

**Remarks for the Senate Community, Economic & Recreational
Development Committee**

Hearing on Table Games in Pennsylvania

My name is Dave Jonas and I am the Chief Operating Officer of Philadelphia Park Casino. Today I am acting as a substitute for our Chairman, Mr. Bob Green, who wanted to be here to testify personally but, unfortunately, had to attend the funeral of a very close friend in Europe.

The introduction of table games into Pennsylvania's existing casinos provides a series of positives and zero negatives. Stated simply, the positives are:

1. Jobs
2. Capital investment
3. Overall economic impact
4. New found revenue for the Commonwealth

With regard to jobs, table games (unlike slot machines) are labor intensive and will mean the creation of 16,000 jobs in total – 10,000 direct employees and 6,000 indirect. It will also mean a ramp up of major construction initiatives, involving hundreds of tradesmen, many of whom are presently out of work due to the cancellation or shelving of projects planned before the recession.

As for capital investments, all of us in the industry will be making major investments in additional amenities that we will need to provide the support necessary for the introduction of tables. Whether it be rooms, restaurants, retail, entertainment, meeting space, etc. –

there will be a much needed stimulus to the construction industry here in Pennsylvania.

The overall economic impact translates into the “ripple” factor arising from thousands of extra employees and the additional business that will flow into those firms that service the industry – many of them small, local, family operations – bakers, florists, general suppliers and the like – people who could certainly use some help right now. The overall economic effect will be meaningful. As reported in the “Innovations” study – a billion dollars a year, which we happen to think, is conservative.

Last but not least, there is the creation of extra revenue for the state. I would like to put this in a broader context. I know from reports and testimony at the time, that when Bob Green and his colleagues were in Harrisburg campaigning for slot machines in the years leading up to 2004, projections and commitments were outlined and discussed. What we promised were jobs, property tax relief and the saving of the racing industry (and that component of the racing industry that affected the state’s agricultural economy). In the two years and nine months since slot machines were first introduced at Philadelphia Park, we have paid \$337 M to the state for property tax and economic development, \$44 M to our local municipalities, and \$106 M in additional purses for the racing industry. We have paid a further \$72 M in real estate, payroll and federal taxes for a total of \$559 M. In addition, we have made contributions of \$7 M to local and state causes. We have created 600 new jobs and plan on several hundred more should table games be passed.

Let me focus for a minute on the direct benefits to the racing industry -- benefits that will only be enhanced, not diminished, by the addition of table games and the associated increased slot revenues that will flow from table games.

- Racing purses at Philadelphia Park today are more than 2 ½ times what they were prior to the start of casino gaming in December 2006.
- Philadelphia Park currently offers the largest racing purses in the country for any single track operation. We expect this will continue in the coming years.
- The horse racing industry in Pennsylvania now gets about twice as much revenue from gaming operations as the industry gets in the next closest state.
- We recently hosted two \$1 million purse dates: the Pennsylvania Derby on Labor Day and the Pennsylvania Day at the Races on September 19, 2009.
- We plan to open our new permanent casino in December, in which we will be increasing the slot machine inventory by 10% over the existing level. The increased revenues from the additional machines will further increase the revenues flowing to the horse racing industry.
- From opening in December 2006 through June 2009, the gaming taxes generated from Philadelphia Park alone have brought \$106 million to the racing industry. State wide, from all casinos since the commencement of gaming operations in 2006, \$478 million has been paid to the racing industry.

We have fulfilled all of the commitments that were made to you in the months leading up to the passage of the slots bill. I can guarantee you that if table games legislation is passed, we will deliver all the benefits I have outlined. We will not let you down.