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Senate of Pennsylvania

November 19, 2012

William H. Ryan, Jr.
Chair, Pennsylvania Gaming Control Board
PO Box 69060
Harrisburg, PA 17106-9060

Dear Chairman Ryan:

I was pleased to learn that six applications were received by the November 15th deadline for the second category 2 gaming license in Philadelphia. I applaud the Gaming Board for taking decisive action to move forward with the development of a second gaming facility in the City.

The issue of casinos is one of special interest to my constituents. All six of the recent applicants selected locations within the First Senatorial District. Philadelphia's current casino, SugarHouse, is located in my legislative district, as were four of the five applicants for licenses in 2006.

In the midst of difficult economic conditions, the most important need voiced by my constituents is the need for Philadelphians to return to work. Philadelphia's current casino, SugarHouse, employs nearly 1,000 people. More than 65 percent are Pennsylvania residents, and more than half call Philadelphia home. Philadelphia clearly needs the construction and full-time jobs generated by a casino, something vividly illustrated when nearly 15,000 job seekers turned out to SugarHouse's initial jobs fair.

To date, SugarHouse has generated nearly \$18 million for the City and the School District of Philadelphia. I believe that SugarHouse could be even more successful, and a second casino already in operation, had there been a more thorough and open process in 2006.

The history of gaming in Philadelphia is one of long delays, unnecessary expense, and lost opportunity. During the 2006 selection process, many people felt – rightly or wrongly – that applicants were chosen based on political favoritism rather than the merit of their applications. Six years later, the selection process ultimately resulted in the unprecedented step of revoking a license. Had there been less procedural shortcuts in the prior licensing round, the delays and lost opportunities might well have been avoided.

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This Board now has a unique opportunity to make this selection process better by learning from the experiences of the past. As we move forward, I urge the Board to consider the following:

- Conduct a minimum of three public input hearings within the First Senatorial District. It is critical that the Board carefully consider the opinions and concerns of local residents, business owners, and public officials. Testimony should not be artificially limited, and strict adherence to a pre-registration requirement should not be necessary.
- Place all applications, ownership disclosures, development plans, marketing and business studies, diversity plans, and local impact reports with traffic studies on the Board's website 15 days prior to the start of the public comment period.
- Do not end the public comment period prior to the close of the evidentiary record.
- Include each state and local elected official whose district includes any proposed site on a separate email alert system informing them of important Board administrative events and filing submission dates in advance.

Every single application deserves a thorough analysis; decisions should not be made in a vacuum, or before all the information is known. It is important to ensure that applicants are building the project that will most benefit the state, city, and host neighborhood – and that applicants can actually execute the plan they submit. A thorough evaluation and selection process can be accomplished in a timely fashion, and will ultimately avoid delays, not create them.

It is exciting to know that several groups are interested in investing in our City. We can maximize the benefit of gaming by leveraging Philadelphia's unique characteristics to develop a facility that will employ hundreds of Pennsylvanians and generate millions in new public revenue. I look forward to continuing to work with you and your staff as we move forward in the licensing process.

Sincerely,

A handwritten signature in black ink, appearing to read "Lawrence M. Farnese, Jr.", written in a cursive style.

Lawrence M. Farnese, Jr.
State Senator – First District