

EXECUTIVE SUMMARY

This Local Impact Report has been developed on behalf of HSP (HSP) to document the local environmental impacts that are anticipated to occur, as well as the proposed mitigation measures to be employed, in connection with the development of the Former Jack Frost Sugar Refinery into the SugarHouse Casino, located at 941 through 967, 1001 and 1015-1025 North Delaware Avenue in the City of Philadelphia, Philadelphia County, Pennsylvania.

The existing site is currently a vacant, underutilized, former industrial property (i.e., Brownfield) that is overgrown with vegetation. The majority of this site has been vacant since approximately 1980, and was previously used by the Jack Frost Sugar Company as a sugar refinery, packaging and distribution center. All buildings on the site were demolished and removed between the late 1990's and 2004.

The entire existing site is currently zoned G-2 - Heavy Industrial according to the City of Philadelphia Zoning District Map. Since the City of Philadelphia does not have a specified zone classification for casinos or gaming establishments, the proposed site would need to be considered as a permitted non-conforming use, rezoned to a new and special classification for gaming, or found to be exempt from zoning as a result of state preemption provisions that are under discussion.

The project area consists of a mixed land use of industrial, commercial and limited residential development. Properties north of the project site contain commercial/industrial businesses and warehouses. Properties south and west of the project site include a mix of new residential condominium towers that are currently under construction (Waterfront Square), residential town homes and bar/restaurant establishments.

The property offers exceptional vehicular access from both north- and south-bound Interstate I-95 (Delaware Expressway), the Vine Street Expressway (Interstate I-476) and Center City Philadelphia. Just 1.1 miles from the foot of Market Street, the site enjoys proximity to Center City, but with a fraction of the real and perceived traffic congestion associated with "downtown" areas and other potential Delaware Avenue sites to the south. In addition, the property is minutes away and within a clear line of sight of both the Benjamin Franklin and Betsy Ross Bridge spans to New Jersey.

Planned as a phased development, Phase 1 of the new gaming facility, named SugarHouse, will accommodate up to 3,000 slots, related gaming support and regulatory spaces, a myriad of exciting dining options, a multi-purpose event center and convenient customer parking in a facility representing almost 1.3 million square feet of new construction. Future expansion plans call for the complex to ultimately accommodate the statutory limit of 5,000 slots, a 500-room hotel tower, expanded dining facilities, a Spa and expanded garage parking. Upon completion, the SugarHouse Casino will ultimately exceed 2,100,000 square feet of new construction.

SUGARHOUSE CASINO

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No hazardous/regulated materials or conditions, except for the petroleum impacted soil and ground water, are currently known to exist on-site. The PADEP has determined that no further action is required for the remaining petroleum-impacted soil and ground water at the site, which was found to be associated with the former underground storage tanks. While further investigation/site characterization will be performed by HSP, the presence of any additional hazardous/regulated materials and conditions is not likely to adversely impact the proposed casino development.

The findings of this Local Impact Report are that, with the exception of increased traffic on North Delaware Avenue, there are no adverse impacts to surrounding properties, residents, schools, community services, transportation, parking, utilities, City services, air quality, cultural and historic resources, tourism, parklands/open space, ecosystems, and soil and water quality associated with the development of the site as the Sugarhouse Casino. With regard to traffic, only minor modifications to turning lanes and signaling will be required on North Delaware Avenue to mitigate the identified adverse impact and facilitate the planned future operations, as the existing capacity of North Delaware Avenue is more than adequate to meet the needs of the proposed development, as well as the continued and future needs of the surrounding area.