

STATE OF INDIANA    )  
                          ) SS:  
COUNTY OF LAKE     )

BEFORE THE INDIANA GAMING COMMISSION

PUBLIC MEETING

September 2, 1994

BE IT REMEMBERED that the following proceedings were had before me, KAREN M. PRICE, Registered Professional Reporter, Indiana CSR No. 93-R-1000, on Friday, September 2, 1994, at the Genesis Center, Gary, Indiana.

**KAREN M. PRICE & ASSOCIATES**

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APPEARANCES:

On Behalf of the Indiana Gaming Commission:

ALAN I. KLINEMAN, Chair

ANN MARIE BOCHNOWSKI, Vice-Chair

GILMER GENE HENSLEY, Secretary

THOMAS F. MILCAREK

DAVID E. ROSS, JR., M.D.

ROBERT W. SUNDWICK

DONALD RAYMOND VOWELS

JACK THAR, Executive Director

1 MR. KLINEMAN: Good morning, ladies and  
2 gentlemen. We are here today, and our agenda calls for  
3 comments from persons who are interested in the  
4 proceedings and the licensing of riverboats in Gary. We  
5 put out a public announcement inviting people to send in  
6 a request, and become part of our agenda to address the  
7 Commission. And we did in fact receive nine requests,  
8 and we have honored all of them. And those parties, if  
9 they're here when their time comes, they will be able to  
10 address the Commission.

11 In addition, our announcement stated that we will  
12 receive, as a Commission, through the close of business  
13 on September 7th of 1994, any written information that  
14 anyone wants to submit to have included in the record of  
15 the Commission proceedings in regards to the licensing of  
16 riverboats in Gary. So we have two opportunities for the  
17 citizens of Gary to make their views known, and we're  
18 here this morning to hear the oral presentations in that  
19 respect.

20 First, the party who has reserved time to address  
21 the Commission is Roy Pratt, and other members of the  
22 Gary Common Council.

23 Is Mr. Pratt here this morning?

24 MR. ROY PRATT: Yes, thank you.

25 MR. KLINEMAN: Okay. We also hear that a

1 Rudolph Clay wants to address the Commission, along with  
2 the Common Council? Okay.

3 You may proceed. And if you'd state your name for  
4 the record.

5 MR. ROY PRATT: Yes, Roy Pratt. 6624 Birch  
6 Place, Gary, Indiana. Thank you, Mr. Chairman.

7 Mr. Chairman, and members of the Indiana Gaming  
8 Commission, colleagues, and all persons present. Cordial  
9 greetings to each of you. I am Roy Pratt, councilman at  
10 large, now serving as President of the Gary Common  
11 Council. It was in 1987 that I introduced the idea of  
12 casinos as an economic development tool for the City. I  
13 appeared on a radio talk show, and an article appeared in  
14 our local daily newspaper, the Post-Tribune, which  
15 focused on my idea. Later on the new -- later on, the  
16 newly elected Mayor of the City, Thomas Barnes, called a  
17 meeting of city and state legislators for the purpose of  
18 mapping out plans that would help to launch his vision:  
19 a new direction for Gary.

20 I presented the casino idea to that group, which  
21 included the late Senator Carolyn Mosby, as well as  
22 Representatives Charlie Brown; a true hero for the City  
23 of Gary as far as casinos are concerned, and Earline  
24 Rogers, who is now Senator Rogers, State Senator Rogers.  
25 Legislators Dobis, Villapando, and Harris. Gary City

1 Councilmen Allen, Ballard, Gillespie, Smith, Sanchez,  
2 Millender, and Wesley. In that meeting, I expressed an  
3 opinion that casinos would be a viable way of creating  
4 jobs, and a means of generating a more substantial tax  
5 base. Increased revenue would enable us to improve the  
6 infrastructure of the City, and would provide funds for  
7 more adequate services to the people of Gary.

8 Our discussion was quite comprehensive. I do recall  
9 that it was Representative Chester Dobis who stated that  
10 he believed that the development of casinos was a good  
11 idea. He indicated to the Mayor Barnes that the  
12 legislature would possibly support such an idea. Mayor  
13 Barnes agreed, and has worked tirelessly to make the  
14 nugget of an idea, a full-blown reality. So here we are  
15 today, at this hearing which represents a very crucial  
16 point in what has been a long process.

17 Now, let me remind you, that like so many American  
18 cities, more than four years into the final decade of the  
19 20th century, Gary, too, is a paradise. We have  
20 problems. And at the same time we have some commendable  
21 assets and unrealizable potential.

22 Just recently a contingent of state legislators from  
23 all -- from various geographical areas of Indiana,  
24 visited our city. They recognized the problems of the  
25 City. But at the same time, they expressed their

1 amazement at the essence, and potential, of Gary. It is  
2 no secret that we have suffered the woos ascribed to many  
3 industrial areas in the Midwest. In the '70s and '80s,  
4 United States Steel underwent a necessary modernization  
5 program. As a result, unemployment -- employment in that  
6 company, went from roughly 34,000 people, down to  
7 approximately 8,000 people today. We lost an additional  
8 4,000 jobs with the closure of the Budd Plant, and  
9 several hundreds of other jobs with the closing of other  
10 factories. Many businesses that employ hundreds of our  
11 citizens, moved to the suburban areas. The results of  
12 the exodus of jobs brought the usual problems. Our tax  
13 base was eroded, and excessive unemployment brought the  
14 usual social problems.

15 On the other hand, we have survived, because ours is  
16 a hearty population, still holding on with pride what is  
17 good about our city. We have two expanding institutions  
18 of higher education. Indiana University Northwest, and  
19 Indiana High School -- Vocational Tech College. We have  
20 some very well-kept neighborhoods of beautiful homes and  
21 maintained by industrialists, concerned citizens. We  
22 have flourishing churches. Congregations worshipping in  
23 architectural-attracted edifices, and involved in  
24 missions that help the homeless and the poverty stricken.  
25 We have progressive modern health care centers. We have

1 fine high school centers, a performing art center, and a  
2 career center to serve our secondary school population.  
3 We have an airport with unlimited potential. I cite  
4 these possible -- these positive aspects to you to  
5 underscore the paradise that is the City of Gary.

6 In order to correct the negative aspects of our  
7 social/economic climate, I believe as I did seven years  
8 ago, that casinos can be the catalyst that will return  
9 our city to the vital, prosperous place it once was. I  
10 have visited other sites where riverboats are fully  
11 operational, and I see the difference that they make. We  
12 must have jobs to restore the self-esteem of our youth  
13 who finish high school and must seek employment  
14 elsewhere. This is a serious strain on our population.  
15 Which, after all, is growing older.

16 Now may I say, that Gary is responsible for  
17 riverboats ever appearing on the agenda for economic  
18 recovery in our state. Therefore, it is only fair that  
19 we should receive the riverboat that will -- that are in  
20 the best interests of the City of Gary. I hope we can  
21 have the third boat, which is as yet unassigned.

22 We must have the first -- this is crucial. We must  
23 have the first boat. And I want to repeat that again.  
24 We must have the first boat in the water if we are really  
25 to succeed. People have a tendency to return to what

1 they have already tried. The state legislator has  
2 expressed -- good legislature has expressed its  
3 willingness to help Gary achieve an economic recovery.  
4 Three boats would impale us into the reaches of true  
5 economic growth.

6 I will leave this Commission with a final thought.  
7 You have the power to save hundreds of Gary citizens from  
8 a dismal existence. You can be instrumental in saving  
9 hundreds of young people from disillusion and cynicism.  
10 You have the power to revive a city that is in a holding  
11 -- that is holding on in a commendable way. We  
12 respectfully ask that you give us careful consideration  
13 to our requests, and that your decision be guided by your  
14 best judgment. Thank you very much for listening to me.  
15 God bless.

16 MR. KLINEMAN: Thank you.

17 Do you have any questions? Does anyone have any  
18 questions on Mr. Pratt?

19 MR. ROY PRATT: Yes, I'll entertain any  
20 questions that you might have.

21 MR. KLINEMAN: Apparently not. Thank you very  
22 much for coming this morning.

23 MR. ROY PRATT: Thank you. Also, Commissioner  
24 Clay has indicated a number of council members will not  
25 be here, and we would like for him to come forward to



1 make an official comment. We're very pleased to have  
2 him.

3 MR. KLINEMAN: Thank you.

4 Commissioner Clay.

5 MR. CLAY: Good morning. First of all, I want  
6 to just thank God for one more day in this thing we call  
7 society. I'm not here as a county commissioner, I'm not  
8 here representing the Board of County Commissioners. I'm  
9 really here as Chairman of the Gary Democratic Precinct  
10 Organization. I'm not personally involved in riverboats.  
11 I'm not a "died in the world" advocate of thinking that  
12 riverboats is a cure-all for our city. But I do believe  
13 that riverboats will help in the area of economic  
14 development and jobs. And I support the fact that the  
15 riverboats has an opportunity to come into our community.

16 I've never been on a riverboat. I've never seen a  
17 riverboat physically. I am not an investor in  
18 riverboats. I will not invest in riverboats. But I am  
19 here as the Chairman of the Gary Democratic Precinct  
20 Organization to congratulate and thank one riverboat  
21 applicant that came to the Democratic Precinct  
22 Organization and the Republican Precinct Organization and  
23 presented their program. And that was Lakeside Resorts.  
24 They brought their program to the field, to the real  
25 people. To the people that represent the mailmen and the

1 teachers and the steel mill workers and the grass root  
2 unemployed people and people who don't go into  
3 riverboats, and the deacons in the churches and the  
4 trustees, and said to us, "This is what we would like to  
5 do for Gary, Indiana."

6 So I want to congratulate and thank them for  
7 respecting our organization. Democrat and Republican.  
8 For -- because many, many people that live in Gary,  
9 Indiana did not have the opportunity to come down to the  
10 hearings, but the Lakeside Resorts came to us. And many  
11 of the precinct folks that I talked to, liked what they  
12 saw. So I'm just here this morning to congratulate them  
13 and thank them for the vision and for the respect that  
14 they gave to our organization, and to the Republican  
15 Organization, and put that in their resume.

16 So with no further ado, I just wanted to do that  
17 this morning and say thank you for listening to me.  
18 Thank you very much.

19 MR. KLINEMAN: Thank you.

20 MR. ROY PRATT: Mr. Chairman, I understand that  
21 we have 20 minutes, and since no other council members  
22 appeared, I might want to make one other statement if I  
23 may.

24 MR. KLINEMAN: Go right ahead.

25 MR. ROY PRATT: I was informed this morning, I

1 was at some of the hearings, but as a teacher, I can't be  
2 here on a daily basis. I can only come in the evening,  
3 and then I have to leave to do other things. I was  
4 informed about the decision of the Commission, and I  
5 didn't really understand what the people were saying,  
6 that local investors would not be able -- people without  
7 money, it may have been put in the wrong fashion.

8 Gary is unique. You will be in many cities. We  
9 have some -- as I had mentioned, some severe problems in  
10 terms of our city. Businesses have moved out. And I  
11 would hope that we would not have investors who live,  
12 other than -- in other places who are of those investors,  
13 who have millions of dollars, and not give a chance to  
14 those individuals who will recirculate the money in this  
15 city. I would hope it would be people who live here.

16 I've been advocating ever since I've been on the  
17 Council. What we need in the City are businesses that  
18 are located here, and people who spend their money in the  
19 City of Gary. We can't afford to have people who can't  
20 afford to invest on the stock market, to buy the shares.  
21 Yes, we have people who are wealthy who could buy the  
22 shares outright. But if we eliminate those individuals  
23 who can't afford to invest, and then spend some money in  
24 the City of Gary, we have wronged the people of the City  
25 of Gary. These people need an opportunity. What we need

1 to understand is, that these are people who are going to  
2 be here. Not those who are going to cut and run, or  
3 those -- and I understand why people move outside of the  
4 City of Gary. Many people express to me why. They want  
5 the safety. They want some of the finer things after  
6 they have worked. But the only way that we can build our  
7 community again, is to have those people who are here,  
8 and have made the determination that "I'm gonna be here  
9 and I'm gonna die here, and I'm gonna invest here,  
10 whatever I get, and whatever way we get it, I'm gonna put  
11 it back into the City." They need the opportunity and  
12 the chance, and they can't get that chance unless you  
13 give them the opportunity to have a share into what  
14 happens in this city.

15 Rich people can afford to buy the shares. They can  
16 buy them on the stock market. Poor people, or average  
17 people, or middle income people, cannot afford that in  
18 the City of Gary. Give them that opportunity so that the  
19 funds can come back into our city.

20 This city is gonna grow. We're gonna make it. I  
21 believe that. But we can only make it with people who  
22 help us. And everybody in this life, whether we like to  
23 believe it or not, somewhere along the way, was helped by  
24 someone. Thank you very much, I appreciate that.

25 MR. KLINEMAN: Thank you.

1 I just want to state that this Commission has taken  
2 no position with respect to who can invest and in what  
3 manner and so forth. The only thing we did in the last  
4 couple of days was to bring out some facts concerning who  
5 the parties are and each one of the applicants, and what  
6 the terms of their investment, in quotes, was to be. And  
7 where they lived and so forth. And apparently, there was  
8 some misunderstanding between the applicants and what the  
9 desires of the City, as set forth in apparently a  
10 development agreement that the City had proposed to the  
11 developers, which, according to the mayor, provided that  
12 15 percent of the equity position was to be available to  
13 the residents of Gary. Which he described as, "People  
14 who live here."

15 So some of the attorneys quarrel with what the name  
16 "residents" mean. But the mayor said, "It's very easy.  
17 It's people that live here." But all we've done so far  
18 is bring out, on the record, the facts as to who these  
19 people are and so forth. And it's gonna be up to the  
20 individual applicants to finally make the determination  
21 of who invests and in what manner.

22 MR. ROY PRATT: I understand. The mayor is the  
23 statesman. I'm sort of a civil activist. I would define  
24 it as a citizen who stayed in the City of Gary, of other  
25 race, but primarily, good substantial black citizens of

1 the United States, as a resident of Gary.

2 MR. KLINEMAN: I think he means likewise. But  
3 anyway, that's where we are. We have inquired about it.  
4 We have -- build a body of the record as to who these  
5 people are. And the mayor has indicated that he wants it  
6 available to the local people.

7 MR. ROY PRATT: That's very good. Thank you  
8 very much. You've been very commendable and gracious.  
9 Thank you very much.

10 MR. KLINEMAN: Thank you, again.

11 All right, the next party on our agenda is Marie E.  
12 Seeco [sic].

13 MRS. MARIE SISCO: Sisco.

14 MR. KLINEMAN: Sisco.

15 A resident of Gary. And her topic is: Why Gary.  
16 And you're recognized for ten minutes.

17 MRS. MARIE SISCO: Good morning to you all.  
18 I'm a lifelong resident of Gary, Indiana, and I'm totally  
19 opposed and appalled to the issuing of riverboat  
20 licensing in my hometown.

21 Now, you will hear many arguments from the economic  
22 standpoints, some will expound on the so-called  
23 advantages of enhancing the quality of life for the  
24 residents in the City. The many promises of new job  
25 opportunities, and revenues that casino gambling will

1 bring to our city. And I'm sure you've heard all of this  
2 before. So I must come to you today the only way I know  
3 how, and that is from a spiritual, moral aspect, and I  
4 come to tell you today that casino gambling will not  
5 build up our city because, "Except the Lord build a  
6 house, they that labor are laboring in vain." Gambling  
7 is not God's will for the City of Gary, and neither is it  
8 the common people's will.

9 Now, many in our administration are for this issue  
10 because they are hungry. If you hold a moldy piece of  
11 bread in front of a hungry man, that man will eat that  
12 bread. Even though it's spoiled, rotten, and decayed,  
13 that hungry man will eat that moldy piece of bread. And  
14 that is exactly what this gambling casino will bring to  
15 our city. So I believe in my heart, why would you bring  
16 this to our city?

17 I want you to look through my eyes for a minute as  
18 I've been a lifelong resident here, and I want you to see  
19 what I saw. As a child, I remembered watching helplessly  
20 as the white-owned businesses suddenly caught the same  
21 disease called accidental fire. And one by one buildings  
22 that were once safe and fire free, began to burn down.  
23 Because we citizens chose to elect a black mayor.

24 Now, no real investigations were done because a  
25 black community as well as the white community knew what

1 the real problem was. And these same businesses took  
2 their money that they received from the insurance  
3 company, and they went and built bigger and better  
4 businesses, and they built them where? They built them  
5 all in Merrillville, Indiana. They have malls on top of  
6 malls, on top of malls, on top of mini malls, back to  
7 back, restaurants, hotels, motels, all kinds of  
8 businesses, but there is not one that was built in Gary,  
9 Indiana. There's not one Red Lobster, White Castle,  
10 Shoney's, Sears, Montgomery Wards, Kmart, Venture, Carson  
11 Pirie Scott, L.S. Ayres, Country Kitchen, not one Holiday  
12 Inn, Days Inn, or even a Red Roof Inn here in the City of  
13 Gary. And not even -- we don't even have one theater.  
14 There's not one theater that's been built here. And when  
15 a black man tried to open up a State Theater and have it  
16 opened up, it was bombed out twice. I know you all  
17 remember that. It was bombed out, and he was threatened  
18 that if he opened it up again, it would be bombed with  
19 people in that place. So because of the love of our  
20 city, that man closed down the State Theater.

21 Everything that was built was put in Merrillville,  
22 Indiana. So my question to you today is, why do you want  
23 to put casino gambling in Gary? Why not put it in  
24 Merrillville? Everything else is there. Where will the  
25 people go to eat? Where will the people go to sleep?



1 It's not gonna be in Gary. We have no place for you. It  
2 would have to be in Merrillville. So why would you  
3 choose Gary, Indiana? Every city that has or have had a  
4 casino, have already had motels and hotels and  
5 restaurants and businesses already built and around them.  
6 But we don't have that here in Gary, Indiana.

7       There is an underlying mentality that has been  
8 prevalent against our city, and a perfect example of this  
9 is when the street signs were built for the highways.  
10 When they made the highway street signs, they did not  
11 make one highway sign showing the directions to Gary,  
12 Indiana. Directions were given for Chicago, Detroit,  
13 even as far as Ohio, until people began to complain. And  
14 a complaint was filed, and then, and then only, were  
15 signs made to show directions to our city.

16       Now, I realize that with every problem, there's  
17 always a simple solution, but sometimes you can't see the  
18 forest for the trees. There are many opportunities and  
19 alternatives that we can have other than casino gambling  
20 in Gary. The opportunity to build up our Gary airport  
21 would have surely brought us not only revenue for the  
22 City, but respect for our city and its citizens, whereby  
23 jobs, hotels and motels, restaurants, and businesses,  
24 could have been erected here. But that was vetoed by our  
25 beloved Governor Bayh, and we know it would have brought

1 life back to our city, without the ills that come with  
2 gambling.

3 Now, to me a politician is supposed to be concerned  
4 about the city and work for the good of the city. But  
5 none of you here can honestly tell me that gambling is  
6 good for this city. And you cannot make me believe that  
7 gambling would be good for our city. We know that the  
8 love of money is the root of all evil. And I come to  
9 tell you today, gambling brings evil, and we do not want  
10 that as a resident, and lifelong residents of Gary, we do  
11 not want that here.

12 Now, in three years' time -- I have a statistic  
13 report that I caught from Atlantic City. And from the  
14 three years' time that they brought the casino gambling  
15 to Atlantic City -- here, listen to this. In 1977 the  
16 crime reported was 4,391. In 1978 it went up to 5,738.  
17 In 1979 it went up again to 7,010 reported statistics of  
18 crime. And in 1980 it was a total of 11,899 crime  
19 reports were reported, for bringing in casino. And one  
20 police official characterized the social impact of the  
21 casino gambling as devastating to their city. He said  
22 there were more muggings, more purse snatchings, more car  
23 thefts, more crimes of trickery, dope peddling, and  
24 prostitution. And of these crimes, he stated that 95  
25 percent were committed by out-of-towners or visitors to

1 Atlantic City. We do not want these types of people in  
2 our city.

3 Now, we have a full accredited college here in Gary,  
4 but our children must go out of state to obtain degrees  
5 in many of the medical fields. Yet we have not one, but  
6 we do have two hospitals, but they need certified people  
7 with training. But the higher fields of education that  
8 they choose, we citizens lose because our children then  
9 must leave our city to obtain the jobs that they desire.

10 A perfect example of this is my daughter who's an  
11 X-ray technician, and she applied herself and she became  
12 a chief mammographer for the Hobart hospital. But when  
13 she wanted to continue her education to obtain her MRI  
14 license, that same mentality to refuse to work around her  
15 work schedule, so that she can attend to go to school.  
16 Now she has to drive two hours to the north side of  
17 Chicago after working eight hours a day so she can  
18 continue to reach her goal in obtaining her MRI license.

19 Why? Why is this, I ask. When I requested to speak  
20 to this commission, I specifically asked for the date,  
21 time, and place this meeting would take place. Not only  
22 was I not sent where it was gonna be -- I was sent the  
23 time. But I had no idea. I had to call around and find  
24 out where this meeting was gonna be. That's why you see  
25 a lot of empty seats here today because people did not

1 know where this meeting was gonna be held, they didn't  
2 know exactly what day it was gonna be held on. It was a  
3 generality notice in the newspaper stating from August  
4 the 3rd to September the 2nd. And the only reason I  
5 found out it was here today is because I'm here to speak  
6 to the panel. This is the mentality you have to be  
7 dealing with.

8 Now, I'm a former U.S. Steel employee of 18 years.  
9 And I lost my job due to a plant closing down. And did  
10 you know why -- you really want to know why it really  
11 closed down? Because black and white came together to  
12 fight against the injustices and the unequalities that we  
13 were suffering in the mills. We came together and fought  
14 it. Well, we took a vote and we voted on it. And do you  
15 know what happened? The U.S. Steel Corporation brought  
16 in Brinks armored guards, and they pulled pistols, and  
17 they took our ballot box from us. We tried to protest  
18 this thing, but we couldn't do it. We tried to have  
19 another vote, they would not allow that, you see. We  
20 asked -- we called the Post-Tribune, and -- and the  
21 Gary Post-Tribune at that time, but you know it's no  
22 longer the Gary Post-Tribune. They've dropped "Gary,"  
23 like everybody else -- and they did not even put one  
24 article in the paper of what had happened.

25 So in closing, I'm gonna tell you why it's so

1 important to me today. Now, I'm burying my husband today  
2 at 1:30, this afternoon. And had he lived this Monday,  
3 we would have been married for 27 years. And All Mighty  
4 God has told me to stand up for righteousness, that's to  
5 stand up for what's right and speak out against what's  
6 wrong. This is not about black and white. This is about  
7 what is right and wrong. And I'm here to tell you today  
8 how important it is for me, and the true citizens of  
9 Gary, Indiana, that you vote no. We don't want this in  
10 our city. And I don't care what the administration says,  
11 it's not the heart of the people. I am the heart of the  
12 people, and I'm speaking to you today. You see, I want  
13 my children to grow up in a crime-free city, just like  
14 those of you who live in the suburbs. And I want you to  
15 know this city is filled with people who know and love  
16 their God. Amen. And we are praying that God will not  
17 allow this gambling casino to come to us. We're praying  
18 that God will block every avenue, every scheme, every  
19 plan that has been planted and made and fixed and plotted  
20 to bring this to our city. I want you to know that if  
21 God be for us, we don't care who's against us. We're  
22 gonna stand in the spirit of the Lord, and we're gonna  
23 pray that this does not come because, "Except the Lord  
24 build a house, they that labor are laboring in vain," and  
25 I come to tell you today that your labor is in vain,

1 because God is not in this, and you know it, and you know  
2 it in your heart of hearts.

3 So, I come to tell you that they say you can let  
4 your conscience be your guide. Sometimes people's  
5 conscience can get seared with a hot iron. You know,  
6 there's alternatives, there's other ways and avenues that  
7 we can reach it, and it does not have to come by  
8 gambling. It's gonna bring too many ills.

9 Now, I know just about all of you probably in here  
10 want to say, "Well, people are not concerned, there's  
11 nobody here." Like I told you, I wouldn't know where to  
12 be today if -- not if I had not called someone that was  
13 on this list to find out where it was. It was not in the  
14 paper, it was not on the form that I was sent. And I can  
15 leave it to you, and give it to you, and show you this.  
16 I want you to say no to gambling and casino. Listen to  
17 the heart of the people. The true citizens of Gary that  
18 are not concerned about the money. Because a love of  
19 money is the root of all evil. And I'm not concerned  
20 about the money. I love my city. This is my hometown.  
21 And I do want God's best for it, and I hope you do, too.

22 (Applause.)

23 MR. KLINEMAN: Thank you, ma'am. Our  
24 condolences on the loss of your husband.

25 The next is Otho Lyles, III. Resident of Gary.

1 Topic: Opportunities that will enhance the quality of  
2 life for the citizens of the community.

3 MR. OTHO LYLES: Good morning, commissioners.  
4 My name is Otho Lyles, III, businessman, Republican, City  
5 Chairman for the City of Gary.

6 A few years ago, we had a referendum in the City of  
7 Gary, and with that referendum, it was the majority of  
8 the people that voted that wanted to see casino gaming in  
9 the City of Gary. Being a Republican in the City of  
10 Gary, I have tried to do a few ventures politically, and  
11 they, too, meaning the citizens of Gary, spoke out in the  
12 way as to say that, "No, we don't want a Republican, but  
13 we want Democrat." I say that to say that the people  
14 vote for what they want, and for the things that they  
15 want in their community, and having a democratic society,  
16 majority always rules.

17 I want to expound on opportunity. The City of Gary  
18 has had opportunity in this heyday, this heyday being  
19 when I was a child here in the City, the City of Gary was  
20 flourishing. Things change. There's a paradigm. With  
21 casino gaming, there could be a paradigm. A paradigm in  
22 a positive way to where it will present opportunities.  
23 Opportunities within itself is just as it says. When the  
24 doors open, no one is going to say, "Okay everyone, let's  
25 go through." There's some individuals to realize when

1 the opportunity is there, and to take the opportunity and  
2 to utilize it in the best of their interests. That is,  
3 that they have a vested interest in their community, and  
4 in their economic ability.

5       There have been some changes in this area to where  
6 we've seen the pendulum swing the other way. And a  
7 negative way to where yes, crime is rampant in the City  
8 of Gary. But if you look at crime statistically, it's  
9 rampant everywhere. If you look at what our ex-vice  
10 president has said at one time, he had talked about  
11 family values. And it seems like the only way that we  
12 will be able to get crime under control in our city, is  
13 with that family-value ethic. As it is right now, we do  
14 have kids raising kids, and when you don't have any  
15 family morals within the house, yes, there's not going to  
16 be any family morals out on the street.

17       I've seen things changing in the City of Gary to  
18 where we have had a flourishing time with U.S. Steel. We  
19 had a flourishing time with the Budd plant. We've had a  
20 flourishing time with the bridge company, American  
21 Bridge. And so many companies have closed up. They have  
22 seen the opportunity to leave, simply because they found  
23 out that other people, when the opportunity arose, they  
24 did not stand up and take the time or the courage in  
25 order to stand up and speak out. Sure, we can sit back



1 and we can say what we want. But if you don't put forth  
2 the effort in order to take the opportunity, in order to  
3 make things work for you, then people will always be  
4 asking and saying, "Can we have."

5 Opportunities presents itself in various manners.  
6 Manners meaning yes, if there is a steel mill in the City  
7 of Gary, find a way to make it work. Yes, if there is a  
8 service industry such as casino gaming, find an  
9 opportunity to make it work.

10 When I speak of opportunities, I would speak of the  
11 word itself being O-P-P-O-R-T-U-N-I-T-Y. I've put  
12 together various integrals of it, as to say, "Well, the O  
13 means Offer, the P, People, Positions Or Resources To  
14 Uninhibited Networking In The Yield. When I say the  
15 "yield," that is the percentage of the profits that will  
16 come from other profits once when casino gaming comes  
17 through. No, I'm not saying that it's the utopia or it's  
18 the panacea that's gonna bring the City through. Because  
19 once again it's gonna take the creativities of the  
20 citizens, once when the door is open for opportunity.  
21 Thank you.

22 MR. KLINEMAN: Thank you.

23 The next speaker is Reverend Thomas A. Turner,  
24 recognized for ten minutes.

25 REVEREND THOMAS TURNER: Thank you, Brother

1 Chairman. To the illustrious panel, the Commission, the  
2 officers of the state, and locally, and to those here  
3 assembled. I first of all want to thank whomever is  
4 responsible for giving citizens of Gary an opportunity to  
5 address the panel. I have no reservations about  
6 expressing my chagrin for the way in which the notice was  
7 providing information about where the location was.  
8 Anyone who has had any dealings with public relations  
9 would most certainly be somewhat chagrined about the  
10 information that is available from the mayor's office, in  
11 relationship to this particular hearing. No, there was  
12 no indication of where it would be, and after calling the  
13 office, the information, nobody there knew. But after  
14 expressing some impatience, I was directed to a number  
15 that I could call to find out where it would be. That's  
16 hard to believe, of course.

17 Who I am and who I'm representing, well, perhaps you  
18 can look at me and guess. Well, who am I representing?  
19 I am who I am. My appearance will no doubt tell you in  
20 some measure who I represent.

21 No one has to be a genius to see the natural  
22 resources of the Calumet area and how the resources are  
23 strategically and favorably located in today's world.  
24 For implementation of pilot programs to begin in this  
25 nation, that can and will improve the quality of life as

1 a whole. Then that also will build industrial  
2 development in an improved economy, built on a good,  
3 solid foundation, and that is morally straight, and  
4 mentally awake. The resources are here.

5 What am I gonna talk about mostly, it is to provide  
6 food for thought, perhaps, and most likely, I would be  
7 questioning the rationale of the need for gambling in  
8 Gary as a whole, or even in Indiana. Northwest -- or  
9 anywhere, as a means for economic development and  
10 industrial improvement for a secure future of a nation.

11 The proponents of the genuine leadership of Indiana,  
12 that is political, civic, and religious, I believe, have  
13 the capacity to see that this nation has the need of a  
14 plan to provide and promote programs that will bring  
15 about industrial development and improved economy, and I  
16 fully believe that there is the moral courage and  
17 capacity to frown on any kind of program, project, or  
18 social movement that enhanced moral decay, and only to  
19 reduce the citizens of our nation, and our youth, our  
20 leaders of today and tomorrow, reduce them to a  
21 slave-like mentality, just as though we are idiotic  
22 enough to think that casinos can provide industrial  
23 development for long-term sound economy that will give  
24 the youth of our nation hope for the future, with faith  
25 in our nation to build a future that is secure, and one

1 that will secure the blessings of liberty to ourselves  
2 and to our posterity. To lead this nation of youth into  
3 thinking that gambling casinos can be, and thinking it  
4 has to be the fairy godmother of industrial development  
5 and economic improvement has loud overtones of getting  
6 something for nothing at the expense of all. Given that  
7 impression, enhanced, it truly must have enhanced  
8 Castro's vocal ability to lead the Cuban people into the  
9 chaotic collapse that is sure to come to all nations who  
10 chose to follow leadership who lead with illusion, as  
11 that of Castro, believing and proclaiming Communism to be  
12 the solution for industrial development and economic  
13 improvement for his nation.

14       The youth of today who are sound of mind, understand  
15 the need for a leadership of this nation to have the  
16 capacity to provide programs, community projects, and  
17 national education programs that will lay a foundation  
18 that is economically, morally sound, upon which the  
19 future of our nation can be built for continuous,  
20 complete growth for a good quality of life. And spirit,  
21 yes, I said spirit. There is a third dimension. A  
22 program of service, and one that will be of benefit,  
23 serves an employment, we're human beings, must be geared  
24 in some measure to minister to the whole man if humanity  
25 is to be saved. God forbid that this nation drifted to

1 industrial development that breed moral decay, that is  
2 sure to cause the loss of other two generations to  
3 follow. As we have already lost in the past. And  
4 continue to suffer loss of youth potential, never  
5 realized within the wealthiest nation of the world: The  
6 United States of America.

7 The illusion of casino gambling can bring to this  
8 nation, eventually, similar conditions, which Cuba is  
9 experiencing in catastrophic proportion at this very  
10 moment. As a result of Castro's illusion about the  
11 benefits of Communism. Is it not known to us that the  
12 promising youth and students of today learn of the study  
13 of decline and fall of the Roman Empire, that the Roman  
14 Empire collapsed and fell from moral decay within. The  
15 whole structure and the system whereby the Empire had  
16 flourished, became corrupt.

17 The challenge for this gaming commission, to me as I  
18 see it, is to help get things in the proper perspective  
19 for industrial development and economic improvement that  
20 will be built on the solid foundation that is morally  
21 sound and economically safe. That will not impair the  
22 minds of our youth with false illusions to be swallowed  
23 up and caught up in a hedonistic atmosphere and lose  
24 sight on reality, as did Emperor Nero of Rome. Thus  
25 destroy the future of the nation to see it fall as the

1 Roman Empire did. And as it is said, we often hear that  
2 Nero, with his unique masterful mind, fiddled, as Rome  
3 burned. He might have even said, "Burn, baby, burn."  
4 Who knows what his hedonistic response could have been.  
5 As he watched the Empire suffer, and fall, and collapse,  
6 because of the leaders was void in moral courage, to plan  
7 the things that would be instrumental in prolonging and  
8 stabilizing the economy with long-term security.

9 In closing, I would say to you, I would to God that  
10 you will receive these words. A proverb spoken by the  
11 wisest king that ever lived. "Righteousness exalted a  
12 nation, but sin is a reproach to any people."

13 I challenge you, food for thought, what is the  
14 rationale for casino gambling as it may be related to  
15 providing economic security and industrial development  
16 for a security that is sound for the generation  
17 following. God bless you.

18 MR. KLINEMAN: Thank you.

19 The next is William M. and Dorothy V. Hebert.  
20 Topic: Opposition to gambling. You're recognized for  
21 ten minutes.

22 MR. WILLIAM HEBERT: What's the time you have?

23 MR. KLINEMAN: It's about ten of ten.

24 MR. WILLIAM HEBERT: Ten of ten?

25 MR. KLINEMAN: Yes.

1 MR. WILLIAM HEBERT: Mr. Chairman, Executive  
2 Director John Thar, and staff and citizens of Gary, and  
3 the people here who are taking notes for the developers,  
4 my name is Bill Hebert. My wife is too stretched out to  
5 be here because she's a woman, and she can't take the  
6 pressure. In fact, she's threatened to divorce me if I  
7 ever run for public office again. I've been attempting  
8 to run for public office since 1970. I'm the most  
9 unsuccessful politician that ever lived. But...

10 (Laughter.)

11 MR. WILLIAM HEBERT: The only thing that I have  
12 is that my wife still loves me, and she favored me by  
13 delivering seven boys and five girls to me. I'm the  
14 father of those. Don't bring the Planned Parenthood down  
15 on me, because they had nothing to do with it.

16 (Laughter.)

17 MR. WILLIAM HEBERT: As I was sitting here, you  
18 watched me looking around to see if there was a party  
19 here. May I ask if there's a certain individual here?

20 MR. KLINEMAN: Go right ahead.

21 MR. WILLIAM HEBERT: Is Vic Davis here?

22 Well, Vic Davis is a minister of the Spirit of God  
23 Fellowship in Gary. We go back about 25 years. We got  
24 together and prayed when I was a very sinful man, trying  
25 to find out where I should be in this society. And I'm

1 not gonna mention my faith, except by a slip here, but,  
2 in any event, I called Vic when this hearing was being  
3 held, and I said, "Vic, I've asked for ten minutes to  
4 speak to this commission, and frankly, I'm a little  
5 concerned about speaking to them." I was trying to  
6 figure out in my mind -- I'm a layman, I'm not a lawyer.  
7 I was trying to figure out just who and what you are  
8 here. And when I first wrote to Governor Bayh when this  
9 thing erupted, I did everything but curse in the letter,  
10 and say that I was opposed to gambling. Because as a  
11 family man -- I was a father -- I think it's extremely  
12 bad for children.

13 I have heard -- I've been here for three days. I  
14 don't know whether any of you saw me, but I was here for  
15 the whole thing. I listened to the developers, and I  
16 heard some of the things they said. And being a former  
17 banker, frankly, they had me -- my mind was boggled.  
18 This celluloid presentation here practically convinced me  
19 that gambling was good. I went to John Thar, and I told  
20 him, "I don't think my wife and I are gonna appear." I  
21 said, "I don't know what good purpose I would serve. It  
22 looks to me like, there isn't anything wrong with  
23 gambling and that Gary is going to be floating in money.  
24 The Sheraton is going to be reopened. Race relations are  
25 going to have an opportunity to improve."



1           In case some of you don't know me, I came here in  
2 1950. I was at 7th and Broadway, and I opened up an  
3 office. Then I went to Tolleston, then I went to  
4 Griffith, then I went to Hobart, then I went to Ross  
5 Township, then I went to Merrillville. I'm in Lake  
6 Station now, and I'll probably end up in Gary. Because I  
7 was afraid to come back to Gary. I'll just be honest  
8 with you. Because raising the children, I was afraid,  
9 and not because of the danger of, you know, being in the  
10 community as an upright citizen, but because of the  
11 danger of being in the community for the few who make it  
12 wrong for all. And a parent has to make a decision on  
13 what's best for their family. Now that my children are  
14 all gone, I don't have that responsibility. But I want  
15 to say, I favor Gary. If I thought this was good for  
16 Gary, I would be supporting it. If I thought it was bad  
17 for Gary, I would be denouncing it. When I first wrote  
18 the letter, I denounced it. When I listened to the  
19 program, I was in favor of it. Last night in my sleep, I  
20 was visited by an angel in my own mind. And that angel  
21 said, "You've been complaining about the Government for  
22 30 years. Now you have an opportunity to speak to  
23 Government." So, what I'm doing is participating in the  
24 hearing, giving you some thoughts that have come to me,  
25 and I'm gonna ask for some of these things to be put in

1 the record.

2 Do I have some time?

3 MR. KLINEMAN: You've got five more minutes,  
4 sir.

5 MR. WILLIAM HEBERT: Well, I'm gonna devote one  
6 minute of that time to Mrs. Sisco's husband. And her --  
7 the notice of her husband's passing is in the paper. And  
8 when I read that, I thought, my goodness, I've seen that  
9 name, and it is her. So she's speaking here under quite  
10 a bit of stress, and I am, too. I don't know what the  
11 answer to this thing is. I'll be very frank with you. I  
12 don't think anybody knows. But I have a relative down in  
13 Trenton, Illinois, who is a good Christian. She knows  
14 what's going on there in East St. Louis. Her remarks to  
15 me was, "They're putting casinos everywhere." And she  
16 said, "Missouri is a conservative state, and they have a  
17 show-me attitude." Now, frankly, I wish Indiana had some  
18 of that Missouri toughness. I don't think we got it. I  
19 think we've caved in. And I believe that if gambling is  
20 so damn good, then let the citizens of Gary own it,  
21 operate it, and control it. If it isn't any good, then I  
22 say, "Don't approve anything." Of course, the decision  
23 doesn't reach with you; right. The decision is with the  
24 Supreme Court. And if they don't make the right  
25 decision, it will be with the U.S. Supreme Court. And we

1 all know justice is blind, so we're all in the same boat.

2 And before I forget what I was trying to do, I would  
3 like to ask the Chairman, can I put some of these in the  
4 record without reading it?

5 MR. KLINEMAN: You can just hand them to me,  
6 and I'll make it part of the record here.

7 MR. WILLIAM HEBERT: Thank you.

8 Just so we know what it is, it's my letter to the  
9 Commission originally, I want that in the record.

10 MR. KLINEMAN: Okay.

11 MR. WILLIAM HEBERT: And it's -- the other is,  
12 there was an article in the paper, "What does the Bible  
13 say about gambling," I want it in the record.

14 MR. KLINEMAN: Fine.

15 MR. WILLIAM HEBERT: This is the dictionary  
16 describing gambling, and it also lists how much money we  
17 owe as a nation. I want that -- according to this  
18 gambling, you're not supposed to gamble if you owe money.  
19 And you're using borrowed money. It's opposed. And as a  
20 nation, we couldn't gamble a nickel. We don't own  
21 anything. We're out of money.

22 And the last is, gambling from the American  
23 People's Encyclopedia. And I want those entered into  
24 the record.

25 (Documents were handed to the Chairman.)

1 MR. KLINEMAN: Thank you, Mr. Hebert.

2 MR. WILLIAM HEBERT: How much time do I have  
3 now?

4 MR. KLINEMAN: Oh, you're down to two minutes  
5 now.

6 MR. WILLIAM HEBERT: Two minutes. All right,  
7 I'll close. This was supposed to be my opening.

8 Samuel Butler said, "Life is like playing a violin  
9 in public, and learning the instrument as you go along."  
10 I think I understand what Sam Butler was talking about.  
11 That's what we're doing. We're learning to play a violin  
12 as we go along. Gambling being the violin. We think  
13 regulations and supervision is gonna handle it. Having  
14 raised 12 children, I'm telling you, you ain't gonna  
15 handle it that way. The only way you handle children is  
16 showing them a good example, and by paddling them, but  
17 not hurting them. And by loving them. You're not gonna  
18 teach them anything with gambling except a fast buck and  
19 the heartache and the broken homes and the divorce. So,  
20 I wouldn't sit there. You are being paid 50 bucks a  
21 meeting. I'm getting paid less than you are. I don't  
22 get anything. I'm a volunteer. And you know, I love it.

23 And I'll give you one other thought. Spinozas said  
24 that, "Every life, when seen as a whole, is a tragedy.  
25 But when viewed day to day, is almost always a comedy."

1 And with that, and with your patient listening -- is Vic  
2 Davis here? He deserted me. But anyway, I wish you  
3 well, have a good day. God bless.

4 MR. KLINEMAN: Thank you. Thank you for the  
5 \$10.00 raise. You raised our salary from 60 to 50.

6 The next is Dozier T. Allen, Jr.

7 MS. CHARLENE CROWELL: Good morning.

8 MR. KLINEMAN: Good morning.

9 MS. CHARLENE CROWELL: My name is Charlene  
10 Crowell; I am the chief deputy to Trustee Allen, and I am  
11 here to offer the testimony on his behalf. I was advised  
12 by your staff that copies of the testimony were to be  
13 made available. Do you accept those or your staff  
14 members?

15 MR. KLINEMAN: That would be fine. We'll just  
16 accept it as part of the record.

17 MS. CHARLENE CROWELL: But I would like an oral  
18 presentation.

19 MR. KLINEMAN: That's fine. You have ten  
20 minutes.

21 MS. CHARLENE CROWELL: Thank you.

22 To Commission members and the staff of the Indiana  
23 Gaming Commission, good morning. On behalf of the people  
24 of Gary, Griffith, and unincorporated Calumet Township,  
25 thank you for agreeing to hold local public hearings.

1 The fact that these hearings come before a final  
2 selection of Gary's riverboat operators, provide the  
3 opportunity for this commission to better understand the  
4 issues confronting Gary and its people.

5 Where there is poverty, there are unmet needs. And  
6 in Gary, Indiana, there is a nagging, persistent poverty  
7 that affects disproportionate numbers of citizens. As  
8 Calumet Township Trustee, I would term Gary's level of  
9 poverty to be abnormal.

10 For almost two decades, the effect of Gary's lack of  
11 local job opportunities has been evidenced by the number  
12 of people seeking public assistance. Each year, the  
13 actual cost of poverty for eligible citizens exceeds the  
14 level of approved funding. The problems of underfunding  
15 affect both the Calumet Township Trustee's Office, and  
16 Lake County's welfare offices. Neither agency has the  
17 financial capability to avoid debt service to taxpayers.

18 In 1993, over 50,000 people came to Calumet Township  
19 trustee offices, to determine whether they were eligible  
20 for assistance. It is the third consecutive year that  
21 more than 50,000 people came annually. Of the 41,400 --  
22 51,477 persons requesting assistance in 1993, more than  
23 half, or 27,822, were in fact determined to be  
24 financially eligible. Of these citizens approved for  
25 assistance, 49 percent had no income at all, another 35

1 percent were duly assisted by Calumet Township and aid to  
2 dependent children. Together, these two categories of  
3 clients account for 84 percent of our 1993 poor relief  
4 clients.

5 The dilemma of how to fund the needs of poor people  
6 is a vicious cycle. With an ever shrinking local tax  
7 base, more people are thrown out of work, and in turn,  
8 apply for aid.

9 6.5 million dollars in local tax dollars supported  
10 Calumet Township's 1993 poor relief expenditures. No  
11 federal, or state, or county tax dollars helped to pay  
12 for the cost of poverty. Beyond the data developed by  
13 Calumet Township, the Heartland Center, a joint project  
14 of the Catholic Diocese of Gary and the Chicago Province  
15 of the Society of Jesus, recently published a report on  
16 Northwest Indiana's poverty. Comparing data of a 1980  
17 and 1990 census studies, the Heartland Center concluded  
18 that the region's poverty is concentrated among urban  
19 minorities. Low levels of employment and income were  
20 cited as contributing factors.

21 The study further noted that Gary, Indiana's poverty  
22 percentage grew at the same time that its population  
23 fell. From 1980 to 1990, Gary's population dropped 23.4  
24 percent. At the same time, the percentage of people  
25 living in poverty grew just 20 percent in 1980 to almost

1 30 percent in 1990. Families with a female head of  
2 household are the poorest of Gary's poor. In 1990, 72.9  
3 percent of Gary's families with female heads of  
4 household, lived at or near the federal poverty level.  
5 With these statistics, we urge that the Indiana Gaming  
6 Commission require any organization licensed for a Gary  
7 riverboat to make a firm and ongoing commitment to train  
8 and employ significant numbers of persons who today  
9 comprise our township and welfare roles.

10 Governor Bayh and President Clinton have each called  
11 for welfare reform. Presently, Governor Bayh's  
12 administration is awaiting Federal approval for waivers  
13 related to Indiana public assistance. If the goal of  
14 welfare reform is to ensure that public aid is a  
15 temporary measure and not a way of life, then afford the  
16 welfare or township recipient the means to escape a life  
17 of poverty. Every township or welfare application  
18 invades the privacy of its clients from the address,  
19 phone number, household size, to all sources of income  
20 for the family. Information has already been provided  
21 and verified through the application process. Beyond  
22 verification of applicant information, Calumet Township  
23 takes the process a step further. An entire department  
24 is devoted to pre-employment screening, testing and  
25 referral. That department, known as Job Search,



1 identifies client's skill areas and vocational interest.

2 Earlier this year, Ivy Tech's local chancellor, Dr.  
3 Darnell Cole, and Trustee Allen, signed an inter-agency  
4 working agreement. They have already agreed that it is  
5 in our mutual interests to systematically refer clients  
6 for education. Our goal is to encourage enrollment in  
7 areas of study that will virtually ensure job placement  
8 upon matriculation. Would not the employment  
9 opportunities available through riverboat gaming be a way  
10 to significantly relieve welfare roles, and at the same  
11 time, restore pride and personal initiative to the  
12 thousands of people now locked into poverty.

13 The office of the Calumet Township Trustee has the  
14 capability and interest to refer clients to gaming  
15 operators, vendors, or to area institutions for training  
16 and education. Both Ivy Tech and Indiana University  
17 Northwest conceivably could be involved in the  
18 educational training process. But today, we plead for  
19 the employment process to begin, where the people in need  
20 are, at the public aid offices.

21 We urge this commission to remember that the  
22 problems of the poor are borne by all of us. The citizen  
23 taxpayer, the small businessman, the budding  
24 entrepreneur, the corporate shareholder and officer, to  
25 the private social service provider, and each level of

1 government. We all share a stake and a responsibility  
2 for people.

3 Secondly, we hope that the schedule for license  
4 approval will observe the time advantage afforded the  
5 City of Gary through the enabling legislation. We would  
6 respectfully request that both of Gary's riverboats be  
7 the first licenses authorized by this commission. It was  
8 the City of Gary's severe economic plight that  
9 precipitated legislative efforts to secure legalized  
10 gaming. Let the licensing process allow Gary the  
11 privileged opportunity to launch Indiana's riverboat  
12 enterprises.

13 As this commission moves toward licensing decisions,  
14 we hope that your deliberative process will never lose  
15 sight of the present needs of Gary and Calumet Township's  
16 people. We are all counting on you, to make the best  
17 possible decision for us. Please choose wisely. Thank  
18 you for this opportunity.

19 MR. KLINEMAN: Thank you.

20 Next is Morgan Murphy, Jr. and/or William E. Davis.

21 MR. JULIAN ALLEN: Good morning, ladies and  
22 gentlemen.

23 MR. KLINEMAN: State your name, please.

24 MR. JULIAN ALLEN: Julian B. Allen and I'm a  
25 lawyer in Gary, and I'm an associate of William Davis. I

1 represent the -- we represent the River Fund Riviera  
2 Casino Group, Inc. We're sort of standing on the outside  
3 looking in because the real parties in interest applied  
4 previously under the name Riviera Lake Front Casino,  
5 Inc., but had problems with the application and the local  
6 investors. We would urge upon the Commission to  
7 seriously consider extending the time for filing. It  
8 would appear to us that with Buffington as the principal  
9 site in interest, the realities are that it will be  
10 pretty hard to comply with the time requirements if you  
11 issued a license, say in September of this year, to have  
12 that site developed and be available to any operator  
13 within a year's time.

14 I would now like to call Mr. Morgan Murphy to  
15 explain the further details.

16 MR. MORGAN MURPHY: Mr. Chairman, distinguished  
17 members of the Commission. My name is Morgan Murphy, and  
18 I represent the local investors in a group that  
19 originally applied under the -- for a license for the  
20 riverboat casino in Gary.

21 We feel, Mr. Chairman, members of the Commission,  
22 that listening here today to even the opposition to  
23 gaming here in Gary, that our group has put together a  
24 not-for-profit member, for our group, one of our stock  
25 equity holders, and that is the Urban League of Gary,

1 Indiana. We went to Washington D.C., and along with the  
2 local Urban League, and has secured the permission of  
3 their executive board to have the Urban League, a  
4 not-for-profit organization, become part of our  
5 group.

6 We, in studying the various applications and in  
7 talking to the United States Coast Guard, talking to the  
8 Corps of Engineers and the environmentalists in the City,  
9 feel that the proposed sites stated by other applicants  
10 for Buffington and the U.S. Steel site, will not be  
11 available for at least two or three years. With the fact  
12 that the building of a breakwater, building of dock  
13 facilities, and the fact that you're gonna need ocean  
14 liners to pass any scrutiny by the United States Coast  
15 Guard or Corps of Engineers. We have located a site on  
16 the Little Calumet which will provide -- it's a navigable  
17 river under the statutes and cases that have come down in  
18 the Supreme Court of the State of Indiana. We have  
19 researched this area. We have talked to Earth Source, an  
20 environmentalist group that has done extensive work here  
21 in the Calumet and Gary area over the years, and we have  
22 identified a site on the Little Calumet that will provide  
23 for immediate construction. And we think that we could  
24 be in place and operating within six months.

25 As I understand my reading of the statute, that the

1 Gary area is to receive the first license. This would  
2 enable, Mr. Chairman, you and your commission, and the  
3 State, to issue other licenses throughout the State of  
4 Indiana. If this is not the case, and the sites at  
5 Buffington and the United States Steel site, I think  
6 you're looking at two or three years away, and under the  
7 statute, an applicant who receives a license will be --  
8 has to be in and operating within a year's time or that  
9 license expires.

10 We feel that we have met all of the criteria. We  
11 feel that we have taken criticism of gaming in and of  
12 itself by incorporating as a stockholder, the Urban  
13 League. The Urban League will help us train the  
14 employees with the help of the professional staff of the  
15 Riviera corporation out of Las Vegas. And we feel that  
16 our package deserves serious consideration by this  
17 chairman and this distinguished commission.

18 And now I'd like to call another local investor, Mr.  
19 Eugene Dibble, to say a few words. And I appreciate the  
20 time and the opportunity to speak here today.

21 MR. EUGENE DIBBLE: Members of the Commission,  
22 members of the staff, citizens of the City of Gary. We  
23 are here, as Morgan has said, because we feel that taking  
24 into consideration the facts, looking at the packages  
25 that have been presented to this commission, and the

1 packages that are being considered by this commission,  
2 none of the packages can meet the deadline with the sites  
3 that are presented in their package, to be in business in  
4 one year. That is the cold, hard facts. No one owns the  
5 site in Buffington as we speak here today. The City of  
6 Gary does not own the site there. Nor do any of the  
7 investors.

8 As a former member of the Water Reclamation  
9 Commission of the City of Chicago and the County of Cook,  
10 and as the Committee Chairman of Lake Diversion, I can  
11 tell you that there will be many a day on Lake Michigan,  
12 if anyone in their right mind would put a boat on Lake  
13 Michigan, would not be able to operate. Not taking into  
14 consideration the fact that pollution in the Buffington  
15 area is so bad, that if any person with a respiratory  
16 condition would not be able to go into that area to  
17 participate. All you have to do is drive a car out there  
18 and park it for one hour, and see how covered this car  
19 would be. Thank you very much.

20 And we'd now like to present Attorney William  
21 Davis.

22 MR. WILLIAM DAVIS: Members of the Commission,  
23 citizens of Gary, my name is William Davis. I practice  
24 law here in Gary. We don't have too much time left, and  
25 all I want to do is to reiterate our request for the

1 Commission to consider reopening the application process  
2 because, as Mr. Dibble and Mr. Murphy and Mr. Allen have  
3 said, from our study of the circumstances, it's gonna  
4 take a miracle for anybody to be in operation within the  
5 time limits under the statute. And what happens when  
6 that occurs? That's a problem that the Commission has to  
7 consider. There's no need for the Commission to answer  
8 my question here today. But that's something for  
9 everybody to think about. There's no breakwater been  
10 built at the Buffington site. It's too late in the  
11 season to start any serious construction now. The fact  
12 that recently there was reported in the paper the loss of  
13 life and the loss of a boat inside a breakwater -- I  
14 believe it was at Port of Indiana, a couple years ago,  
15 because of the storms on Lake Michigan get so severe,  
16 that even a breakwater that is approved for commercial  
17 docking -- and a boat inside there, ended up losing the  
18 whole boat and the whole cargo and a couple people got  
19 killed. So, the fact that, you know, you're just not  
20 gonna be able to put a breakwater up there between  
21 February and June of next year, and expect to be in  
22 operation between September, October, of next year,  
23 that's just not a reality.

24 At this point, I guess I'm out of time, but I'd like  
25 the Commission to consider that what happens when next

1 year this time, it's impossible for anybody to be in  
2 operation. If you take some time to think about that  
3 now, and consider reopening the process, and allowing  
4 other sites, if that happens, then you've got an  
5 alternative. Otherwise, you have to extend the license  
6 for somebody, which you can do under the statute, but  
7 you'd have to extend it to give them enough time. Maybe  
8 two or three years. Thank you.

9 MR. KLINEMAN: Thank you.

10 Next speaker is McClam, Ms. McClam. You're  
11 recognized for ten minutes, thank you.

12 MS. McCLAM: Greetings. My name is DeLia Marie  
13 McClam. Today, I bring you greetings as both a teacher  
14 of special need students and as an advocate for disabled  
15 children. As a product of the Gary Public Schools, I  
16 encourage the importance to utilize existing resources  
17 within our community. A community development foundation  
18 is the answer. I believe it takes a whole village to  
19 educate a child. It is important for me that I support a  
20 specialized child day care and after school concept.  
21 Because some 20 years ago, this day, I started to gain  
22 experience, which prepares me right now to provide  
23 factual suggestions as strategies for you to consider as  
24 members of the Indiana Gaming Commission. Basic  
25 psychology teaches one that every child has the right to



1 play. We, as teachers know, that play is how children  
2 learn.

3 As a graduate student at the University of Nevada,  
4 Las Vegas in 1973-75, I was privileged to work at the  
5 Zion United Methodist Church Day Care Center in north Las  
6 Vegas, Nevada for two years. This day care center  
7 received foundation grants from several hotels, and  
8 matched monies from the State of Nevada as a licensed  
9 facility to provide specialized care for the children of  
10 single parents who were either being trained for  
11 positions within the gaming operations, or were presently  
12 employed by various hotel operations.

13 This experience assisted me to both become sensitive  
14 to the special needs of preschoolers whose parents work  
15 around the clock. And to the special developmental  
16 strategies needed to deliver family-involved,  
17 developmentally appropriate curriculum activities as the  
18 head teacher. In addition to teaching full-time, with  
19 the Clark County School District in Las Vegas, Nevada as  
20 a secondary teacher, my internship afforded me more  
21 in-depthness to complete my Master's Degree in Journalism  
22 Education, and Education Psychology with emphasis on  
23 group dynamics from Indiana University, Bloomington in  
24 1975. This internship also provided for me to obtain a  
25 Bachelor's Degree in Clinical Psychology from Calumet

1 College of St. Joseph in 1981.

2 My experience shows that a specialized child day  
3 care and after school approach will, number one, provide  
4 this target population with a variety of specialized  
5 services and opportunities to reduce the incidence of  
6 employee absenteeism due to child day care and after  
7 school problems.

8 Number two, reduce the incidence of child abuse and  
9 neglect in this target population, while parents are on  
10 the job.

11 Number three, improve the child's self-esteem and  
12 his or her abilities to communicate shows empathy and  
13 positively participate in family conflict resolutions  
14 discussions.

15 Number four, develop a sense of belonging which will  
16 motivate the family to adjust appropriately to new and  
17 difficult job duties. And finally, give working parents  
18 a sense of security as they entrust their children in a  
19 positive, safe, and approved licensed program for  
20 professionally trained staff.

21 As documented in The Times, Monday, July 11th,  
22 1994, some communities in Lake County, Indiana have been  
23 able to raise enough money to establish special  
24 playgrounds built for the needs of the people with  
25 disabilities. Special ground materials that can

1 accommodate a wheelchair. Special swings and  
2 side-by-side slides, or walkways that has special  
3 textures to help the visually impaired keep their  
4 parents. With the Community Development Foundation,  
5 special needs equipment for disabled children would  
6 become a reality. Grant monies would allow children to  
7 play together regardless of their physical limitations  
8 and/or special needs. In every difficult or troubled  
9 time, a child ought to be able to look around and see a  
10 caring individual in his or her corner.

11 Thank you for this opportunity to share. Are there  
12 any questions?

13 MR. KLINEMAN: I guess not. Thank you very  
14 much for coming.

15 Is Representative Charles Brown here. I didn't see  
16 you back there. Welcome.

17 MR. CHARLIE BROWN: Thank you. Good morning.  
18 Mr. Chairman, before I begin my comments, another one of  
19 my colleagues is here from the lower house of the Senate,  
20 and he did not get an opportunity to submit a request to  
21 speak formally. And I don't know what your protocol is,  
22 but he had asked that I ask that you allow him to speak,  
23 and if so, I would allow him to go before me as opposed  
24 to after me.

25 MR. KLINEMAN: We would be glad to hear from

1 the Senator. I formerly served in that body myself, and  
2 I have some opinion for it.

3 MR. CHARLIE BROWN: I won't hold that against  
4 you.

5 MR. KLINEMAN: Welcome.

6 MR. LONNIE RANDOLPH: Good morning, members,  
7 good morning, Mr. Chairman. I apologize for the lack of  
8 preparation in terms of appearing before you. As a  
9 matter of fact, I'm worn out right now. I just came back  
10 from Indianapolis. In looking at--

11 MR. KLINEMAN: Do you want to state your name  
12 for the record.

13 MR. LONNIE RANDOLPH: Lonnie Randolph, State  
14 Senator, Second District. As a matter of fact, I think  
15 I'm one of the parties that was involved in drafting and  
16 ability to pass this legislation, which allowed this  
17 unique opportunity to develop. In looking at the whole  
18 process, and thinking about the objective when we passed  
19 the legislation, the main concern was to the plight of  
20 Gary, Indiana. That was the main concern. And we're  
21 looking at the economic opportunities to bring about  
22 stability within the City itself, and hopefully it will  
23 flow over into other cities and other counties. But it  
24 looks like during the process, that objective has been  
25 lost. And why it's been lost, I don't know. But I don't

1 have a preference in terms of which presentation that the  
2 Commission should accept and will reject. But I do have  
3 a concern in terms of what the objective is in terms of  
4 selecting the particular two that's been earmarked for  
5 this area. And the main thing is economics. I think  
6 that you should be objective in looking at how you go  
7 about choosing those two particular ones. Now, we're  
8 looking at, what is the basic need of the City of Gary.  
9 What was the objective in drafting the legislation. We  
10 want to bring about economics, which means jobs, have  
11 money generated in the economy so you can start having  
12 businesses develop, people getting involved, interaction,  
13 more taxes being created, more taxes going to the state,  
14 more families being able to provide for themselves. And  
15 one of the objectives that we had, was minority  
16 participation.

17 Now, I missed the presentation yesterday because I  
18 was down in Indianapolis, but I have not heard, not one  
19 of the ones that I've heard, talk about what minority  
20 participation that they have. Who are the local  
21 investors. We wanted people local-wise, local-wise, who  
22 live here, who's been here for years, whose families are  
23 here, to have some investment in the projects that's  
24 going on. Not just investment, but control as well  
25 because this is their community. I would like for the

1 Commission, of all the applicants that apply, to reveal,  
2 to reveal, who are the local investors, what percentage  
3 do they have. Do they have voting rights. Do they have  
4 any say-so in terms of how the operation will be  
5 performed. Because one of the objectives we're looking  
6 for is stability. We don't want someone to come in and  
7 leave the next day. We want someone who has ties to the  
8 community that we know are gonna do the best possible job  
9 and be sincere about it, to make sure the project works.  
10 So I don't want you to lose sight of that.

11 Now, the process that was involved to select the two  
12 that was recommended by the administration, I don't know  
13 what it was. Why I don't know, I don't know that either.  
14 I should know. I'm the senator; I'm the one that was  
15 involved in passing the legislation for it. But for some  
16 reason, I don't. And I'm not the only one. But my  
17 concern is to make sure, to make sure that we know who  
18 these investors are here. The name of the minorities,  
19 percentage they have, exactly what they propose to do in  
20 terms of what's going to be beneficial to the City of  
21 Gary. And so far, I have not been hearing that.

22 I understand that Mr. Trump was here yesterday and  
23 supposedly presented a very fine presentation. I think  
24 one of the things that he had indicated about his context  
25 in industries, which would be very beneficial as well.

1 But I demand the same thing of him as well. What local  
2 minority investors do you have, what percentage are they  
3 going to be allowed allocated to. What voice will they  
4 have. Will they have any voting rights. One of the key  
5 things I did here before was, there was a presentation  
6 made by one of the groups that indicated something about  
7 the profitability that they had projected was not  
8 consistent with the square footage per customers that  
9 would be on the boat. And that was a question mark in my  
10 mind, okay, because I think one of the findings that Mr.  
11 Hensley indicated that based upon the analysis that he  
12 had, that chances are that showed a loss in a four-year  
13 period. I mean, so some of the things we're looking for  
14 is practicality as well.

15 Now, the person that presented that presentation,  
16 did they have any minority participation in the package  
17 program that they presented to you. If so, who are they.  
18 What was the percentage amount. Do they have any voting  
19 rights. I mean, those are the key questions that I would  
20 like for the Commission to keep in mind in taking into  
21 consideration.

22 And the most important thing, too, is that you are  
23 an objective body. As an objective body, I want you to  
24 look at this thing objectively. Favoritism and all that  
25 should have no place in your decision, regardless of who

1 makes that recommendation. Regardless of who says, "I  
2 want, I wish." There's a lot of things I want, but you  
3 don't get everything you want. Do the best possible job  
4 that you can and be -- appear objectively as possible in  
5 doing that. And do not, do not allow favoritism to get  
6 in your way in terms of impeding your judgment. Because  
7 what we want to do, what we want to do is we want to look  
8 at long-term stability and economic growth so that  
9 basically in fact the project is successful, it's gonna  
10 have a powerful effect, not just in terms of the county,  
11 but the state as well. But the state as well.

12         And again, I want to say thank you very much for  
13 allowing me, even though I was not properly prepared to  
14 presenting and addressing you this morning and  
15 everything. But I just want you to keep that in mind.  
16 You know, we want to know who these local minority  
17 investors are. And we want to make sure they have a  
18 tie-in to our community because we know that the  
19 sincerity is gonna be there in terms of them making the  
20 effort necessary and proper to see that the project  
21 works. Because if it don't have any local investors and  
22 you skew the objective in terms of minority  
23 participation, then chances aren't very good that the  
24 project is gonna be successful, especially to the level  
25 that we hope that it will be. Thank you very much.



1 MR. KLINEMAN: Thank you, Senator. And you  
2 have our word that we intend to make this decision based  
3 upon the merits, and through the course of our hearings  
4 the last couple of days, we have been involved in the  
5 question of local investors.

6 MR. LONNIE RANDOLPH: And I might add, too,  
7 now, when I speak of minorities, I'm including women in  
8 that category as well, okay. Because, you know, people  
9 say that a man is always at the helm. But behind the  
10 scenes, the one who makes the project go, in a lot of  
11 cases is the female. There's talents and abilities that  
12 they have that we have not tapped. And for some reason  
13 we've ignored those for years. So, whatever you do,  
14 please do not ignore the women as well.

15 MR. KLINEMAN: Okay. We'll keep all those  
16 matters in mind. Thank you for coming.

17 MR. LONNIE RANDOLPH: Thank you.

18 MR. KLINEMAN: Representative Brown.

19 MR. WILLIAM HEBERT: Mr. Chairman, I made a --  
20 I gave Vic Davis the wrong time. So it's really my  
21 fault. And I'd like to correct the record. I told him  
22 10:40, and my time was 9:40. He's here now. So after  
23 the break, if he could have an opportunity. Did I have  
24 any time left?

25 MR. KLINEMAN: No, sir, I think we used all

1 your time up.

2 MR. WILLIAM HEBERT: Well, if you have some  
3 time left, I'm sure that Vic would have something good to  
4 offer. It's my fault that he wasn't here.

5 MR. KLINEMAN: Well, we have a fairly full  
6 schedule; and I appreciate his being here.

7 Representative Brown, now, please.

8 MR. CHARLIE BROWN: Thank you, Mr. Chairman.  
9 Members of the Commission, Mr. Thar. It is ironic that  
10 I, who began this whole initiative, get an opportunity to  
11 wrap up this whole process here this evening. I don't  
12 know whether that was planned or not, but I appreciate  
13 the fact that I have an opportunity to wrap up this whole  
14 session relating to this economic development project for  
15 Gary, Indiana.

16 We appreciate that the Commission -- that these  
17 commission hearings are being held in the community that  
18 will live with your decisions. Your presence here  
19 signify -- signals accessibility. Gary gained first-hand  
20 knowledge of the bidders' intentions while having input  
21 to your deliberations. In that regard, as a Gary  
22 resident, a state legislator, and the author in shepherd  
23 of the bill that enabled casino operations in Indiana, I  
24 welcome the chance to voice some of my original concerns.

25 My interests are economic development, minority

1 opportunity, and community involvement. And I start and  
2 end with numbers. Specifically, with percentages.  
3 Casinos succeed by scrupulously tending two percentages.  
4 No one should have a keener appreciation of the critical  
5 role that percentages play than casino developers and  
6 operators. If the house doesn't have an edge, it can't  
7 stay in. That's a given. One that we all accept when we  
8 walk in and take a place at the table.

9         This community is Gary's house, and there's a table  
10 here that's been set by the citizens with places with two  
11 or four candidates who'd like to join us. I want to see  
12 those places reserved for candidates who demonstrate  
13 sharp appreciation of the acts that they themselves live  
14 by and count on others to accept. Namely, the edge goes  
15 to the house. The house provides the site, the setting,  
16 the hospitality, the opportunity; the house has earned an  
17 edge. That's true for the casinos and for this  
18 community. The house they will occupy. To say -- that  
19 is not to say that there should be a free lunch.

20         Other central criteria are also in the balance.  
21 Good intentions without success serve no one.  
22 Considerations other than a strong and comprehensive  
23 program with community involvement must figure in the  
24 equation. Yet, if the soundest proposal in all other  
25 aspects does not include plans with delivering community

1 benefits, then in the final analysis it is not sound. If  
2 it does not have real meaning to the community in  
3 practical terms, then it is ultimately meaningless. It's  
4 that factor of the computation I address.

5         How will economic development, community  
6 involvement, and minority opportunity infer here and in  
7 whose behalf. The question leaves us to revisit  
8 percentages and the precept that an edge must go to the  
9 house. A substantial share of jobs at every stage and  
10 every level, must be reserved for the host community.  
11 From the decision through -- from design through  
12 construction to operation, it's only fair that these  
13 Gary-based economic initiatives benefit Gary's citizens  
14 directly. And proportionately, in keeping with their  
15 role as home to the initiative. If, as we -- as was said  
16 here yesterday, so succinctly, neighborhoods are the  
17 building blocks of economic development, then jobs are  
18 the glue that holds those neighborhoods together.

19         New accommodations must be reached and creative  
20 agreements struck. Some unions have a tradition of  
21 hostility to minority participation. The casino  
22 development can become an opportunity to build bridges  
23 between the minority community and the trades that has  
24 historically been closed to all but token  
25 African-American membership.

1           This development can begin the redress of that sorry  
2 situation. A step that is called for, not in charity,  
3 but in justice. And not as a gift, but an outcome earned  
4 by skill and sweat. We'd be glad to know the position of  
5 the four submitters on this point.

6           There's another area where the edge must go to the  
7 Gary house. Investment opportunity. Again, what is  
8 required here is not an unearned gift, but a chance to  
9 get in the pool. To share significantly, to risk capital  
10 on the casino enterprise at 100 cents to the dollar.  
11 Gary's population is largely African-American.  
12 Traditional minorities are often in the majority within  
13 prescribed boundaries. That is not often the plain fact  
14 that in the larger picture, they remain distinct  
15 minorities and are typically excluded from the mainstream  
16 economy. One scientific study after another demonstrates  
17 that the problem is systemic and the exclusion  
18 systematic.

19           When the material presence of that mainstream  
20 economy enters a minority-dominated community, simple  
21 fairplay dictates a manifest sensitivity to the local  
22 realities. A sensitivity that expresses itself in  
23 action.

24           A friend came into this room yesterday, cast an eye  
25 around, and said to me, "There must be a lot of money at

1 stake here, this is the biggest majority of white guys  
2 I've ever seen in the Genesis Center." He's a white guy  
3 himself. And it was a wisecrack, but a pointed one. The  
4 proportion of white males was unusually high, maybe six  
5 or eight to one.

6 Clearly there's a lot at stake. A good deal of  
7 money on the table, and the potential for participation  
8 and future growth is present. It's a classic and  
9 exciting example of the free enterprise mix of risk and  
10 opportunity. This city has a 90 to 95 percent minority  
11 population. Preponderately, African-American. To  
12 reserve a trifling percentage of a new development for  
13 local minority investors, demonstrate inadequate  
14 understanding of the situation, or else an unwillingness  
15 to act on the reality.

16 Please note, I say "investors," not an outright gift  
17 for a select few recipients determined by some mysterious  
18 metaphysical formula. I cannot see how that is fair to  
19 anyone, including the casino developers. Yet with  
20 unrealistic and disproportionately low percentages of  
21 investment opportunity earmarked for Gary's local  
22 minority community, the effect is to create an investor  
23 red line. We all know the practice of some lending  
24 institutions who draw a red line on the map around  
25 neighborhoods or entire communities, and then refuse to

1 extend loans within that area. In many cases, it's the  
2 very area from which the institution gets its deposits.  
3 Its own service area. Yet it will not lean back to that  
4 area for improved lending growth. Thus fulfilling its  
5 own prophecy that the community in question has a rough  
6 ride ahead. Instead of lending where it lives, it takes  
7 the local money and exports it as loans. In this current  
8 case, we cannot tolerate the equivalent and destructive  
9 dynamic. Gary must not be redlined where investment  
10 opportunity is at stake.

11 First, resources such as newly available jobs must  
12 not be filled by importing relatively large numbers of  
13 employees. And second, income in the form of return on  
14 investment must not all be exported, unavailable to local  
15 venturers. There must be a higher percentage of  
16 investment available for risk by local minority people.  
17 They're here, they're able, they're willing. Men and  
18 women, excellent workers and strong investors alike. It  
19 is an informed speculation that capitalism, both its risk  
20 and rewards, is made accessible to the many and by which  
21 it can best flourish.

22 I believe Gary has obligations to the developer  
23 operators of casinos here, and I believe that those  
24 developer operators have an obligation to Gary. Each  
25 must understand there can be no long-term success unless

1 we accept that the edge must go to the house. We, too,  
2 understand the significance of percentages.

3 Finally, I'll read one sentence from the  
4 legislation. A sentence I was adamant about inserting,  
5 and that was approved by both houses of the legislature.  
6 It's headed, "Legislative declaration." It reads, "The  
7 General Assembly declares that the opportunity for full  
8 minority and women's business enterprise participation in  
9 the riverboat industry is essential if social and  
10 economic parity is to be obtained by minority and women  
11 business persons, and if the economies of the riverboat  
12 cities are to be stimulated as contemplated by this  
13 article." End of quote.

14 The intent of the Casino Enabling Act and of the  
15 legislature, and of the people they represent, cannot be  
16 more straightforward or crystal-clear. This Gary casino  
17 development represents an historic opportunity for many  
18 to newly share in the basic American economic principal.  
19 To close the gap dramatically between the minority  
20 community and the promise of full participation in the  
21 American economy, the time and place and concept are all  
22 in alignment. It's just too good a chance to let pass.  
23 It demands that we see it for the grand opportunity that  
24 it is, and seize it while we can. If not Gary, where?  
25 If not now? When?



1           And so, we direct the issue back to you for  
2 resolution. I trust you agree that the points I've made  
3 deserve enough respect to be acted upon, and that they  
4 amount to reasonable expectations of common sense,  
5 business, civic conduct. We ask that the casinos, only  
6 the insight for grasping a remarkable opportunity and the  
7 wise exercise of enlightened self-interest. What's  
8 required is simple corporate good citizenship. What's  
9 called for is no more than casino operator developers  
10 being good and supportive neighbors as we intend to be to  
11 them.

12           I'm confident you will reach a decision that will  
13 serve our city's people well, both in the short term and  
14 over the long hall. A decision of which you will be  
15 rightly proud, a decision the citizens of Gary will thank  
16 you for.

17           I thank you for the opportunity, Mr. Chairman, and  
18 members of the committee, and Mr. Thar, and I know it is  
19 not an easy decision. Gary is struggling at this point  
20 to survive. And this is not a panacea the riverboats are  
21 coming here. We are desperately in need of some economic  
22 development as a result of over the past 20 years, we  
23 were almost a one-horse town, totally relying on the  
24 steel industry. And U.S.X., our biggest corporate  
25 citizen, has gone from 25,000 employees down to less than

1 3,000. And that has devastated all of Gary and Lake  
2 County and Northwest Indiana. We need this infusion of  
3 new life and blood for Gary, Indiana and Lake County. I  
4 appreciate your listening to me. Thank you.

5 MR. KLINEMAN: Thank you very much for coming,  
6 Representative.

7 I would say that we have spent a considerable amount  
8 of our time during the hearing inquiring of these  
9 developers as to their plans for minority participation  
10 both from a supplier, employment, and investor  
11 standpoint. So, we are well aware of the sentiments that  
12 you expressed today, representatives, and we thank you.

13 MS. BOCHNOWSKI: Are we going to be having  
14 additional business?

15 MR. KLINEMAN: I think we're gonna take a  
16 break--

17 MS. BOCHNOWSKI: And then do that.

18 MR. KLINEMAN: --and come back and either have  
19 more business or wind this thing up. So we'll now take a  
20 15-minute break.

21 (A short break was taken.)

22 MR. KLINEMAN: If we could come back to order.  
23 We just have a couple of items of additional business.

24 First, I would like to indicate that it is the  
25 feeling of the Commission that based upon the evidence

1 and testimony that we've received from the developers  
2 over the last two days, that there may have been a  
3 misunderstanding between the developers and the City of  
4 Gary concerning the nature of the local "investors." And  
5 in order not to run into a problem, where the developers  
6 would in fact not be able to enter into an agreement with  
7 the City because of the nature and the quality of the  
8 people who were involved as local investors, in order to  
9 solve that problem, and put us in a position where we  
10 could go forward and grant a license which would conform  
11 to the ideas that the City has concerning local  
12 investors, this commission would look favorably upon the  
13 developers who have heretofore presented their packets,  
14 amending their submissions insofar as it involves local  
15 investors.

16 This is a problem we don't want to get to the end  
17 where we're granting licenses and the developer groups  
18 are not in conformity to something that the City wishes  
19 to have in place. We -- this is too important an issue  
20 in regards to granting the licenses and getting these  
21 boats actually operational. We don't want to get into a  
22 situation where we would have that kind of a conflict.  
23 So to the extent that the developers choose to amend  
24 their local investor groups in some manner -- and I'm not  
25 suggesting it need be done, nor am I suggesting who. In

1 order to conform at least with what the City believes to  
2 be the nature, that they have requested any development  
3 agreement, we would look in favor upon allowing those  
4 amendments.

5 Is that pretty much the consensus of our group?

6 MS. BOCHNOWSKI: It would probably be a good  
7 idea, too, since they may not all be represented here to  
8 send them--

9 MR. KLINEMAN: I think the word will get out.

10 MS. BOCHNOWSKI: Okay.

11 MR. THAR: If I understand, then, the direction  
12 of the Commission from the staff point of view, to the  
13 extent any of the four may not be here, we should send  
14 out a letter indicating that the Commission, if I'm  
15 understanding you correctly, has already preapproved that  
16 should any developer choose to amend the local investment  
17 taxes, that amendment will be accepted. Is that--

18 MR. KLINEMAN: Well, we will look in favor upon  
19 that. I think we have to take them one at a time.

20 MR. THAR: That puts us in a practical bind to  
21 a certain extent. I mean, if somebody chooses to amend  
22 it, then it has to be subjected to an analysis. If you  
23 wait to say yes or no with regard to any given amendment  
24 at the time that we reconvene after a successful Supreme  
25 Court appeal, we would not have been able to integrate

1 that into a format that's explainable to the Commission.

2 So, are we saying that if they choose to do so they  
3 can, or are we just simply saying if they choose to do  
4 so, to submit it, and we'll approve it later.

5 MR. KLINEMAN: Well, I had not thought about  
6 the step in connection with investigation and so forth.  
7 I think before the Commission considers the total  
8 package, we probably should have that information  
9 concerning the investigation. So, I guess you're  
10 correct. We give the staff authority to preapprove the  
11 submission of the amendment subject to the  
12 investigation.

13 MR. THAR: One other thing, so that it doesn't  
14 drag. May I suggest a deadline for that?

15 MS. BOCHNOWSKI: Good idea.

16 MR. THAR: Today is September 2nd. I would  
17 suggest September 13th -- September 14th is a Wednesday.

18 MR. KLINEMAN: I think that's gonna be a little  
19 tight. I think that we may be asking people to do some  
20 things that it's gonna take a little more time.

21 MR. THAR: I would throw this out for  
22 consideration, though. With regard to the local investor  
23 packages, the statute's always said what the statute  
24 said. These are, as we have seen over four days, or two  
25 days, four, impressive, professional business

1 organizations who chose to put together the local  
2 investment packages the way they did. It's true that  
3 there has been no statutory interpretation as to what  
4 that local investment package should be. But my belief  
5 is that they've put together what they believe, in fact  
6 they may or may not choose to change it. To the extent  
7 that they do or want to give notice, it's one thing to  
8 say they have identified who the person is, it's another  
9 to say this is the way we re-defined the way our local  
10 investment process will go. The Commission will always  
11 reserve the right to approve or disapprove an ownership  
12 factor with any casino thing so that investigations can  
13 be done. After the fact if someone chooses to amend,  
14 they don't have to amend specifically two designated  
15 individuals. They can designate a generic group. As a  
16 result, I would hate to see, to the extent the process  
17 would be delayed, to be delayed over what is in essence a  
18 10 or 15 percent ownership position, that can be cleared  
19 up later. That's just food for thought from the  
20 investigative standpoint. I throw that back now to the  
21 Commission for discussion.

22 MS. BOCHNOWSKI: Well, I suppose as long as  
23 we're not asking for specific names, I think that would  
24 be pretty tight.

25 MR. SUNDWICK: I think the methodology is the

1 issue. I think we just -- you know, they may not intend  
2 to change their ownership basis, and that's not certainly  
3 what we're recommending. I think what we're trying to  
4 recommend is to say that they meet the city requirements.  
5 And if they meet the city requirements, and they don't  
6 want to amend that, that is certainly their prerogative.  
7 So I think methodology, if they want to do that, I agree  
8 with Jack.

9 MR. THAR: The one thing I think that we want  
10 to keep in mind, though, is that the City certainly has  
11 suggested profits in the statute that sets forth the  
12 performance. So, much to the extent the legislative  
13 intent was expressed today, and that merges with the city  
14 requirement, since we have no jurisdiction over the City,  
15 but we do control how the statute functions. It's really  
16 the statute meshed with the input of the City, and I'm  
17 not saying that those two principles -- those two  
18 principles seem, in my mind, based upon the presentation,  
19 to be absolutely identical. But for our purposes, I  
20 believe we're gonna have to do it on the basis of the  
21 statute. Certainly keeping in mind, though, how that  
22 blends with the City's desires.

23 MR. SUNDWICK: Certainly.

24 MR. KLINEMAN: Okay. Well, I think we now have  
25 a consensus, and we are going to use the September...

1 MR. THAR: September 14th, at least for a  
2 methodology if they choose to change it.

3 MS. BOCHNOWSKI: Which they don't have to do.

4 MR. THAR: It's a business decision that  
5 they're to make.

6 MR. KLINEMAN: All right. Is there anything  
7 else that we need to take up at this time. There have  
8 been several people who have come up and said, "Can I  
9 just have a few minutes to say something." And frankly,  
10 that's a very reasonable request. But under the  
11 circumstances, this commission has been in session almost  
12 continuously for two and a half full days. And we have a  
13 procedure; those people who want to make their views  
14 known, they can submit, in writing, their views and  
15 information, and that will be made a part of the record.  
16 It's part of the procedure that we heretofore have set  
17 out. Those things must be filed by close of business on  
18 September the 7th, 1994. And I encourage all those who  
19 wish to in some way make their views known to this  
20 commission, to submit that material. And I'll assure you  
21 that it will be submitted to the commissioners, each of  
22 them, and they'll have that available in connection with  
23 whatever decisions we're going to be making.

24 Anything else, Mr. Thar?

25 MR. THAR: Two or three other items, if I may.



1 We have just suggested a deadline date of September 14th.  
2 With the Commission's permission, when we send the  
3 letters out, we'll switch that deadline date to September  
4 16th. It gives a couple more days and also puts it on a  
5 Friday, so that will be two more weeks after this week.

6 Secondly, from a staff point of view, obviously, it  
7 is well prepared of this commission was -- part of it was  
8 due to the economic analysis, financial management  
9 analysis, et cetera, that was put together by the Center  
10 for Urban Policy and Environment whose representatives in  
11 part are here today, sitting over in the corner.

12 From the staff's point of view, it has become  
13 relatively obvious also that the work they have produced  
14 has shaped itself into an important factor with regard to  
15 the decision making process of this commission. If this  
16 commission agrees with that assessment, it would be the  
17 staff's request that we be allowed to work with the  
18 Center for Urban Policy and the Environment, which we --  
19 the adjournment of this meeting and the recommencement to  
20 not only reintegrate figures that we believe we're going  
21 to be receiving plus the local incentive groups, but also  
22 for the purpose of attempting to see if the Center would  
23 be in a position to provide to this commission, during  
24 the course of its deliberation process, at least an  
25 assessment of the overall strengths of the individuals,

1 not as any type of a binding idea, but as an aid to this  
2 commission's decision making.

3 Is that a step the Commission would like to see  
4 occur, is the question for the staff.

5 MR. ROSS: I would like to see that.

6 MS. BOCHNOWSKI: I would.

7 MR. KLINEMAN: It's a consensus that we would  
8 like to see that occur.

9 MR. THAR: Then with the Commission's  
10 permission, then the staff would engage in attempting to  
11 put that together with the Center for Urban Policy and  
12 Environment. We certainly have appreciated the work that  
13 they have done and the -- I know the Commission has also.

14 MR. KLINEMAN: Anything further?

15 MR. THAR: The address for the written comments  
16 with regard to the -- any more input from the public, is  
17 Indiana Gaming Commission, Indiana Government Center  
18 South, 302 West Washington Street, Room E203,  
19 Indianapolis, Indiana, 46204. Please mark it,  
20 "Attention: Gary public hearing." And if you missed it,  
21 I'll give you a card.

22 MR. KLINEMAN: Anything further? I guess we've  
23 set the date of October the 7th, 1994 for the next  
24 Commission meeting.

25 MR. THAR: Business meeting.

1           MR. KLINEMAN: Business meeting. And we would  
2 all hope that the Supreme Court would, as they promised,  
3 promptly decide the question. And if we are able to go  
4 forward, we will then gladly reconvene Gary applicant  
5 session, and go forward and do our job. So we thank you  
6 all for attending, and all I can say on behalf of the  
7 Commission as I did yesterday, it's been most  
8 enlightening. And we appreciate the cooperation of  
9 everyone and in particular, the cooperation of the City  
10 of Gary and their hospitality. We thank you.

11           We're adjourned.

12                           (The meeting was adjourned.)

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1 STATE OF INDIANA )  
2 COUNTY OF LAKE ) SS:

3  
4 REPORTER'S CERTIFICATE

5 I, KAREN M. PRICE, a duly qualified stenotype  
6 reporter and duly authorized to administer said oath, do  
7 hereby certify that there foregoing proceedings were has  
8 before me at the Genesis Center in Gary, Indiana, on  
9 Friday, September 2, 1994.

10 I further certify that I then and there reported  
11 in machine shorthand the proceedings so given at said  
12 time and place, reduced the same to typewriting from my  
13 original shorthand notes, and that the foregoing is a  
14 true, correct, and complete transcript of said  
15 proceedings.

16 IN WITNESS WHEREOF, I hereby affix my name and  
17 seal this 12th day of September, 1994.

18  
19 SEAL

*Karen M. Price*

20 KAREN M. PRICE, RPR, CSR No. 93-R-1000  
21 Notary Public

22 My commission expires March 4, 1998.  
23  
24  
25