

Phila.'s 2d casino license likely to be awarded Nov. 18

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The Pennsylvania Gaming Control Board said Friday that it would hold a public meeting Nov. 18 to award a license for Philadelphia's second casino.

The scheduling of the meeting seems to assure that Philadelphia's second license will be issued to one of four applicants, all of whom submitted their plans two years ago.

The meeting - set to unfold in a regional casino landscape that has changed dramatically, even since hearings on the license were completed in January - is scheduled to begin at 1 p.m. in Room 201 of the Convention Center.

Several observers close to the process said they believed that the license would be awarded to Live! Hotel & Casino, a joint venture of Cordish Cos. of Baltimore and Greenwood Gaming & Entertainment Inc., which owns Parx Casino in Bensalem, the state's highest-grossing casino.

Two sources, one with an extensive political background and the other highly knowledgeable about the casino industry and its workings, indicated that Live! would win the second license. Neither would speak on the record.

That proposed \$425 million casino with 2,000 slot machines and 125 table games would be built at Packer Avenue and Darien Street in South Philadelphia, at the site of the Holiday Inn near the sports complex.

Executives at Parx and Cordish, which owns Maryland Live! near Baltimore and is applying for

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a casino license in New York, either could not be reached for comment Friday or declined to comment.

Former Gov. Ed Rendell, who advocated for and signed the state's casino law, said he had heard the same talk about the casino planned for the stadium complex. He said the gaming board should slow down on the decision.

"At this point, they shouldn't do anything until they get the thoughts of Gov.-elect Wolf," Rendell said. "I'm not so sure we should have an additional casino in Philadelphia, and that's not my decision. But the new governor should get some input."

Jeffrey Sheridan, spokesman for Tom Wolf, said Wolf had no immediate comment.

Mayor Nutter's administration has advocated for the second casino as an important source of jobs and tax revenue, and has expressed a preference for a location in Center City rather than South Philadelphia.

"The mayor looks forward to a decision by the board, and he is hopeful that it will confirm the selection of a second casino for the city," Nutter spokesman Mark McDonald said.

Despite the rush of rumors about Cordish's winning the license - originally issued to the Foxwoods group for a casino on the South Philadelphia waterfront and revoked in December 2010 - no formal decision has been made.

"The decision will be made in a public vote," said Doug Harbach, spokesman for the seven-member gaming board. "No parties have any knowledge of the outcome at this point."

However, the scheduling of the meeting makes it likely that the board has reached a decision under the "qualified majority standard," which requires that the board's four legislative appointees must agree on a choice and that at least one of the three gubernatorial appointees

must join them.

At least one of the four applicants still hoped to emerge as the winner.

"The Provence team greatly respects the thoroughness of the gaming board's deliberations," said Frank Keel, spokesman for developer Bart Blatstein's proposal for the former Inquirer building on North Broad Street.

"It's encouraging to hear that a decision may be near. Philadelphia needs and deserves a second casino. Today's rumors to the contrary, we remain hopeful that the Provence Resort & Casino will be chosen," Keel said.

The two other proposals are developer Ken Goldenberg's Market8 at Eighth and Market Streets in Center City, and produce magnate Joseph G. Procacci's Casino Revolution at Front Street and Pattison Avenue.

A spokesman for Procacci's company, PHL Local Gaming L.L.C., referred to a community meeting planned for Wednesday at Stella Maris Church in opposition to Live!

"If that community opposition to the Live! Philadelphia is valid, then that would mean that three of the four applicants have significant local opposition," said A. Bruce Crawley. "PHL Local Gaming, by contrast, has no significant local community opposition and [has] the endorsement of the leading civic organization in the area," he said.

Separately, SugarHouse Casino renewed its bid to block the awarding of a second casino license in Philadelphia, "asking for a full, open, and transparent hearing to consider the dramatically changed conditions in the Philadelphia market."

In a filing Thursday, the company asked the Gaming Control Board to reopen the record to consider "post-December 2013 information, data, statistics, commentary, argument, and other

evidence."

The gaming board closed the record on a second Philadelphia casino license in February. Applicants are not allowed to submit additional information unless their financial condition changes.

Since then, the casino industry in the Mid-Atlantic region has been in upheaval, with three Atlantic City casinos closing their doors after years of losing business to casinos in nearby states, joining one that closed in January. A fifth closure is threatened.

"There is no fact, not a single fact, that supports that this city or this region needs another casino," Wendy Hamilton, SugarHouse's general manager, said in an interview.

SugarHouse wants the board to refresh its "stale information" and require that the remaining applicants "update their projections, including likely cannibalization of existing Philadelphia casinos."

Officials at Harrah's Philadelphia in Chester were not available to comment. That casino's revenue peaked at \$351.3 million in fiscal 2011, the first year table games were legalized, and fell to \$293.5 million in the most recent fiscal year.

At one of the January suitability hearings, board member Gregory C. Fajt called the question of market saturation the "elephant in the room," but said it could be years before the second casino opened, which means that conditions could change.

"We're going to make a decision. We're going to get sued. It's going to go to the Supreme Court, and they're going to take six months or a year, and then whoever wins is not going to do anything until that decision is final," Fajt said at the hearing.

Then it will take at least 18 month for the winner to build the casino, he said. That means "we're

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always trying to guess what the market is going to be two years out, 21/2 years out," he said.

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