

**INDIANA GAMING COMMISSION
REGULAR MEETING**

**8:00 a.m., April 27, 1995
Ogle Haus, Switzerland County, Indiana**

PRESENT: Commission members Alan Klineman, Chair; Ann Marie Bochnowski, Vice-Chair; Donald Vowels, Secretary; Thomas F. Milcarek; David Ross, M.D.; Robert Sundwick; Staff members Jack Thar, Floyd Hannon, Kay Fleming, Judy Greene, Pam Ayres and an audience.

Call to Order and Roll Call

Chairman Alan Klineman called the meeting to order at 8:05 a.m. indicating that all of the sitting Indiana Gaming Commission members were present; therefore, a quorum existed to conduct business. He noted that the Commission would conduct the regular business meeting first and then commence with the public hearing portion for the Switzerland, Ohio, and Dearborn County riverboat licenses.

Approval of the Minutes of the March 10, 1995 Meeting

The minutes of the March 10, 1995 Indiana Gaming Commission regular business meeting were unanimously approved on motion by Dr. David Ross, second by Tom Milcarek.

Report of the Executive Director

Executive Director Jack Thar gave a report on the current status of the legislature presently known to the Gaming Commission staff. Senate Bill 572 contains two items at the present time: 1) a restriction on the Gaming Commission's ability to regulate cruising as well as to expand the statute in the area of cruising, which is substantially similar to the regulation originally proposed by the Commission; and 2) the limitation of the number of boats per county, one boat per county except for Lake County which would be entitled to four. This particular piece of legislation has passed through both the House and the Senate conference committees and is awaiting action by the Governor.

House Bill 1722, the technical bill originally put forth by the Gaming Commission, which also contained the language contained in Senate Bill 572, has passed both House and Senate conference committees. Mr. Thar reported that it is currently awaiting action by the Governor.

Senate Bill 489, specifying that the gaming company will pay for the cost of the State Police on the boat, is still in conference committee and no action is expected until later in the week.

Executive Director Jack Thar reported that as most people are aware, the Trump organization is in the process of making a public offering, including the Trump Plaza, as well as the Gary gaming operation. Barden-President is in the process of putting together its financing. Unfortunately the condemnation suit is still pending before the court and negotiations are still underway to get the final document together for the purchase of the land. Mr. Thar indicated that how it all will be resolved remains open.

President Riverboat Casino which is an equal partner in the limited liability company of Barden-President Riverboat Casino LLC, was recently fined in Missouri in the amount of \$240,000 with regard to a certain action surrounding one or more employees. Mr. Thar reported the Commission staff just received information regarding that fine and is in the process of taking a look at it and will give a full report to the Indiana Gaming Commission at a future meeting. The Gaming Commission staff's recommendation is that discussion regarding the potential renewal of the certificates of suitability with regard to both the Trump organization and the Barden-President organization (as of June 10, those certificates of suitability will have hit the 180-day mark) take place at the May business meeting.

Executive Director Thar reported that Aztar, the certificate of suitability holder in Evansville, Indiana, has obviously suffered some setback because of the unexpected labor strike at JeffBoat, which has caused the construction on the riverboat to be delayed. Overall, however, they are making remarkable progress in Evansville. They have had a dealer's school in operation in excess of three weeks. Aztar has almost completed the hiring of the upper management staff. They are working with the Corps of Engineers and the Coast Guard and are in the process of making Corps drillings. Mr. Thar reported that the relationship with Aztar and the City of Evansville is excellent, with each of them going out of their way to help each other and to meet the needs and concerns of the new development and the community as a whole. At the present time with the strike, Aztar is unable to predict if it

will be able to meet the September 1 start-up date.

In regard to locating a replacement Commission member to fill the position vacated by Gene Hensley, Executive Director Thar is unaware of the Governor's progress in finding a replacement. Both Mr. Thar and Chairman Alan Klineman have expressed their desire to have a new commissioner on board to hear the applicant presentations for the southeastern part of the state.

After some discussion regarding the cruising issue in the legislative bills, Executive Director Thar further explained the language in each bill relative to the cruising issue. There is some duplication in both bills, resulting in 1722 containing not only the Commission's technical information, but the gaming language in 572 as well. To a certain extent, there is a duplication in bills. It is Mr. Thar's understanding that the bills do not conflict, but do not contain identical language with respect to the cruising issue.

Old Business

Chairman Alan Klineman reported that there is no pending old business.

New Business

- A. Request of CHC Limited, LLC to Withdraw Its Application for a Riverboat Owner's License in Michigan City, Indiana

Executive Director Jack Thar explained **Resolution 1995-8, A Resolution Concerning the Request of CHC Limited, LLC to Withdraw its Application for a Riverboat Owner's License in Michigan City, Indiana.** Approximately one month ago, CHC Limited called to indicate they were abandoning their desire to continue in Michigan City. The Indiana Gaming Commission staff have now received a formal request in writing (attached to the Resolution).

Mr. Thar read from Section 2 of the Resolution, stating that CHC Limited's request be "granted" to withdraw its application from Michigan City, effective April 27, 1995. Upon motion by Ann Bochnowski, second by Tom Milcarek, **Resolution 1995-8** was unanimously adopted.

- B. Resolution to Establish Pro Rata Costs of the May 3, 1994 Referendum in Harrison and Crawford Counties

Chairman Klineman gave a brief explanation of **Resolution 1995-9, A Resolution Establishing the Pro Rata Cost of the May 3, 1994 Referendum to be Paid by Applicants for a Riverboat Owner's License**

in Harrison and Crawford Counties. In cases where the actual costs were less than the estimated costs (paid in advance of the election the cost to hold the special election), the difference is to be refunded to the applicant. In Crawford County, the estimated \$5,000 cost was greater than the actual cost of \$4,954.43, leaving an overpayment of \$45.57. **Resolution 1995-9**, Section 4, authorizes the refund to Crawford County Casino Corporation.

Section 5 deals with the situation in Harrison County, where there were multiple applicants with estimated costs of \$8,290. The actual cost was \$7,280.17, leaving an excess deposited of \$1,009.83. Riverboat Development, Inc. paid the cost of the special election. The remainder of Section 5 authorizes the payment of \$1,456.03 by Madison Landing Associates, Inc.; Harrison County Gaming Co., LLC; Horseshoe Casinos (Indiana) LLC; and New Albany Landing Company LLC in the form of a cashier's or a certified check to Riverboat Development, Inc.. The check must be received no later than noon (Indianapolis time) on Friday, May 19, 1995.

The Harrison County Auditor is authorized to refund the amount of \$1,009.83, as an excess payment of estimated election costs to Riverboat Development, Inc.

Upon motion by Dr. David Ross, second by Don Vowels, **Resolution 1995-9** was unanimously adopted.

C. **Resolution to Establish Pro Rata Cost of the November 8, 1994 Referendum in Perry County**

Chairman Alan Klineman introduced **Resolution 1995-10, A Resolution Establishing the Pro Rata Cost of the November 8, 1994 Referendum to be Paid by Applicants for a Riverboat Owner's License in Perry County.** In many instances the applicants had to pay for the total cost of the election, but in Perry County's case there was already to be an election. Therefore, the actual cost was \$669.37 to have the referendum put on the ballot.

The Perry County Auditor is authorized to refund the amount of \$1,080.63 as an excess payment of estimated election costs to Perry County Riverboat, L.P.

Upon motion by Tom Milcarek, second by Ann Bochnowski, **Resolution 1995-10** was unanimously adopted.

Other Business

Executive Director Jack Thar indicated the only other business before the Commission is the public hearing portion for

Switzerland, Ohio and Dearborn Counties. It will commence after the conclusion of the business meeting.

Next Meeting

The next meeting of the Indiana Gaming Commission will be in Indianapolis in the Auditorium of the Government Center South, 402 West Washington Street, on Monday, May 15 at 9:00 a.m. At the conclusion of the business portion of this meeting, the Commission will go into the formal applicant presentations for Ohio and Switzerland Counties. These presentations will conclude on the following day, May 16, at the same location. Chairman Klineman indicated the exact order of the presentations has not as yet been established. The applicants will be notified of the order.

Adjourn

The business portion of the Indiana Gaming Commission adjourned at 8:25 a.m., with the public comments portion to immediately follow.