



**TESTIMONY OF KATHY MCRACKEN, EXECUTIVE VICE PRESIDENT AND GENERAL MANAGER OF
WIND CREEK BETHLEHEM, BEFORE THE
PENNSYLVANIA HOUSE OF REPRESENTATIVES GAMING OVERSIGHT COMMITTEE**

Thank you for allowing me the time to discuss how Wind Creek Bethlehem is faring throughout the pandemic and our financial outlook for the future. I am Kathy McCracken, Executive Vice President and General Manager of Wind Creek Bethlehem.

In discussing where we are today and the financial future of our property, it is important to discuss our past. Wind Creek Bethlehem was conceived in 2006 as a unique and bold idea to take vacant land, at the former Bethlehem Steel Plant in Bethlehem and redevelop into a destination casino. The land had been dormant and fallow for over a decade, but some people had the vision to see that a casino and shopping mall could breathe new life into old steel.

In 2019, Wind Creek Hospitality, an authority of the Poarch Band of Creek Indians, purchased the Sands Casino Resort Bethlehem for \$1.3 Billion. Wind Creek made this investment, because of the excellent track record of the property and Pennsylvania's stable and strong casino gaming industry.

Before the COVID 19 business closures struck last March, Wind Creek Bethlehem had 2,330 employees. Our team members come from many parts of Pennsylvania. They may even be your constituents.

In addition to our employees, Wind Creek Bethlehem also does business with 838 vendors, who supply us with a wide range of goods and services. Wind Creek, like every Pennsylvania casinos, has a large economic impact across Pennsylvania.

Since the property opened in 2009, in the middle of the great recession, and before COVID 19, we were consistently either second or first in total revenues and had been the statewide leader in table games revenue.

Since the pandemic much has changed with our business.

COVID 19 restrictions forced us to close from mid-March to the end of June and Pennsylvania casinos were forced to shutdown again for three weeks at the end of 2020, reopening on January 4th. The business shutdowns significantly affected our business and our team members.



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During the first shutdown, we did not layoff any employees. We paid them until May 31st, even though they were not working. After we reopened, we were forced to make permanent layoffs. Now, at the beginning of this year, Wind Creek Bethlehem has 1,463 team members.

In addition to the business closure, casinos, like every other business has had to rethink the way we operate to protect the health and safety of our customers and the Community. Attached to my testimony is an ad that we ran in our local newspapers at the end of last year which details the steps we are taking to keep our team members, customers and community safe.

While we are focused on navigating our business through these challenging times, we have not forgotten about our commitment to Bethlehem, the Lehigh Valley and Pennsylvania. During the pandemic we have pitched in financially to help a number of local organizations. This includes providing nearly \$7,000 in PPE to the Office of Emergency Management, and approximately \$4,000 in food donations towards local food banks benefitting schools and community centers. Since the property's reopening, Wind Creek Bethlehem has begun selling facemasks with 100% of revenue going towards local organizations-which to date has raised over \$4,000.

We are also serving as a COVID 19 vaccination site.

These are challenging times, but they are especially difficult for anyone in hospitality or entertainment business. In spite of the circumstances we have faced over the last year, Wind Creek Hospitality remains very optimistic about Wind Creek Bethlehem and the future of Pennsylvania's casino industry.

We are breaking ground on a new \$155 Million hotel, next to the casino. We opened a new sports book on site late last year and are expanding one of our restaurants. These are positive signs for our industry, but we have one large concern about the future that only you can control.

As every casino in Pennsylvania tries to rebound from 2020 and adjust to the ongoing issues with COVID 19, one of the worst thing Pennsylvania can do is to approve any expansion of gambling, especially distributed gambling in the form of VGT's in bars, taverns or clubs or legalizing "games of skill". Expanding gambling will severely hurt casinos at a time when we are just starting to recover the business shutdowns of 2020.

It will lead less investment from casinos, fewer Pennsylvania jobs and less tax revenue for state and local government.

Pennsylvania has still not implemented all the gambling changes included in Act 42 of 2017. Give us the opportunity to recover from the pandemic and fully implement Act 42, before you consider any gambling expansion.

Thank you and I look forward to taking your questions.