

BEFORE THE
PENNSYLVANIA GAMING CONTROL BOARD

FILED
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Board Clerk PGCB

In Re: Application of HSP Gaming, L.P.	:	Docket Number: 1356
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	:	
Filed By: HSP Gaming, L.P.	:	Licensing Hearing Date:
Applicant for Category 2 License	:	November 13, 2006
	:	
Dated Filed: November 6, 2006	:	Counsel of Record:
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	:	Admitted Pro Hac Vice
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**MEMORANDUM IN RESPONSE TO NOTICE OF INTENT TO
PRESENT COMPARATIVE EVIDENCE PURSUANT TO
58 Pa. Code, §441.19(o) BY RIVERWALK CASINO, LP**

FACTUAL BACKGROUND

1. On October 16, 2006, HSP Gaming, L.P. ("HSP") filed with the PGCB its Pre-Hearing Memorandum pursuant to 58 Pa Code §441.19(j) and served copies of such Memorandum on the other Philadelphia Category 2 Applicants.
2. On or about October 24, 2006, Riverwalk Casino, LP ("Riverwalk") filed a Notice of Intent to Present Comparative Evidence ("Notice") pursuant to 58 Pa Code §441.19(o) relating to the Application of HSP.

REPLY

Set forth below are the three items of comparative evidence Riverwalk states it will present to the Pennsylvania Gaming Control Board (the "Board") and HSP's response thereto.

1. Fewer homes within a one-mile radius than HSP.

Response

The so-called "documentary evidence" attached to Riverwalk's Notice in support of this contention is nothing more than ten pages of census statistics. The submission does not demonstrate anything regarding the potential impacts on the host community from either HSP or Riverwalk. On this basis alone, the "evidence" should be given no weight by the PGCB.

Notwithstanding that point, a comparison of the traffic impact by the proposed Riverwalk Casino and the SugarHouse Casino clearly demonstrates that the Riverwalk would have a far greater adverse impact on the surrounding neighborhood than SugarHouse due to the lack of traffic signalization at the Riverwalk site and the neighborhood parking impact. Attached as Exhibit "A" is an analysis prepared by Keating Environmental Management, Inc. and Gannett Fleming, Inc.

2. HSP's proposal to add hotel rooms to the Philadelphia market will negatively impact existing Philadelphia region hotels by (i) capturing guests that would have otherwise stayed at other hotels throughout the Philadelphia region and (ii) increasing downward pressure on room rates as a result of higher capacity.

Response

Riverwalk's claim regarding the addition of hotel rooms is based on the State of Center City 2006 Report ("SCC Report") attached as Exhibit A to the Riverwalk Notice.

In response to such claim, attached hereto as Exhibit B is a letter response prepared by Peter R. Tyson, ISHC, Vice President of PKF Consulting. Mr. Tyson provided (and is credited for) much of the data contained in the SCC Report, the very report which Riverwalk offers in support of its contention. See report at pg. 44.

Mr. Tyson concludes that the addition of 500 rooms in a subsequent phase of the SugarHouse development would have an inconsequential impact in a region that has over 40,000 hotel rooms. In addition, more hotel rooms would be a welcome addition to the City, including the Pennsylvania Convention Center, which is currently undergoing a significant expansion.

3. Riverwalk alleges that public transit service to the casino facility for patrons and employees is and this existing public transit to and from the Riverwalk is superior to that or near the HSP site.

Response

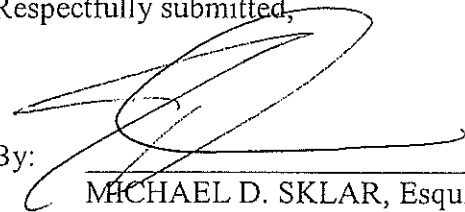
Riverwalk's experts intend to rely on the "Southern New Jersey to Philadelphia Transit Study," to support this contention. The focus of the Study is to evaluate transit improvements between Southern New Jersey and Philadelphia. There is no analysis contained in the study comparing the availability of public transit at the Riverwalk and SugarHouse sites.

Also included in the letter attached hereto as Exhibit A is an analysis of the transit availability at the proposed SugarHouse site. In particular, the analysis notes that the Southern Pennsylvania Transportation Authority's (SEPTA) Spring Garden Street Station (for the Market-Frankford Line) is 0.2 miles from the Riverwalk site. The distance from that station to the SugarHouse site is 0.4 miles. The additional 0.2 mile distance equates to approximately 2.5 city blocks, which is hardly a significant impediment. Moreover, SugarHouse fully intends to run an employee shuttle to and from the Spring Garden Station.

Finally, HSP has also had discussions with SEPTA regarding the establishment of additional bus stops at Frankford Avenue and Shackamaxon Street and a transit stop at the facility. It is anticipated that SEPTA will be more than eager to institute these stops should the SugarHouse location be chosen as the site for a casino complex.

Respectfully submitted,

By:



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