

**INDIANA GAMING COMMISSION
REGULAR MEETING**

11:00 a.m., September 8, 1995

**Auditorium
Indiana Government Center South**

PRESENT: Commission members Alan Klineman, Chair; Ann Marie Bochnowski, Vice-Chair; Donald Vowels, Secretary; Thomas F. Milcarek; David Ross, M.D.; Robert W. Swan; Staff members Jack Thar, Floyd Hannon, Kay Fleming, Frank Brady, Philip Beck, Jill Copenhaver, Pam Ayres and an audience.

Call to Order and Roll Call

Chairman Alan Klineman called the meeting to order at approximately 11:04 a.m., indicating that all Indiana Gaming Commission members were present with the exception of Robert Sundwick. Chairman Klineman welcomed the newest member of the Commission, Robert W. Swan. Mr. Swan is a Certified Public Accountant and a partner with the Kemper Group in Evansville, Indiana, and replaces Gene Hensley who resigned some time ago.

Approval of the Minutes of the June 19, 1995 and June 30, 1995 Meetings

The minutes of the June 19, 1995 Indiana Gaming Commission regular business meeting were approved on motion by Dr. David Ross, second by Ann Bochnowski. Bob Swan abstained from voting. The June 30, 1995 regular IGC business meeting minutes were approved on motion by Tom Milcarek, second by Don Vowels; Bob Swan abstaining.

Report of the Executive Director

Executive Director Jack Thar reported that both Clark and Floyd Counties will each have a second referendum at the time of their November 1995 general election. Porter County will not have a referendum this November.

As of September 1, 1995, the Gaming Commission has received 21 applications for a supplier's license. Mr. Thar indicated that several recommendations for the issuance of temporary licenses to five of those applicants will be made during the "New Business" portion of today's meeting. Also, Chief Counsel Kay Fleming will introduce final and proposed Gaming Commission rules.

Jack Thar stated that both Gary Certificate of Suitability holders, Trump Indiana and Barden/PRC, will be reviewed as "New Business" items. He reported that the progress being made by both Aztar and the City of Evansville has been smooth and productive. The primary

issue remaining is the resolution of the litigation brought by Mr. Mottley and is scheduled for hearing on October 11, 12 and 13; the administrative law judge has advised that a decision should be forthcoming within a month following the hearing. It is presently anticipated that Aztar will be ready for the issuance of its gaming license and the opening of its riverboat some time during December 1995. In preparation for the opening, staff have been working with the Indiana State Police to identify and staff the state police positions who will function as Indiana Gaming Commission agents on the boat. Presently, five of the nine positions have been filled and the individuals have begun training. Aztar intends to move its vessel, the City of Evansville, from Jeffboat in Jeffersonville to Evansville in the early part of November. Prior to its move, the vessel is to be outfitted with non-functional gaming equipment which will involve participation by the IGC agents. Traffic flow and signage issues have been pretty much worked out. Hiring and training have progressed. It is anticipated that Aztar will meet its obligation to the two Evansville wards from which it agreed to priority hire.

Indiana Gaming Commission staff received a letter the last week of August from the Louisville District of the Army Corps of Engineers indicating that the Rising Sun Riverboat Casino and Resort application had just become ready for publication. Staff have met with the Certificate of Suitability holder, the Indiana Department of Transportation, and Rising Sun officials and consultants to discuss highway #56 solutions. Rising Sun Riverboat Casino and Resort is in the process of entering final negotiations for the acquisition of one of several vessels they are considering, all of which would meet or exceed the vessel description set forth in their application. Mr. Walter Land is the primary person handling road issues regarding riverboat gaming for the Department of Transportation. Mr. Thar commended him on the marvelous job he has been doing. The Certificate of Suitability holder has proposed certain changes in its site plan, summarily described as follows: moving the hotel and docking facility to the southwest portion of the property viewed by the Commission; moving the out-door entertainment facility northeasterly on the property to enable the construction of a golf course as a part of the overall development in one area as opposed to the golf course being located away from the overall development. Mr. Thar indicated that Rising Sun Riverboat Casino and Resort is aggressively pursuing a time line which may allow them to commence gaming operations during the first quarter of 1996; however, the time line is very dependent upon the timing of the issuance of a Corps permit. Other issues are a "New Business" agenda item.

Lawrenceburg Certificate of Suitability holder, Indiana Gaming Company LP, has revised its site plan to accommodate the increased size of its project in view of the project representations made by it during the hearings in June. The Corps letter received by the staff also addressed the Indiana Gaming Company application, indicating that as of the latter part of August, the Corps did not have a completed application ready for public notice, due to what the Corps described as weekly changes in the application; IGC advised that the final application was to be on file September 7, 1995. Executive Director Thar reported that Indiana Gaming indicated on September 6, 1995, that the vessel has been identified which will exceed the dimensions of the temporary vessel described in the application and presentation. Indiana Gaming Company is in final negotiations with several boat yards for the construction of the permanent vessel, and it is

believed that the contract for the riverboat will be finalized by the end of September. Construction time on the permanent vessel is estimated on the short side of a 13-16 month range. Various key personnel have been identified and have met with staff. Work has begun in areas such as hiring, emergency response plans and MBE/WBE issues. Again, timing is based on the issuance of a Corps permit, but the present time line would target a second quarter 1996 opening for the temporary gaming operation. The Indiana Gaming Company is preparing to begin "at their own risk" construction of their project inside the levee to meet the presently projected time line.

Executive Director Jack Thar reported that as previously mentioned, the Indiana State Police have already staffed five of the nine agent positions necessary for the opening of the first boat and are progressing toward the identification of the agents necessary for three additional boats. The identified agents and several Gaming Commission staff will be participating in the opening of a boat later this month in Missouri. Staff have begun to make arrangements to utilize Gaming Laboratories International to participate in the testing and licensing of the electronic gaming devices and the training of the agents to be able to do this themselves in the future. The final procurement process has been completed, and the final contract is being completed for the utilization of Innovative Archival Solutions, Inc. as the vendor for the licensing equipment necessary for each boat. The continuation of the gaming rules preparation and presentation is also a part of the preparation for regulating the operational boats.

The Indiana Gaming Commission has completed the interview process to fill the attorney position vacated by Joanne Yeager and also the Public Relations/Legislative Liaison position which has remained vacant to date. Mr. Thar anticipates that filling positions in the audit area, as well as filling a Legal Assistant position, is the next hiring to be completed. Applications for the legal assistant have been received, but interviews have not as yet been conducted.

The Hammond and East Chicago applicant investigations are completed and reports should be sent to all commissioners by the first of October in preparation for the October 17-20 hearings. The presentations and hearings will be held in the Hammond Civic Center and the Intergenerational Center in East Chicago. Mr. Thar indicated that IGC staff will visit those locations to ensure they meet the Commission's needs.

Executive Director Thar reported that the deadline for submission of the investigative fee and additional amendments is today, September 8, 1995. The investigative teams and SPEA will begin their analysis as soon as the amendments are received. Player's Michigan City has advised that they are going to withdraw from Michigan City.

A deadline for amendments and the investigative fee will not be set until after the referendum results in Clark and Floyd Counties. The results of that referendum may require applicants to recalculate their proposals. This will not slow down the investigative process.

Old Business

No old business.

New Business

A. Rules:

1. Final
2. Proposed

ACTION: Resolution 1995-21, A Resolution Adopting, as Final Rules, 68 IAC 1-1-2.1; Article 1, Rule 4; 68 IAC 2-1-4; 68 IAC 2-2-3; 68 IAC 2-2-4; 68 IAC 2-2-5; 68 IAC 2-3-4; 68 IAC 2-5-1; 68 IAC 2-5-2; 68 IAC 2-5-5; Article 4, Rule 1; Article 5, Rules 1 and 2; and Article 13, Rule 1, was unanimously adopted upon motion by Robert Swan, second by Dr. David Ross.

ACTION: Resolution 1995-22, A Resolution Adopting 68 IAC 1-1-13.1; 68 IAC 1-1-52.1; 68 IAC 1-1-59.1; 68 IAC 1-1-79.1; 68 IAC 1-5-1; Article 2, Rule 6; 68 IAC 7-1-2; 68 IAC 7-1-5; 68 IAC 7-1-10; 68 IAC 7-1-11; 68 IAC 7-1-14; 68 IAC 8-2-3; 68 IAC 9-1-1; 68 IAC 9-2-1; 68 IAC 9-3-1; and Article 12, Rule 1 for Publication as Proposed Rules, was unanimously adopted upon motion by Tom Milcarek, second by Dr. David Ross.

B. Forms

1. Transfer of Ownership
2. Ethics - Commission Members and Employees

ACTION: Resolution 1995-23, A Resolution Adopting and Prescribing the Transfer of Ownership Interest in Riverboat Owner's License Application Form, was unanimously adopted upon motion by Dr. David Ross and Ann Bochnowski.

ACTION: Resolution 1995-24, A Resolution Adopting and Prescribing the Commission Disclosure Form and the Employee Disclosure Form, was unanimously adopted upon motion by Don Vowels, second by Tom Milcarek.

C. Temporary Suppliers' Licenses

ACTION: Resolution 1995-25, A Resolution Granting Temporary Supplier's Licenses to International Game Technology; George C. Matteson Co., Inc. (Gemaco Playing Card Co.); The Osborne Coinage Co.; Paul-Sons Gaming Supplies, Inc.; and The United States Playing Card Co., was unanimously adopted upon motion by Ann Bochnowski, second by Dr. David Ross.

D. Review of Swiss Par-A-Dice, L.P. to Change its Name to Swiss Gaming Co., L.P.

ACTION: No Commission action necessary.

- E. Request of Switzerland County to be Reconsidered as a Dock Site for a Riverboat by the Commission During Future Hearings and to Limit the Applicant Pool to the Existing Two Applicants

ACTION: No Commission action necessary at this time.

- F. Review of Rising Sun Riverboat Casino and Resort to Transfer No Less Than 50% Nor More Than 80% Ownership Interest to Indiana RBG, L.P. and Use of the Hyatt Name

ACTION: The Commission deferred voting on the transfer until the investigation phase is completed. It was the Commission's consensus that the Hyatt name could be used under the condition that it be shown as "Indiana Gaming Commission approval pending."

- G. Review of Certificate of Suitability Issued to Barden/PRC-Gary, LLC, Including:
1. Request to Change its Name to Barden-Davis Casino, LLC;
 2. Request to Transfer No Less Than 40% Nor More Than 49% Ownership Interest to Davis Gaming Company

ACTION: The Commission acknowledged their approval of the name change from Barden/PRC-Gary, LLC to Barden-Davis Casino, LLC. The Commission deferred voting on the Transfer of Ownership Interest until the investigation is completed, at which time the request must be considered.

ACTION: At this point in time, Barden's request for an extension of their Certificate of Suitability was not approved beyond the September 30, 1995 deadline. The Commission set a deadline of Friday, September 29 at 12:00 noon (Indianapolis time) to complete three items:

1. To complete a joint operational agreement between Barden/Davis Casino, LLC and Trump Indiana;
2. To deed the land to the City of Gary; and
3. For the developers to enter into a lease with the City of Gary.

If the developers are successful in completing these requests, the Commission authorizes the Executive Director to extend their Certificate of Suitability to January 31, 1996. The Gaming Commission advised that two conference phone calls will take place among Barden, Trump, officials from the City of Gary, and the Gaming Commission staff on Friday, September 15, 1995, at 11:00 a.m. (Indianapolis time) and Friday, September 22, 1995, at 11:00 a.m. (Indianapolis time) to advise of ongoing negotiations among the participants.

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H. Review of Certificate of Suitability Issued to Trump Indiana

ACTION: In like manner, Trump Indiana's request for an extension of their Certificate of Suitability was not approved beyond the September 30, 1995 deadline. The Commission set a deadline of Friday, September 29 at 12:00 noon (Indianapolis time) to complete three items:

1. To complete a joint operational agreement between Trump Indiana and Barden/Davis Casino, LLC;
2. To deed the land to the City of Gary; and
3. For the developers to enter into a lease with the City of Gary.

If the developers are successful in completing these requests, the Commission authorizes the Executive Director to extend their Certificate of Suitability to January 31, 1996. The Gaming Commission advised that two conference phone calls will take place among Barden, Trump, officials from the City of Gary, and the Gaming Commission staff on Friday, September 15, 1995, at 11:00 a.m. (Indianapolis time) and Friday, September 22, 1995, at 11:00 a.m. (Indianapolis time) to advise of ongoing negotiations among the participants.

I. Request of Indiana Gaming Co., L.P. to Alter its Plan for Traffic Flow to its Site

ACTION: The Indiana Gaming Commission unanimously approved **Resolution 1995-28, A Resolution Concerning Indiana Gaming Co.'s Request for Approval of a Revised Traffic Access Plan** upon motion by Ann Bochnowski, second by Tom Milcarek, subject to approval of the plan by the Indiana Department of Transportation. This approval is conditioned upon Indiana Gaming complying with, at a minimum, conditions established and communicated to the Commission, in writing, by INDOT.

(The New Business portion of the meeting was transcribed by Shirey Reporting Service, Inc., 300 Capital Center South, 201 North Illinois Street, Indianapolis, IN 46204. For a copy of the transcript, please contact Shirey Reporting Service at (317) 237-3350.)

Other Business

(See above.)

Next Meeting

Chairman Alan Klineman announced that the next regular business meeting of the Indiana Gaming Commission will be Tuesday, October 17, 1995, at the Hammond Civic Center. (It was

later announced that the regular meeting will begin at 9:45 a.m., following a 9:00 a.m. executive session. The Hammond Civic Center is located at 5825 Sohl Avenue, Hammond. The City of Hammond comments and the Hammond applicant presentations will proceed at 10:45 a.m., commencing with the public comment period regarding the Hammond license on Wednesday, October 18. The City of East Chicago and East Chicago applicant presentations will begin at 9:00 a.m. on October 19 in East Chicago at the Intergenerational Center. State and federal agencies may present following the City of East Chicago presentation. Public comment relating to the East Chicago license will follow.)

Adjourn

The business meeting of the Indiana Gaming Commission adjourned at approximately 4:47 p.m.