 make your decisions. Again, it's an important thing
10 for this community. I won't take any more of your time
11 because I think it's important that these folks have
12 the time to really tell you the details of what's been
13 done.

14 But as a leader in this community, I can't
15 imagine what we would have done without such funds in a
16 time, like I say, when funding is continuing to
17 dwindle, and need continues to grow.

18 So, thank you for your time. And again,
19 thank you for being here and hopefully we will see you
20 in this community again. Thank you.

21 CHAIRMAN PETRI:

22 We'll start with Kathy Dahlkemper, Erie
23 County, County Executive.

24 Kathy, you can start whenever you're
25 ready.

1 MS. DAHLKEMPER:

2 Thank you.

3 Chairman Petri, Chairman Harkins and
4 Members of the Committee on behalf of the almost
5 280,000 residents of Erie County, I welcome you to our
6 region. I am sorry that I was not able to be with you
7 last night. I was actually in Harrisburg and had to
8 come back for the hearing back here in Erie. But I'm
9 certainly glad that you had a warm welcome.

10 Erie is a special place. Erie community
11 is a welcoming place. And as the Mayor said, if this
12 is your first time, we don't believe now will be your
13 last. So, we welcome you back any time.

14 It's an honor for me to host you, and
15 truly an honor to be able to speak in front of you
16 today about this very important issue. As many of us
17 today will testify before you, I believe that you will
18 see for yourself how vital the gaming funds have been
19 to the vitality of the Erie community.

20 As you are well aware, Erie County's
21 casino, Presque Isle Downs and Casino, is located in
22 Summit Township, and it's celebrating its tenth
23 anniversary this year. Because of the provisions for a
24 local share assessment for host counties in the 2004
25 State Gaming Law, approximately \$11 million from the

1 casino's slot machine revenue has been returned to Erie
2 County annually to be re-invested in the community for
3 the benefit of the citizens of Erie County.

4 That funding is divided each year. \$5.5
5 million is used directly by county government and \$5.5
6 million is distributed through the Erie County Gaming
7 Revenue Authority.

8 It's important to note that in Erie
9 County, we have a unique manner of distributing our
10 funds and that our local share funds have been used
11 innovatively, collaboratively and precisely as the law
12 intended.

13 As we understand it, the 2004 Gaming Law
14 was designed to generate state revenue, to create
15 property tax relief for residents, to mitigate added
16 costs for host communities and to provide for community
17 and economic development efforts in the communities.
18 As I'm sure you are aware, Pennsylvania's casino
19 industry has generated significant revenue, more than
20 \$11 billion to date according to the Gaming Control
21 Board.

22 The impact of Presque Isle Downs and
23 Casino alone is also significant. Our report from the
24 Erie County Gaming Revenue Authority found that the
25 Authority's investments of its local share of slots

1 revenues has had a cumulative economic impact of \$87
2 million in Pennsylvania.

3 When it comes to property tax relief, the
4 intent of the law is being fulfilled. The Pennsylvania
5 Gaming Control Board reports that slot machine revenue
6 is funding property tax reduction for all qualified
7 homeowners in Pennsylvania at an average of \$200 per
8 household.

9 At our County level, local share funding
10 has permitted the county to fund services that would
11 not have been possible without raising county property
12 taxes. The local share assessment has, without
13 question, been put to use mitigating the additional
14 costs that the casino has placed on the host community.

15 Supervisor Agostine will be speaking to
16 you later with details about how Summit Township has
17 used its local share to that effect.

18 But there are, of course, other needs in
19 the community that must be considered. That is why the
20 Erie County share of the local slots revenue is so
21 important as it focuses squarely on fulfilling the
22 law's intention, to supplement community and economic
23 development needs.

24 So much of the casino's impact on our
25 community is difficult to quantify. We know that local

1 dollars are fed into those slot machines at Presque
2 Isle Downs. What we can't say for certain is where
3 those dollars might have gone otherwise.

4 Because we don't know that answer, it's
5 incumbent upon us as Erie County government to act
6 responsibly with our local share and to grow the
7 economy of our region. We therefore must work to shore
8 up community services and endeavor to build up our
9 economic development.

10 In Erie County, we have done this to great
11 effect. We use our local share to enhance prime
12 investments as well as to remove the burden of funding
13 these projects and services would have for our
14 taxpayers.

15 Erie County uses local share funds in
16 unique and strategic ways while adhering closely to
17 both the intent of the law and the needs of the
18 community.

19 Erie County invests annually in our Summer
20 Jobs and More Program, which ensures that our young
21 people have exposure to a variety of potential
22 employment opportunities; white collar professional
23 offices and blue collar manufacturing jobs, healthcare
24 facilities and educational institutions.

25 Hundreds of young people, and particularly

1 those who live in low income homes, or who might not
2 have the family support they need, have been given
3 training, employment and connections that have put them
4 on a path to a brighter, more secure future.

5 The program is paying off and is
6 delivering the kind of innovative, collaborative change
7 that we desperately need to break the cycle of poverty
8 and to reduce the persistently high unemployment rate,
9 currently six percent, that plagues our community.

10 And the Summer Jobs Program has been made
11 possible through Erie County's local share of slot
12 revenue as it receives funding primarily through Erie
13 County and the Erie County Gaming Revenue Authority.
14 We also have other community partners who assist us in
15 this great effort.

16 Erie County invests in the Greater Erie
17 County Community Action Committee, which serves all
18 residents of our community, including, and most
19 importantly, the neediest.

20 Erie County dedicates a significant
21 portion of its annual share revenue, more than \$450,000
22 in this year's budget, to the organization's Area
23 Agency on Aging, a service that in most other counties
24 is operated by county government.

25 Further grants to the Greater Erie

1 Community Action Committee are dedicated to ensuring
2 early education for children, providing workforce
3 training and securing housing for all our county
4 residents.

5 Erie County invests its share gaming funds
6 in efforts to boost other human services, including
7 through support to community agencies like the Booker
8 T. Washington Center, which offers educational
9 assistance to children and adults, filling a void
10 within the City of Erie where the public school system
11 is troubled and where the poverty rate at 27 percent,
12 is distressingly high.

13 Erie County invests in Erie County Public
14 Library, which is so much more than a repository for
15 books. With its five locations around the county and a
16 traveling bookmobile, the Erie County Public Library is
17 much more about community connections as it is about
18 collections.

19 The Erie County Public Library provides
20 internet access to our residents, including more than
21 70,000 people in 2016 alone. It provides programming
22 to engage young people. With attendance at teen
23 programs up a staggering 482 percent in 2016, the
24 Library is developing a Makerspace where budding
25 entrepreneurs in our community will get the assistance

1 that they need to make their products and to start
2 their business.

3 The Erie County Public Library sees
4 roughly \$1 million each year from Erie County's local
5 share gaming funds. Without that funding, it's
6 impossible to imagine how the library system would
7 flourish as it is today. The library would be forced
8 to make dramatic cuts in hours and services leaving our
9 residents without the much needed access to education,
10 to innovation and to entrepreneurial activities.

11 It's imperative that Erie County
12 strengthen its identity as a favorable location for
13 families in industry. It must be more than just the
14 home of Presque Isle Downs and Casino. To that end,
15 the County's strategic investment of local share funds
16 has worked in concert with private investments to
17 enhance our community.

18 Two key projects, an extension of Erie
19 International Airport's runway and the renovation of
20 the Erie Insurance Arena, have been lynchpins to the
21 future growth and development of Erie County. They too
22 are fortified with gaming revenue.

23 Erie County uses approximately 70 percent
24 of its annual local share of gaming funds to pay the
25 debt service on those two projects. That's roughly

1 \$3.8 million per year and more than \$20 million to
2 date. Without those funds from gaming revenue, these
3 projects would have been incredible tax burdens on our
4 citizens or they would have been out of the realm of
5 the possibility altogether.

6 When we look back again at the intent of
7 the 2004 State Gaming Law, it's clear that the spirit
8 of the law has been upheld over the years. The state
9 has seen an increase in revenue. That positive impact
10 on the state must be maintained.

11 Citizens across Pennsylvania have
12 benefited from property tax relief. They must continue
13 to receive that benefit. Municipalities like Summit
14 Township have been able to fund improvements to their
15 infrastructure and emergency services. They must be
16 permitted to continue to address those needs.

17 And Erie County working in conjunction
18 with the Erie County Gaming Revenue Authority has been
19 able to balance the impact of the local casino and work
20 to reinvent itself.

21 At this moment in time, when Erie County
22 is on the cusp of achieving significant gains, it's
23 imperative that Erie County maintain its local share
24 assessment of slot machine revenue.

25 I respectfully ask that this Committee as

1 well as the colleagues across the legislature be fair
2 and just to most counties like Erie County when
3 considering this new law. The Pennsylvania State
4 Court's concerns must, of course, be addressed, but the
5 intent of the original law must be maintained.

6 It is vital that Erie County be kept
7 whole. It is vital that Erie County remain able to
8 determine the best uses of its local share funds, and
9 it is vital that action be taken to avoid gaps in
10 funding that would prove devastating to our community.

11 Please keep the promises that were agreed
12 to in the spirit of the 2004 law. Host counties across
13 the Commonwealth, including the people of Erie County,
14 accepted their casinos with the understanding that they
15 would receive a certain financial benefit, a share of
16 the casino slot machine revenue, in order to assist
17 their community.

18 As casinos continue to make a profit, it's
19 only fair, it's only just, that the counties continue
20 to receive the promised local share of gaming revenue
21 as well. The people of the County are counting on you.
22 The people of host counties and municipalities across
23 Pennsylvania are counting on you.

24 I ask you to please keep host counties in
25 mind when it comes to the local share assessment of

1 slot machine revenue. Thank you again for permitting
2 me to share with you how vital the local share
3 assessment is to Erie County. I appreciate your time
4 and your attention, and I certainly appreciate you
5 making the trip to beautiful Erie County for this very
6 important issue.

7 Thank you.

8 CHAIRMAN PETRI:

9 Thank you, Kathy, for your heartfelt
10 comments. I'm certainly clear on what you're trying to
11 tell us, but members, we'll start at that end and move
12 down. If you have questions, just keep them direct and
13 brief so that you can stay on schedule.

14 MR. NEILSON:

15 Thank you, Mr. Chairman.

16 Just real quick, the debt service you
17 talked --- spoke about and how it pays 70 percent ---.
18 So, if we --- somehow this changes somehow, how many
19 years will that affect --- directly affect, I'd say,
20 because I've been part of local government and it was a
21 30 year service. We borrowed money for 30 years.

22 MS. DAHLKEMPER:

23 Exactly.

24 MR. NEILSON:

25 We paid on it for seven, and he said, hey,

1 Erie is going to be on the hook for 23 years.

2 MS. DAHLKEMPER:

3 That's basically what you'll be saying for
4 3.8 million annually. And that would be obviously a
5 significant tax increase because we would have no other
6 way to pay that except to increase the revenue we get
7 from taxes.

8 So, that would be something that would be
9 --- affect every one of the citizens across Erie County
10 who own property.

11 MR. NEILSON:

12 Thank you. I just wanted to make sure we
13 got that out, Mr. Chairman.

14 MS. DAHLKEMPER:

15 Thank you. I appreciate that.

16 MR. NEILSON:

17 That's very important.

18 CHAIRMAN PETRI:

19 Anyone else over there?

20 How about on this side? Anybody have any
21 questions?

22 Representative, go ahead ---

23 Representative Diamond.

24 MR. DIAMOND:

25 Thank you so much, Kathy, for your

1 testimony, and thank you to the entire Erie community
2 for coming out today and expressing the value that this
3 local share has.

4 I just have one or --- you mentioned four
5 intentions of the Gaming Law. The state share, the
6 property tax reduction, the actual impact that a casino
7 will have on a local area, and then after that the
8 economic development.

9 I just want to focus on the fourth one.
10 Ten years down the line after the casinos have come
11 into Pennsylvania --- we have 12 casinos in
12 Pennsylvania. Ten years down the line on that fourth
13 topic, when you talk about libraries, Agency on Aging,
14 youth programs, economic development, I am sure that
15 you folks are doing the right thing here with that
16 local share.

17 However, there is a majority of
18 Pennsylvania counties who are not benefiting from this.
19 So, ten years down the line after all the impact is
20 taken care of for the most part, what do you have to
21 say to those counties who --- at this point in time
22 when the whole local share is up in the air, what do
23 you have to say to those counties who are not
24 benefiting from that on the fourth point, who have very
25 big needs for funding libraries, who have very big

1 needs for Agency on --- you know, their Agency on
2 Aging, their youth programs, and their economic
3 development.

4 How do we balance that out? What's your
5 advice to us as to how to balance that out for the have
6 nots at this point in time.

7 MS. DAHLKEMPER:

8 I've thought a lot about that because I
9 can certainly understand if I was in a different county
10 as the County Executive, I might have a different take
11 on this. We accepted the community --- we accepted the
12 casino into our community, and with that was a cost
13 that was made to our community when we did that. And
14 so that's the intent of the law of 2004. That's why
15 I'm saying you should remember that promise and adhere
16 to that.

17 But I also was thinking, this is similar
18 to the funding that we're getting from the extraction
19 of natural gas out of our state. Now there are certain
20 counties in Pennsylvania that have basically been able
21 to almost eliminate their tax burden on their citizens
22 because of the amount of funding that they're getting
23 to their county because they have extraction within
24 their county.

25 Not every county in Pennsylvania sits on

1 top of the Marcellus shale and has that opportunity.
2 So, we're not getting that type of windfall. We get a
3 little over \$200,000 in the Greenway funding here in
4 Erie County, when other counties I believe are getting
5 over a million or more.

6 So, I don't really know exactly what those
7 numbers are. Maybe some of you do from your own
8 counties. So, I guess I see it in that light. They're
9 also dealing with the impacts of what that drilling and
10 extraction does to their community. So, that is why
11 they are fairly, in my opinion, getting more funding.

12 We are dealing with the impacts of the
13 Casino into our area. And that's why we should be
14 getting the vast majority of the funding that would
15 come from the revenue of the gaming.

16 MR. DIAMOND:

17 Thank you.

18 CHAIRMAN PETRI:

19 Representative Wheeling.

20 MR. WHEELING:

21 Thank you very much for your testimony.
22 And you actually touched on exactly what I was going to
23 comment on. Several years ago I sat on the Marcellus
24 Shale Commission forum by former Governor Corbett. And
25 this is like déjà vu.

1 So, obviously, there are impacts. And I
2 applaud you and the County for what you've done
3 maximizing those fees. But there certainly is an
4 impact on a community when something like this occurs,
5 whether it's the natural gas drilling or in this case a
6 casino.

7 So, I just wanted to comment that there
8 are counties that --- whenever something like this
9 happens, there is definitely an impact. And I applaud
10 you and all the folks here that are going to testify on
11 what they've done to maximize and turn that impact from
12 a negative to a positive.

13 So, thank you very much.

14 MS. DAHLKEMPER:

15 Thank you. I appreciate that.

16 CHAIRMAN PETRI:

17 We're going to stay on schedule. We're
18 going to go with --- I'm sorry. Representative Kortz,
19 I didn't realize you had a question. I apologize.

20 MR. KORTZ:

21 Thank you, Mr. Chairman. Thank you,
22 Kathy, for your testimony. Some of the impacts, some
23 of the negative impacts, when we get a lot more people
24 into the area, we have an increased vehicular accident,
25 calls for the ambulance, calls for fire.

1 Do you want to touch a little bit on that
2 and how that has impacted the community? And I don't
3 mean this in a negative way, but it's just something
4 that happens when you get a large influx of folks into
5 your area.

6 MS. DAHLKEMPER:

7 Well, certainly. And I know that Nancy
8 Agostine will be speaking specifically to her host
9 community, but as to the county as a whole, we do see
10 obviously increased traffic coming from other states,
11 as well as Pennsylvania, into our community.

12 So, there are increased social services at
13 times that need to be --- there are certainly public
14 safety issues, whether it is increased use of our
15 police system, not only the State Police, but our local
16 police entities, because they don't just stay in Summit
17 Township. People come into our community and go other
18 places.

19 And then of course, our 9-1-1 call center,
20 which is a direct county entity. We are available of
21 course for any emergency service need that might happen
22 if there was a larger disaster.

23 So, we're here at the ready from county
24 government to take care of any issue that might occur
25 with the increased flux of people into our community.

1 Again, these are things that we took on
2 knowing that these would be issues to be dealt with.
3 And we're glad to continue to do that, but we do ask
4 for the state's continued support of our county because
5 we are willing to do that.

6 MR. KORTZ:

7 Thank you.

8 CHAIRMAN PETRI:

9 We'll hear next from Jay Breneman, Erie
10 County Council Chairman.

11 As we're moving people around, I just
12 wanted to acknowledge three people who are here that
13 I've spotted in the crowd. Julie Slomski from the
14 Governor's regional office in Erie, Sheila Sterrett
15 from Senator Toomey's office, and Brad Moore from
16 Congresswoman Kelly's office.

17 Thank you all for attending. Great people
18 to work with.

19 CHAIRMAN HARKINS:

20 Jay, you can proceed when ready.

21 MR. BRENEMAN:

22 Good morning, everyone. Thank you,
23 Chairman. My name is Jay Breneman. I have the honor
24 of serving as the chairman of the Erie County Council.
25 I also serve as the Council's Ex-Officio Board Member

1 to ECGRA.

2 Erie County Council as you know is
3 responsible for determining legislation, policy and
4 appropriation of resources to meet the needs of our
5 citizens. As such, this issue is vital for us to be
6 able to do our jobs.

7 I'd like to thank you for your ongoing
8 work to maintain the stability and presence of gaming
9 revenue, specifically the local share which constitutes
10 a significant relief to overburdened homeowners, and
11 serves to provide essential and innovative services to
12 Erie County citizens regardless of age or social
13 economic background.

14 One of those services, as the County
15 Executive spoke about, is our library system serving
16 every corner of our vast county. And the jewel of that
17 system is the Blasco Library located on Pennsylvania's
18 only inland water port.

19 The Blasco Library has been featured
20 nationally because its construction was the first step
21 in revitalizing our most valuable national resource;
22 our waterfront.

23 What was once a property full of sludge,
24 feral cats and rodents has now become the anchor of our
25 region's renewal where tens of thousands of people go

1 to gain computer literacy, prepare for citizenship or
2 to begin the path towards their own businesses.

3 Erie County uses the local match to
4 relieve our cash strapped municipalities as well as our
5 underfunded school districts from having to shoulder
6 such a significant expense for such a priceless and
7 irreplaceable service.

8 We rely on the local match to fund our
9 community centers who are on the front line of serving
10 our most vulnerable citizens in the hardest hit
11 neighborhoods of our region and who have to fulfill
12 this mission despite years of cutbacks from traditional
13 funding sources.

14 We rely on the local maps to put our
15 impoverished young people to work throughout the
16 county, and help them build the skill sets and
17 experiences they need so that they can become
18 self-sufficient adults and fully contributing citizens.

19 We rely on the local match to fund our
20 mass transit system, particularly the paratransit
21 service that is essential for some many who would
22 otherwise be homebound.

23 We rely on the local match to support our
24 region's volunteer firefighters and to strengthen their
25 capacity to do their jobs.

1 We rely on the local match to facilitate
2 intergovernmental collaboration and cost savings that's
3 available to the 52 governments in Erie County, an
4 effort that has come all the more necessary to reduce
5 redundancies and to build trust.

6 We rely on the local match to fight the
7 growing prevalence of animal abuse and to support our
8 critical environmental assets.

9 We rely on the local match, as Kathy said,
10 to fund our Area Agency on Aging, which provides
11 critical services to our region's seniors.

12 And we rely on the local match to support
13 programing for young children, to help those seeking
14 employment assistance and help those needing assistance
15 with housing.

16 The concept behind the local match, the
17 local share was developed not only to offset the impact
18 of gambling in our communities, but to also serve as a
19 fiscal solution for communities whose revenue authority
20 are otherwise limited by the state.

21 I am asking for you to remain vigilant and
22 to continue your work to maintain Erie County's local
23 share and to keep us whole at current levels so that we
24 don't have to make the difficult decision of having to
25 increase the singular burden on homeowners or to cut

1 critical services to so many.

2 Thank you.

3 CHAIRMAN PETRI:

4 I just have one. What's the total size
5 roughly of Erie County's budget?

6 MR. BRENEMAN:

7 Erie County's budget is about \$96 million.

8 CHAIRMAN PETRI:

9 Okay.

10 So, it's a significant percentage then.

11 Okay. Very good.

12 Thank you for your testimony. We'll move
13 now to Nancy Agostine, Summit Township, Township
14 Supervisor.

15 MS. AGOSTINE:

16 Good morning, Honored Members of the
17 Gaming Revenue Oversight Committee. My name is Nancy
18 Agostine. I'm Township Supervisor and Director of Land
19 Development for Summit Township, the host municipality
20 of Presque Isle Downs and Casino. Thank you for the
21 opportunity to speak today.

22 We were just speaking --- well, Kathy was
23 just speaking about the intent of the Gaming Law when
24 it was drafted. I cannot stress enough that these
25 goals can't be compromised or host municipalities will

1 be forced into bankruptcy.

2 Then planning and land development process
3 for PID took five years and hundreds of man hours
4 worked by township personnel. When PID opened the
5 health, safety and welfare of their many employees,
6 together with thousands of patrons, it became Summit's
7 responsibility.

8 The transportation improvements including
9 new traffic signals and signs are now Summit's to
10 maintain. Our water and sewer authorities quickly
11 found that the capacity they were counting on for
12 development well into the future was used up and system
13 upgrades needed to be fast tracked.

14 Our Volunteer Fire Department has
15 experienced an average increase of 120 ambulance calls,
16 a dozen fire alarms, and a 20 percent increase in
17 vehicle accident calls each year directly related to
18 PID. It's important to note that 65 to 70 percent of
19 these calls go unpaid.

20 The overall financial impact on Summit
21 Township is tremendous. Thankfully, the current law
22 took this impact seriously, providing the township with
23 adequate funding to meet the needs of our post-PID
24 community. Over the past ten years, Summit Township
25 received \$16.9 million in PA Gaming Revenue.

1 How exactly has Summit Township utilized
2 this revenue? We've been very good stewards. More
3 infrastructure equals more work equals more employees.
4 Required maintenance for signals and roads meant more
5 road crew man hours.

6 PID entered into a conservation easement
7 agreement with Summit Township, placing 60 acres of
8 environmentally sensitive land under township control.
9 Oversight of this land, together with monitoring storm
10 water management, MS4 and other mandates required a
11 full-time engineer when we previously used a consultant
12 part-time.

13 There were additional administrative
14 expenses as well. Gaming revenues were utilized to add
15 additional full-time staff at a cost of \$200,000 each
16 year or a total of \$2 million.

17 Perry Hi-Way Hose Company immediately
18 experienced staffing shortages. To compound their
19 problems, they lost over \$200,000 a year in bingo
20 revenue. Even with Summit Township providing Perry
21 Hi-Way in excess of \$250,000 each year from Gaming
22 Revenue, there were still not enough volunteers.

23 The total revenue we provided to keep
24 Perry Hi-way in service since the opening of PID is
25 \$2.57 million. The shortage gradually became critical.

1 In order to meet the obligation to provide
2 adequate emergency services, in 2016, the supervisors
3 entered into an agreement with Perry Hi-Way to create a
4 hybrid, part paid, part volunteer, fire department.
5 Start-up costs alone where \$100,000 and were provided
6 via Gaming Revenue. Paid staffing costs will now cost
7 \$500,000 each and every year.

8 Sanitary sewer infrastructure funded by
9 gaming revenue totals \$1.8 million. Besides using up
10 the available capacity of Route 97, PID created
11 downstream problems in Mill Creek.

12 Summit Township Sewer Authority was
13 responsible for 100 percent of the upgrade costs
14 totaling \$250,000. The Sewer Authority had to purchase
15 deep sewer maintenance equipment needed to address
16 issues with odors, leg wrappings from horses, straw,
17 manure, baling twine, et cetera, that enters the public
18 sewer system from PID. The cost; \$200,000.

19 The average daily sewer load to the Route
20 97 pump station has increased 50 percent since
21 completion of PID. As a direct result, in 2016, the
22 Summit Township Sewer Authority was forced to replace
23 that existing pump station. Total project cost, \$3.5
24 million, of which \$1.3 million was paid for out of
25 Gaming Revenue.

1 PID is one of the largest water users in
2 Summit Township. Their usage is 45,000 gallons a day
3 in the off season and 113,000 gallons a day from May
4 through September. Additional significant reserve
5 water capacity is required for their fire sprinkler
6 system.

7 The Summit Township Water Authority had to
8 develop a well field to meet the PID demands. Water
9 Authority infrastructure funded by gaming revenues
10 totals \$2.8 million.

11 Summit Township created an Industrial and
12 Economic Develop Authority, STIEDA, to effectively
13 distribute Gaming Revenues to the directly impacted
14 entities like our Water and Sewer Authorities and Perry
15 Hi-Way Hose Company.

16 The Board of Supervisors annually
17 allocates Gaming Revenue to STIEDA to meet these needs.
18 To date, this allocation has totaled \$2.55 million.

19 With respect to Industrial Development,
20 STIEDA provided a half million dollar grant to Lord
21 Corporation and Partnership with offers from Erie
22 County and the State of Pennsylvania to entice them to
23 stay in Erie County at the former Busch Industries
24 Facility.

25 This partnership kept hundreds of good

1 paying jobs from leaving Pennsylvania and would not
2 have been possible without Gaming Revenue.

3 To further economic development, STIEDA
4 recently approved grants totaling \$520,000 for the
5 Greater Regional Erie Athletic Team Training, GREATT,
6 Project.

7 This worthy project will turn the failing
8 Family First Sports Park in Summit into a regional top
9 notch facility benefiting all levels of athletes from
10 handicapped and beginners to professionals in a variety
11 of sports. GREATT participants in tournaments will
12 bring a tremendous financial boost to the local county
13 and state revenues.

14 In conclusion, I cannot stress enough the
15 need for the Gaming Revenue Law to be quickly and
16 concisely revised to accomplish the goals for which it
17 was originally intended. I implore you, our
18 legislators, to focus only on drafting a solution, a
19 constitutional fix to the very sentences of the PA
20 Gaming Law that were deemed unconstitutional.

21 To change the original laws of the Gaming
22 Law by allowing any other politics to interfere will
23 cause an extreme financial hardship on all casino host
24 municipalities. The result, an adverse effect on the
25 Casino's themselves, and the much needed revenues we

1 are relying on that they produce for the Commonwealth
2 of Pennsylvania.

3 Thank you again for your time in
4 considering this issue.

5 CHAIRMAN PETRI:

6 Now there always becomes a point in time
7 in a hearing where really direct questions have to be
8 asked. So, I get --- as Chairman I get to do that or
9 have to do that I should say.

10 So, here's the real question that the
11 Committee is going to have to struggle with. There
12 will be a couple approaches to a local share that will
13 be offered. One that's being discussed by a particular
14 group from the northeast would have a percentage of
15 gross revenues, which the numbers that they are talking
16 about would end up producing less for certain casinos
17 including the local.

18 Do I gather from your comments that that's
19 something that with the commitments you've made, you
20 could not support that, that you need to have the base
21 amount that you've been receiving?

22 MS. AGOSTINE:

23 We absolutely need that. And I heard some
24 comments talking about after the impact is over. For
25 us, the impact is never over. We will continue to pay

1 a half a million dollars for our partially paid fire
2 department.

3 And it would be unfair for all of these
4 infrastructure improvements to be borne by the few
5 users that --- residential users and other commercial
6 users of the system because they didn't have that
7 impact and they don't continue to have that amount of
8 impact.

9 So, it's critical to Summit Township.
10 We've thrived. We've helped the area to thrive. We've
11 given back to the community. And we really believe
12 that the law was correct when it was first written.

13 CHAIRMAN:

14 Very good.

15 Any questions down this side?

16 Yes, Representative. Go ahead.

17 MR. NEILSON:

18 Thank you for your excellent testimony. I
19 must say you really laid it out good for us. While
20 we're talking and on the record, is your local Casino
21 still voluntarily making payments to your community?

22 MS. AGOSTINE:

23 It's my understanding --- we've talked
24 with them. We have a great working relationship. And
25 it's my understanding that they're voluntarily

1 escrowing all the amounts until you determine what
2 should be done.

3 MR. NIELSON:

4 Thank you. I just wanted to make sure
5 that was on the record, Mr. Chairman.

6 MS. AGOSTINE:

7 Yes.

8 They are a very good neighbor.

9 CHAIRMAN PETRI:

10 Representative Kortz.

11 MR. KORTZ:

12 Thank you, Mr. Chairman. Nancy, thank you
13 for your testimony. And obviously with the casino in
14 your backyard, you're seeing the direct impact.

15 MS. AGOSTINE:

16 Absolutely.

17 MR. KORTZ:

18 You've got some big numbers. \$3.8 million
19 for the sewage, another \$2.5 million for the water.

20 Those systems are now capable of doing
21 what they need to do? Or is there additional monies
22 that you're going to need because --- is there still
23 expansion going on, I assume?

24 MS. AGOSTINE:

25 Well, the sewer lift station was intended

1 to fully service for many years the entire area.
2 That's why the large investment of \$3.8 million. We
3 tried to give them half because half was a direct
4 result of the Casino, but we came up with \$1.3 million.

5 They are continuously making upgrades, and
6 the water system will need to make continuous upgrades
7 to their well fields in order to meet the needs of
8 Presque Isle Downs, so some of it is ongoing.

9 MR. KORTZ:

10 The bottom line is this is going to
11 continue?

12 MS. AGOSTINE:

13 Absolutely.

14 MR. KORTZ:

15 So, you need these funds ---

16 MS. AGOSTINE:

17 Absolutely.

18 MR. KORTZ:

19 --- to keep up with this demand?

20 MS. AGOSTINE:

21 If we don't meet their demand, the casino
22 ceases to exist and nobody gets any money.

23 MR. KORTZ:

24 Okay. Thank you.

25 MS. AGOSTINE:

1 We need that.

2 MR. KORTZ:

3 Thank you, Mr. Chairman.

4 CHAIRMAN PETRI:

5 Very good. Seeing no other questions,
6 we're going to move on to Perry Wood. And thank you
7 for your testimony.

8 Mr. Woods, before you begin, let me
9 publicly state I --- we all received a copy of this
10 report. Fantastic report. I know you're not solely
11 the one that put it together, but for everyone who
12 hasn't read it, it is phenomenal, one of the best I've
13 ever seen. And I said last night --- I think he was
14 little bit embarrassed, but I said last night, whoever
15 can put this together should do something like this
16 statewide because it's very helpful.

17 MR. WOOD:

18 Thank you, Mr. Chairman. Thank you for
19 the opportunity to speak here today, Chairman Harkins
20 and Chairman Petri, and Members of the Committee.

21 Erie County is different. How we invest
22 Local Share Gaming Revenue is different from any other
23 community across the Commonwealth.

24 My name is Perry Wood, and I am the
25 Executive Director of the Erie County's Gaming Revenue

1 Authority known as ECGRA for short. We're a County
2 based authority whose sole mission is to administer and
3 distribute gaming funds per the Pennsylvania Horse Race
4 Gaming Legislation with guidance from the Pennsylvania
5 Economic Development Financing Law.

6 Last year, national correspondent James
7 Fallows of the Atlantic made several trips to Erie.
8 Fallows travels all across the U.S. documenting smaller
9 communities in their approach to civic life. He saw
10 how Erie County uses its casino funds. He said it was
11 unique and deserved attention. We agree.

12 We started out like many of our
13 counterparts in the state. We invested in roads and
14 public safety around the casino. We put millions into
15 sewer, water and transportation upgrades. Fire
16 departments got ladder trucks and equipment. Local
17 police departments got increased complements and
18 training.

19 Then after the needs were met, we turned
20 our focus to transformational economic development.
21 Now the funds are fueling a Renaissance. The funds
22 have brought people together that were working in
23 silos. The funds have leveraged millions of dollars
24 both locally and nationally.

25 Because of that, the economic impact as

1 seen for Erie County and the state is not only
2 different, it's bigger. That impact is possible
3 because of a unique model for distribution that begins
4 with Erie County Council creating a separate entity to
5 administer Gaming funds in 2008.

6 That model is the Erie County Gaming
7 Revenue Authority. We think it is the model for the
8 State of Pennsylvania. The ECGRA model is one of
9 empowerment. Through five key investment areas, ECGRA
10 reaches people and places that truly needs the funds.

11 The first is small business financing. We
12 know that small businesses are important to growing
13 jobs and innovating in our region. This financing goes
14 to revolving loan funds and seed investments in
15 startups and technology companies.

16 The second is youth and education. Young
17 people are the future of Erie County and a skilled
18 workforce essential to our economy. These funds
19 support technical skills, training and job placements
20 that target 16 to 24 year olds in providing them with
21 an on ramp into the local economy.

22 The third is quality of place. Every
23 community has public facilities in places that define
24 who they are. In Erie, entities like the zoo, Presque
25 Isle State Park, the Flagship Niagara and the Erie

1 Playhouse drive tourism, local creativity, and make
2 this community a unique place to live.

3 The next is neighborhoods and communities.
4 Main streets and neighborhoods are the physical places
5 that most Erie County residents spend their time.
6 These funds target efforts to support small businesses
7 in Erie County's 12 main streets, as well as fight
8 blight in our neighborhoods.

9 And the fifth is municipal development.
10 As the administrator of restricted funding, ECGRA has
11 supported municipalities contiguous to the casino with
12 infrastructure, public safety and facilities. In
13 addition, we've provided financial incentives for
14 functional cooperation projects that get municipalities
15 collaborating with one another.

16 This blueprint for investment can be seen
17 in this money at work map. Each pin represents a
18 municipality, a nonprofit or economic development
19 project that has been funded from ECGRA and how much
20 funding they've received from each grant program.

21 This map illustrates the geographic
22 dispersion of the funding to all parts of Erie County.
23 You'll notice about half the pins are on the City of
24 Erie where nearly \$22 million has been invested, much
25 of which went to nonprofits and agencies that serve all

1 of Erie County.

2 Many of the stories that come out of ECGRA
3 paint a picture of solid decision making and
4 impassioned citizens. You saw some of those last
5 night. However, these anecdotal stories fail to
6 quantify the true impact of local share gaming.

7 To that end, ECGRA commissioned an
8 economic impact study to measure the multiplier effect
9 on jobs, the economy and tax revenue. That's the
10 report that you had in your hotel room that
11 Representative Petri referenced just now.

12 Using the data from the proprietary
13 database called Implant, a third-party consulting firm
14 collected primary and tertiary data from ECGRA, Erie
15 County and Summit Township. By looking at direct,
16 indirect, and induced spending, they determined and
17 projectively quantified Local Share Gaming Revenues'
18 impact on the Commonwealth and Erie County.

19 Now I'll discuss ECGRA's impact only at
20 this time. Later I'll bring it all together to show
21 you how the gaming funds impact the Commonwealth.

22 At the time the study was commissioned,
23 ECGRA had expended \$3.8 million with 171 organizations
24 in 570 separate investments. That \$38 million has had
25 a significant impact on the State of Pennsylvania.

1 This slide shows that ECGRA's investments had a
2 cumulative impact of \$87.2 million on the Commonwealth.

3 Over the past eight years, 573 jobs have
4 been created or supported and \$2.9 million in state and
5 local tax revenue has been generated.

6 For Erie County specifically, we see a
7 cumulative impact of \$69.7 million since 2009. Over
8 the past eight years, 458 jobs have been created or
9 sustained in the County. Local taxes generated over
10 the last eight years have totaled \$1.2 billion.

11 This is net new revenue to Erie County and
12 would not have occurred without Gaming Revenue. It is
13 important to realize that this impact is reflective of
14 the dollars that stayed in Erie County. These dollars
15 have been strategically invested since the inception of
16 ECGRA and have continued to build the region's capacity
17 for growth and development.

18 The study provided us with some valuable
19 data to put these investments into perspective. I
20 think you'll agree that this highlights how unique
21 ECGRA is in our approach to funding.

22 I'm particularly proud of the six to one
23 return on investment for our small business financing
24 programs. For every dollar that ECGRA put into tax
25 startups and revolving loan funds, that dollar

1 generated another \$6 in add-on investment from banks,
2 investors, family, friends and other funding sources.

3 ECGRA's \$4 million investment in the small
4 business community generated \$24 million in additional
5 funding.

6 Youth and education funding had a \$7.6
7 million economic impact. That's an ROI of nine to one.
8 This is very important to Erie County government since
9 they've been charged with overseeing the courts, the
10 prison system and human services related to Children
11 and Youth. These youth-based interventions have been
12 studied and proven to divert taxpayer dollars away from
13 punitive interactions with local government resulting
14 in savings to the taxpayer.

15 Grants that affect our quality of place
16 generated \$31.5 million in economic impact and over a
17 million in local tax revenue. Main streets and blight
18 removal generating \$1.9 million in economic impact.
19 And municipal investments generated \$23.1 million in
20 economic impact.

21 Again, these figures are just highlighting
22 how ECGRA is harnessing your legislation differently
23 than others.

24 Let me shift now and show you the
25 aggregated figures that showcase a much larger impact

1 on the state.

2 Since 2009, Team Erie County has received
3 approximately \$105 million in Local Shared Gaming.
4 That \$105 million has resulted in a 100-percent return
5 on investment equaling \$208.9 million in economic
6 impact.

7 We see that local share has created or
8 supported 1,173 jobs. It generated \$2.9 million in
9 state and local tax revenue. Team Erie County's
10 efforts have been fruitful to say the least. If these
11 funds go away, it will create a gaping hole in our
12 economy.

13 I've just explained to you why Erie County
14 is different. There's no other host county investing
15 local shared gaming the way we are, and therefore
16 generating the same high levels of state and local
17 impact.

18 I urge you to make legislative changes
19 that will allow Team Erie County to continue our work.
20 We need the legislature to do two things. First, make
21 host counties whole. Erie County needs to continue to
22 receive the same amount of funding, local share, it's
23 been receiving since 2008.

24 Second, keep local share decision making
25 local. We know there are some that would centralize

1 decision making for local share in the bureaucracy of
2 state government. That is a mistake. Keep local share
3 decision making in the hands of locals so it remains a
4 flexible form of funding that's shaped by local leaders
5 that understand local problems and local opportunities.

6 I know there are a whole host of issues
7 you're grappling with as a Committee. As you look at
8 tweaks and expansion of the legislation, please keep
9 these two points in the back of your mind.

10 Also, consider how expansion of the
11 legislature into the additional revenues of virtual
12 gaming terminals can impact those municipalities. In
13 other states, expansion of gaming to offsite locations
14 like bars and clubs has resulted in a detrimental
15 impact to slots revenues.

16 We believe VGTs will diminish revenues at
17 Presque Isle Downs and not only negatively impact the
18 economic development possibilities of local share, but
19 also result in layoffs. A recent study showed that VGT
20 expansion in Pennsylvania could lead to as many as 117
21 layoffs with table game workers making family
22 sustaining wages at Presque Isle Downs.

23 The region can't be made whole if an
24 expansion of gaming results in revenue decreases and
25 layoffs. With the expansion of internet gaming, we

1 urge you to tie high gaming to bricks and mortar
2 Casinos like Presque Isle Downs.

3 For this piece of the legislation, we ask
4 that you maintain the spirit of local share gaming by
5 empowering locals in the distribution process not
6 bureaucrats five hours away in Harrisburg.

7 I want to thank you for coming to Erie,
8 Pennsylvania to hear this testimony. I want to thank
9 you for your careful consideration of how these funds
10 affect Erie County and the Commonwealth. We are all
11 optimistic that the testimony that you'll hear here
12 today for folks that have received ECGRA funding will
13 inspire you to save local share gaming revenue as a
14 guiding principal of prudence and fairness in
15 Pennsylvania.

16 Thank you for your attention. I'd be more
17 than happy to take any questions. Thank you.

18 CHAIRMAN PETRI:

19 I went to the back because I didn't want
20 to block the screen, plus I couldn't really see if I
21 turned my head. So, one quick question and then a
22 comment.

23 On I Gaming, you talked about tying it to
24 casinos, which I personally agree with, without binding
25 any of my other Committee members because we all have

1 our own individual thoughts.

2 How do you feel about the tax rate and the
3 potential or the proposed tax rate at 15 percent versus
4 slots at, you know, 54 percent?

5 MR. WOOD:

6 I think expansion into internet gaming
7 absolutely needs to be tied to bricks and mortar. We
8 know that Presque Isle Downs does have an interest in
9 expanding in that direction. As far as the correct
10 level to tax internet gaming, that's an interesting
11 question I hadn't thought about.

12 It certainly needs to be large enough to
13 create local share revenue, but not large enough to
14 detrimentally impact the industry itself. If funds are
15 going to be diced up differently and taken away from
16 slots, for example, in order to made whole on local
17 shared gaming, they need to come from other
18 sources.

19 CHAIRMAN PETRI:

20 My comment would be for those in the
21 audience. A Commonwealth is a very difficult form of
22 government. I happen to think it's the best because it
23 does keep control locally as you just mentioned. Most
24 of the time when we travel around the state, we see
25 very fractured communities and communities not getting

1 along.

2 You should really be thankful that your
3 community is working together. You should be really
4 proud of that fact because I think you're actually
5 demonstrating how effective you can be when you gather
6 together and communicate. So, maybe you have the model
7 that the rest of the state should be following.

8 Questions?

9 Representative Diamond and the
10 Representative Kortz.

11 MR. DIAMOND:

12 Thank you, Mr. Chairman. Thank you,
13 Perry, for your testimony. From everything I've seen
14 across the State --- and I will readily admit that no
15 other locality has given us the depth of understanding
16 of what they do as well as you have, but it does appear
17 to me that Erie County is different, is unique amongst
18 all our --- you know, the benefit, the local
19 beneficiaries of our casinos.

20 However, I do want to address something that
21 the previous testifier talked about. I do recognize
22 that host townships and host counties are kind of
23 different. And in your testimony, Perry, you did say
24 that at first you addressed those infrastructure needs.
25 Those --- you know the fire companies, the roads, that

1 sort of thing.

2 But now you actually used the words ---
3 those needs were met. And that's what I was trying to
4 get at with my previous question. And then you went on
5 to mention zoos, parks, blight problems, small business
6 interest. So, I'll ask you the same question I asked
7 of Kathy Dahlkemper.

8 What do you say now ten years down the line
9 when those infrastructure needs, quote, unquote, in
10 your own words, have been met from the County share,
11 what do you say to the have nots who do not --- who
12 have all these other same needs that are not casino
13 impact related? What do you say to them as we're
14 examining the LSA?

15 MR. WOOD:

16 Well, I think Supervisor Agostine answered
17 the question perfectly, which is that there are --- and
18 this is --- let me clarify my comments. There were
19 upfront investments in order to accommodate the casino
20 that needed to be made. And that's what I was
21 referring to.

22 She was referring to the ongoing
23 continuing maintenance costs, the legacy costs of
24 having newer and upgraded infrastructure. As far as
25 the --- what was the second part of your question if

1 you could?

2 MR. DIAMOND:

3 Well, the second part of my question would
4 be --- I agree with you. I know that there's always
5 --- you got to maintain traffic lights, you've got to
6 maintain your local sewer system. But when you talk
7 about zoos, and parks, and blight, and libraries, and
8 Agencies on Aging, they're not really a direct casino
9 impact. Those are things that every County in the
10 Commonwealth has to deal with, and God bless Erie
11 County for being --- to handle it with this.

12 But what do you say to those who aren't
13 getting this kind of local share, and are simply having
14 to increase property taxes in order to do it?

15 MR. WOOD:

16 I see your point. So, for the folks who
17 are watching and not familiar with Gaming Legislation
18 Law, restricted funding is designed specifically to
19 address contiguous municipalities and the negative
20 impacts of having the Gaming Industry in your back
21 yard.

22 However, the legislation also states that
23 funds that are left over at the end of the calendar
24 year ought to be invested in economic community
25 development to seed and grow your community. And

1 that's where approximately 75 percent of ECGRA funding
2 goes into every year. The types of assets that you
3 just described that create quality of life, that create
4 jobs to drive tourism.

5 As far as the impact goes, I think County
6 Executive Dahlkemper answered the question very well,
7 which is to say that where there is impact, there ought
8 to be reinvestment. Where we have the Gaming industry,
9 we ought to be reinvesting in order to combat that
10 impact.

11 Much like the Marcellus shale extraction
12 tax, the majority of those funds go to where the impact
13 is. They go to the host communities where the impact
14 is.

15 We believe that Gaming Legislation was set
16 up with the same type of intent. Therefore, funds
17 ought to be directed where the impact is. Thank you.

18 MR. DIAMOND:

19 Just a final comment then. I would hope
20 that all the localities who are benefiting from the LSA
21 would give us the kind of in-depth report that we've
22 got from Perry. Perry, thank you so much.

23 And while you're talking about what's
24 written in legislation --- that's actually what we're
25 dealing with here. We're talking about a new piece of

1 legislation to address the LSA. So, depending on who
2 has majorities in Harrisburg, that intent might change.

3 So, I mean, let's just face it. That's
4 what we're talking about here. We're talking about new
5 legislation. So, thank you so much for your testimony.

6 CHAIRMAN PETRI:

7 Representative Kortz.

8 MR. KORTZ:

9 Thank you, Mr. Chairman. Thank you, Mr.
10 Wood, for your testimony. Sir, early on you mentioned
11 about fighting blight. I have a question and a
12 comment.

13 The question is does the authority do it
14 singularly or do you collaborate with the County and
15 the Township to fight blight? Is there a little pool
16 of money put together to get rid of some abandoned
17 homes and stuff like that? How does that work?

18 MR. WOOD:

19 Well, central to the authority's mission
20 of empowerment, our job is to distribute and analyze
21 grant applications and investments. So, we empower
22 non-profits. We empower municipalities that want to
23 tackle these various issues.

24 The specific topic of blight, we have
25 worked with a 501 C3 nonprofit whose specific goal is

1 to tackle blight in the City of Corry as a pilot
2 project. And we've learned a lot from that, and we're
3 now considering making that program county wide.

4 I think it's really important to support
5 the folks that are in the trenches on these initiatives
6 and not to grow the bureaucracy of authority like ECGRA
7 from either to empower the nonprofits that are already
8 in the community, the agencies and nonprofits that are
9 currently working at these tasks .

10 MR. KORTZ:

11 Okay. Thank you.

12 And if I can make one quick comment, Mr.
13 Chairman. To not tell on my good friend Representative
14 Diamond, you see where he's coming from, a county where
15 it does not have a casino. So, if I could tie in the
16 VGTs, wouldn't it be okay to give him the VGTs and do
17 something in his county?

18 Food for thought. Thank you, Mr.
19 Chairman.

20 MS. PHILIPS-HILL:

21 Thank you, Mr. Chairman. Thank you, Mr.
22 Wood, for exceptional information, data and your very
23 gracious hospitality here in Erie. To sort of
24 piggyback on Representative Diamond's question, you've
25 met your infrastructure needs and you talk about

1 putting \$7.6 million into youth and education.

2 I also sit on the House Education
3 Committee. Probably one of the thousand ton gorillas
4 in the room, of course, is that, you know --- what
5 we've been told from Erie City Schools is they need an
6 additional \$31.8 million on top of what is already
7 anticipated to be allocated to them.

8 Can you talk about how you're prioritizing
9 helping your struggling schools through this grant
10 program ---

11 MR. WOOD:

12 Sure.

13 MS. PHILIPS-HALL:

14 --- here in Erie County?

15 MR. WOOD:

16 So, just to clarify, that \$7.6 million is
17 the economic impact ---

18 MS. PHILIPS-HALL:

19 Okay.

20 MR. WOOD:

21 --- of the investments that we've made,
22 around \$3 million of investments we've made in youth
23 and education. Some of that has gone to the City
24 School District for what we'd like to think of as
25 enrichment programs or add-on programs.

1 So, one example is Tech After Hours. So,
2 if you think about the traditional school, it sits ---
3 it operates from 8:00 a.m. in the morning to 3:00 p.m.
4 at night and then sits vacant from that period on. So,
5 the members of the School District approached us and
6 said we would like to create a Workforce Development
7 Program that takes young people that are either
8 graduated from high school or not graduated from high
9 school, and don't know what they want to do with their
10 lives.

11 We have all this equipment. The taxpayers
12 have invested in it. We have this building. We'd like
13 to put it to work from 3:00 in the evening to 8:00 at
14 night.

15 And so that's what that program has done.
16 These are about add-on enrichment programs that don't
17 necessarily cover the core costs of operating a school
18 district, but rather address the community's economic
19 development needs.

20 MS. PHILIPS-HALL:

21 Do you anticipate being able to step up
22 and provide more assistance to public schools in the
23 County as a result of this money that you receive?

24 MR. WOOD:

25 If we were to do that, we would be asking

1 the folks in this room to eliminate the grant programs
2 that they are currently receiving. I think it's
3 important to put the problem in perspective. So, if
4 ECGRA has \$5.5 million to work with and the City School
5 District needs \$30 million plus, I think that puts it
6 into perspective.

7 MS. PHILIPS-HALL:

8 Thank you.

9 MR. WOOD:

10 Thank you for the question.

11 CHAIRMAN PETRI:

12 Representative Cook.

13 MR. COOK:

14 Thank you, Mr. Chairman, Mr. Perry. As a
15 person who loves crushing numbers and return on
16 investment, kudos.

17 I have two requests. One, can we get a
18 copy of the report when we came in this morning. And
19 secondly, is your PowerPoint available online or could
20 you e-mail that to us?

21 MR. WOOD:

22 Ah yes. I'll work with Josiah to make
23 sure you have copies of both.

24 MR. COOK:

25 Very good.

1 Here's the question to kind of rewind the
2 tape. And this is on LSA distribution. One community
3 in our district that has approximately 500 homes, they
4 have 70 blighted homes.

5 And if you could rewind the tape, and if I
6 understand you correctly, you had a firm come in and
7 you have an investment plan, if you will, with your LSA
8 Grants? Or am I misunderstanding? You actually had a
9 longer term plan on your investments?

10 MR. WOOD:

11 The plan that we have in ECGRA, the
12 strategic plan, was designed by our Board of Directors
13 in collaboration with the staff and local community
14 leaders.

15 MR. COOK:

16 How far out was it?

17 MR. WOOD:

18 How far out is the plan?

19 Well, I think it's designed to be a five
20 year plan like any good strategic plan.

21 MR. COOK:

22 And then you kind of ---

23 MR. WOOD:

24 Or three years or so ---.

25 MR. COOK:

1 --- go with it if the need persists. Very
2 good. Thank you.

3 MR. WOOD:

4 Thank you, Mr. Chairman.

5 CHAIRMAN PETRI:

6 Thank you.

7 Why don't we call up the next two
8 testifiers together? We'll have you testify
9 separately. We're just trying to get back on schedule.
10 Dr. William Garvey, Ph.D., Jefferson Educational
11 Society President, and Shawnta Pulliam, Nurturing
12 Hearts founder.

13 And then whenever you're ready, you can
14 each proceed and then we'll take questions jointly
15 while your both up here.

16 Dr. Garvey, if you want to start, you can
17 go ahead.

18 DR. GARVEY:

19 Sure.

20 Well, it's been a very fascinating morning
21 listening to the impact of the funds on large
22 organizations in our community as a whole. We --- I
23 represent the Jefferson Educational Society, which is a
24 local think tank.

25 It was created less than ten years ago

1 because we had noticed in our study of the community
2 that Erie lagged about five to ten years behind ideas
3 in other communities.

4 And so Jefferson was created to bring new
5 ideas to the floor in consideration by the community
6 and to eliminate that kind of gap that existed.

7 ECGRA has played a real helpful role. Our
8 annual budget is \$700,000, 800,000. And there's only
9 so much that can be done in those circumstances. What
10 ECGRA has done is make grants available to local
11 organizations and use the money well.

12 For example, they have funded a local
13 leadership program. And over 50 people have graduated
14 from that program in the last two years. Every
15 community depends upon growing local leaders that
16 understand the problem.

17 If you look at the literature, people who
18 are really interested in politics gravitate mostly to
19 state or federal levels. They seldom gravitate to
20 local levels with any kind of intensity because for the
21 most part, there aren't many rewards for local
22 politicians.

23 It's a very tough job and it's a very,
24 very demanding job. If you take a look at what
25 Brookings and the rest say, the future of our country

1 will depend on more and more what states do and what
2 cities do. Power is coming downward.

3 The federal government, as one person
4 pointed out, really not too long ago, is really an army
5 and our organization that is unable to handle the scope
6 of the problems on a local level.

7 So, the future is going to depend to a
8 large degree --- as Brookings put it, the calvary are
9 not coming to the rescue. The state and federal
10 government can only do so much. Local communities must
11 solve their own problems.

12 Therefore, you've got to have people
13 committed and interested in solving those problems.
14 So, we created a leadership program that 50 young
15 people under the age of 40 have graduated from.

16 We spent nine months studying the needs of
17 Erie County, traveling throughout Erie County and
18 understanding the problems that Erie County will face
19 in its future. That means over a five or six year
20 period, we can create a kind of large reservoir of
21 people who can address these problems, run for office,
22 and most importantly, get us support for our future.

23 We offer several hundred courses a year in
24 Erie on ideas and on history. The long-term future of
25 this community will depend on how much we face that

1 future. Therefore, these young people who have
2 completed the program --- by the way, they just
3 finished a first rate study as a part of their project
4 on blight. We studied the blight of the entire County
5 and came away with the knowledge about not only the
6 problems in Erie, but the problems in Corry and
7 everywhere else.

8 So, what we're doing, gentlemen and
9 ladies, is with this kind of program --- and a program
10 where at \$100,000, we're preparing the community to
11 create leaders for the future.

12 And I must say as I come to the end of these
13 comments I've been in education most of my life, and I
14 have never been more impressed with the younger people
15 in the community than I see today. They are committed
16 to their future, but they need knowledge. They need to
17 understand.

18 Pennsylvania is a very quirky state. You
19 can blame the Quakers for that. The Quakers were sure
20 that power corrupts, and the closer the power was to
21 the people, the better.

22 The result is 70 governments in Erie, in
23 Allegheny County, and a whole series there. So, we've
24 got to move past these crazy fault of government and
25 create something for the future that will not be

1 replacing independent governments, which is lethal in
2 policy, but perhaps creating something like the
3 Articles of Confederation, which I could ask some of
4 you to define since you all had it in school years ago
5 but you wouldn't remember it. It was our first
6 government.

7 Listen, our government did not succeed
8 because they had to get 100 percent approval on every
9 issue. Yet it was that government that made the
10 Constitution in the U.S. possible because people began
11 to work together. And once they being able to work
12 together and being able to trust --- once they begin to
13 trust, they're willing to look further down the lane.

14 So, ECGRA recognizes the future depends
15 upon the young and has been extremely helpful. It's a
16 well rounded organization. The grant is carefully
17 monitored, and while \$100,000 to those of you who are
18 out there is small pocket money, it's money that is
19 affecting the future of its community.

20 Now, these young people graduated and are
21 now entering a third class. We want 250 future leaders
22 over the next ten years that will make Erie the most
23 exciting county in the Commonwealth. And so we're
24 grateful to the state for providing resources.

25 And we're especially grateful to ECGRA for

1 that grant. That's the good you're doing. There's all
2 kinds of other grants out there like ours. You're
3 hearing about the big stuff. It's the little stuff
4 that can make a big difference also.

5 Thank you for your help.

6 CHAIRMAN PETRI:

7 Thank you.

8 We'll hold questions until Shawnta is
9 done, if you want to proceed.

10 MS. PULLIAM:

11 Greetings, Mr. Chairman, Counsel, as well
12 as our guests. Good morning.

13 My name is Shawnta Pulliam. I am the
14 founder of Nurturing Hearts, which is a self-esteem and
15 self-development nonprofit organization for at-risk
16 girls.

17 And the mission of Nurturing Hearts is to
18 provide supportive leadership and life skills that
19 furnish and prepare girls 10 through 18 for a bright
20 and positive future.

21 Ninety (90) percent of the young girls that
22 we help in Erie County have been physically, mentally,
23 emotionally, some of them sexually, abused growing up
24 in single parent homes, in low income housing and
25 foster care units. Since our inception, we've served

1 well over 1,500 at-risk girls in Erie County.

2 With the help and financial support of the
3 Erie County Gaming Revenue Funds specifically, they
4 have provided program support for a six-month positive
5 self-esteem healthy lifestyle and career options
6 program which is held in our Erie School Districts.

7 We have partnered with Keystone Resource
8 Cooperation to collect the data and results of those
9 students who have completed our programs. Eighty-five
10 (85) percent of the girls have increased their
11 self-esteem, and have had a decrease in self-defeating
12 and depressing.

13 Ninety-five (95) percent have created
14 goals and established a career path for their futures.
15 Eight-five (85) percent have attended college or
16 obtained higher education. Ninety (90) percent have a
17 better understanding and choose not to indulge in risky
18 and unhealthy lifestyles.

19 The support of our mission is vital to the
20 Erie community. According to Mercyhurst Civic
21 Institute and Erie Vital Signs, Erie County has the
22 highest teen pregnancy and juvenile probation rate
23 amongst teenage girls in the State of Pennsylvania.

24 We are the have-nots, and we are the only
25 organization who is targeting this population of young

1 females and providing holistic support. Just two
2 months in this year, 2017, Erie County has already seen
3 25 potential drug deaths, 25 within two months, a very
4 startling number as Erie County had less than 100 in
5 2016, through the whole year. And now we already have
6 25 within two months.

7 We are the have-nots. Unfortunately, the
8 families that our agency serves don't have the means to
9 provide for their children, and not just financially,
10 but intellectually, emotionally. And so they look for
11 programs and services within Erie County to keep their
12 children on track, that will give them hope, guidance,
13 direction, towards a brighter future.

14 It takes a village to raise a child and
15 the Erie County Gaming Revenue has been a huge asset in
16 our village. They have assisted not only our
17 organization, but have helped thousands of thousands of
18 a- risk youth rise to their full potential.

19 To draw back now would be like drawing
20 guns on the future of our youth. We already have
21 enough of that in our community. With Erie,
22 Pennsylvania being 38 percent higher than the average
23 rate of crime in Pennsylvania, we are the have-nots.

24 We are the light that our youth can see on
25 the other side of that dark tunnel. If they don't see

1 the light on the other side, where will they go? To
2 stay whole and not broken, Erie County must remain
3 whole.

4 Thank you.

5 CHAIRMAN PETRI:

6 Representative Lewis.

7 MR. LEWIS:

8 Thank you, Mr. Chairman. And thank you
9 Dr. Garvey and thank you, Shineedra (sic).

10 MS. PULLIAM:

11 Shawntra.

12 MR. LEWIS:

13 Shawntra. I apologize. I'd just like to
14 make a comment on your deposition regarding local
15 communities and the development of future leaders.

16 That is cute --- that is key, and what you
17 said, Ms. Pulliam, is very relevant. And Mr. Chairman,
18 if I could please get a copy of Dr. Garvey's comments,
19 I would greatly appreciate it, but thank you once again
20 for your testimony.

21 CHAIRMAN PETRI:

22 Very good. Anyone else?

23 I just thank you for your really sobering
24 comments. I know sometimes that we forget. And
25 obviously your philosophy kind of addressed what I'm

1 thinking, the form of government, but the best form if
2 we cooperate. You did an excellent job.

3 We'll hear next from Matt Harris,
4 Character: Be About It. And why don't we also bring up
5 Matt (sic) Batchelor, Erie Community County --- oh,
6 Mike. I'm sorry. I can't even read. Erie County
7 Foundation President.

8 We'll start with Matt Harris.

9 MR. HARRIS:

10 Thank you. Thank you, Committee. I want
11 to thank Perry and the ECGRA Board for their support.
12 And I've only come to speak a few minutes in regard to
13 my program and the effect that it's had on the Erie
14 community through the help of them.

15 CHAIRMAN PETRI:

16 Sure.

17 MR. HARRIS:

18 What I'd like to do first, if I could
19 --- ask the Community Members to get back in their
20 districts or take a look back in their district as it
21 relates to law enforcement and the school district, and
22 what's going on in your areas.

23 And when I heard you introduce yourselves
24 --- there will be some feedback and some great
25 experiences --- or some great programming coming to

1 your area on --- several of your districts. So, it's
2 pretty exciting to hear where you're from and where
3 this program is expanding.

4 So, if you put your hat on and you think
5 about law enforcement, I'm a 20 year member of the
6 Pennsylvania State Police. I retired a few years ago.
7 Born and raised here in Erie, and that background of
8 law enforcement allowed me to come up with a program
9 called All About Character, Incorporated.

10 So, I was approached by an educator by the
11 name of Dr. Bob Oliver while I was still a Trooper.
12 And he had a --- there's a program called Aggressive
13 (sic) Replacement Training. And in that model,
14 character education was a piece that was missing. As
15 we know, and maybe a lot of you don't know, that
16 character education is not mandated in the State of
17 Pennsylvania.

18 And so he asked me to do some research, do
19 some homework and follow up on this program. And so he
20 said, Matt, I need you to go into a school and work
21 with students in grades K through 8. And so I looked
22 at him like he was crazy, first of all. And then I did
23 a little homework and did some research on several
24 manuals that talk about this through Christopher Peters
25 --- Christopher Peterson and Dr. Martin Seligman,

1 Characteristics and Virtues.

2 And what that talks about are basic
3 character traits that you see in the brochure that I
4 presented to you that Youth are not getting taught at
5 home. And we're talking about self-regulation. We're
6 talking about integrity. We're talking hope, and so on
7 and so forth.

8 So, we took that information and what we
9 did was create a unique curriculum which I have here
10 and a complete curriculum that we developed. And that
11 --- through the help of ECGRA once again. And we were
12 fortunate enough to be implemented into eight schools
13 in the Erie County area.

14 The students, the teachers and the
15 principals, and the superintendents, for that matter,
16 that I've met with are asking for the program in a wide
17 range, and a high number right now. The program is
18 working. Some of the information and some of the
19 funding the ECGRA allowed --- we talk about being able
20 to sustain, being able to show how does it work.

21 Well, data from Penn State, which is a
22 partner of mine, in regard to evidence-based purposes,
23 they've proven by pre- and post-testing that student
24 law enforcement relationships have improved with
25 student that had the program versus comparison schools

1 that don't see the program.

2 So, right now we're talking hundreds of
3 kids that are getting this program in the Erie County,
4 Crawford County area, in the Erie School District,
5 Crawford Central School District and Titusville School
6 District.

7 And so we're expanding that fortunately
8 into some of your districts here. Mr. Lewis, we're
9 going to be coming to Coatesville. I have a meeting in
10 Coatesville School District that's this Friday. In the
11 Pittsburgh School District, I met with the
12 Superintendent, Dr. Hamlet. The program --- they want
13 the program in the Pittsburgh School District.

14 So, I've taken this program --- grassroots
15 here in Erie, from three districts, to now I have 11
16 school districts that want the program and over 100
17 schools that want the program. So, those things are
18 just something that I didn't expect.

19 But I got a call yesterday from Laurel
20 Highlands School District, and they got five schools
21 that want the program in their district, which is very
22 exciting. So, it's working. Students and law
23 enforcement, those relationships are fracturing all
24 over the country. This program bridges that fraction
25 and makes it whole.

1 And we're giving them that at a K through
2 8 level. So, it's pretty exciting. And I want to
3 thank again Perry and ECGRA for all the support in
4 bringing this program here.

5 CHAIRMAN PETRI:

6 We'll hold questions.

7 We'll go to Mike then.

8 MR. BATCHELOR:

9 Good morning.

10 Thanks for coming to Erie and thanks for
11 the opportunity to testify in support of the Erie
12 County Gaming Revenue Authority. My name is Mike
13 Batchelor and I serve as president of the Erie
14 Community Foundation. I've been privileged to have
15 this position for 27 years. So, I'm keenly aware of
16 the challenges that Erie County faces along with our
17 opportunities.

18 I also know a good grant maker when I see
19 one. I and my Staff have worked with ECGRA as a grant
20 making partner since their establishment. We've always
21 found their approach and their operations to be
22 professional, responsive and visionary.

23 There are several aspects to this
24 partnership. First, ECGRA uses our helping today grant
25 making process to provide basic human services funding.

1 They are an active participant on our grants panel and
2 their insights bring additional depth of analysis to
3 our deliberations.

4 Second, ECGRA has also created a lead
5 asset endowment within the foundation, within the Erie
6 Community Foundation. This is one of our largest, and
7 ECGRA should be commended for their wisdom and
8 foresight. Over time, this fund will become an
9 increasingly important source of hope and support for
10 nine of our region's most significant non-profits and
11 tourism draws.

12 They include the Erie Art Museum, Erie
13 Arts and Culture, Erie County Historical Society, Erie
14 Philharmonic, Erie Playhouse, Erie Zoological Society,
15 Erie Children's Museum, Flagship Niagara League and the
16 Mercyhurst Institute for Arts and Culture. These
17 organizations and future generations will forever be
18 indebted to ECGRA for their foresightedness.

19 The third aspect of this partnership is
20 that ECGRA works with us in a program we call Saving
21 Tomorrow. In 2015, they helped us create some
22 significant new programs such as Tech After Hours, as
23 Perry mentioned; Character: Be About It, as you just
24 heard; a new school-based health center soon to be
25 built soon at Hamilton School.

1 Finally, and I think perhaps most
2 significantly, ECGRA has recently partnered with us and
3 the Susan Hirt Hagen Fund for transformational
4 philanthropy just this year to make a few large grants
5 with the potential to transform our region.

6 We spent a year challenging our community
7 to give us their best ideas, and after this year of
8 study, our organizations announced an unprecedented \$10
9 million commitment to support four high priority
10 projects.

11 They include a downtown innovation
12 district focused on safety and cyber security; a
13 desperately needed community college; our community
14 schools project and a pilot neighborhood revitalization
15 project lead by Gannon University.

16 As you consider the future of ECGRA,
17 please give serious thought to their role in creating
18 and supporting these, and many other locally generated
19 projects that are uniquely responsive to local needs.

20 In a few short years, ECGRA has created
21 many important initiatives. Our community now views
22 these as normal, and they have come to rely on them.
23 Be it Mission Main Street, School Endowment Foundation
24 Challenge, Ignite Erie, special event grants,
25 multi-municipal collaboration grants, or just their

1 general thought leadership --- ECGRA has done a good
2 job.

3 Our Community has come to depend on ECGRA
4 for funding and for progressive community leadership.
5 If ECGRA is not here, these programs will simply go
6 away. There is no magic bullet and there is no special
7 pot of funding that can magically make up the
8 difference.

9 I respectfully ask that you allow ECGRA to
10 continue doing the good work. Thank you.

11 CHAIRMAN PETRI:

12 Thank both of you for your presentations.
13 Fantastic, fantastic testimony.

14 Next we'll hear from John Buchna, Erie
15 Downtown Partnership, Chief Executive Officer. And
16 Casey Wells, Erie County Convention Center Authority
17 Executive Director. Casey, as you come up, thank you
18 for hosting this. Beautiful.

19 There are some seats up front of somebody
20 wants to move up and sit down? I know you've been
21 standing a long time.

22 John, do you want to proceed.

23 MR. BUCHNA:

24 Good morning.

25 Thank you for the opportunity to speak on

1 behalf of our organization, the community --- the
2 downtown community we serve, and I welcome you to Erie.
3 And again, I especially appreciate the opportunity.

4 As I mentioned, my name is John Buchna.
5 I'm the director of the Erie Downtown Partnership.
6 Each of you present here today, I want to ask a quick
7 question. How many of you have Main Streets or
8 downtown improvement districts within your community
9 just by a show of hands? One, two, three, four, five,
10 six, seven --- that's awesome.

11 We are a nationally accredited Main Street
12 Program, and a designated Keystone Main Street under
13 Governor Wolf's Keystone Communities Program. I'm here
14 today to address the concern with a potential loss of
15 getting revenue funds that have been crucial for our
16 community since its inception.

17 See, we're a nonprofit organization.
18 We're not an authority. And we've been entering our
19 13th year in helping our city in its efforts to
20 revitalize our downtown community. We work closely
21 with the city and others to maintain a 70 block area
22 that is home to many large, medium and small
23 businesses, a total of 644 properties in all.

24 It's these business owners that make up
25 the core of our downtown and the core of our community.

1 We've worked hard these past years to make our
2 community a better place for residents to enjoy and our
3 Gaming Revenue Funds have been part of the foundation
4 of our success.

5 These funds have helped spawn economic
6 development efforts in ways throughout downtown Erie
7 and the county as a whole. These funds have enabled us
8 in three ways.

9 The first is providing training for other
10 community leaders in Main and Elm Street principles
11 that serve as the foundation for revitalization
12 efforts. In fact, today is the final day of a 12 week
13 workshop that's being held right now as we gather in
14 this room.

15 Today's efforts will graduate another 20
16 new people trained in ways that benefit their small
17 towns, bureaus and other cities here in neighboring
18 counties, trained by folks from the Pennsylvania
19 Downtown Center, and funded by the Erie County Gaming
20 Revenue Authority. Training that makes a difference in
21 our community and training that makes a difference in
22 our future.

23 Gaming Revenue Funds also play key to us
24 to provide free public events for residents of all ages
25 to enjoy that add a better quality of life, together

1 with family and friends. On the screen behind you,
2 you'll see a series of photos, one of which is of one
3 of our events that, coupled with other organizations,
4 do draw thousands of people to our downtown and to
5 other neighboring communities.

6 We utilize these Gaming Revenue Funds ---
7 there's an example there, a weekly event that we hold.
8 These popular events draw thousands of people downtown
9 each week. These events are free and open to the
10 public and attended by people of all ages, all races
11 and all incomes.

12 They afford us to take a moment to enjoy
13 our community, our assets and more importantly, our
14 family and friends. But most importantly, the Gaming
15 Revenue Funds help us fund small businesses.

16 The district we oversee is home to many
17 small businesses. Like in your communities, these
18 small businesses are the backbone of our community and
19 our local economy. They are a link to our past and key
20 to our future. These small businesses hire our local
21 talent. They pay our local taxes. They pave our local
22 streets, and they provide sponsorship for our local
23 teams. It's what small businesses do.

24 Our Gaming Revenue Funds help us fund
25 small businesses to achieve Mission Main Street Program

1 that invests thousands of dollars into our local
2 business infrastructure.

3 Again, referencing the images on the
4 screen, this business infrastructure provides the
5 needed dollars to help replace broken windows, broken
6 doors, repair bricks --- loose bricks and mortars, and
7 to even add enhanced storefronts and make businesses
8 more appealing so that customers support them.

9 In essence, these funds help us fight
10 business blight, blight that will continue to haunt
11 Main Streets without the assistance of Local Gaming
12 Revenue Funds. If you ask any business owner one key
13 need, they'll tell you its capital. Its working
14 capital. It's capital that they need to invest back in
15 their business.

16 You know as well as I that investment
17 spawns investment. Three of our large downtown
18 employers are set to invest in their future and in
19 ours. This investment will help us transform our
20 community. The only way we're able to leverage this
21 investment is to match it with local investment into
22 our small businesses. Our local restaurants, our local
23 shops, retailers, and others need this capital to
24 invest in their businesses.

25 These Gaming Revenue Funds help provide

1 these businesses that are so vital to us in our
2 downtown community. And I would be remiss if I didn't
3 sit here and comment in that the threat --- and I mean
4 threat, of online gaming to bricks and mortars is
5 extremely sensitive, similar to the threat that the
6 internet has posed to retailers across the nation just
7 a few years ago.

8 So, I ask this Committee to take a serious
9 look at the opportunity that we have to continue to
10 support our small businesses that make up and are the
11 fabric of each of communities. Because without them,
12 we, too, will face the ongoing challenges of business
13 blight. We need these funds to fight the blight to
14 restore.

15 Thank you very much.

16 CHAIRMAN PETRI:

17 Mr. Wells.

18 MR. WELLS:

19 Good morning.

20 And thank you for coming to Erie,
21 Pennsylvania. It's a pleasure to be able to speak in
22 front of the Gaming Oversight Committee.

23 My name is Casey Wells. I am the
24 Executive Director of the Erie County Convention Center
25 Authority. It's a public authority whose members

1 appointed are seven members of Council, two appointees
2 are by the Mayor of Erie and two from the Governor of
3 Pennsylvania. Our Board serves four year terms without
4 compensation income from both sides of the aisle from
5 all walks of life.

6 Our Authority is responsible for five
7 facilities in our community; the Warner Theater, it
8 opened in 1931, a historical movie palace, got \$1.5
9 million to build back right after the Great Depression.
10 It's home of the Erie Philharmonic Orchestra, the Erie
11 Broadway Series, the Lake Erie Ballet. We do numerous
12 other events within that facility.

13 Additionally, the Erie Insurance Arena was
14 built in 1983 and had undergone a significant
15 renovation and expansion a couple of years ago. The
16 Arena is home of the Erie Otters Hockey Team currently
17 playing very well in the playoffs. The Erie BayHawks,
18 which is an NBA D-league team. It's also home of
19 numerous touring concerts, family shows and the like.

20 Additionally, we are responsible for Jerry
21 (sic) or UPMC Park --- excuse me, slight name change.
22 UPMC Park is home of the area Seawalls, a double
23 affiliate of the Detroit Tigers. We also host a number
24 of community events in our outdoor minor league
25 ballpark.

1 The authority is also responsible for the
2 Bay Front Convention Center, the facility in which we
3 are hosting the meeting today. It opened in 2007. The
4 Sheraton Hotel is also our property, opened in 2008.
5 And most recently, the Courtyard Hotel opened in 2016.

6 These facilities attract nearly a million
7 people to downtown Erie annually and have significant
8 economic impact in our community.

9 I've provided you a brochure that provides
10 additional information relative to our facilities, our
11 annual reports from the last couple of years. Our
12 report for this year will come out in about three
13 weeks, so unfortunately I don't have that ready for you
14 currently.

15 But the Authority, also known as Erie
16 Events, was able to get a \$10 million grant through the
17 County of Erie. It was provided to us for renovation
18 and expansion of our arena, which opened in 1993.

19 That \$10 million investment and commitment
20 from the County enabled us to leverage a \$32 million
21 Public Improvement Grant from the State. It enabled us
22 to go out and sell naming rights to Erie Insurance to
23 secure another \$3 million. And the Authority put up \$5
24 million as well for the \$50 million renovation and
25 expansion project.

1 We did do some assessments relative to
2 expending that kind of money on a rehabilitation of an
3 existing arena and we found out that to replace what we
4 have today is worth \$100 million in our arena. So,
5 significantly you can see the multiplier effect of
6 Gaming Revenues in our community.

7 What does it mean? It means we were able
8 to retain our hockey team who quite candidly said
9 openly and publicly that they were seeking other
10 opportunities in other facilities in Ontario to move
11 the team from here to there.

12 It has enabled us to retain our basketball
13 team, going from an Orlando Magic affiliation this
14 year --- we're going to go to the Atlanta Hawks
15 affiliation for the next two years, as well as for us
16 to continue to bring national touring acts into our
17 community, shows like Cirque du Soleil, Elton John, and
18 the list goes on and on.

19 Clearly, these sources of endeavors and
20 facilities not only allow us to create economic impact,
21 but to improve the quality of life. You know, just
22 because it's less tangible, it's no less real. You
23 know, we need to make Erie as an attractive place as we
24 can for people to live, work and play, and that's our
25 mission to do that.

1 Our mission statement is in there. I know
2 we're pressed on time here, so I'll leave my comments
3 at that. But again, without the commitment of the
4 Gaming Funds to leverage our arena improvements, we
5 would be significantly deficient in our ability to
6 provide a diverse entertainment, sports and cultural
7 environment for citizens of our region.

8 And I will note our facilities are located
9 in Chairman Harkins' district. Thank you.

10 CHAIRMAN PETRI:

11 Any questions?

12 Your presentations were fantastic.

13 Let's move on. Liz Wilson from Ben
14 Franklin Technology Partners. And Shawn --- I'm not
15 even going to try the last name. Thank you.
16 Waskiewicz from Flagship Niagara.

17 So, Liz why don't you start?

18 MS. WILSON:

19 Thank you. I have the pleasure of meeting
20 some of you last evening at the lovely reception hosted
21 by Perry's group. So, it's nice to see all of you
22 again today. Thank you for coming to Erie.

23 I am Liz Wilson with Ben Franklin
24 Technology Partners. And I'm going to be very brief
25 today, but I wanted to talk to you a little bit about

1 how ECGRA and a partnership with our program has helped
2 change the face of Tech Based Economic Development in
3 Erie County.

4 I need to take a minute first probably to
5 let you know a little background on Ben Franklin
6 Technology Partners. For the past 35 years, we have
7 been funded by the Commonwealth to invest in tech based
8 startups and small manufacturers who are trying to
9 develop a new innovative product or process.

10 Erie County has lagged a bit behind on
11 tech based development in the past 15, 20 years. So,
12 this is an important initiative. Our program, however,
13 covers 32 counties in the State of Pennsylvania. So,
14 keep that in mind.

15 So, folks generally ask, so what do you do
16 with the money that you get from the State? What does
17 that mean to invest in tech based startups? Well,
18 folks who are in prototype development, whether it's
19 some kind of widget or manufacturing change or software
20 development, typically you have very few options when
21 you're trying to find financial support.

22 Traditional lenders such as a bank need to
23 see some kind of asset base or sales revenue, or ---
24 before they can make that kind of investment. We are
25 mandated by the State to do that exact thing. And our

1 goals, unlike a VC or an Angel Network, are economic
2 development.

3 So, the returns on investment that we
4 receive are put back into the communities, put back
5 into our companies. So, where does ECGRA come in on
6 this? As I mentioned, we have 32 counties that are
7 state funded.

8 In Erie County, the past two or three
9 years because of our partnership with ECGRA, we have
10 been able to invest in probably 12 to 13 new tech based
11 initiatives. We fund partially --- well, we match
12 ECGRA's investment one to one. So, what that initially
13 generated was roughly about a \$2.2 million pool of
14 investment capital just for Erie County that did not
15 exist before.

16 So, I guess the other point about this is
17 Ben Franklin is likely the first institutional investor
18 of tech startup needs. So, if you don't have a program
19 like that that is State funded and assisted by, in this
20 case, local Gaming Revenue money, those folks have
21 nowhere to go other than friends and family.

22 Like many of the cities surrounding the
23 Great Lakes, Erie is trying to reinvent itself. And as
24 we all know, this requires not only the emergence of
25 new companies, and the development of new technologies,

1 and support of our entrepreneurs, of course, but also
2 in innovative approach to economic development. And
3 that's what we found by partnering with ECGRA.

4 We have a rather unconventional
5 partnership between Ben Franklin, which is a --- you
6 know State funded program for 35 years, and ECGRA,
7 which has allowed us to use Casino Revenue to take a
8 strategic gamble on Erie's innovators and risk takers.

9 We'd like to think that we're helping them
10 go from startup to up and running. And for the 13 or
11 14 folks who have received this money, I hope that they
12 agree. So, thank you for your time today.

13 CHAIRMAN PETRI:

14 Shawn, do you want to proceed?

15 MR. WASKIEWICZ:

16 Good morning.

17 Thank you for coming to Erie. And we look
18 forward to hosting you this afternoon at the Erie
19 Maritime Museum on the Niagara.

20 My name is Shawn Waskiewicz. I'm the
21 Executive Director of the Flagship Niagara League.
22 I've been the Director since February of 2012, just
23 over five years.

24 The Flagship Niagara League was created in
25 1982, and we're the management team of PHMC,

1 Pennsylvania Historic Museum Commission. So, the
2 Commonwealth of Pennsylvania own the museum and the
3 ship, and our team basically manages the operations.

4 Last year our budget was \$2.6 million ----
5 I'm sorry, \$2.3 million, of which \$76,000 came from
6 ECGRA. Some of the programs that we've used our
7 funding from ECGRA includes sail replacement projects
8 for the U.S. Brig Niagara which is one of the United
9 States largest wooden tall ships that sits right in
10 your backyard here, measuring about 200 feet long.

11 Some of the other projects are education
12 training programs, which I'll go into in a few minutes
13 and serving the underutilized or the underprivileged
14 population in Erie County with children attending
15 museums, ship tours, et cetera.

16 One of the things that I'd like to point
17 out about the museum, as well as the ship, is that our
18 organization organizes tall ships. Besides Chairman
19 Harkins, you probably haven't attended tall ships
20 before. So, I encourage you to come every three years.

21 So, to give you a short story, in 2009,
22 the Flagship Niagara League received a phone call that
23 a big portion of funding was going to get cut from the
24 State. We originally received about a million dollars
25 a year from the state to run our operations and that

1 funding was cut to \$350,000. With that funding cut, it
2 jeopardized the Flag Niagara, the U.S. Brig Niagara to
3 be tied up to the dock forever.

4 If that were to happen, obviously the
5 Niagara is a wooden vessel, and obviously over time
6 that would be naught. Some of the people on our Board
7 rabble roused around the community, but some Committee
8 Members together.

9 Although there were ships that have been
10 coming into Erie since the '90s, we organized the first
11 official tall ships event in 2010. In a very short
12 amount of time about 12 Committee members organized
13 this festival that saw 35,000 visitors with an economic
14 impact to the city of Erie businesses of \$3.6 million.
15 That number was from the tourism agency here, Visit
16 Erie.

17 Like I said, that festival happens every
18 three years. So, in 2013 we organized another
19 festival. 35,000 visitors increased to 60,000 visitors
20 with an economic impact estimated at \$6 million.

21 And coming off of the tall ships year in
22 2016 this past September, we're pleased to announce
23 that we had 90,000 visitors with an economic impact of
24 \$8 million. So, in three tall ship years, we had an
25 estimated economic impact of \$17.5 million to the City

1 of Erie businesses, as well as 185,000 visitors.

2 What's important about that visitation
3 number is we estimate that about 45 percent of those
4 visitors come from outside Erie County. Like so many
5 other people have mentioned here, a lot of people don't
6 come to Erie County unless you know you got friends or
7 family, or you're coming here an attraction.

8 So, our goal is to attract them here, and
9 then once they get here they'll come back. So, we're
10 proud to say that 45 percent of that number is from
11 outside of Erie County.

12 Shifting gears to the Erie Maritime
13 Museum, last year we saw 123,000 visitors. So, we're
14 proud to be one of the nine lead assets that Mr.
15 Batchelor talked about with ECGRA.

16 So, over our time, we've received close to
17 \$250,000 from ECGRA. And one of the programs that I
18 want to point out that not too many people in the
19 community are aware about is our sail training program.
20 That's a program that it's \$1,500 for people to go on a
21 two to three week sail. But we also offer scholarships
22 and grant opportunities for kids that can't afford that
23 opportunity.

24 To give you an example of some of the
25 population that we serve, just to tell you a quick

1 story about one of the gentleman that came sailing on
2 the ship a couple years ago. Typically, when you're in
3 the elements and this is the first time you're on a
4 tall ship, people don't sleep very well the first
5 night. It's cold, it's rainy and especially in this
6 day and age, you have no electronic devices, by the
7 way.

8 So, there's no technology on the water,
9 and people don't know what to do for two weeks without
10 an iPhone. So, the first night it was really cold and
11 wet, 40 degrees or so. And Captain Sabatini musters
12 the crew the next morning, includes the trainees, and
13 he was expecting everybody to be tired, a long night
14 with the rain and the weather, things like that. And
15 this young man was very excited and it was the best
16 night's sleep that he ever got.

17 And what's interesting about that is that
18 this young man comes from a very broken home life, a
19 single family home, and he's homeless. And he goes to
20 --- he lives in a homeless shelter and he goes to
21 school. He walks to school. And the Flagship Niagara
22 League and the crew became his family.

23 And he never felt more safe onboard for
24 the time that he was on the ship, and he quite frankly
25 didn't want to get off. So, those are some of the

1 people that we represent, and those are some of the
2 stories that you don't hear about because we really
3 don't promote that.

4 I just want to say thanks to Perry and
5 ECGRA for the great work that he's doing in our
6 community. We're asking that the funds stay local and
7 that ECGRA controls them. Our organization is a
8 thriving organization.

9 Five years ago our budget was \$1.1
10 million. Last year it was \$2.3 million. So, we've
11 really grown leaps and bounds. But there's a lot of
12 nonprofit organizations that are much smaller than us,
13 and they really depend on the funds.

14 So, we ask that on behalf of the Niagara
15 League, we'd ask that that funding stays local. Thank
16 you.

17 CHAIRMAN PETRI:

18 Thank you both. Your organizations are
19 well known to me and I think the world of what both of
20 you do.

21 By the way, you and I should talk offline.
22 I am a Commissioner in PHMC. So, we should talk.

23 Okay.

24 We're going to have Michael Victor and
25 Danny Jones. Michael Victor is with Mercyhurst

1 University and Danny Jones is the Greater Erie
2 Community Action Committee CEO.

3 We're a little bit behind schedule, but
4 that's fine. We'll figure it out.

5 Mr. Victor, if you want to go first.

6 MR. VICTOR:

7 Certainly.

8 Good morning, everyone. I'd like to
9 introduce myself. I'm Michael Victor, President of
10 Mercyhurst University. I want to thank you all for the
11 opportunity to allow me to speak this morning.

12 When we talk about charting the City of
13 Erie's growth within the context of a new knowledge
14 based economy, when we talk about driving
15 entrepreneurship and innovation, when we talk about
16 elevating the arts and culture of the community,
17 Mercyhurst University emerges as an essential,
18 strategic asset.

19 In assuming that kind of impactful
20 leadership, Mercyhurst relies heavily on a trusted
21 benefactor in the Erie County Gaming Revenue Authority.
22 The impact of Gaming Revenue Funds allocated by ECGRA
23 cannot be underestimated.

24 Consider first, the Mercyhurst Institute
25 for arts and culture. Since 2011, ECGRA has invested

1 more than \$275,000 in this institute, allowing scores
2 of nationally and internationally renowned artists to
3 engage students and community members, as well as
4 marginalized populations of Northwest Pennsylvania that
5 would not otherwise have access to these kinds of world
6 class experiences.

7 No other organization in the region has
8 the facilities or the infrastructure of Mercyhurst
9 University to handle these prominent artists. A loss
10 of ECGRA funding would have a detrimental effect on
11 both the quantity and the quality of arts and culture
12 events available to the Erie Community and beyond.

13 Founded in 1926 by the Sisters of Mercy,
14 Mercyhurst continues to build a legacy and can be
15 traced back to the principles and teachings of
16 Catherine McAuley, foundress of the Irish Order in
17 1831.

18 Mercyhurst today is a major force in the
19 educational landscape in the region while remaining
20 true to its missions as a private Catholic
21 comprehensive university.

22 Among its many academic achievements, the
23 university is the only higher educational institution
24 in the region to be designated as a regional asset by
25 the Erie County Government solely because of the unique

1 and high caliber performing arts programming we
2 annually present to the Northwest Pennsylvania
3 audience.

4 And this is thanks in large part to ECGRA
5 funding. In recent years, Mercyhurst's commitment to
6 innovation and collaboration has come to the attention
7 of ECGRA as a means of helping the city of Erie, a once
8 thriving manufacturing town, to reinvent itself within
9 the context of a new knowledge based economy.

10 That economy has attempted to stop brain
11 drain and enhance brain gain, replace low paying jobs
12 with family sustaining jobs and revitalize downtown
13 Erie through the creation of an innovation district.

14 In September 2016, Mercyhurst University
15 received a \$4 million grant to lead the development of
16 a downtown Erie innovation district in collaboration
17 with our corporate partners; Erie Insurance, McManis
18 and Monsalve Associates and Velocity Network.

19 ECGRA was among this project's primary
20 funding sources. As planned, the partners intend to
21 execute joint products related to the fields of safety
22 and security, specifically, in the high demand fields
23 of data science and cyber security where their combined
24 skills will create a powerful business alliance and
25 serve as a catalyst for economic growth here in Erie.

1 Specific to Mercyhurst, we are the home to
2 the Tom Ridge College of Intelligence Studies and
3 Applied Sciences where we integrate students in high
4 demand fields of cyber intelligence and big data, among
5 others, making us ideally suited to lead this
6 innovation district.

7 However, I cannot stress enough that the
8 loss of Gaming Revenue Funds would spell a major
9 setback in the Erie region's strategy to grow companies
10 and create jobs. We've done a considerable amount of
11 work since last fall including a national search to
12 identify the First Innovation District President and
13 CEO. That announcement is expected in a matter of
14 weeks.

15 Mercyhurst's leadership role with the
16 innovation district is a direct option of the Ignite
17 Erie Industry University Business Acceleration
18 Collaborative, an ECGRA funded initiative led by
19 Mercyhurst and Penn State Behrend.

20 ECGRA made a \$750,000 commitment to the
21 Erie Universities to help spur innovation by students,
22 faculty, local industry and emerging entrepreneurs.

23 Under that initiative, Mercyhurst launched
24 Quick Starters, a strategy designed by one of our
25 intelligence studies' professors to build successful

1 online crowd funding campaigns for local entrepreneurs.
2 All told, in two years, Quick Starters has counseled
3 143 entrepreneurs, conducted 24 actual campaigns, of
4 which 22 were successful, created 94 jobs and has had
5 an economic impact of \$323,000 in the region.

6 All of this could come to a screeching
7 halt without this Committee's help. I tell you only
8 about the Mercyhurst story. But as you're well aware,
9 there are many many impacts. The Gaming Revenue Fund
10 are invaluable to the hundreds of Erie County
11 nonprofits and municipalities.

12 I personally urge you to protect these
13 vital resources for the betterment of our great people
14 and our communities. Thank you for listening.

15 CHAIRMAN PETRI:

16 Thank you.

17 Mr. Jones.

18 MR. JONES:

19 Well, good morning.

20 And first, let me just say that I've been
21 Director of GECAC for a whopping three weeks now, so
22 --- fantastic. I do have one of my staff that's been
23 here for years backing me up in case you get a little
24 too deep into the questions.

25 What many people do not understand is that

1 GECAC's Area Agency on Aging through our mission to
2 serve older adults provides services to approximately
3 6,500 seniors through a myriad of local partners and
4 subcontract providers. GECAC also provides valuable
5 volunteers to the Retired and Senior Volunteer Program
6 and Foster Grandparent Program to a variety of local
7 nonprofits and education entities.

8 All of these efforts are supported by the
9 Erie Gaming Revenues. There are approximately 45
10 direct subcontractors throughout Erie County that
11 comprise the local aging services network that GECAC
12 has in place.

13 In addition, the volunteer programs of
14 RSVP and Foster Grandparents Program provide support to
15 a multitude of local, nonprofit entities through
16 memorandums of understanding with 40 other nonprofit
17 entities hosting RSVP and 70 agencies that need a
18 Foster Grandparent.

19 All of these entities rely on the funding
20 not only from lottery dollars, but also from Erie
21 County. A few years ago, all of our senior program
22 funds from the County were placed under the Gaming
23 Revenue stream.

24 We receive Gaming Revenue Funds to support
25 three main areas, the Area Agency on Aging, general

1 programming for the agency as a whole and the Summer
2 Jam Program.

3 With Aging, we use Gaming Funds to support
4 all areas of the division, including providing in-home
5 services to seniors such as personal care and home
6 delivery meals, providing congregate meals and
7 operations at the seven senior centers, and supporting
8 the Foster Grandparent Program and Retired Senior
9 Volunteer Program.

10 Volunteers. We support them by
11 reimbursing them for their mileage to deliver meals and
12 for their lift fees so they can get to Foster
13 Grandparent Host Agencies, and recognizing these
14 valuable volunteers for the contributions that they
15 make to their seniors.

16 Erie County funding also supports the
17 GECAC Staff to provide valuable care of management such
18 as Older Adult Protective Services, options, caregiver
19 support, lawn care and ombudsmen for which there is no
20 substitute.

21 In addition, these funds sustain the
22 in-home services provided by many local providers to
23 Erie County. In general programming, we use the funds
24 to support executive planning for planning operations
25 in human resources, provide general community support

1 to other agencies who need assistance with projects
2 that align with our mission, and to support programs
3 that others envision that have a need that funding
4 cannot fill.

5 For example, a couple years back, the
6 Senior Community Services Employment Program was being
7 pressed to get more unsubsidized job placements, but
8 needed a way to motivate participants. We were able to
9 use funds to provide gift cards to incentivize
10 participants to get and keep their employment.

11 For both areas, Aging and Operations, the
12 Gaming Funds are used as local match to obtain other
13 State and Federal Funds. Loss of the Gaming Funds
14 would potentially be a loss of those other State and
15 Federal Funds that have identified another non-federal
16 source with which to pass down.

17 We utilize \$461,391 of Gaming Revenue to
18 acquire a total of \$9 million in the Erie Area Aging
19 Services and Supports. Loss of Gaming Funds would also
20 be less services for aging consumers, a more difficult
21 time recruiting Meals on Wheels volunteers as we no
22 longer could reimburse them for their mileage, no way
23 to get Foster Grandparents to their host sites, a
24 reduction or elimination of County Senior Citizen
25 Centers and no Summer Jam Program which provide 150

1 youth soft skilled trainings and employment during the
2 summer.

3 It would also reduce services across the
4 agency as administrative costs rise to cover the types
5 of items in the Gaming Program Budget, not to mention
6 the loss of thousands of dollars to support other
7 nonprofits as they fill gaps in their services.

8 All-in-all, a loss of the Gaming Revenue
9 would have a significant impact upon the quality of
10 life for Senior Citizens that GECAC serves, as well as
11 the peripheral services, volunteer opportunities and
12 supports that are subcontracted.

13 Thank you.

14 CHAIRMAN PETRI:

15 Very good.

16 Questions?

17 MR. COOK:

18 Thank you for your testimony, and thank
19 you, Mr. Chairman, for the opportunity to ask
20 questions.

21 Mr. Jones, you mentioned that you used
22 \$461,000 to leverage \$9 million ---

23 MR. JONES:

24 Correct.

25 MR. COOK:

1 --- so you can proceed with your mission.

2 And that \$461,000, is that all gaming money?

3 MR. JONES:

4 Yes.

5 MR. COOK:

6 It is. Okay. Thank you.

7 CHAIRMAN PETRI:

8 Thank you. Great question.

9 Anyone else?

10 Very good.

11 The final panel we'll have today is ---

12 Tammy Roche actually is on the panel of one, YMCA of
13 Erie, Vice President, Financial Development, Membership
14 and Marketing.

15 You do good work.

16 MS. ROCHE:

17 Well, I am between you and lunch. I'm
18 kidding. Okay. There's a grumbling in your stomach,
19 which is perfect for what I'm going to speak to you
20 about today.

21 Ten year old Kavari Miller told me last
22 summer that she doesn't eat every day. I want you to
23 imagine just for one minute in this season of fasting
24 if fasting was not a choice for you. Imagine just for
25 a minute what it's like to be ten years old and to be

1 hungry.

2 Kavari is thinking about today, not about
3 tomorrow or her future. And what that does is it
4 suppresses her hopes, her dreams and her ambitions into
5 just getting something to eat. If she's just thinking
6 about getting something to eat, she's not thinking
7 about the woman that she wants to be. She's not
8 studying the extra half hour or working to get that
9 extra credit assignment.

10 The fact is this, though. That's not her
11 fault. She's not the one responsible for doing the
12 shopping. She's not the one responsible for cooking
13 her meals.

14 In fact, the local statistic here in Erie
15 County is that one in five kids lives with food
16 insecurity, one in five. If you were to stand up, one
17 in five in this room lives with food insecurity.

18 These children are our neighbors. They go
19 to our schools. They attend our churches. It is not
20 an acceptable statistic. Erie County has ten
21 identified food deserts. That's a defined area of our
22 community that is vacant of fresh, healthful foods
23 where there are barriers such as transportation and a
24 lack of access to grocery stores, farmers' markets, and
25 healthy food providers.

1 The "Y" had a vision in 2016 to renovate a
2 72 passenger school bus into a mobile meal site for
3 kids complete with a customized kitchen and café style
4 seating where the children eat family style because
5 that's not something they receive at home.

6 We're removing the barriers that children
7 are faced with year round and providing healthy,
8 nutritionally balanced meals right in their
9 neighborhoods. This is a local problem that needed a
10 local solution with local decision makings.

11 ECGRA's grant making criteria is rooted in
12 local needs substantiated by local data and impact
13 outcomes. ECGRA was one of the first funders of my
14 crazy idea to respond to this local need with a
15 generous grant that helped us underwrite more than
16 \$60,000 in renovations to our bus.

17 ECGRA's leadership helped us leverage
18 donations from other local funders. We served over
19 25,000 meals from that bus since last April. This bus
20 is not the solution to a much larger community problem,
21 but what it is doing is helping kids like Kavari. It's
22 helping fill the gap while more transformational ideas
23 are taking root.

24 As so many others have testified today, it
25 is imperative that Erie County's Gaming Revenue be kept

1 whole. ECGRA is strategically funding initiatives and
2 organizations that are delivering our solutions to real
3 community transformation.

4 Kavari spent 85 days of her summer at the
5 Food and Fun Bus trying unique foods like quinoa and
6 chicken fajitas. She helped us serve meals to children
7 much younger than her and she was our resident Wal-Mart
8 greeter smiling at new children, showing them picture
9 books or playing checkers.

10 Kavari may not remember my name as she
11 grows up, but what she will always remember is the "Y"
12 served her food and fun, and the only way that the "Y"
13 could do that is because of ECGRA.

14 Thank you.

15 CHAIRMAN PETRI:

16 Questions?

17 MR. NEILSON:

18 Yes.

19 In your testimony, you talked about crazy
20 ideas and the crazy ideas are the ones that last. And
21 we talked to our constituents all the time saying bring
22 those crazy ideas into our office so we can try and
23 implement them because they do the best.

24 I hope you are sharing that with your
25 colleagues because I have a Y in my neighborhood two

1 blocks away and it's a real community --- everyone in
2 the community benefits from it; old, young. It's just
3 a great place for the kids to just hang out and mentor
4 with their peers. And I want to thank you for that.

5 And ask you that when we go around and you
6 have the meetings, you have your annuals that you go,
7 make sure you tell them about the bus. I look forward
8 to seeing a couple in Philadelphia because we live in
9 that same type of City as Erie, but it's about 150
10 times larger.

11 But no, but we have the same kind of
12 makeup. As I do with the reps up in Harrisburg,
13 Harkins and all the others, we talk about it a lot.
14 And our makeup with Philadelphia is the same as Erie
15 just on a different scale. So, I look forward to
16 seeing a bus in my neighborhood.

17 MS. ROCHE:

18 Thank you very much.

19 MR. NEILSON:

20 Thank you.

21 CHAIRMAN PETRI:

22 We're going to recognize Chairman Harkins
23 for some closing comments.

24 CHAIRMAN HARKINS:

25 Thank you to everyone for coming out.

1 Thank you to the testifiers. I'm watching the fog roll
2 in out there. I had promised good weather so I hope
3 that by the end of the day it clears up, but again,
4 thank you to everyone. I greatly appreciate your
5 testimony and your being here today. It means a lot to
6 me and to my colleagues. And to my Colleagues, safe
7 travels on the way back. And thank you for coming up.

8 CHAIRMAN PETRI:

9 Thank you.

10 And this hearing will adjourn.

11 I want to thank the Erie community for
12 your warm and gracious invite, for your standing room
13 only attendance and for your commitment to your
14 community. You have a really good story to tell and I
15 think we're going to help repeat it in our communities.

16 I've learned a lot and I think a bunch of
17 us have some ideas now that maybe we can apply to our
18 own areas. So, we learned from you today and want to
19 thank you for being such gracious hosts.

20 Thank you.

21 * * * * *

22 HEARING CONCLUDED AT 12:10 P.M.

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CERTIFICATE

I hereby certify that the foregoing proceedings,
hearing held before Co-Chairman Petri was reported by
me on 03/28/2017 and I Shannon Fortsch read this
transcript and that I attest that this transcript is a
true and accurate record of the proceeding.



Court Reporter

Shannon C. Fortsch