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Senate of Pennsylvania

November 17, 2014

Dear Neighbor:

The Pennsylvania Gaming Control Board (PGCB) recently made known that it will announce a decision on the future of the proposed second casino license in Philadelphia on November 18, 2014. One of the license applicants has proposed a site adjacent to the Holiday Inn at 10th Street and Packer Avenue.

Following a recent community meeting held on November 12th, I have received questions from some residents concerned about the impact that a casino at 10th and Packer would have on neighborhood quality of life.

Some have also asked why elected officials were not present at the November 12th meeting. The answer to that question is simple: we were not invited by the event organizers.

Regarding neighborhood quality of life, I wanted to take this opportunity to explain what I have done on the issue of casinos over the past six years. I am committed to fighting for the protection and improvement of neighborhoods, and I also want to share how I believe that can best be accomplished.

In 2006, two casinos were licensed in Philadelphia: Sugarhouse and the now-defunct Foxwoods. Both of those locations are in the First Senatorial District, as are all of the applicants for the license currently being considered.

When those licenses were issued in 2006, many believed – rightly or wrongly – that the entire process was tainted with political favoritism and that the licensing hearings were a “kangaroo court.” I closely watched those hearings, and I vividly recall that even elected officials such as former Councilman Frank DiCicco were summarily cut off by the Gaming Board after only five minutes of testimony. Residents had little to no input, and understandably felt like backroom deals were more important than their voices.

The Foxwoods project never got off the ground, and the casino license was eventually revoked by the Gaming Board. While there were lawsuits and community opposition against the Foxwoods project, the courts ruled in favor of the casino at every step in the legal process. The project ultimately fell apart due to an economic downturn and a business deal gone bad.

I pledged when I ran for office in 2008 to take the politics out of gaming, so people could feel confident that casino licenses were not being issued merely to the well-connected. I also vowed that neighborhoods would never be shut out of the process again.

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In 2009, I authored legislation that restored a ban on campaign contributions by gaming operators. When table games were authorized in 2010, I made sure that new provisions were put in the Gaming Act specifically requiring community input and traffic studies. And when the Gaming Board announced in 2012 that it was going to reissue the previously-revoked Foxwoods license, I fought to make sure that residents had a voice in the process.

Given the negative reputation surrounding political influence on gaming in Philadelphia, I believed the best course was that I neither support nor oppose any particular site or casino operator. Instead, I fought to make sure that neighborhood residents had a genuine role in making their opinions and preferences known directly to the Gaming Board – something that clearly did not occur back in 2006.

As part of the new licensing process, the PGCB held public input and suitability hearings at the Philadelphia Convention Center on seven different dates between February 2013 and January 2014. I knew that residents near the stadiums were concerned about the possibility of another venue, and I wanted to make sure the Board heard it from them directly. At my urging, the Board came to Lincoln Financial Field in May 2013, where nearly 100 people testified in person over the course of an additional two days. The Board also accepted written comments through September 30, 2013. On the local level, the Philadelphia City Planning Commission also conducted three open house meetings on the casino proposals.

I understand that with busy lives, residents may not have been aware that this process was going on, even though elected officials and local community groups worked hard to get the word out through many sources. The entire record of hearings and testimony is available on the PGCB website at: gamingcontrolboard.pa.gov/?p=219.

At the May 2013 hearings, the Sports Complex Special Services District (SCSSD) presented testimony to the Gaming Board. As you may know, the SCSSD is funded by the three stadium operators, who along with four elected community directors form a seven member voting board of directors. I and other public officials do not have any voting role on the board, thereby allowing the SCSSD to be majority community driven.

The SCSSD has full-time, paid professional staff that has monitored, evaluated, and commented on the new casino proposals since 2012. The SCSSD testimony made clear that the four community directors were against the casino. The SCSSD testimony also listed specific areas of concern, from community benefits to traffic and highway access.

Of the four current applicants for casinos in Philadelphia, three (the Provence, Market 8, and Casino Revolution) either had significant community support, or they were able to reach community benefits agreements with surrounding neighborhood groups. These agreements secured casino commitments on items such as new lighting, improved streetscaping, safety measures, traffic calming, and funding of improvements to local parks and ballfields. Near the Provence, opposing neighborhood groups that could not reach an agreement filed a legal action to intervene in the licensing proceedings and were allowed special standing to make a presentation to the Gaming Board in January 2014.

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When it came to the proposals at 10th & Packer, the SCSSD board decided it was *not* going to negotiate any community benefits agreement. The SCSSD board also chose *not* to file any legal intervention.

When Sugarhouse first opened in 2010, Philadelphia had no prior experience with casinos. Many were understandably concerned about the impact on the quality of life in Northern Liberties and Fishtown. At the time, I also shared these concerns.

After four years in operation, fears of traffic congestion and increased crime have not materialized. Despite a few isolated incidents, overall crime has actually decreased through the use of better lighting, cameras, and a police mini station dedicated to the area. At the same time, property values in Fishtown have increased.

Sugarhouse employs 1,000 people and generates nearly \$18 million a year for the City and School District. A community benefits agreement provides \$500,000 a year for neighborhood uses, soon to be increased to \$1 million a year. Given these figures, it is understandable why some officials who only had one proposed site in their legislative districts chose to back that particular applicant.

I recognize that in our city of neighborhoods, the issues that faced Fishtown residents may not be the same as those facing stadium area residents. Prior to the opening of Sugarhouse, neighborhood groups were divided on how to approach the arrival of a casino in their midst. For a time, that disagreement strained many relationships in the community. However, the experience ultimately showed that the most effective way to secure the maximum benefits and protections for a neighborhood is to aggressively and proactively engage a casino operator to negotiate the best terms possible.

Once a decision is made by the Gaming Board, I am committed to fighting for every concession from the operators to help the surrounding community, be it safety measures, improvements to manage traffic, a community benefits agreement, or any other issue of neighborhood importance. I have been and will continue to be your advocate in that fight.

Please do not hesitate to contact me if you have any questions.

Sincerely,



Larry Farnese
State Senator – First District