

**Bill Paulos, Principal, Cannery Casino Resorts
Pennsylvania State Senate
Committee on Community, Economic and Recreational Development**

Submitted Testimony

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We wish to thank Chairpersons Earll and Fontana and all members of this committee for the opportunity to discuss the issue of table games. This is our fourth opportunity to testify on this matter before committees in both the House and Senate. Our first testimony took place more than two years ago. Since then, our property, The Meadows Racetrack & Casino, has undergone tremendous changes that have benefitted our partner, the Commonwealth of Pennsylvania, as well as southwestern Pennsylvania and its residents.

I'm happy to report that on April 15 we opened a new 350,000-square-foot facility, which is one of the largest casinos on the East Coast with more than 3700 slot machines. A world-class entertainment destination, it includes premier restaurants with spectacular views of the gaming floor and the race track, a new racing grandstand, simulcast area, VIP super boxes, and a bowling centre.

In all, Cannery Casino Resorts has invested more than \$450 million into The Meadows. About 1,000 local jobs were created for construction of the temporary and permanent casinos. Nearly all construction was done with the assistance of local construction companies. The casino now employs about 1,100 people, mostly area residents. Additionally, The Meadows purchases 95 percent of all goods and services from local companies for its day-to-day operation. Cannery Casino Resorts is certainly proud of the product we have provided to the people of southwestern Pennsylvania.

Like The Meadows, all of Pennsylvania's casino operators have made a meaningful impact, providing tremendous economic development opportunities, thousands of family-sustaining jobs and first-class facilities that attract and retain in- and out-of-state patrons. Just as importantly, this has resulted in substantial tax revenues for the commonwealth.

But despite our investment, we are not on a level playing field with our closest competition, which is only a 30 minute drive in West Virginia. Table games will help us – and the state – achieve the level playing field we all seek in order to keep gaming dollars in Pennsylvania.

We will certainly benefit from having table games at The Meadows. We, you and I, have the opportunity, in our public-private partnership, to help a lot of Pennsylvanians. It will have a dramatic and immediate positive effect on the local job market and economy.

For example, if table games are allowed in Pennsylvania and we added just 40 table games and 25 poker tables, The Meadows would add about 700 jobs and \$28 million more in payroll.

And that's just one casino.

Statewide, Pennsylvania's casinos could create more than 10,000 jobs and millions in new tax revenues with table games. That is why now is a real opportunity for the partnership between the gaming industry and state government to truly benefit thousands of Pennsylvanians by putting people to work, investing in local goods and services, and creating additional tax revenues. I can think of no other industry or other public-private partnership that could make the same claim of tremendous job creation under the current economic conditions.

As I indicated, table games also will help our industry compete on a more level playing field. West Virginia has table games. Ohio has now legalized slots gaming. As a casino on Pennsylvania's western front, we need your support.

A July 19 story in *The Wheeling Intelligencer* provided more than just anecdotal evidence of West Virginia's impact on Pennsylvania casinos. In 2008, the Wheeling Island Hotel, Casino & Racetrack drew about 52 percent of its customers from Pennsylvania – and only 5 percent from West Virginia. Pennsylvanians also represent 30 percent of the customers visiting Mountaineer Casino, Racetrack & Resort (only 2 percent were from West Virginia). We need to give those Pennsylvania residents a reason to stay here in our own state to spend their entertainment dollars to benefit our residents.

Finally, I would like to address the debate on tax rates for table games. We believe any tax rate needs to be at a level that creates growth. Through our assessment of potential table game operations in Pennsylvania, we would support the language in Senate Bill 1033. We are taking into account the cost for regulatory charges and license fees that have been discussed in each version of table games legislation. At this level, this would be a win for the commonwealth, as well as allow gaming operators to make fiscally responsible decisions.

Thank you for allowing us to share our testimony today. We look forward to working with members of this committee and other state legislators on this important issue.

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