

CITY OF PHILADELPHIA

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MICHAEL A. NUTTER
Mayor

July 8, 2008

The Honorable Vincent Fumo
Senator, 1st District
Commonwealth of Pennsylvania
Senate Box 203001
Harrisburg, PA 17120-3001

The Honorable Dwight Evans
Representative, 203rd District
Commonwealth of Pennsylvania
512 Main Capitol Building
PO Box 202203
Harrisburg, PA 17120-2203

Dear Senator Fumo and Representative Evans:

Thank you for your letter of July 3, 2008. Like you, I am not opposed to casino development in Philadelphia. I have, in fact, testified at a City Council hearing on April 4, 2008, and publicly stated this position. I fully expect that two casinos will be built in Philadelphia. As you have suggested, however, the present locations may indeed be so problematic as not to be viable. In the past few months, we have discovered a number of outstanding legal and regulatory issues that would have to be addressed before either Foxwoods or SugarHouse would be able to begin construction.

I want to make it clear that my staff has been in regular contact with representatives of both casinos since I came into office in January. We have been following the mandate of the Supreme Court, but have been mindful that the City – and the Commonwealth – maintain certain legal powers and responsibilities relating to water, sewer, streets, traffic, historic, environmental and other planning issues. For the last six months, we have worked with the casino representatives when possible to resolve the issues that can be resolved, while maintaining the City's position that neither of these sites is the best site for a casino project. Since June 19, 2008, when the City's Planning Commission notified Foxwoods that its zoning application was incomplete, representatives of the Planning Commission have begun to meet with representatives of Foxwoods to address the

Commission's concerns about the application's deficiencies. In just the last several days, our Streets Department has agreed to change the City map to reflect the installation of a sewer pipe for the Foxwoods development, as required by the development plan. Also, the Department of Licenses and Inspection has renewed the rough grading permit for the SugarHouse development, which expires today.

Notwithstanding these efforts, our discussions and exploration of the details relating to construction, permitting, and other related development issues have convinced us more than ever that these two sites are problematic and that at a minimum, the City and the casinos would be better served by relocating. The issues we have identified include the following:

Foxwoods

- Foxwoods, as appropriate sequentially, must submit complete plans for and obtain zoning, foundation and building permits from the Department of Licenses and Inspections before it can proceed with construction.
- Foxwoods has applied for but not yet received its Act 537 sewer permit from the Pennsylvania Department of Environmental Protection.
- Foxwoods must receive a Highway Occupancy Permit from PennDOT and the City before it can construct its facility. A number of complicated issues must be addressed before the issuance of this permit, according to PennDOT and the Streets Department. These include issues relating to traffic mitigation, including traffic ingress and egress patterns in adjacent properties and signal and lane changes in Columbus Boulevard, with potential infringement on required sidewalk dimensions.
- Foxwoods' physical plans, which are only 30 percent complete, must be completed before the City can award them a building permit.

SugarHouse

- SugarHouse, as appropriate sequentially, must apply for, submit complete plans for and obtain zoning, foundation and building permits from the Department of Licenses and Inspections before it can proceed with construction.
- SugarHouse has applied for but not yet received its Act 537 sewer permit from the Pennsylvania Department of Environmental Protection.
- SugarHouse is awaiting resolution of its riparian rights license appeal, which is pending in the Pennsylvania Supreme Court. This issue needs to be resolved before its development can proceed and, depending on the outcome, may require a substantial change in the development plan.

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- The Pennsylvania Historic and Museum Commission is investigating archeological findings on the SugarHouse site; this issue needs to be resolved before it can proceed. There may be federal law issues here as well.
- SugarHouse will need to receive a Highway Occupancy Permit from PennDOT and the City before it can construct its facility. There are significant issues relating to this, including SugarHouse's request to eliminate a portion of a major street near its site.
- SugarHouse must receive approval of its environmental mitigation plan from the state, which may include acquiring a site for which it does not presently have rights and hosting a Public Information Meeting this summer.

Finally, before beginning construction, both casinos would need to obtain the approval of Air Management Services in the Health Department under AMS Regulation X, which requires consideration of air quality impact, not only of fixed equipment on the site but also traffic generated by the development.

For all these reasons, the obstacles to casino development at the present sites would seem to be practically insurmountable. Therefore, I look forward to working with you both to identify alternative sites that will protect the interests of all parties involved, including the casinos, the City and the residents of Philadelphia. As you know, on June 26, 2008, I asked PennPraxis to examine this issue, to answer the siting question and to explore alternative sites. I hope that working together we can identify sites that will allow for more efficient, less costly, and more legally supportable development that also comports with my Administration's unwavering dedication to judicious and beneficial development in Philadelphia.

Over the next few weeks, I look forward to discussing these issues in more detail with both of you, Governor Rendell and the representatives of the casinos as proposed in your letter. In addition, we should also be mindful of the great interest in these issues by members of Philadelphia's City Council and the neighborhood groups affected by the casinos. I would recommend that we ensure that these interested parties are kept apprised of our progress as these discussions continue.

Sincerely,


Michael A. Nutter
Mayor

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cc: Governor Edward G. Rendell
Senate President Pro Tempore, Joseph B. Scarnati, III
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Senate Minority Leader Robert J. Mellow
Speaker of the House Dennis M. O'Brien
House Majority Leader H. William DeWeese
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