SECTION 2

SITE EVALUATION AND CASINO DESIGN

Site Evaluation and Design Framework

The following section presents information to assist the City of Philadelphia in evaluating potential gaming locations and in developing site selection and design criteria that can help integrate two new gaming facilities into the transportation network and fabric of the city. Toward this end, the Task Force's Site Evaluation Committee reviewed gaming industry requirements and experiences with respect to choosing casino locations, key elements of casino design, and transportation and site requirements. The Committee then examined the local context into which gaming will be introduced. Finally, it conducted detailed assessments looking at the advantages and challenges associated with a range of potential gaming sites throughout the city. The ultimate goal of this work has been to generate a set of site evaluation and design criteria that can be used in assessing different gaming sites and proposals.

Casino Location

FINDING: Accessibility is critical to the success of any casino – especially one that is primarily serving a local convenience gaming market.

Location and accessibility play a major role in shaping the size and nature of a casino's gaming market. Where and how gaming facilities are situated among major roadways and population centers sets the parameters for potential visitation levels, revenues, and fundamental viability. Casinos that are not easily accessible to their target gamer populations immediately face a major challenge.

Key components contributing to a casino's overall accessibility include how central it is to a regional population and labor pool, ease of access to regional highways and public transit, and ease of access via local streets. These types of accessibility are crucial for all casinos, but become even more important in local convenience gaming markets where a primary objective is to maximize frequency of visits by regional residents who may stay for shorter periods of time than in destination gaming locales like Las Vegas or Atlantic City.

FINDING: Excellent visibility from major roadways is a high priority for casino operators.

Casino operators seek gaming locations that are highly visible from major highways and heavily traveled roads to encourage visitation by both current and potential gamers. Good visibility can also make the casino easier to find for first-time or infrequent visitors who are not familiar with navigating the local environment. Casino designers commonly try to further boost a location's visibility with large signage that can be seen from long distances. While conventional box-style casinos can draw attention from area roadways through their sheer bulk and size, the buildings often prove less of an attention-grabber than the bright and colorful branding signs accompanying them.

What casino patrons see from the vantage point of the casino also can be very important. Gamers seek a safe and secure environment when they visit a casino and the aesthetics surrounding a site can influence their sense of security, as well as their feeling that they are going out for some fun and excitement. Views back to urban skylines or scenic views can add to a visitor's enjoyment and help generate synergies with surrounding uses, but such sightlines are sometimes purposefully blocked or otherwise avoided by casino operators who want gamers to focus their attention on the inside of the casino.

IMAGE 2.1

Eye-grabbing signage is commonly used to increase a casino's visibility.

FINDING: Cities in comparable urban gaming markets have conducted thorough planning processes in an effort to maximize the public benefits associated with casino location and increase revitalization impacts stemming from casino development in distressed urban areas with vacant or under-utilized land.

If properly located, a gaming venue could stimulate development of adjacent sites, fill in the gaps in vacant or under-utilized areas of a city, and contribute to the removal of blight and deterioration. It could also help to spur investments in public infrastructure and amenities if a broader public plan and methods of financing are put in place.

While the desire for new tax revenues has been the driving force behind the legalization of gambling in many states, local jurisdictions in several instances have used new casino development to try to maximize some of the other types of public benefits detailed above. Detroit and New Orleans are examples of cities comparable to Philadelphia that have engaged in extensive public planning around the siting of new gaming facilities.

In the late 1990s, Detroit Mayor Dennis Archer viewed the development of three casinos within the city as a means "to achieve many significant public purposes for the benefit of the Detroit community." Archer aimed to accomplish this, in part, via the city's authority over final siting of the casinos and appointed a task force in 1997 to examine issues around site selection and other matters. In putting together its recommendations, the Detroit task force emphasized that spurring redevelopment and eliminating blight should be priorities. Toward this end, the task

force initially focused on potential gaming sites in the downtown central business district to maximize economic spill-over into surrounding areas. Available downtown sites, however, proved too limited in size for the casinos' anticipated space needs (see Site Requirements section below) and also yielded potential challenges with regard to existing infrastructure and construction-related disruptions.

The City of Detroit then focused on a 60-acre site along the Detroit River at the edge of the downtown area with good access and visibility that would have allowed for clustering of all three casino developments. A broad public consensus was reached in support of this waterfront revitalization approach, but difficulties with land assembly and a series of legal challenges kept casino operators from being able to locate at the riverfront location. Instead, the licensed casino operators opened temporary gaming facilities in 1999 and 2000 at three separate locations in central Detroit that are still in operation. The Detroit case demonstrates that while thorough planning is necessary in order to realize public benefits from casino location, it is not a sufficient condition for success.

In New Orleans, the location for development of a land-based casino was predetermined by the Louisiana state legislature, so subsequent planning efforts focused on how best to integrate the casino with its context. The state legislature in 1992 chose the former Rivergate convention center as the future casino site on land owned by the City of New Orleans. This central location at the base of Canal Street between the French Quarter tourist district and the city's central business district was chosen in large part to capitalize on the city's thriving tourism market. The proposed permanent facility went through a considerable number of design iterations resulting from back-and-forth between the casino developer and the city. Among the changes made for public benefit were reducing the casino's height and bulk so that it would not overwhelm its surroundings, emphasizing the casino's Canal Street entrance to encourage pedestrian use, and de-emphasizing an underground tunnel connecting parking with the casino to increase visitor interaction with the city.

The result of New Orleans' planning process was a design that government officials believe integrated relatively well with the fabric of the city. The city then remained steadfast in making sure that this agreed-upon vision for a Canal Street facility was realized, despite years of false starts and casino operator bankruptcies caused by economic factors outside of the design process.

IMAGE 2.2

Public planning helped to integrate the New Orleans Harrah's casino into the fabric of the city.

A review of selected case studies indicates that casinos with the greatest potential to yield revitalization benefits for their immediate surroundings are frequently built in distressed urban areas, usually in conjunction with master plans and if new investments are sufficient to alter perceptions of the area. In particular, Shreveport, Louisiana and former industrial areas of the Australian cities Melbourne and Sydney have experienced dramatic revitalizations spurred by casino development in areas previously defined by vacant or under-utilized land. In addition to economic spill-over benefits, distressed urban areas also typically have the advantage of under-utilized transportation, utility, and municipal services infrastructure. Development in these locations usually does not cause the loss of a valued public amenity or the displacement or disruption that can occur when building a casino in already viable urban areas.

Based on limited experiences in New Orleans, there appears to be minimal to no spin-off development generated by casinos in central downtown locations that are already viable. Although casinos in viable urban areas are often financially successful, it is difficult because of the size of the economy to identify distinct economic impacts attributable to them. Brief case studies on the relationship between casinos and revitalization follow below:

Shreveport, Louisiana (multiple casinos)

The casinos in downtown Shreveport, Louisiana were developed as part of a master-planned downtown revitalization effort. A victim of the oil bust that hit Louisiana in the 1980s, Shreveport had been a struggling city in one of the poorest states in the country. A $410 million capital investment by six casinos is credited by local officials as the catalyst for construction of a 350,000 square foot convention center and the 120,000 square foot Red River District urban entertainment development–with restaurants, new sidewalks, landscaping, art islands, and residential conversion projects. Casinos also have fueled a development boom for local and

national restaurant brands aimed at drawing more families into the tourist market.

Crown Entertainment Complex, Melbourne, Australia

Melbourne's Crown Casino is part of a large integrated entertainment complex that has transformed a former industrial area across the Yarra River from downtown Melbourne. The complex includes a hotel, a conference center, restaurants, a shopping mall, a showroom, and a theater. Major new retail and residential development is planned for sites to the east and west of the Crown Casino and along both banks of the river. A promenade along the river connects the adjacent Southbank shops and residences to the Crown complex and stretches toward the new Docklands residential development west of the Crown. Since the Crown was built, a new exhibition hall and aquarium also have been built in the area.

IMAGES 2.3 and 2.4

In Australia, Melbourne's Crown Casino (left) and Sydney's Star City Casino contributed to the revitalization of former industrial areas.

Star City Casino, Sydney, Australia

Sydney's Star City Casino was built as a first step toward redeveloping a blighted area of old docks and warehouses called Pyrmont, which has now been converted to a mixed-use district of residences, shops and malls. A light rail system was constructed to connect Pyrmont with downtown Sydney, about twenty minutes away. In the words of one local official, "the area has been totally transformed."

Harrah's Casino, New Orleans, Louisiana

The Harrah's Casino in downtown New Orleans is located in an area that was already a largely successful tourist and shopping destination, and therefore its impact on the surrounding environment has been limited. The casino is currently developing an adjacent two-block strip as a pedestrian retail and entertainment mall, with a major restaurant anchor having recently opened as the first tenant. In addition, a casino hotel is being constructed across the street from the casino. However, the casino has not been a catalyst for other private development, mostly because the tourism and convention business in New Orleans was flourishing without it.

Detroit, Michigan (three casinos)

Although Detroit's three casinos have been financially successful and the city government has benefited from its share of gross gaming revenues, there has been little spin-off development or revitalization. In particular, the Motor City and MGM Grand casinos largely have remained isolated amid underdeveloped city blocks.

Detroit had the characteristics that could have resulted in a maximum positive impact from a well-sited casino–limited investment in downtown and throughout the city center and under-utilized infrastructure available for large-scale development. However, a combination of poor planning and bad luck has prevented the city from taking full advantage of such large-scale casino development. The casinos opened in separate temporary facilities at some distance from each other in 1999 and 2000. They were to have opened permanent facilities with hotels at a common riverfront location, but casino opponents were ultimately successful in blocking that plan.

Detroit's Motor City Casino sits in an area adjacent to downtown Detroit in need of revitalization, but generates little synergy and redevelopment spill-over. The casino building and connected parking facility stand alone on the outskirts of downtown in a generally blighted urban setting with high vacancy rates. The general area within which the property rests is scattered with boarded up commercial and industrial buildings, massive single and multiple family homes of fine quality but in various states of disrepair, and smaller single family homes in similar states of disrepair.

Even though located within Detroit's central business district in a former IRS building, the MGM Grand casino is as isolated by surrounding traffic patterns and parking structures as Motor City and has little-to-no synergy with its surroundings.

IMAGE 2.5

Isolated by adjacent roadways and parking structures, Detroit's MGM Grand casino has generated little synergy with its urban surroundings.

The partial exception among Detroit's three gaming venues is the Greektown Casino, which has benefited traditional neighborhood restaurants adjacent to it that now serve as food outlets for the casino. While Greektown is more physically integrated with its surroundings than Detroit's other two casinos (see finding below), aside from restaurant spill-over impacts, there has been little revitalization of the surrounding area.

Joliet, Illinois (two casinos)

Joliet, Illinois is a small city on the outer edge of the Chicago metropolitan area and is home to two riverboat casinos, including a Harrah's venue near the downtown area. The state of Illinois had purposely chosen to site riverboat gaming facilities in communities such as Joliet that were in need of economic development. However, recent interviews with local businesses indicate that casino spin-off spending and redevelopment around the downtown casino has been lacking. This is, in part, a result of the limited consumer offerings near the casino and a lack of collaborative planning between the casino and the surrounding area. Both casinos have extensive hotel and amenity development as part of the casino complex; however, casino guests tend to head straight to the casino and home again without patronizing other businesses in Joliet.

Atlantic City, New Jersey (multiple casinos)

While the introduction of casinos to Atlantic City in 1978 was, in part, meant to help revitalize this declining beach community, the results have been mixed. The imposing row of casinos along the oceanfront and boardwalk largely exists as an island amid continued decay of surrounding commercial and residential communities. This has occurred even with a substantial amount of casino revenues spent over the last 25 years on local redevelopment. These funds, however, have not been strategically invested in a manner that would truly benefit the areas immediately surrounding the casinos. Only in recent years have new retail development and outlet shopping malls appeared within blocks of the casinos.

This outcome has led one gaming executive involved with Atlantic City to suggest in retrospect that a greater revitalization impact might have been achieved had the casinos been placed several

blocks west of the Boardwalk. Given the attractiveness of the beachfront area, revitalization then might have occurred in the space between the casinos and the boardwalk.

IMAGE 2.6

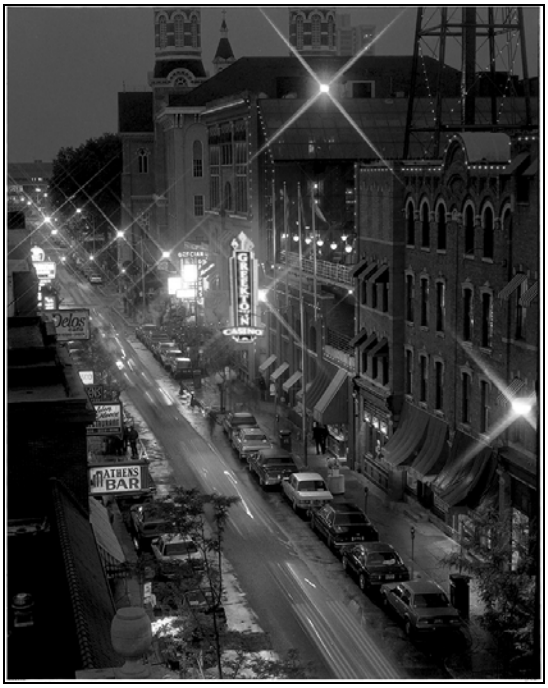
Atlantic City's casinos largely exist as an island amid continued urban decay.

FINDING: Among downtown gaming venues in the U.S., only the Greektown Casino in Detroit and the Harrah's in New Orleans significantly relate to their urban surroundings.

To date, the U.S. gaming industry has largely resisted locating casinos in the midst of already existing, densely developed urban contexts. As described in the Casino Design section below, casino design principles historically have pointed gaming facilities away from actively engaging with their surroundings in ways that produce synergies with adjacent uses and the local economy. Instead, casino operators often have opted for locations and designs that allow their venues to be self-sufficient and detached from surrounding uses. This can be illustrated by the strategic placement and orientation of Atlantic City's casinos, which have their entrances facing the boardwalk, while the towering, non-descript backs of these imposing structures are what faces onto the rest of the city.

In contrast, there are currently two casinos in the U.S. that make an active effort to relate to their surrounding urban fabric – the Greektown Casino in Detroit and the Harrah's casino in New Orleans. In November 2000, Detroit's Greektown Casino opened in the popular neighborhood restaurant and entertainment district that is its namesake. In order to encourage casino visitors to also patronize businesses within the neighborhood, the casino operators chose to develop fewer restaurants within the gaming facility and instead created a system by which most restaurants in the surrounding area accept complimentary meal vouchers provided by the casinos to patrons. The operators also opted not to build a large adjacent parking garage that would further isolate it from the community. Instead, it relies upon nearby parking garages and valet parking. One side of the casino opens onto Trapper's Alley, an atrium alleyway lined with shops. Comerica Park, home of major league baseball's Detroit Tigers is two blocks away and the downtown's People Mover light rail system connects directly with the casino.

IMAGE 2.7



Detroit's Greektown casino is located in a popular neighborhood restaurant and entertainment district.

Another U.S. urban casino that embraces its surrounding environment is Harrah's New Orleans casino. This facility is located immediately adjacent to the French Quarter, less than a mile from the city's convention center, and close to the Warehouse District's residential and arts communities. It is also a short walk to the popular Riverwalk shopping district and has more than 300 restaurants within a one-mile radius. This location ensures synergy with surrounding tourist and convention activity and encourages walk-ins or walk-throughs from pedestrians who are already in the area for other purposes. As mentioned above, however, despite the New Orleans casino's relative integration with its surroundings, it has not directly been a catalyst for other private development, mostly because the existing tourism and convention business in New Orleans already was flourishing without it. Harrah's currently purchases complimentary hotel rooms and restaurant meals for gamers outside of the casino, but is in the process of building a 450-room hotel across the street. Additional restaurant and entertainment uses will be added at the new adjacent Fulton Street development.

IMAGE 2.8

The New Orleans Harrah's casino sits between the French Quarter and the city's central business district.

FINDING: State Gaming Act requirements dictating the size and slots-only nature of Philadelphia casinos will make the placement of a gaming facility in downtown Philadelphia a significant challenge.

A downtown Philadelphia casino would have the greatest likelihood among potential gaming sites of attracting tourists, convention-goers, and occupants of Center City's 10,000 hotel rooms. A downtown site also would have the greatest likelihood of prompting outside the casino spending (see Economic and Fiscal Impacts section starting on page 234). But the possibility of Philadelphia having the kind of urban downtown casino described above is rendered quite difficult by the state's objective of 3,000 to 5,000 slot machines per facility. As detailed in the Site Requirements section (see page 68), this volume of machines creates substantial space needs, making the placement of a slots-only casino in Center City a significant challenge, especially given the industry preference to place all gaming functions on one floor.

Further, the state law's slots-only provision positions Philadelphia primarily as a convenience gaming market serving regional residents where quick in-and-out access will be especially important. This factor, as well as the uncertainty about if and when table games will ever be authorized, will further push gaming license applicants to seek spacious sites outside of Center City that are well located for quick drive-in traffic and which allow for future expansion.

Casino Design

FINDING: Casinos typically aim to create total, self-contained environments to maximize the entertainment experience.

Most larger-scale casinos are designed as complete entertainment experiences, with a broad array of offerings in an attempt to capture both gaming and non-gaming dollars from visitors. Common additional non-gaming uses include food buffets and snack bars, restaurants, bars and nightclubs, retail, entertainment offerings, and, increasingly, spas. Shopping, food, and nightlife offerings are often situated immediately adjacent to, or in many cases flow onto, the gaming floor. The integration of all of these elements under one roof contributes to the escapist

atmosphere that casino operators aim to foster.

The effort to create a complete entertainment experience has typically led casino designers to produce self-contained environments, where patrons can satisfy all their entertainment desires in one place. As a result, casinos rarely have open connections to their surroundings and are designed in a manner that encourages visitors to stay within the building. This often translates into relatively large buildings with few windows or entrances and immediately adjacent parking that feeds visitors directly into the casino.

FINDING: Casino design often draws upon themes of fantasy or escape, although less so in convenience gaming markets.

IMAGE 2.9

The Quarter at Atlantic City's Tropicana casino puts a variety of eating, shopping and entertainment options under one roof.

In an effort to create an exciting total entertainment experience, casino design frequently draws upon themes of fantasy or escape. This is seen through the many themes adopted by well-known casinos, ranging from the Roman-era Caesar's casinos to the Showboat's Dixieland designs to high-concept casinos like Treasure Island and New York New York in Las Vegas. In an urban environment more similar to Philadelphia, Detroit's MGM Grand casino assumes an art deco style meant to invoke the feel of Hollywood's "Golden Age."

Part of the logic behind such themes in highly competitive gaming markets like Las Vegas or Atlantic City is as a means of differentiating from other casinos. However, across all kinds of casino markets, design themes and décor that take you to another time or place are broadly meant to make the gamer feel like they are stepping into another world and exiting the everyday. This sense of escapism encourages gamers to live a little and, casino operators hope, gamble a lot.

IMAGE 2.10

Like many themed casinos, the Luxor in Las Vegas aims to make gamers feel like they are stepping into another world.

FINDING: Images of Las Vegas and Atlantic City dominate most people's impressions about casino design, but the current industry trend in local convenience gaming markets is toward more understated designs.

IMAGE 2.11

The style of casino design prevalent on Las Vegas' strip is not likely to appear in Philadelphia.

For gamers and non-gamers alike, impressions about what casinos look like are often heavily influenced by images of Las Vegas and Atlantic City. Among Philadelphia-area residents who had visited a casino within the past year, 87 percent of those surveyed said they had visited Atlantic City and 12 percent said they visited Las Vegas. In addition to this population, a significant proportion of regional residents who do not gamble already visit the Jersey shore, experiencing the casinos from a distance. Additionally, Las Vegas has established a firm place in American popular culture as a setting for movies and television shows.

IMAGE 2.12

Philadelphia may need to look to casinos such as Harrah's North Kansas City in smaller convenience gaming markets for examples of the kind of design that will be proposed here.

Images of these two destination resorts conjure impressions of casinos as large, often imposing structures that come in clusters covered in big, flashing neon signs. For Las Vegas, casino imagery is driven by flamboyant themes such as Treasure Island or the Luxor and extravagant public entertainment displays ranging from exploding volcanoes to pirate ship revolts. Atlantic City presents an array of casinos with themed designs as well, but also projects an image of immense rectangular hotels walled off from the surrounding environment. These are the kinds of images that dominate most people's impressions about casino design.

While Las Vegas and Atlantic City have undoubtedly had a significantly influence on casino design elsewhere, some of the design elements common to these two gambling centers are unique to them. The flamboyant designs and signage prevalent in both cities is largely a function of having so many casinos competing for customers in one place – a dynamic not present in smaller gaming markets. The current gaming industry trend of expansion into local gaming markets such as Philadelphia is in many instances yielding more subdued designs. The nature of, and level of investment in, casino design in these new convenience gaming markets depends largely on the degree of local gaming competition and level of taxation.

For example, in contrast with Las Vegas and Atlantic City, the Harrah's New Orleans casino has taken a design approach that allows it to fit into its urban context. While the casino has a sizeable gaming floor of 115,000 square feet stretching over more than one city block, its overall bulk and height is kept in line with the surrounding office buildings and hotels. Developers initially wanted to use an ornate classical French Baroque design and theme, but the city negotiated for a more under-stated Greek revival style with limited ornamentation. Distinguishing exterior details include a modest amount of neon signage and palm trees and fountains that strike a balance between helping the casino stand out and having it clash with its surroundings. The casino's main Canal Street entrance is designed as a plaza to encourage pedestrian traffic and strengthen the building's presence and interaction with the street. Finally,

the city insisted on permanent, high-quality building materials to avoid the look of a cheap structure in the middle of the city with historic 19th century row structures nearby.

In its next phase of work, the Task Force will examine in greater depth the nature of casino design in local convenience gaming markets that are more geared toward attracting regional residents such as St. Louis, Kansas City, and Las Vegas off of the strip.

FINDING: The Gaming Act limitation of two casinos in Philadelphia will prevent any possibility of a "strip" effect created by a zone with several casinos.

Casino design in Philadelphia will be influenced by the fact that there will only be two slots parlors in the city. For at least the first 10 years of gaming in Philadelphia, there will not be an opportunity to create a clustered gaming environment with a large number of casinos that can lead to the kinds of flamboyant designs common on Las Vegas' Strip. Gaming clusters in places like Las Vegas and Atlantic City give rise to dazzling designs, high-profile themes, and extensive use of neon due to the intense competition with so many nearby casinos. Philadelphia could cluster its two casinos together, but will not have a more intensive gaming concentration and, thereby, will likely give rise to less flamboyant casino designs.

FINDING: Urban casinos outside of the U.S. tend to be more moderate in size, although a limited number of urban resorts exist in Australia and Canada.

IMAGE 2.13

Use of existing historic structures for casinos has worked elegantly in cities such as Brisbane, Australia.

European casinos are typically more moderate in size than their U.S. counterparts, with the largest facilities housing hundreds, not thousands, of gaming positions. The largest casinos in Madrid, Italy, and Monte Carlo have gaming floors smaller than those found on a Mississippi riverboat. Accordingly, the revenues of a typical European casino compare to the small slot machine casinos found in mountain towns in Colorado.

IMAGE 2.14

Smaller European casinos blend into their surroundings more than their U.S. counterparts.

Design of European casinos is much more modest than the comparably flashy gaming facilities in the U.S., often bordering on drab. In addition to their smaller size, this is also due to the fact that European casinos are usually monopoly operations without competitive pressures and with some degree of government involvement. Machine gambling is also common in neighborhood bars and taverns in some European countries. The combined impact of these variables is that European casinos tend to be well-integrated into the urban fabric.

An older tradition of urban casinos has long existed in European cities such as Monte Carlo, Luxembourg, and Budapest in historic and often quite stately buildings. Use of existing historic structures has worked elegantly for casinos in Belgium, the Casino Barriere de Dinard in Brittany, France, and the Brisbane Treasury Casino in Australia. Bolder, modern designs are more rare but apparent in casinos in Montreal and Amsterdam.

Casino gambling is widespread throughout Canada, with more than 100 gaming venues scattered across urban areas and towns of varying sizes. While most of these are moderate-sized gaming operations, a limited number of larger urban resort casinos exist. One of the more innovative, modern designs belongs to Casino Montreal, which took over a building made for the 1967 World Expo and now contains more than 3,000 slot machines and 120 table games. Casino Montreal's operators, however, say the casino is currently struggling and considering a move to a more central location in the city. Another significant Canadian destination casino is Casino de Hull just outside of Ottawa, with more than 1,200 slots and almost 50 table games.

Starting in the mid-1980s, the Australian government permitted one large, destination-style casino with hotel in each of its major cities. These casinos more closely resemble larger American operations, with bold, attention-grabbing design and thousands of slots machines. Australia also has widespread small convenience gaming operations scattered throughout its major metropolitan areas. These facilities, frequently redevelopments of former commercial buildings or hotels along major roads or highways, can hold between 10 and 50 gaming machines. Due to their frequency and widespread proximity to population concentrations, these

local gaming venues have been associated with higher-than-normal gambling addiction rates in Australia.

While the European and Canadian design model of more moderately sized casinos is appealing in many ways, the Gaming Act requirement for between 3,000 and 5,000 slot machines per facility will render it impossible in the Philadelphia context.

FINDING: Traditional casino design in the U.S. tends to be inward-facing, with little or no permeable space or windows and employs a variety of interior design techniques to prolong the amount of time spent inside the casino.

A central focus of conventional casino design is to keep visitors inside once they have entered the casino. As a result, many casinos take an exterior design approach of limiting the amount of permeable space such as windows or entrances/exits to the outside. Casinos often have one very legible, grand entrance for pedestrian or drop-off traffic including buses and taxis and minimize the amount of street-level activity surrounding it so that all forces point toward the entrance. Automobile traffic that goes straight into an adjacent parking garage typically uses more modest, direct entrances to the casino from the garage. Casino designers shy away from penetrating the skin of casinos with connections to the street or other facilities for fear of losing gamers and violating the sense of a complete, enclosed escapist entertainment environment. This approach has given rise to much of the criticism directed at traditional casino design – posing that the result of such design tends to produce monumental, inward-focused, windowless boxes surrounded by parking, causing patrons to resist interaction with their surroundings.

Even when windows do appear in casinos, they often do not allow a gamer inside the casino to look out. Mirrored glass is sometimes used as a backing behind faux windows inside casinos, although some casino designers try to avoid mirrors to keep patrons from catching a glimpse of themselves and breaking the gambling spell. Fake windows are bricked up at Detroit's Motor City Casino. Casino Niagara in Niagara Falls, Canada has a 30-story high glass façade, but it is made of mirrored glass so that people can look in but not out.

Commonly used casino design techniques geared toward keeping people inside may be more a vestige of concerns about fierce competition in places like Las Vegas and Atlantic City than a fitting response to a given gaming market context. As noted by UNLV gambling expert William Thompson, in smaller markets or sites with only one casino, less competition can allow casinos to be more open to their surroundings. Support for this theory is provided by the Foxwoods Resort Casino in Mashantucket, Connecticut, which has windows with views of the surrounding forest. Such a design approach can be taken since Foxwoods is remote from other gaming and entertainment options. Smaller casinos in European cities have long had windows, clocks, and open areas – elements largely shunned in the Las Vegas and Atlantic City design model, but appropriate for these smaller, controlled gaming markets.

IMAGE 2.15

Entrances are few, but prominent, at most casinos.

While exterior casino design often tends toward the basic, a great deal of attention is given to interior design. Casino designers place significant emphasis on considerations such as slot machine layout, gamer traffic patterns, aesthetics and décor, sight lines, signage and other elements that can impact gamer behavior and the amount of time spent in the casino and on the gaming floor.

Slot machines and table games are laid out in a maze-like configuration so that the gamer is always coming upon a new gaming opportunity at each turn. This keeps visitors exploring, drawing them throughout the casino, and gives the sense that there are multiple gaming environments under one roof. Adjacent restaurant, nightclub, and retail space is also laid out in a meandering fashion so that it is hard to orient oneself, while sight lines back to the gaming floor are maintained as much as possible. There has been a growing trend in the industry to create separate spaces both on the casino floor and in amenities such as bars, nightclubs and restaurants, while keeping these proximate to the casino floor. This helps maintain interest in the gaming offerings, while creating a sense of intimacy and exploration by offering a 'getaway' location that has a different ambiance than the casino floor but which is physically close.

IMAGE 2.17

Maze-like floor designs keep casino patrons exploring and discovering new gaming opportunities.

One general interior design technique used to prolong duration of stay is to help gamers lose their sense of time or place. This can be achieved via details such as the omission of clocks or ceilings painted to look like a day or night sky. Designers try to draw people into the excitement of the gaming floor by creating a hyper-stimulating environment with flashy lights and décor, constant ambient noise from machines, and pumped-in oxygen to keep patrons awake. The intensity of the environment is exacerbated by low ceilings and short sight lines, contributing to a crowded atmosphere.

IMAGE 2.16

Ceilings made to look like a daytime sky help gamers to lose track of time.

FINDING: When poorly designed, adjacent parking structures can become a dominating visual design element.

A variety of factors contribute to parking structures frequently becoming defining visual elements for casinos. The parking demand generated by mid-sized and large casino operations requires a substantial commitment of garage space (see finding on page 62 below). Unless this parking is built underground or somehow deftly integrated into the main casino building design,

the result is a big box. Given the strong desire to place parking immediately adjacent to the casino, the resulting box can dominate views of one or more sides of the casino. Further, upgrading parking structure design to make it more visually appealing typically falls relatively low on the list of a casino operator's investment priorities. Casino parking garages are almost exclusively viewed as a functional necessity to facilitate easy arrivals and departures and not a design element to be integrated with its surroundings.

FINDING: Synthetic construction materials are common in casino design to save money and maximize adaptability of spaces that are frequently reconfigured and expanded.

Outside of upscale casinos such as the new Wynn and the Bellagio in Las Vegas, the casino industry tends toward the use of synthetic materials throughout its construction. For casinos that are designed to be inward-focused and make little attempt to integrate with their surroundings, there is little impetus to invest extra in quality exterior materials. Instead, many casino operators opt for low-cost building materials. For interiors, the Las Vegas and Atlantic City-influenced tradition of design themes often relies upon kitsch and artificial materials to create escapist environments. Synthetics are often used for interiors also due to their adaptability, as gaming floor space is frequently reoriented and expanded over time.

FINDING: Clear design criteria and standards will be crucial in helping to guide quality casino development in Philadelphia.

No other U.S. city with the architectural history of Philadelphia has chosen to introduce gaming venues into its existing urban fabric. In order to ensure that Philadelphia makes the most of this opportunity, it will be essential to develop design criteria and standards that lead casino developers to create high-quality buildings and site designs that are compatible with their context. These standards will be just as important for proposed casinos in densely developed areas such as Center City as they will be for proposed development in more wide open landscapes such as the waterfront. Toward this end, the Task Force has created a draft list of design criteria that address space programming, site design, building design, and design team. These criteria, presented as Table 2.1 below, were drafted with the understanding that casino developers should be required to submit sufficiently detailed proposals so that the quality of their planning and design may be evaluated in comparison with other applicants.[1]

[1] The Task Force acknowledges the work of William Becker and Harris Steinberg of the Design Advocacy Group in the development of these design criteria.

TABLE 2.1: Draft Design Criteria for Philadelphia Gaming Facilities

CRITERIA
Location
Compatible with site context in land use, scale, appearance and materials.
Makes maximum use of the site's development potential.
Program
Includes an effective site plan for pedestrian, auto, bus and service traffic.
Incorporates a unique development concept.
Contains an exciting mix of recreational and entertainment activities.
Includes retail and restaurant space.
Allows for expansion of gaming and other entertainment space.
Site
On site parking is not visible from the street.
Contains exterior public amenities such as plazas, landscaping, arcades, river walks, & lighting.
Building
Design approach is bold, contemporary and innovative.
Street facades are active, inviting and visually connected to the interior.
Uses institutional and corporate quality building materials.
Contains monumental and memorable public spaces that connect to the exterior.
Clear and legible interior spatial organization and circulation.
Design Team
Experienced in design of gambling and entertainment development.
Has achieved public awards for design excellence.
Participation by MBE/WBE and local firms

In addition to the above design criteria that are meant to help in evaluating and comparing different development proposals, casino license applicants will be expected to meet existing codes regarding handicap accessibility, fire and safety, environmental standards, and historic preservation, if applicable.

Transportation

FINDING: The mode of transportation taken by casino visitors and employees is influenced by several factors, including location and marketing strategy, and has a significant impact on casino design and site requirements.

A crucial part of evaluating potential gaming sites is the set of assumptions made about the different modes of transportation that will be used to visit a given gaming venue. With a substantial flow of casino visitors daily, the breakdown of how many people arrive by car, by public transport, by casino bus, by taxi, and by foot has a significant impact on a casino's site requirements and how it is designed. For example, a casino that places a greater emphasis on private automobile use will have greater parking space demands, while more intensive use of chartered casino buses requires additional dedicated space for drop-offs, queuing, and bus storage.

This breakdown of modes of arrival and departure is influenced primarily by a casino's location and how accessible it is to various modes of transport. But it also depends upon a casino's marketing strategy, such as whether it targets out-of-town overnight visitors or whether it targets gamers from specific geographies or economic backgrounds within a region.

FINDING: Automobile use is consistently the dominant mode of travel with the exceptions of New Orleans and Las Vegas, where the largest percentage of casino patrons are tourists and convention-goers who have arrived in the city by airplane.

The breakdown of the different modes of transportation, or "mode splits," taken by gamers varies among casinos in different locales, but is widely dominated by car use. In Detroit, car is almost the exclusive mode of arrival, and in Atlantic City slightly more than three-quarters of patrons arrive by private automobile.

The one U.S. gaming context comparable to Philadelphia in which car travel is not the predominant mode of arrival is the New Orleans land-based casino. Located on the edge of the French Quarter and adjacent to the city's convention center, this casino draws enough out-of-town travelers and tourists so that 51 percent of visitors arrive by air, compared to 46 percent by car. Las Vegas also has half of its casino patrons arrive by air, but is in a category unto itself due to its uniquely far-reaching draw as a gambling destination.

Private automobile is expected to be the primary mode of gamer arrival at Philadelphia casinos. See page 122 for an analysis of anticipated mode splits for slots-only casinos at different potential Philadelphia gaming sites.

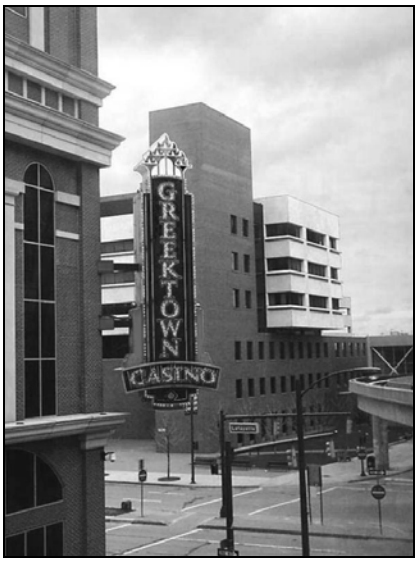
FINDING: Given the prevalence of automobile use, ample parking adjacent to the gaming facility is a priority for casino operators.

Since the vast majority of gamers in convenience gaming markets drive to casinos, casino operators make the provision of ample, adjacent parking a top priority. There is a general lack of willingness

among casino operators to rely on the availability of parking in facilities that are not immediately adjacent to their building or that they do not control.

As an example of the importance of parking to a casino, gaming experts believe that a lack of convenient parking at Detroit's Greektown casino has contributed significantly to its economic underperformance in comparison to Detroit's two other gaming venues. Greektown draws on average 12,000 customers per day and has access to more than 4,500 parking spaces in multiple garages within a few blocks of the casino, but none are directly connected to it. With this parking arrangement, Greektown took in $320 million in revenue in 2004, compared to $436 million for Motor City and $433 for MGM Grand. Greektown was the third of the three Detroit casinos to open in 2000, and local gamers had several months to become accustomed to immediate parking access at the other casinos. Greektown now is seeking approval to build a $10 million, 650-space garage for valet services a half-block from the casino to ameliorate its parking problems.

IMAGE 2.18



Gaming experts believe that a lack of immediately adjacent parking at Detroit's Greektown casino has contributed to its economic underperformance.

FINDING: Casino parking structures and drop-off areas are designed to facilitate quick access and to make visitors feel like they are in a safe and secure environment.

Similar to a retail mall shopping experience, casino operators know that they need to provide secure parking and give customers the impression that they have only a brief walk to enter the facility. For most casinos, this is primarily provided by adjacent structured parking with quick access to the casino, often only a short elevator ride that brings visitors directly to the gaming floor. Casinos also put a premium on providing adequate drive-up and drop-off space for private autos, casinos buses, taxis, and valet parking. This is frequently achieved by an extra-wide driveway or circle in front of a casino entrance that can be up to six lanes across to

accommodate high volumes of in-and-out traffic. Quick access is even more important in convenience gaming markets, where customers on average visit more frequently and for shorter periods. In these markets, there is an added emphasis on "preferred" parking reserved for frequent visitors and valet parking.

IMAGE 2.19

Quick vehicular access is a top priority for casino designers.

Polls across the industry indicate that gamers place a top priority on safety when visiting a casino. In response to this concern, casino garages typically have especially bright lighting and enclosed entry to the casino, whether via a garage elevator or skywalk to a main building. The MGM Grand casino in Detroit, which is situated in the middle of a relatively rundown urban area, promises "daylight parking all night long" and reinforces a sense of security with its fortress-like appearance. Garages at both the MGM Grand and Motor City casinos in Detroit are intentionally designed not to allow sightlines from inside to its surroundings.

IMAGE 2.20

Detroit's MGM Grand casino reinforces drive-up customers' sense of security with its fortress-like appearance and direct access from the parking garage to the gaming floor.

FINDING: The degree to which casino operators rely upon coach buses to bring customers to a gaming facility varies based on casino location and marketing strategy.

Chartered casino buses are commonly paid for by casino operators to bring in customers at

times of low demand. The degree to which operators rely upon such bus services to boost visitation varies based on location and marketing strategy.

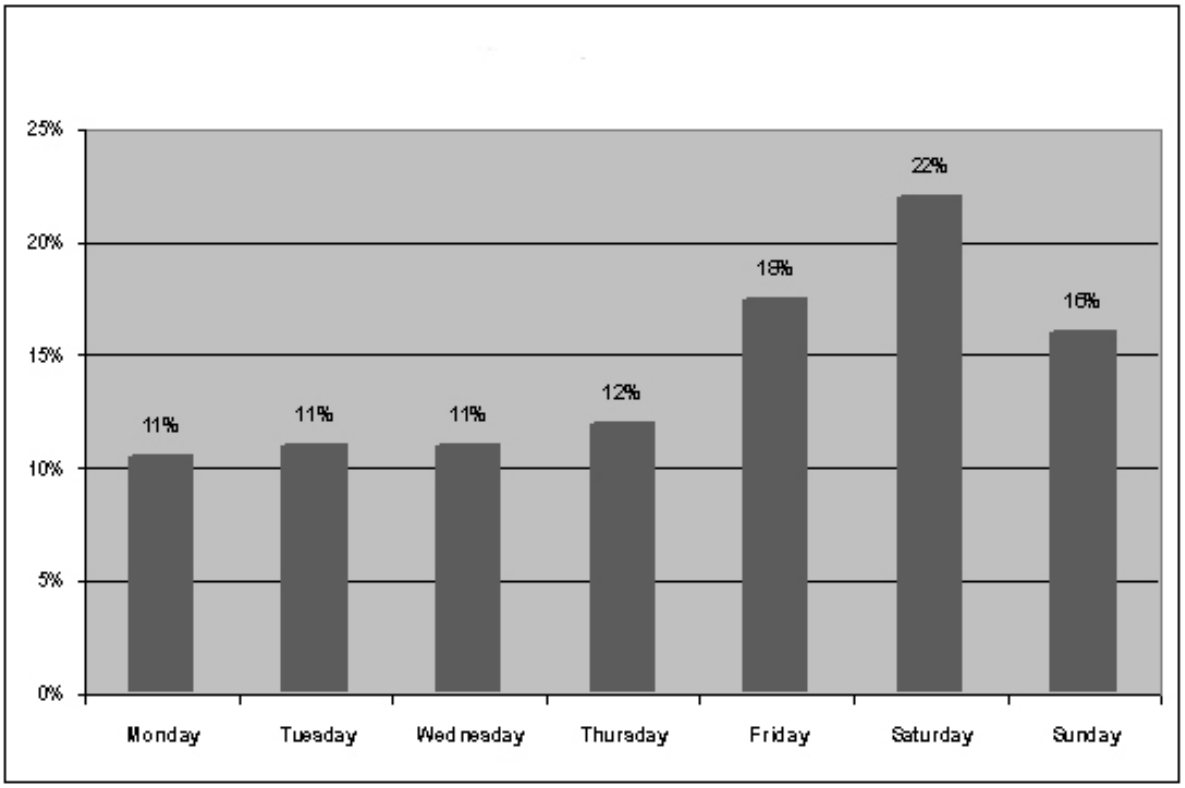
In the past, Atlantic City has relied relatively heavily on casino buses to draw customers. Due to its location at the edge of a major metropolitan area, buses help Atlantic City casinos to get people to travel longer distances than they might on their own for a day or overnight trip. Atlantic City also has used buses to target older populations either looking for a social trip with friends or who are not comfortable with transporting themselves. While Atlantic City's distance from large population centers requires casinos to import customers, in recent years, the share of Atlantic City gamers arriving by motor coach has been declining, down from 30 percent in 1998 to 20 percent in 2004. In contrast, Las Vegas casinos have virtually no charter bus traffic, in part because there is a much smaller population within a two-hour drive.

With so much anticipated regional competition for gaming dollars between the Atlantic City casinos, the two slots-only venues in Philadelphia, and the racinos in Bensalem and Chester, gaming industry experts expect operators to use charter buses to draw customers to the Philadelphia casinos, but to a significantly smaller degree than Atlantic City has.

FINDING: Peak casino visitation typically occurs on Saturdays – more than 20 percent of weekly visitors – and between the hours of 7 and 10 PM.

Casino visitation levels and accompanying traffic volumes vary by day of the week and by time of day. Saturday is typically the busiest day at casinos, drawing more than 20 percent of weekly visitors. This is followed by slightly lower levels on Fridays and Sundays, and then Monday through Thursday at about half the level of Saturday attendance.

GRAPH 2.1: Percent of Weekly Attendance



Source: Innovation Group

Daily casino visitation tends to peak between 7 PM and 10 PM., when almost one-quarter of a day's customers can arrive. An understanding of these day-of-week and time-of-day peak visitation periods is important in determining the traffic impacts on roads adjacent to gaming facilities.

TABLE 2.2: Casino Visitation Patterns by Time of Day

		Morning	Afternoon	Adj. To	Rush Hour	Evening	Night	Graveyard	Adj. To
		8-11a	11a-4p	3-hour period	4p-7p	7p-10p	10p-1a	1a-8a	3-hour period
Monday - Thursday	average	8%	30%	18%	17%	18.5%	14.5%	12%	5.1%
	peak	10%	33%	19.8%	20%	20%	17%	14%	6.0%
Friday	average	7%	18%	10.8%	12%	18%	18%	27%	11.6%
	peak	9%	21%	12.6%	15%	22%	20.5%	30%	12.9%
Saturday	average	9%	24%	14.4%	15%	17.5%	16.5%	18%	7.7%
	peak	11.5%	26.5%	15.9%	17.5%	22%	19%	20.5%	8.8%
Sunday	average	7.5%	29%	17.4%	20%	18.5%	14%	11%	4.7%
	peak	10%	31.5%	18.9%	22.5%	21%	16%	13%	5.6%

Source: Innovation Group

FINDING: With up to 5,000 slot machines per gaming facility and between 12,000 and

36,000 visitors per day, traffic and parking demands generated by Philadelphia slots-only casinos will be substantial.

Pennsylvania law requiring Philadelphia casinos to have at least 1,500 slot machines and up to 5,000 guarantees visitation levels that will lead to substantial traffic and parking demands. Based upon a gaming facility with 3,000 machines, the Task Force projects average daily visitation ranging from 12,000 to 18,000 (see page 204). On peak days, a casino may draw as many as 36,000 visitors. As a result, traffic and parking management will be important considerations at any gaming location in the city.

FINDING: Some gaming jurisdictions have used dedicated transportation management authorities to manage casino-related traffic.

The significant demands generated by casino automobile and bus traffic has led some gaming jurisdictions to turn to dedicated transportation demand management entities to better manage traffic flows. For Atlantic City, a state-authorized regional entity called the South Jersey Transportation Authority (SJTA) was created to deal with charter bus routes and traffic on state highways that were not the jurisdiction of the city. The authority adopts and enforces regulations for the motorbus industry throughout Atlantic County, including requiring buses to have permits and to follow designated routes in and around Atlantic City. It also designates bus parking locations and accepted loading and unloading zones. Fees from SJTA permits and highway tolls cover the authority's management and enforcement costs. Philadelphia has an opportunity to create a similar entity, which could be especially useful given the city's current lack of a dedicated traffic police force. Such a traffic management effort can be important not only for the host municipality, but for casino operators who rely upon ease of navigation from the highway to the casino parking lot on local roads in order to maintain visitation levels.

The City of Philadelphia's Streets Department has been reviewing its traffic management policies dealing with coach buses that service the city's major tourist attractions. It works closely with the Philadelphia Police Department to manage drop-offs and traffic flow at the Convention Center and has created a new bus storage facility for Independence Mall traffic.

IMAGE 2.21

Dedicated transportation demand entities can help to manage casino bus traffic.

FINDING: Overall traffic impacts depend upon casino visitation levels and existing

roadway volume and capacity.

In assessing the potential impact of additional casino-generated traffic in Philadelphia, it is necessary to measure current existing roadway volume and capacity, estimate casino visitation levels by mode of arrival, and then compare the two. It is also important to consider how peak casino visitation periods may complement or conflict with current traffic peaks on streets surrounding potential gaming sites. An in-depth analysis of potential traffic impacts and roadway capacity is included as part of a Transportation Assessment for representative potential gaming sites in Philadelphia that begins on page 121.

Site Requirements

In looking at potential sites, it is important that each site meets certain specific requirements such as size, accessibility and parking. Other factors such as the availability of adequate utilities including gas, water and electricity are important factors since casinos are large consumers of these services.

FINDING: Industry experts indicate that a casino with 3,000 to 5,000 slot machines would require a gaming floor in the range of 90,000 to 150,000 square feet.

The gaming industry standard space allotment for slot machines is approximately 30 square feet of floor space per machine. In order to accommodate the 3,000 machines anticipated initially for a Philadelphia slots venue, the gaming floor would need to take up an estimated 90,000 square feet, or slightly more than two acres. A gaming floor for 5,000 slot machines – the maximum permitted under the law – would require 150,000 square feet of gaming floor space, or approximately 3.4 acres. Whether the gaming floor is constructed on a single level, as preferred by operators, or on multiple levels, these numbers represents threshold space requirements to accommodate such a large number of machines.

FINDING: A Philadelphia slots-only casino is expected to initially require an additional 130,000 square feet for food and beverage, retail, and back-of-house operations space.

Casinos require space for security and other gaming-related support functions off of the gaming floor that are commonly referred to as "back-of-house" operations. For Philadelphia gaming slots venues, these are projected to require an additional 90,000 square feet of space. Gaming industry experts anticipate that Philadelphia venues will initially open with restaurant, bar, nightclub, and limited retail offerings totaling 40,000 square feet. In total, these functions are anticipated to require approximately 130,000 square feet of space.

Gaming industry experts vary in their opinions about whether Philadelphia slots casinos will open with a small (approximately 1,200-seat) entertainment venue, or whether such development will come in latter phases. Most experts agree that hotel development is not likely upon opening, but also may come in a later stage.

FINDING: At the industry standard of approximately one parking space per slot machine, a casino with between 3,000 and 5,000 slot machines would require between 3,000 and 5,000 parking spaces, totaling more than 1 million square feet of garage space.

The industry standard for casino parking is approximately one parking space per slot machine. Applying this standard, each Philadelphia casino will need between 3,000 and 5,000 parking spaces. Structured parking is commonly designed at a ratio of 350 square feet per parking space, so that a 3,000-space parking facility would require in excess of one million square feet. For a 3,000-slot machine facility, this would translate into space needs of 24 acres for surface parking, six acres for a four-story garage, or three acres for an eight-story garage.

FINDING: Casino operators have a strong preference for placing all gaming activity on one floor and can build one-story gaming facilities on sites as small as nine to ten acres in urban areas, but prefer larger sites of up to 20 acres to ensure adequate on-site parking, circulation, and future expansion of gaming and development of adjacent non-gaming uses.

The U.S. industry preference, where possible, is to place all gaming activity on one large floor. Casino operators also prefer to place gaming floors at ground level for quick and easy access by drive-up traffic and pedestrians. Operators who face space constraints can and do build multi-level gaming floors, but at greater costs and at the expense of several design objectives. Use of multi-level gaming floors is common in rehabilitated buildings that have been converted for casino use, such as Detroit's Motor City and MGM Grand casinos, which were formerly a Wonder Bread factory and an IRS building , respectively.

Casino operators prefer the single-floor approach from a design perspective since it maximizes flexibility for future gaming floor reconfiguration, is easier to service and provide security, and gives the designer greater control over the points of access that influence how visitors experience the gaming floor. Placing all gaming activity on one floor also allows designers to create a sense of multiple gaming environments under one roof, which is accomplished by creative and often maze-like layouts that encourage wandering and discovery.

IMAGE 2.22

Placing all gaming activity on one floor maximizes design flexibility and is easier to service for casino operators.

In order to accommodate a one-story gaming floor, adjacent on-site parking, and basic non-gaming uses, casino operators can build on sites as small as nine to ten acres in urban areas. However, to ensure adequate space for parking, traffic circulation, and future expansion of gaming and non-gaming uses, operators prefer larger sites of 20 acres or more.

A significant portion of the desired additional space is taken up by traffic circulation, which can include queuing space for buses and automobiles, a valet parking area, and bus parking. The extra acreage is also desired to accommodate future expansion of gaming and non-gaming activities. Industry experts say that expansion of non-gaming uses beyond the expected initial development could include a 400-800 room hotel; additional food and beverage operations; a major entertainment venue of up to 4,000 seats; multi-purpose floor space for meetings, conventions and events; additional specialty retail; and a spa. Casino operators also will want space to expand their gaming floors if the state legislature approves more slots machines or permits the addition of table games.

FINDING: Industry experts indicate that a multi-level gaming facility could be built on a parcel as small as three or four acres, but that such an approach could increase construction costs by approximately 15 percent.

While casino operators prefer sites of up to 20 acres to accommodate single-level gaming and future expansion of gaming and non-gaming uses, industry experts indicate that a multi-level gaming facility could be constructed on a parcel as small as three or four acres. Such an approach, however would drive up construction costs by approximately 15 percent and require any on-site parking, retail, and entertainment facilities to be built above or even below the gaming floor.

A casino development at a constrained urban site can have smaller space requirements due to existing nearby hotels, restaurants, and parking, but also can face additional challenges beyond size limitations in terms of construction phasing and if the site is not already cleared for development.

FINDING: Casinos generate intensive demand for electricity and water and often require upgrades to local utility infrastructure.

Full-service casinos with large gaming floors and extensive non-gaming amenities consume substantial amounts of electricity and water, often requiring upgrades to local utility infrastructure. For example, when the Borgata casino opened in 2003 in a marshland area away from Atlantic City's oceanfront concentration of casinos, it had to build a new electricity substation to service it.

FINDING: In other markets, temporary gaming facilities have sometimes been built while legal issues and development details have been sorted out for future permanent casinos.

Casino operators in some other gaming markets have opted to build temporary gaming facilities while legal or regulatory issues holding up permanent development have been sorted out. This has been the case in Detroit, which opened three temporary facilities in 1999 and 2000. Due to a drawn-out series of legal challenges, these temporary facilities are still in operation. A legal settlement was finally reached in April 2005, and the three casinos are planning to build new permanent venues close to the current facilities that have already been operating for more than five years.

In order to protect its interests, the City of Detroit issued several requirements regarding the use of temporary casinos, correctly anticipating that the temporary structures could end up lasting multiple years. It required the facilities to meet first-class casino complex standards with gaming floors no larger than 100,000 square feet to prevent any kind of "warehouse" effect. Development financing for the temporary facilities had to be deemed viable and separate from funding for future permanent complexes, and the temporary facilities, whether new construction or rehab, had to be suitable for reuse after gaming. Most importantly, the temporary facility could in no way divert the casino developers and operators from building the promised permanent casinos.

Given the gaming industry's financial resources, temporary casinos can be constructed very quickly, in as short as six months. In addition to starting the flow of gaming revenues, temporary gaming facilities also help operators by establishing brand loyalty with customers early on, through training of employees, and by allowing the operator to gauge the characteristics of the local market. Visitors to the current Detroit casinos and temporary facilities elsewhere often note that the buildings are designed and built so that they feel permanent. However, in Pennsylvania, the Gaming Act's requirement that every casino be networked to a central computer monitored by the Control Board could help drive the cost of constructing a temporary gaming facility to as much as $50 million.

IMAGE 2.23

Temporary gaming facilities such as Detroit's Greektown casino are often indistinguishable from permanent ones.

FINDING: A small temporary gaming facility in Philadelphia would be at a competitive disadvantage compared with fully operational racinos in Bensalem and Chester.

Rapidly-built temporary gaming venues with limited amenities tend to favor first entrants into new gaming markets that are trying to quickly establish a presence and revenue flow. In the Philadelphia gaming market context, full development of slots parlors at racinos in Bensalem and Chester will likely occur at least one year in advance of construction of Philadelphia's two slots casinos. Several industry experts believe that this timing discrepancy could lead the Philadelphia casinos to forego temporary facilities and instead build permanent casinos with enough non-gaming amenities to immediately compete with the racinos in Bucks and Delaware Counties.

FINDING: Philadelphia casinos are expected to pursue a phased development approach over several years.

While competition from the Bensalem and Chester racinos may help push Philadelphia slots parlors to start in permanent facilities, operators of the Philadelphia venues are still expected to pursue a phased development approach over several years. Due to the $50 million up-front license fee, the relatively high tax rate on gaming revenues, and uncertainty about precisely how the Philadelphia slots market will perform, operators will not execute their full building programs on Day One of operation. Instead, they will likely add more extensive food and retail, hotel, and entertainment offerings over time and fill out their development plan in stages.

Philadelphia Context

FINDING: Philadelphia provides a unique context for slots-only gaming – an already built, densely developed, economically diverse major city with a broad array of residential communities as well as business, entertainment and leisure offerings.

The first generation of 20th century U.S. casinos were built either in remote, isolated settings, such as the Las Vegas desert, or in areas suffering from extreme economic distress, such as Atlantic City. Philadelphia presents a very different context – an already built, densely developed, economically diverse major city with a broad array of residential communities as well as business, entertainment and leisure offerings. Any site proposed for gaming in this context will have to fit into existing traffic and business patterns, as well as contend with the expectations and preferences of adjacent neighbors. Over the past decade, other major cities such as Detroit and New Orleans have started to add casinos, but Philadelphia will be the first such city of its size to introduce a slots-only gaming operation.

FINDING: No U.S. city with transit infrastructure as extensive as Philadelphia's has ever legalized casino gambling.

With its network of regional rail, bus, trolley, and subway lines, Philadelphia offers a more extensive array of transit resources than any other U.S. city that has adopted casino gambling to date. The regional transit systems serving Detroit and New Orleans are appreciably smaller in scope and ridership. Detroit's Greektown casino is located along the city's People Mover elevated light-rail system, but this one-way loop only serves the downtown area. With its regional SEPTA and PATCO resources, Philadelphia yields more and better opportunities for transit-oriented casino development and access than any prior U.S. context. As a result, there is no comparable precedent for Philadelphia to draw upon to assess potential casino-driven transit use. The opportunity exists, however, for a casino location proximate to existing SEPTA and PATCO lines to provide a much-needed boost to transit ridership and revenues, make employment opportunities more accessible to city residents, and possibly lead to needed infrastructure investments or extended nighttime service.

IMAGE 2.24

Detroit's Greektown casino is rare in its location adjacent to a rail transit station.

Despite this opportunity, it is important to note that both casino space requirements and emphasis on the automobile as a mode of gamer arrival typically push operators to seek spacious sites that are more defined by excellent highway access than proximity to transit.

FINDING: A significant number of "gaps" in Philadelphia's existing urban fabric could be filled with gaming uses, including incomplete portions of Center City, redeveloping areas along the Delaware River waterfront, and other former industrial or commercial sections of the city.

While Philadelphia presents an already densely developed environment for the introduction of slots-only gaming, a number of "gaps" exist in the city's urban fabric in areas still in need of development or revitalization. These include portions of Center City that have not realized their full potential as dynamic retail and entertainment districts, vast portions of the Delaware River waterfront that are slowly redeveloping from their original industrial uses, and other former industrial or commercial corridors throughout the city in need of new development and vitality. Many of these areas lie outside of the state-mandated casino exclusion zones for Philadelphia gaming facilities and could potentially be filled with gaming uses.

Some portions of the city that could host gaming venues have undergone planning processes articulating development and public policy priorities. Such plans and their implications for potential casino development are detailed in the "Existing Plans" section below.

FINDING: A number of locations have emerged early on as potential gaming sites, including sites along Market Street East in Center City, along the Delaware River, and along US Route 1 near the I-76 interchange.

The Task Force has focused its initial assessments of potential gaming locations on eleven different sites that have been the focus of early rumors or discussion. These sites include: the Girard Estate site, the Gallery, and 8th & Market along Market East in Center City; the

Caesar's/South Delaware site and the Sheetmetal Workers site along the South Delaware; Penn's Landing; the Old Incinerator site and the Ameristar/Fishtown site along the North-Central Delaware River; the Navy Yard; and the Budd and Adam's Mark sites near the intersection of I-76 and Route 1 (see map of sites on page 80). Owners of several of these sites have specifically said that they are not currently pursuing gaming options, but the Task Force believes they nonetheless represent a sufficient diversity of types of sites to assist in the process of thinking through their development implications. It is expected that several totally new sites could also emerge by the time the Gaming Control Board's application process begins this fall. An analysis of the advantages and challenges associated with these different sites is included in the Assessment of Potential Gaming Sites starting on page 77. Several of these sites are located in areas of the city that have recently generated plans to guide future development, as described below.

Philadelphia's Current Development Plans

As discussed in the case studies of other cities with casinos (see page 43), it is important to understand the body of development goals that currently exist for the areas that may be potential casino sites.

The Philadelphia City Planning Commission currently has plans for developing areas that contain some of the potential sites. Casino placement will impact the development of the area in which it is sited. In order to maximize the goals for both the casino and the area in which the casino is sited, it is necessary to review the area's existing development plans. The following is a review of the existing development plans.

- **The Mayor's Economic Development Blueprint**—Released in March 2005, it articulates the need for a coordinated development strategy as part of the "New River City" initiative to make the Central Delaware waterfront into a residential, commercial and entertainment destination. This public policy goal supports development projects at the Navy Yard, along the Lower Schuylkill, and along the North and Central Delaware Rivers. The City plans to further develop along Philadelphia's waterfront through planning, site assembly and infrastructure improvements that spur private investment.

  The Blueprint specifically discusses plans for the Central Delaware between Port Richmond and Packer Avenue, a stretch that includes several potential gaming sites. It recognizes that with limited public involvement, private residential and retail development currently is booming along this portion of the waterfront. The Blueprint's core strategy for the Central Delaware is to "promote and direct appropriate development of the Central waterfront district as a residential, commercial and entertainment destination, and expand the infrastructure necessary to support industrial activities surrounding the port." The City plans to implement this strategy via land assembly and remediation for waterfront open space and market-rate development; infrastructure investment; strategic partnering for development of City-owned properties; formalizing waterfront development guidelines and controls to assure public access and environmental stewardship; and coordinated approval and permitting of waterfront development.

- **Community Plans for Penn Treaty Party to Pier 70—**A 2004 conceptual plan for the Central Delaware River commissioned by adjacent community groups proposes transforming this stretch into a livable waterfront lined with housing and recreational and park amenities. The plan also includes recommendations to better link adjacent neighborhoods to new riverfront parks and recreational areas and a jogging and bike trail similar to what is being built along the Schuylkill River.

  While this conceptual plan has no current official status with the City, it has generated significant support among area communities as a framework vision. Recent and planned development confirms strong demand for residential uses along the river and adjacent communities have responded well to the idea of a greenway. A window of opportunity exists to formalize a plan for this portion of the Delaware to shape future residential development, public amenities, and possible gaming uses similar to the way in which the Schuylkill River Development Corporation's plan for the Lower Schuylkill is helping to transform that stretch of waterfront for public use and development.

- **The Philadelphia City Planning Commission's Northern Delaware Plan—**The Planning Commission's Northern Delaware plan, completed in 2001, provides comprehensive recommendations for the 11-mile waterfront stretch north of the Betsy Ross Bridge, focusing on residential projects, brownfields remediation, and a riverfront road, trail and park. However, this plan focuses on the North Delaware, so it presents no detail on areas south of the bridge to Penn Treaty Park that potentially could accommodate gaming.

- **The Philadelphia Industrial Development Corporation's (PIDC) Navy Yard Plan—**The Philadelphia Industrial Development Corporation has an extensive master plan for redevelopment of the Navy Yard that focuses on a mix of office, commercial, light industrial and residential uses, but does not include gaming. The plan was prepared before the Gaming Act was passed. However, PIDC officials have said that they intend to pursue the Navy Yard master plan and do not think that casino development would present the highest and best use for the site.

- **Waterfront Zoning Ordinance—**In May 2005, City Council enacted a new waterfront zoning ordinance that provides guidance and controls for redevelopment of former industrial land along Philadelphia's waterfronts. The code promotes a combination of housing types and compatible public and commercial uses to create new mixed-use communities along the city's rivers. It also requires waterfront setbacks of at least 30 feet to provide public access to the river's edge.

- **The Philadelphia City Planning Commission's Center City and Market East Plans—**The Planning Commission in 1988 prepared a plan for Center City to address the following question: "If Philadelphia's downtown was to accommodate new growth and development, would it have to compromise its historic and physical integrity?" As the Task Force finds itself asking the same question about potential Market East gaming

sites, this plan is still relevant and needs to be revisited. The 1988 plan recommended specific improvements to the Market East district and these recommendations were further explored in an urban design study conducted in 1990. New zoning for the area that was enacted in 1993 provides the necessary tools to realize the goal of enhancement of this critically important section of Center City.

- **The Philadelphia City Planning Commission's West Philadelphia and City Avenue Plans—**As part of the Mayor's Neighborhood Transformation Initiative (NTI), the Planning Commission is working on a plan for the Tioga neighborhood that provides a blueprint for development in the area, which includes the Budd site. The plan will be finalized by fall 2005.

  The 1994 Plan for West Philadelphia offers recommendations to guide development along the City Avenue corridor, proposing commercial development for available sites close to I-76. The plan emphasizes the need to limit additional traffic congestion generated by new development along City Avenue.

FINDING: Casino development could help spur investment in public amenities including SEPTA, local roadways, and new waterfront parks and trails.

Across the various plans that exist for areas with potential gaming sites, there are a variety of desired public amenities that casino operators could be asked to support. In particular, there is an opportunity to secure gaming-related investment for a waterfront park, promenade, or trail along the Delaware River near a waterfront gaming site. In and near Center City, new gaming facilities present an opportunity for transit investment that could help SEPTA increase ridership and improve the transit system.

Assessment of Potential Gaming Sites

The purpose of this analysis is to identify the advantages and challenges associated with each site that has been mentioned as a possible gaming venue in Philadelphia. To this end, the Task Force's Site Evaluation Committee has drawn up a series of criteria falling into three broad categories as follows: Site Suitability, Transportation, and Economic Impact. Criteria were developed under each category and are presented in Table 2.3 below. The consultant and members of the Task Force staff visited each site and assessed each in relation to the criteria. The advantages and challenges brought forward in this document are a result of this process. This information will serve as a starting point for the City of Philadelphia in its efforts to evaluate formal proposals when they are submitted to the State Gaming Control Board and to guide gaming development to maximize the benefit to the City and its citizens.

TABLE 2.3: Site Assessment Criteria

Site
Compatibility with planning goals
Compatibility with surrounding land uses
Visible from interstate
Easily located by non-residents
Synergy with surrounding land uses
Ability to expand
Proximity to tourist attractions
Proximity to hotel concentrations
Aesthetics
Infrastructure requirements
Market segments
Transportation
Highway access
Local streets access
Public transit-bus
Public transit-rail
Pedestrian access
Parking availability
Space for bus loading
Minimizes traffic conflicts
Market segments
Economic Impact
Relationship to restaurants
Relationship to hotels
Relationship to nightclubs/bars
Relationship to entertainment venues
Enhances redevelopment
Enhances new development
Leverage of public infrastructure
Location vis-à-vis labor pool

Before getting into detailed assessments of potential Philadelphia gaming sites, there are two crucial framework findings to keep in mind throughout this analysis:

FINDING: There is no perfect site – all potential gaming sites have advantages and challenges.

A wide array of criteria must be considered in evaluating a potential gaming location. These include basic considerations about a site's suitability, transportation issues, and the role of

location in leveraging positive economic impacts (see Table 2.3 above). When potential gaming sites are evaluated in Philadelphia according to this set of criteria, no perfect site emerges. All potential gaming sites have advantages and face challenges across the many considerations that contribute to a casino's economic performance and its contribution to the public good from the City's perspective. Ultimately, successful sites will maximize their locational advantages, while compensating creatively for site disadvantages.

FINDING: While different sites have different inherent advantages, no location can be evaluated in isolation from the specific development proposal that is advanced for the site.

While it is useful to go through the exercise of evaluating the strengths and challenges associated with potential gaming sites, no location can truly be evaluated separate from the development proposal that is advanced for the site. A promising site with a long list of advantages could end up with a poorly designed and managed facility. Likewise, a site facing a series of challenges could end up with an attractive and creative development that mitigates the location's inherent disadvantages. For all the potential sites it reviewed, the Task Force's Site Evaluation Committee believes that, if done well, casino development could significantly strengthen the surrounding area. However, a slots-only casino could just as easily bring it down if done poorly. The quality of design and the development program, in addition to the marketing strategy, will go a long way toward determining whether a gaming location maximizes its positive impact on Philadelphia.

Eligible Geography

The state Gaming Act permitting casino development in Pennsylvania contained within it a number of exclusion zones. The ones with the greatest relevance for Philadelphia are the 10-mile exclusion zones around the Chester Downs Casino (which is under construction and expected to open as early as Spring 2006) in the City of Chester to the southwest of Philadelphia and Philadelphia Park in Bensalem to the northeast. In effect, these exclusion zones eliminate consideration of sites north from a line that intercepts the Delaware River between the Betsy Ross and Tacony-Palmyra bridges, northwest to Tacony Creek Park and on to the intersection of Cheltenham and Broad Street. Everything south and west of an arc running from Township Line Road at Morris Park to Franklin Delano Roosevelt Park at Broad Street and on to the Delaware River (effectively bisecting the Navy Yard with the western portion falling inside the exclusion zone) is excluded by the location of Chester Downs to the south.

The area of eligibility for the two Philadelphia slots parlors falls between these two exclusions zones within the boundaries of the City of Philadelphia. The following map offers a graphic portrayal of these exclusion zones and the eligible area for Philadelphia gaming facilities.

IMAGE 2.24: 10-Mile Racetrack Exclusion Zones

Source: Philadelphia City Planning Commission

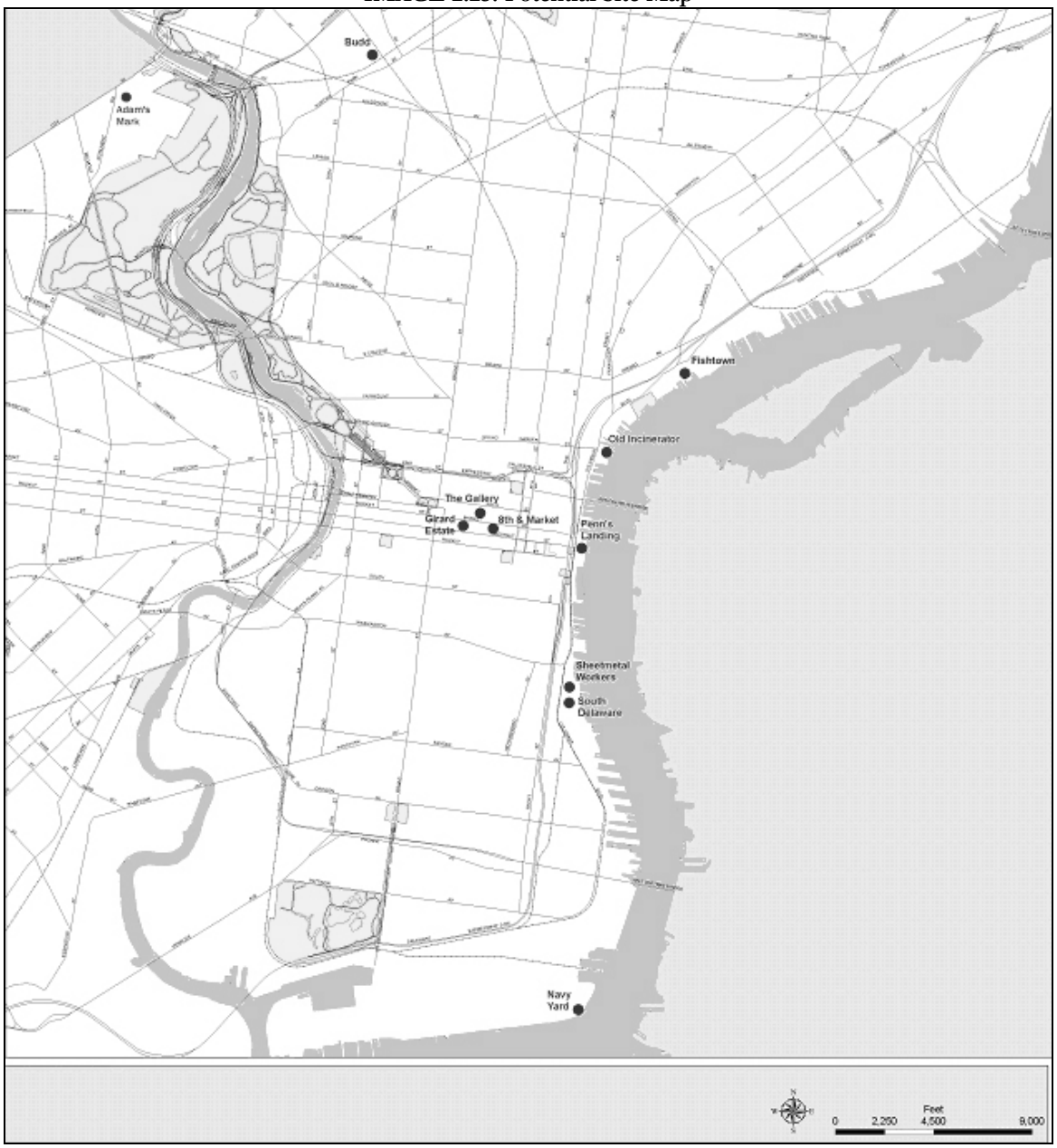
Potential Gaming Sites

The sites included in this analysis were not selected by the Task Force on any basis other than the fact that they have all been identified publicly, and to varying degrees, as being potential gaming sites. It is recognized that as the process evolves there are likely to be additional sites. However, it is likely that the criteria developed for this analysis and the advantages and challenges of each site will remain applicable, at least in a general sense, for it is likely that additional sites will fall into one of the six general typologies of sites identified below. For each of these, certain generalities can be stated in relation to the advantages and challenges of each. However, these advantages and challenges are being presented in advance of any formal proposals, designs, or operational plans being advanced for these sites. Ultimately, these sites can be fully evaluated only after formal plans have emerged which, hopefully, can accentuate the positives of each site and ameliorate the negatives. The six site typologies, encompassing 11 identified sites are:

1) Center City/Market East (8th & Market, The Gallery, and Girard Estate sites)
2) North-Central Delaware Waterfront (Fishtown and Old Incinerator sites)
3) Penn's Landing
4) South Delaware Waterfront (Sheetmetal Workers and South Delaware sites)
5) Navy Yard
6) I-76 & Route 1 Interchange (Budd and Adam's Mark sites)

The following map shows the locations of the 11 sites:

IMAGE 2.25: Potential Site Map

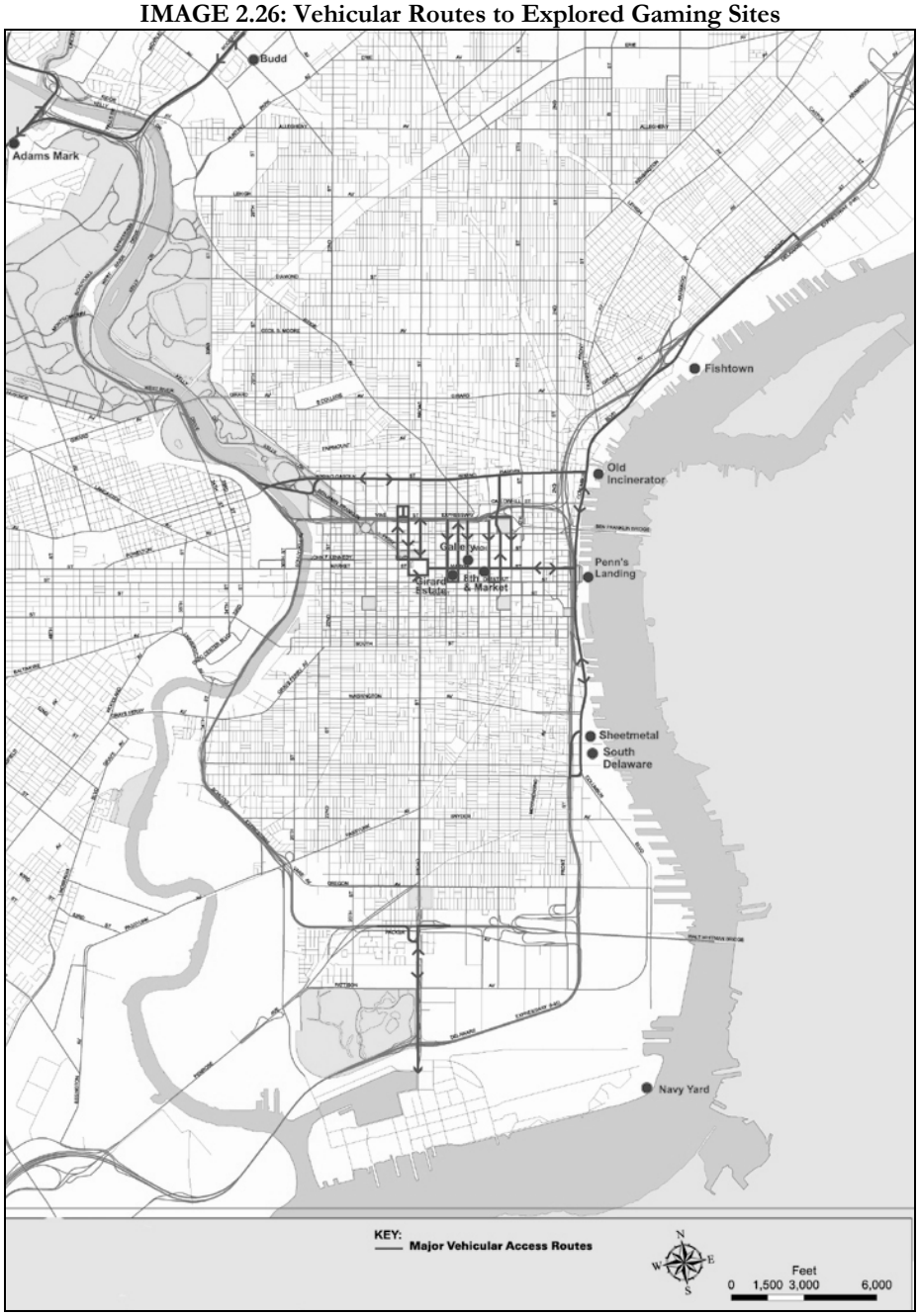


Source: Philadelphia City Planning Commission

Transportation Network

The following two maps show the relationship of the various sites to the transit network and highway access routes.

IMAGE 2.26: Vehicular Routes to Explored Gaming Sites



Source: Philadelphia City Planning Commission

Image 2.27: Public Transit Access to Explored Gaming Sites

Source: Philadelphia City Planning Commission