

ORIGINAL

INDIANA GAMING COMMISSION
PUBLIC MEETING
MAY 6, 1998

A public meeting was conducted and taken down in stenographic notes by me Peggy Morgan, a Notary Public in and for the County of Hendricks, State of Indiana. The meeting was held at the Government Center, 402 W. Washington Street, Indianapolis, Marion County, Indiana, on the 6th day of May, 1998.

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STAFF AND BOARD MEMBERS IN ATTENDANCE:

MICHELLE MARSDEN
KAY FLEMING
FLOYD HANNON
JACK THAR
DONALD VOWELS
ANN BOCHNOWSKI
THOMAS MICAREK
DAVID ROSS
RICHARD DARKO
ROBERT SWAN
ROBERT SUNDWICK

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MR. CHAIRMAN: We will call the meeting to order. It's 10:05. We will show that we have all commissioners here present in the forum.

We also have in front of us the minutes from the March 17th, 1988 meeting, which we all reviewed. Anyone have a motion to approve those minutes?

MR. SWAN: I make a motion.

MR. MICAREK: Second.

MR. CHAIRMAN: All in favor say aye. Show the minutes approved. Then we will have the report of the executive director, Mr. Thar.

MR. THAR: Thank you, Mr. Chairman. The report will be relatively brief. In terms of personnel issues, I would like to introduce the commission to Scott Whitmore. Scott would you stand up.

Scott is the new auditor with the Indiana Gaming Commission. He comes to us from the penitentiary in Terre Haute. Close house accounting, I think they do over there. Anyway, it's a pleasure to have Scott with

1 us. You started, what, about three weeks
2 ago?

3 MR. WHITMORE: Yeah.

4 MR. THAR: Excellent golfer, the hard
5 part about hiring him is he's a dyed in the
6 blue Kentucky fan.

7 On a sadder note, two people have given
8 their resignations as members of staff.
9 Dena Gardner, one of our staff attorneys,
10 wishes to return to the court room, which she
11 misses. So, she is leaving to take a job
12 with the Marion County Prosecutor.

13 And Heather Jett, our paralegal, is
14 leaving to go pursue her own business
15 interest.

16 With regard to our computer systems, we
17 have been working with a programmer that we
18 have hired from an outside source, to develop
19 a program that will allow the gaming
20 commission in Indianapolis to communicate
21 with each of the boats, and each of the boats
22 with each other, real time, with regard to
23 occupational licences, that is who is being
24 licensed, who isn't licensed, and the status
25 of their licenses, as well as the background

1 investigations, as well as having an
2 automated billing system through it. The
3 program is in the process of being initiated.

4 Secondly, Michelle Marsden, as you are
5 well aware who used to be my secretary, is
6 now our occupational licensee analyst. She
7 was down in Evansville all last week.

8 We are now in the process of putting
9 out permanent badges to the riverboats,
10 starting in Evansville.

11 Michelle, how many did you get done
12 last week?

13 MS. MARSDEN: 662.

14 MR. THAR: One final note, Walter Land,
15 you're here. Have any of you folks suffered
16 through the construction on I-65, going
17 between here and the northern part of the
18 state? You see the little picture of the guy
19 with the crewcut that tells the joke. Walter
20 is our poster boy.

21 That will conclude my remarks.

22 MR. CHAIRMAN: Is there any old
23 business?

24 I guess not. We will move on to new
25 business. It looks like rules is at the top

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of the agenda. I assume that's Miss Fleming and her rules.

MS. FLEMING: Resolution 1998 dash 12, outlines the resolution for the adoption of the publishing of the proposed rules in the Indiana register. Rather than reading them you can refer to the list that begins on page one and commences on page two.

A public hearing would be held approximately three weeks after the publication date, and we would consider those, then we would come back with the final rules.

MR. CHAIRMAN: And that's resolution 1998 dash 12?

MS. FLEMING: Yes.

MR. CHAIRMAN: Anybody have a motion in reference to 1998 dash 12?

MR. DARKO: Move to adopt.

MS. BOCHNOWSKI: Second.

MR. CHAIRMAN: Any further discussion? All those in favor say aye.

COMMISSION: Aye.

MR. CHAIRMAN: Show 1998 dash 12 passed. Is that all of the rules,

1 Miss Fleming?

2 MS. FLEMING: Yes, as far as rules are
3 concerned.

4 MR. CHAIRMAN: All right. Then in
5 reference to occupational license matters, I
6 believe that's you also.

7 MS. FLEMING: Yes. We have a number
8 of them. The first six matters -- seven
9 matters, all deal with employees who have --
10 or are alleged to have stolen from a boat in
11 one way or another.

12 The first one Dama Elkins,
13 EM-DEN-98-3, was taking money out of the slot
14 machine hoppers. She has been charged with
15 theft and her employment has been terminated.

16 Audra May was also an Empress
17 employee. She took \$500 from the cash
18 drawer. Her employment has been terminated
19 and the matter has been forwarded to the Lake
20 County Prosecutor to determine whether or not
21 charges will be filed.

22 Nicole Dumas was also an Empress
23 employee. She admitted to stealing between
24 \$3,000 and \$5,000, from January 1998 through
25 April 1998, by taking funds from the cash

1 drawer and then supplementing that by
2 shorting hopper fills. She has been
3 terminated from her employment and the matter
4 has been forwarded to the Lake County
5 Prosecutor.

6 Lee Leatherberry was a Trump security
7 officer and took \$2,000, from a table fill.
8 He has admitted to the theft and it has been
9 referred to the Lake County prosecutor.

10 Patrick Combs is an Empress specialist
11 with Trump. He took \$56,800 from the boat.
12 That money was recovered, so he did not get
13 away with that. His employment has been
14 terminated and he has been charged with theft
15 by the Lake County Prosecutor.

16 William Oliver, Jr. was an Aztar
17 employee. It is alleged that he took a \$500
18 chip from the craps table at which he was
19 working.

20 Constance Baker was a bartender at
21 Argosy, and she was taking money and not
22 ringing up all drink sales.

23 The next one is Kham-Kong Bounnharaj.
24 That's the best pronunciation I can do. She
25 was a dealer at the Majestic Star and she

1 overpaid -- or paid a patron on a losing bet,
2 and it is alleged that she was working with
3 him.

4 The next two are Marc Andreani and
5 Dominic Niro. They are both Showboat
6 employees who have been convicted of a
7 gambling offense in the State of Illinois.
8 Our rules specify that if you have been
9 convicted of a gambling offense you are not
10 eligible to hold an occupational license.

11 We have gotten some correspondence
12 from both individuals and their attorneys,
13 who have indicated that there is a provision
14 in the Illinois statute that you are placed
15 on supervision, once the supervision is
16 complete the charge is dismissed and a
17 judgment of dismissal is entered.

18 So the action forms on those are
19 worded in such a way that if they can show to
20 the commission staff that those charges have
21 in fact been dismissed, we can reinstate
22 their occupational licenses.

23 To date, they have just provided us
24 with a copy of the statute and something was
25 faxed in early this morning, and I have not

1 had an opportunity to review on one of them.

2 So, the orders won't become effective
3 until May 29th. If they can prove to us that
4 they do not have a conviction their licenses
5 will be reinstated. If the revocations are
6 upheld, all individuals will have the
7 opportunity to appeal the matter to the
8 administrative law.

9 MR. CHAIRMAN: Any questions for
10 Miss Fleming?

11 We can take all of these individually
12 or as a group. Does anyone have any thoughts
13 on that?

14 MR. SWAN: I move we handle it as a
15 group.

16 MR. CHAIRMAN: Then in reference to
17 the revocations of temporary licenses and
18 applications for occupational licenses, is
19 there a motion?

20 MR. SWAN: Motion to deny on all
21 accounts.

22 MR. CHAIRMAN: To deny the
23 applications on each one? Is there a second?

24 MR. MICAREK: I will second.

25 MR. CHAIRMAN: Any further

1 discussions? All those in favor of the
2 motion to deny say aye. Those are denied.

3 Then the next matter on the agenda is
4 the new game approval, the test period. Is
5 that Miss Fleming also?

6 MS. FLEMING: Yes. We've had requests
7 from two companies to market new games in the
8 State of Indiana. One is three card poker,
9 the other is Super 7.

10 Three card poker is a game in itself,
11 that consists of two bets. Super 7 is a side
12 bet you make in a Black Jack game. Both of
13 these games were forwarded to Gaming
14 Laboratories International for review. And
15 their report was forward to you all.

16 Casino Aztar has indicated a desire to
17 have both of these games offered at their
18 property, and they have submitted proposed
19 rules of the game, as far as their internal
20 controls are concerned.

21 What we have proposed in the
22 resolution is that we approve the games for a
23 trial period, for a period of six months, and
24 that the riverboat -- any riverboat licensee
25 who offers the game is to forward certain

1 information to us. After we have had a time
2 to review that at the end of the trial
3 period, it will come before the commission
4 again for approval of a permanent game.

5 MR. CHAIRMAN: And the trial period is
6 for six months?

7 MS. FLEMING: Yes, it is.

8 MR. CHAIRMAN: Okay. Anybody have any
9 questions of Miss Fleming? We have got two
10 resolutions in front of us, 13 and 14, one
11 dealing with the three card poker and the
12 other Super 7. Do you want to take these
13 individually or together?

14 MS. BOCHNOWSKI: Together.

15 MR. CHAIRMAN: Anybody have a motion
16 in reference to Resolution 1998 dash 13 and
17 14?

18 MR. MICAREK: I make a motion that we
19 adopt them.

20 MS. BOCHNOWSKI: I second.

21 MR. CHAIRMAN: Any further discussion?
22 All those in favor of the motion to adopt say
23 aye. Show both adopted.

24 Then the next matter on the agenda is
25 in reference to Argosy's financial matter.

1 And this is the second meeting. Mr. Thar,
2 can you enlighten us where we are there?

3 MR. THAR: Yes. I believe Dale Black
4 from Argosy is here. In summary, Argosy
5 seeks permission to issue up to \$16,000,000
6 in convertible preferred stock. Whether or
7 not they will issue all 16 at one time or
8 another is probably a question that you can
9 direct to Dale.

10 We have drafted a resolution, 1998
11 dash 15, that could be approved or denied.
12 In the event that the commission approves it,
13 we have reviewed and there is no lien or
14 anything else.

15 Secondly, there is a potential, a
16 potential, it does not exist now, but a
17 potential that at some point in time the
18 purchaser of the stock could get a level of
19 ownership above five percent. The resolution
20 is drafted to preserve the right of the
21 commission to require any such shareholder,
22 owner, to seek approval from this commission,
23 to be an ownership interest above five
24 percent.

25 And with that bit of background, Dale,

1 I will turn it over to you.

2 MR. BLACK: You made most of my
3 presentation for me. That in sum and
4 substance is pretty much a summary of the
5 transaction. We were on the agenda in March
6 for the first presentation, and I would be
7 glad to answer any questions that you may
8 have, but I am also seeking your permission
9 to proceed with the resolution.

10 MR. CHAIRMAN: Are there any
11 questions?

12 MR. MICAREK: Are you familiar with
13 the conditions that Jack has set forth?

14 Mr. Black. Yes, sir.

15 MR. MICAREK: And you are in agreement
16 with them?

17 MR. BLACK: Yes.

18 MR. CHAIRMAN: Anything further for
19 him? Does anyone have any further
20 discussion? Is there any motion?

21 MR. SWAN: Move to approve the
22 Resolution 1998 - 15.

23 MR. CHAIRMAN: Second?

24 MR. SUNDWICK: Second.

25 MR. CHAIRMAN: All those in favor

1 approving the resolution, say aye. Show that
2 the resolution is approved. Good job.

3 MR. BLACK: Thank you.

4 MR. CHAIRMAN: And then the next
5 matter on the agenda is the second meeting of
6 the Empress financial matter.

7 Again, Empress, this is the second
8 meeting with regard to Empress' desire to
9 raise up to \$175,000,000 in senior
10 subordinated notes, along with a bank
11 facility up to 100 million, for a total of
12 that transaction of approximately
13 \$275,000,000, maximum.

14 When this was originally presented to
15 the commission, it was presented as a series
16 of options based upon whether or not it was
17 financed as a holding company finance, or if
18 the holding company was not approved that it
19 would be financed individually at the Empress
20 Joliet and Empress Hammond levels.

21 Since the last meeting we have
22 received proof of shareholder and board
23 approvals, that in fact Empress has now set
24 up as a holding company. The holding company
25 has assets and subsidiaries, the Empress

1 Joliet and Empress Hammond, this \$275,000,000
2 in financing, would be at the holding company
3 level.

4 Standing before us is Bill Diener,
5 representing Empress in this matter. I will
6 turn it over to you for further description
7 of what these transactions do.

8 MR. DIENER: Thank you Mr. Thar, and
9 good morning Chairman Vowels, commissioners,
10 and staff members. My name is Bill Diener,
11 with the firm of Ice, Miller, Donadio and
12 Ryan. We are the local regulatory counsel
13 for the Empress Casino. Also with me this
14 morning is Mr. John Costello, and Mr. Michael
15 Hanson, respectfully, chief financial officer
16 and chief legal officer of the Empress
17 Casino, Hammond, as well as Rick Macer, the
18 general manager of the Hammond Riverboat.

19 On March 17th the commission
20 considered two financing alternatives
21 presented by the Empress Casino. One
22 involved a recapitalization at the holding
23 company level. The second was with respect
24 to individual financing of respective
25 properties in Hammond and Joliet.

1 At that time shareholder approval had
2 not been obtained to proceed with the holding
3 company option. That has subsequently been
4 obtained, as Mr. Thar indicated. Our
5 objective when we presented the proposal
6 March 17th is the same as it is before you
7 today with our current proposal. Namely, to
8 refinance the current high cost debt at lower
9 interest rates, to provide a permanent
10 long-term source of capital and to eliminate
11 certain restrictions in the endeavor.

12 On April 9th, the shareholders
13 approved the holding company for the Joliet
14 operation through a stock exchange. Last
15 October, this commission approved Empress
16 Casino Hammond Corporation, the holder of the
17 riverboat license here in the State of
18 Indiana, becoming a wholly owned subsidiary
19 of LNC Leasing Limited.

20 Today, LNC Leasing Limited is the
21 parent company of two corporations, Empress
22 Casino Hammond Corporation, the holder of the
23 license here in Hammond, and Empress Casino
24 Joliet Corporation, the holder of the
25 riverboat license in Joliet, Illinois.

1 LNC Empress Hammond file a revised
2 debt acquisition proposal to the commission
3 on April 27th. The proposal is a two-tiered
4 debt senior notes of up to 175 million, and a
5 bank revolver of up to 100 million. Since
6 that filing, the Board of Directors approved
7 last Friday a bank revolver with a different
8 bank under more favorable terms and
9 conditions than the original revolver. And
10 those terms and condition were filed with the
11 commission staff the day before yesterday.

12 The proposal being placed before you
13 this morning is for the senior subordinated
14 notes, which were described in the materials
15 earlier filed, and they have not changed.

16 LNC Leasing Limited is requesting
17 authorization for up to 175 million dollars
18 in senior subordinated notes. We currently
19 comtemplate that offer will be at 150 million
20 dollars, but we respectfully request the
21 flexibility to go up to 175 million dollars.
22 The notes will be for a ten year term.
23 Interest rates will be based upon ten year
24 treasury notes, plus 275 basis points. Which
25 in today's market translates into roughly

1 eight and a quarter to eight and a half
2 percent interest rate.

3 The current bank revolver for you this
4 morning is for 100 million dollars with a
5 five year term, with an interest rate based
6 upon the pricing metrix tied to the
7 international bank offers rate, which is up
8 to 187 and a half basis points, which in
9 today's market will be somewhere around seven
10 and a quarter percent.

11 There are four scheduled reductions
12 and available borrowing under this five year
13 term revolver. There is no penalty for
14 optional prepayments. Empress Hammond's
15 owner's license is not pledged as security
16 for this revolver.

17 The covenant on expenditures excludes
18 development commitments that Empress Hammond
19 has to the City of Hammond. Approximately 25
20 million dollars of the 100 million dollars in
21 this revolver would be used to refinance and
22 pay off the outstanding senior notes of
23 Empress Hammond.

24 The proceeds from the new senior
25 notes, some 25 million, as I said from the

1 new revolver as available cash, would
2 refinance and defees approximately 169
3 million dollars in principle and accrued
4 interest on the outstanding senior notes,
5 which are ten and three quarters percent.
6 And would also be used to pay off the
7 approximately 56 million dollars outstanding
8 under the current revolving bank credit
9 facility.

10 After the refinancing on a combined
11 basis, the Indiana and Illinois operations
12 will have almost a 33 million dollar
13 reduction in long-term debt, and about a
14 three and a half million dollar reduction in
15 the annual interest expense.

16 For Hammond, as a result of
17 refinancing, there will now be a permanent
18 source of long-term capital available at
19 lower interest rates for the commercial and
20 residential projects and the hotel
21 contemplated at Hammond.

22 Currently, about half of Hammond's
23 existing borrowings are under the 56 million
24 dollar revolving credit facility, which
25 reduces, by it's own terms, at a rate of 16

1 million dollars a year, and expires
2 completely in two years. Hammond's long-term
3 debt and interest expense will be about the
4 same as existed prior to the refinancing.

5 However, as I indicated earlier
6 Hammond's borrowing capacity is currently
7 tapped out. We just recently spent almost
8 eleven million dollars to open the
9 refurbished fourth deck, which opened last
10 Monday. And this refinancing proposal this
11 morning will provide Empress Hammond with
12 access to permanent capital on a long-term
13 basis at a lower interest rate.

14 In summary, the approval request today
15 is for LNC Leasing Limited to offer up to 175
16 million in senior unsecured notes, with
17 Empress Hammond being one of the guarantors.
18 And, two, for LNC Leasing Limited and Empress
19 Hammond to borrow up to 100 million dollars
20 under their seniors secured revolving credit
21 facility.

22 The approval requested today will be
23 subject to commission staff review of the
24 final documents of the offer memorandum
25 indutue underlying senior notes, as well as

1 the credit agreement for the bank facility.

2 Mr. Costello and Mr. Hanson and myself
3 are available for any questions the
4 commission staff has.

5 MR. CHAIRMAN: Are there any questions
6 for Mr. Diener or the people?

7 MR. SWAN: What is the collateralized
8 assets now, and what they will be under this
9 new financing? What I'm getting at is, the
10 assets at Hammond are being pledged,
11 obviously. But how is it different than what
12 it was before? Do we have more or less a
13 cross-collateralization with the Joliet
14 assets where we didn't have it before?

15 MR. DIENER: We had it before, as I
16 recall, the cross-collateralization.

17 MR. SWAN: My question is really are
18 you changing the collateral structure as it
19 affects Hammond?

20 MR. COSTELLO: The package is not with
21 Hammond. Hammond is part of the revolving,
22 the first mortgage on the boat, along with
23 the negative pledge of the assets of Hammond.
24 Joliet was not on the revolver. That
25 revolver was strictly for Hammond. So now

1 Joliet will be under the bank facility, what
2 we proposed.

3 MR. SWAN: I don't have any other
4 questions.

5 MR. CHAIRMAN: Anything else?

6 MR. THAR: Either Mr. Costello or
7 Mr. Diener, have we received yet an opinion
8 from Ice Miller?

9 MR. DIENER: There has been no opinion
10 issued, yet. There would be an opinion as a
11 further condition to any approval this
12 morning, an opinion from counsel, that the
13 pledge -- that as a result of this advancing
14 both the senior notes and the bank revolving
15 facility, there would no pledge hypothecation
16 lease of the Empress Casino Hammond
17 Corporation.

18 That right now is a specific condition
19 in the terms and conditions of both financing
20 and the riverboat owner's license is
21 excluded. And prior to closing the
22 transaction, a legal opinion would be
23 forwarded to the staff, in accordance with
24 riverboat gambling.

25 MR. THAR: Thank you.

1 MR. CHAIRMAN: Mr. Thar, is it
2 necessary that we have that before we act
3 upon this?

4 MR. THAR: I think, from the terms as
5 Mr. Diener has indicated, the terms are not
6 specifically excluded. That's not a
7 statutory requirement. We have, as a matter
8 of practice as a commission, however,
9 required a firm in this state to say that in
10 their legal opinion this borrowing does not
11 violate the statutory provision on pledging
12 and hypothecating, etcetera, for a license.
13 I don't remember seeing it.

14 I do remember discussing with
15 Mr. Diener, that their firm would be
16 rendering it, and the terms are fairly
17 specific. As a matter of fact, it made
18 special cause to insure that the license was
19 specifically excluded from any collateral
20 stated in the term sheets.

21 MS. BOCHNOWSKI: Well, I suppose we
22 could approve this subject to receiving --

23 MR. DIENER: We can do that. The
24 statute requires that, we understand that is
25 required, that an opinion be forthcoming,

1 would be accompanied with final documents for
2 the commission staff's review; but, however
3 you propose to handle it.

4 MR. CHAIRMAN: What do you suggest?

5 MR. THAR: I suggest we go with the
6 resolution as is, for the reason that the
7 transaction with Wells Fargo just came up
8 Monday, and I really didn't get a chance to
9 look at the documents until yesterday.

10 My guess is Ice Miller hasn't seen the
11 final documents. As a result, they are not
12 going to issue their opinion until they do.
13 If they don't issue the opinion, the staff
14 would consider that to be a document not in
15 accords with this resolution and, therefore,
16 deny it and bring it back to the commission
17 at the next meeting. So I think we can go as
18 is.

19 MR. CHAIRMAN: Is there a time frame
20 when that document would be expected?

21 MR. DIENER: It would be expected
22 once, obviously, our firm has had a chance to
23 look at the final documents for both
24 instruments and the execution of those
25 documents. The final documents, we

1 understand will be subject to staff review.
2 We would expect that would be a concurrent
3 filing, both the documents and the opinions.

4 MR. CHAIRMAN: So, Mr. Thar, you don't
5 have any problem with us going ahead with
6 this, everything's in place as far as what
7 needs to be as of this date?

8 MR. THAR: That's correct.

9 MR. CHAIRMAN: Okay. Any further
10 discussion or any further questions?

11 MR. SUNDWICK: I've got a question.
12 You probably don't want to answer this, but
13 somebody over there may. You brought up the
14 hotel. Where are we on this hotel?

15 MR. COSTELLO: You're right, I don't
16 want to answer it. Commissioner, where we
17 are standing on the hotel is, we made our
18 proposal to the City of Hammond. The City of
19 Hammond has been in the process, over the
20 last six months, of organizing what they're
21 calling a stiff district in and around where
22 Empress Hammond is located, adjacent to our
23 facility.

24 Frankly the understanding that we have
25 with the mayor at the present time, and we

1 confirmed this last week as a matter of fact,
2 as soon as the city gets done with a couple
3 of other things then we will sit down and
4 talk more about where we are going to put the
5 hotel, and where we are going on the hotel
6 and commercial development. We are
7 refocusing our efforts while the city is
8 refocusing theirs on the stiff district and
9 commercial things.

10 The mayor is interested in our
11 residential commitment, the five million
12 dollar residential. And we reached an
13 understanding with the City of Hammond
14 concerning two programs. One is a one point
15 five million and the other is a three point
16 five million. As a matter of fact we are in
17 the process of funding those and implementing
18 those right now. I'm expecting in the next
19 couple of months we will have some word on
20 that. but that's where we are.

21 MR. SUNDWICK: Seems like nobody
22 really has a lot of interest. You would
23 think the city would have a little more
24 interest in having a hotel built in Hammond.

25 MR. HANSON: I think you would have to

1 ask the mayor about that.

2 MR. DARKO: Is the financing in place
3 to build the hotel, when the location is
4 determined?

5 MR. HANSON: Yes, the financing will
6 be in place.

7 MR. SWAN: I would like to come and
8 visit, so you have to have the hotel built.

9 MR. HANSON: We want you to.

10 MR. THAR: The financing is part of
11 the financial part.

12 MR. CHAIRMAN: For the reporter's
13 purposes, the second speaker was
14 John Costello and the last speaker was
15 Michael Hanson.

16 Any further questions? Any motions in
17 reference to resolution 1998 dash 16
18 concerning the debt acquisition by Empress
19 Casino Hammond Corporation?

20 MR. DARKO: I make a motion to
21 approve.

22 MS. BOCHNOWSKI: Second.

23 MR. CHAIRMAN: Any further discussion?
24 All in favor of Resolution 16 say aye?

25 COMMISSIONERS: AYE.

1 MR. CHAIRMAN: Show it's approved.

2 MR. CHAIRMAN: Then next on the agenda
3 we have the issuance of Caesar's certificate
4 of suitability. And we have all of the
5 commissioners here. Mr. Darko, did you need
6 to make any kind of public record in
7 reference to the discussion of this
8 certificate?

9 MR. DARKO: Yes, my law firm
10 represents Bowen Engineering and we have
11 filed a mechanics lien against Caesar's, and
12 I think it would be appropriate if we could
13 abstain from any vote at this time.

14 MR. CHAIRMAN: All right, and we
15 appreciate your candor.

16 We have Resolution 1998 dash 17. And
17 it deals with the extension of the
18 certificate of suitability. I imagine
19 there's people here who are going to address
20 us. Mr. Thar, do you have a suggestion as to
21 what order?

22 MR. THAR: I believe that first
23 Mr. Don Motley had requested to speak to the
24 commission. He has subsequently indicated
25 that he would like to give his time to an

1 individual by the name of Bob Frye. Is
2 Mr. Frye available?

3 MR. FRYE: Hello there. My name is
4 Bob Frey, I am an attorney and coordinator
5 with the Hoosier Environmental Counsel legal
6 defense fund. And I would like to start off
7 by stating that the Hoosier Environmental
8 counsel, in conjunction with Protect our
9 River Environment and Protect our Woods, has
10 filed suit today in the Southern District of
11 Indiana. And this is against the Army Corp
12 of Engineers and related parties.

13 And the basis of the suit is that the
14 Army Corp of Engineers has failed to conduct
15 an environmental impact statement, as
16 required by the International Federal policy.
17 An environmental impact statement is required
18 for any kind of major federal action. We
19 believe that the Caesar's project is a major
20 federal action. And there are also three
21 government bodies who agreed with us on this
22 point, that the environmental impact
23 statement should be prepared for this
24 project.

25 The Environmental Protection Agency

1 permit may be flawed, the EPA has stated it
2 is not currently finding any significant
3 impacts by the Army Corp of Engineers. The
4 analysis alternatives is incomplete. Under
5 NEPA, all possible alternatives are supposed
6 to be addressed. That includes the site,
7 secondary impact, development, and any
8 related issues.

9 And under the letter of the law it
10 stated that you need a rigorous, objective,
11 detailed evaluation of all feasible
12 alternatives. And, despite EPA's concerns
13 the Army Corp of Engineers has decided not to
14 do EIS. And an environmental assessment,
15 which was completed by the Army Corp of
16 Engineers, did not adequately address the
17 indirect and cumulative impacts of the
18 Caesar's project. Cumulative impacts
19 included both environmental, economic and
20 social ramifications.

21 The second government body which also
22 raised concerns about Caesar's is the Fish
23 and Wildlife Service. They requested EIS be
24 done but this request was denied; and they
25 are primarily concerned about secondary

1 impacts of the project and what it may have,
2 and the lack of the study as to alternatives.
3 And it is also their opinion that it is a
4 poor choice of location.

5 The third government body is the
6 Jefferson County Air Pollution Control
7 District of Kentucky. Some of the counties
8 in the area are currently in a nonattainment
9 area, under the Clean Air Act. This is for
10 noise and standards. And there has not been
11 sufficient data presented for studies
12 conducted to counteract any potential air
13 quality problem that may arise, say secondary
14 traffic, construction, and the like.

15 Caesar's did submit an air quality
16 study. That's the only study that's been
17 used. The Army Corp of Engineers did not
18 conduct any independent evaluations regarding
19 this matter. They pretty much just said we
20 will go with Caesar's study, and they failed
21 to look at the matter any further.

22 Another major issue, which we would
23 like to bring to the commission's attention
24 and you all have copies in front of you, is
25 the site safety evaluation presented by

1 William Kline, who is the manager of Gateway
2 Services.

3 It is my understanding that the
4 commission has in the past questioned
5 Caesars' ability to float in the Ohio River.
6 And there are some major issues as to
7 building a vessel to stay within Indiana
8 boundaries, because under the law the boat is
9 not allowed to go into Kentucky's part of the
10 river. And if you read over the general
11 specs you will see that even under perfect
12 circumstances, under perfect weather, perfect
13 human -- I don't know the word I want to say,
14 if everything is working perfectly the vessel
15 is so large that there is just a miniscule
16 amount of space to stay within Indiana
17 boundaries of the Ohio River.

18 They also have not addressed safety
19 issues, emergency plans in case a hazard
20 would happen. And, consequently, the vessel
21 is too big and it's -- even the Army Corp of
22 Engineers, in their represented decision,
23 stated it is likely it will go into Kentucky
24 boundaries. And that is in a direct
25 violation of the statutory law. And that is

1 in addition to the safety requirements which
2 have not been addressed by Caesar's.

3 MR. CHAIRMAN: This lawsuit has been
4 filed, is that correct?

5 MR. FRYE: Yes, that's being filed
6 today.

7 MR. CHAIRMAN: Has there been a date
8 set for this hearing on the injunction?

9 MR. FRYE: Not to my knowledge.
10 Toby Malone may be able to answer that
11 question for you, since she's the attorney
12 that actually filed it.

13 MR. CHAIRMAN: So, it's being filed
14 sometime today if it hasn't already?

15 MR. FRYE: Yes, correct. That's to
16 address the lack of environmental impact
17 statement and the Corp of Engineers review.

18 Specifically, under the National
19 Environmental Policy Act, NEPA, alternatives
20 have not been adequately addressed. There
21 has not been independent studies done. The
22 Army Corp of Engineers has not looked at that
23 indirect policy environment, the study on
24 traffic and air quality concerns, studies may
25 have been presented by Caesars', but that's

1 all that's been looked at. You need
2 independent studies for that. And the
3 secondary issues, such as lighting and sound
4 has also not been addressed.

5 So, the environmental law, as it's
6 written, seems to be ignored by the Army Corp
7 of Engineers, despite our concerns about it,
8 despite public citizens' concerns about it,
9 despite the EPA, the Fish and Wildlife
10 Service, and the Jefferson County Air
11 Pollution Control District.

12 Each one of these bodies has brought
13 up questions about the environmental impact
14 statement rather than environmental
15 assessment, which the Army Corp of Engineers
16 has done. And that is why they filed suit,
17 because it is definitely required.

18 And, as a secondary note, there have
19 been a -- I believe it was in March, under a
20 permit that was issued in February, there
21 have been three violations within a week,
22 under the permit. I believe you have that
23 material in front of you as well, copies of
24 the permit violations.

25 And, quite simply, as we see it, the

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Army Corp of Engineers violated NEPA, Clean Water Act, Rivers Act 1889, and the Clean Air Act. For that reason suit has been filed and we will pursue the matter until concerns are addressed.

MS. BOCHNOWSKI: So, you're basically just giving us kind of a head's up on this in our consideration of an extension?

MR. FRYE: Environmental does impact Indiana citizens, and that needs to be studied and looked at by the Army Corp of Engineers. And they have not done any studies in that regard.

MR. CHAIRMAN: He's basically outlined the suit that they filed in U. S. District Court, and it will be up to the U. S. District Court to handle it from this point on.

MS. BOCHNOWSKI: And, obviously, in other cases where we have had suits filed against other enterprises in various ways we have honored any injunctions or whatever. So, it will depend on what the court says how

basically representing Floyd Park and

1 Harrison County, due to the logistics,
2 there's no way that all these people could
3 know exactly what I'm saying, so I will say I
4 represent them although they have not
5 approved this information.

6 If you would take your pencil and on
7 the first sheet if you would write need, on
8 the green copy, it will be fine. Write need,
9 wanted, net profit, and a question mark by
10 each of those. I want to address that very
11 quickly.

12 If you look at our area you will see
13 that one of the stipulations for a riverboat
14 economic development is need. The employment
15 is less -- unemployment is less than three
16 percent. You have articles like this that
17 says riverboat casinos find it tough to fill
18 jobs. You have help wanted signs all over
19 our community, and employers are hurting for
20 employees. Wanted is -- as most of you know
21 you were there.

22 This activity does go, and is required
23 to go, primarily through our county, which is
24 Floyd. Most of the people in this area,
25 including the bridge port, where the area is

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located, voted strongly against this. It is not wanted.

Net profit, revenue versus expenses has not been addressed. And we talked about economic and environmental expenses. So now I would let you go to the first page, and that basically says that the confidence that we have in this commission -- and incidentally I have not included footnotes, but if you are looking on the fourth page these are actual copies of the letters and augmentations that I refer to. So you don't have to have footnotes, you can look at them directly.

We feel that one of the things that should be considered, and it's basic in the Indiana law and basic in the situation, where it says economic development in the home dock area will be best serving the interest of the citizens of Indiana. That is the situation I would like to focus on, serving the best interest of the citizens of Indiana. Okay.

The last request there on the bottom of the first page states that all citizens of the State of Indiana will be greatly affected

1 by the decisions passed down by this
2 commission. We strongly urge you to
3 recognize your unique position to either
4 protect or harm our section, our economy,
5 environment, on a local and state level, both
6 immediate and long term.

7 The second page. If I were setting in
8 your shoes I would like to know what changed
9 from the last time you made your decision. I
10 would like to address just one of those
11 things that's changed, issue number two.

12 We have a time constraint, so I want
13 to just capitalize. There has to be a
14 maritime site risk analysis. That was done
15 in November of 1996. The letter that you
16 have in your packet is from the U. S. Coast
17 Guard. And I want to just capitalize it. It
18 says if there are changes in that, then the
19 Coast Guard could revise their statement. In
20 other words, they could and would possibly
21 revoke their approval.

22 It says also in the statement that
23 well-placed assets -- and I'm getting at the
24 core area of risk analysis response plan and
25 so forth. Without getting into a lot of

1 detail you will see that the risk analysis
2 reports that a gentlemen by the name of
3 Mr. McBride will be used and has been
4 contacted.

5 You see in there the statement that it
6 is not credible and not accurate and he
7 denies -- and he says in about the middle of
8 the last paragraph I will not assume the type
9 of liability and never agreed to such. I
10 could not guarantee to any such arrangement.

11 And he also brings up the issue of
12 mussels in Lob Creek, and saying if he were
13 to be the contractor he couldn't possibly
14 come to the rescue, because he would have to
15 cross the mussels, and that issue has been
16 and will be debated quite a bit.

17 The next item, item B, this comes from
18 the report that I think most of you are
19 familiar with. It's a report put out by the
20 School of Public and Environmental Affairs.
21 This is a documentation that allows the
22 analysis of a specific size of a riverboat.

23 I would like to call your attention to
24 certain statements in there. Again, because
25 of time I just will highlight a couple

1 things. No estimates for direct expenditures
2 are attempted or indirect. If property taxes
3 cannot rise, school corporations appear to
4 likely face negative impacts of hundreds of
5 thousands of dollars. The FD's are not
6 included in the final analysis, even though
7 reported and recognize they exist.

8 Coming down to the last paragraph,
9 under item B. Again, you cannot measure
10 income without actually measuring the cost of
11 doing business as well, as any economist and
12 business person is well aware of. I think
13 that shouldn't need to be said, but it needs
14 to be said.

15 Statements of findings, which was
16 referred to a little bit. I just want
17 specifically to report on one of those, which
18 is item C in the report. There's letters
19 here from the Corp to me stating that
20 economic analyses would be done. And I cite
21 the letter and give you a copy of it. In
22 fact it was not done.

23 And in a subsequent letter from the
24 Corp of Engineers, the spokesman for that
25 particular project states that they were not

1 aware of any studies performed by the State
2 of Indiana regarding economics. Now the
3 reason that's important, the Corp, if you
4 come back up to your item C, in accordance
5 with 33CRF324 Q, that doesn't mean anything
6 to most of you, but basically it says that
7 the Corp will generally assume that an
8 appropriate economic evaluations have been
9 completed. I want to repeat that. Generally
10 will assume that appropriate economic
11 evaluations have been completed.

12 When they put this statement of
13 findings out they basically said we will
14 assume this has been done, when in fact they
15 recognize it has not been done. And that's a
16 part of the lawsuit which you just heard
17 about.

18 Item D here, I wish Mr. Klineman was
19 here because it's quoting him directly. It
20 says "one of the questions asked by the final
21 report interim study on public and gaming
22 issues in 1993, the question is asked of
23 Mr. Klineman what revenues will flow from
24 riverboat gambling. And his answer was: "At
25 this time he does not know what revenues will

1 flow from the riverboats." The commission
2 asked him the question, there were no
3 questions about cost and there were no
4 reference to cost in the answer.

5 If you come down in the last request,
6 that's what I'm going to talk about. And
7 this is personally an emotional thing,
8 because, as I already stated, our county is
9 being very much impacted by this, and you
10 will see that the Department Of
11 Transportation requires a portion of the
12 Caesar's project, which is a direct road
13 access, to be in Floyd County.

14 If the project had been moved down
15 further there wouldn't be that issue. They
16 allowed them to infringe on part of us, then
17 what would happen next for parking lots,
18 hotels, whatever? I agree that this is an
19 emotional thing. It is very important to the
20 people of Floyd County. It would not be
21 important to you. But it is an issue in our
22 concerns about renewing this certificate of
23 suitability.

24 The request on the bottom of the page.
25 These issues clearly indicate there is

1 significant new considerations to be taken
2 into account, prior to making your decision.
3 We request the certificate of suitability,
4 and I state in there, not be renewed.

5 I would hate to be placed in that
6 position that you are all in. I would ask
7 you to strongly consider making it a very
8 short-term renewal, until you have had the
9 chance as an executive committee or
10 individually to discuss these items, discuss
11 the lawsuit and come back and make a
12 decision, and make your decision in a short
13 run.

14 I've got a whole box of materials we
15 can talk about, but basically one of the
16 issues I would like to reinforce is the
17 captain that talked about cruising, one of
18 the conditions that is part of the permitting
19 process by the Corp of Engineer states today
20 that they cannot cruise. One of the
21 stipulations is they cannot cruise until an
22 evaluation has been done on the impact.

23 There was a first study given back.
24 That study was -- I don't want to use the
25 word rejected, it was turned back for

1 additional study, and they are in the process
2 of doing it now. As it stands today, that
3 boat cannot cruise.

4 I would be happy to try to answer any
5 questions. There are a lot of other issues,
6 but I know we don't have time.

7 MR. CHAIRMAN: Thank you, Mr. Schultz.
8 Any questions for Mr. Schultz? Thank you,
9 sir. Mr. Thar, who else do we have?

10 MR. THAR: Mr. Land, did you have any
11 comments on INDOT, in relationship to the
12 Caesars' project?

13 MR. LAND: The roadway is within
14 INDOT's jurisdiction and right of way, and
15 it's all in order.

16 MR. THAR: I believe Caesar's --
17 probably Terry Mumford was going to start
18 off.

19 MR. CHAIRMAN: All right,
20 Miss Mumford? Miss Mumford, if you could
21 state your name and the name of your firm.

22 MS. MUMFORD: My name is
23 Terry Mumford. I'm with the law firm of Ice,
24 Miller, Donadio and Ryan. And our law firm
25 represents Caesar's Riverboat Casino, LLC, in

1 Indiana.

2 I want to introduce the various
3 members of our Caesar's team who are here
4 today. They will be available to answer
5 specific questions that you have after I have
6 given you an overview.

7 Sitting in the front row is
8 Roberto Rivera Sotto, our general counsel;
9 Mike Sesko, our vice president and project
10 manager for construction in Indiana; Michael
11 Brenner; Mark Saunders; Robert Pearson, our
12 vice president for construction;
13 Peter Boynton, our chairman; Todd Price;
14 Michael Walsh, and Mark Juliano. Also in the
15 audience we are very pleased to have
16 Terry Miller, Harrison County Commissioner;
17 Gordon Nichols, county attorney; and
18 Darryl Hoker, head of the Harrison County
19 Chamber of Commerce.

20 I did want to speak briefly today,
21 giving you an overview, and then we are
22 available to answer questions. As Mr. Thar
23 has indicated we are here to request an
24 extension of our certificate of suitability.

25 Just a housekeeping note, I wanted to

1 point out that in March when we were last
2 before you we presented some notebooks for
3 your review and participation at this
4 hearing. Today we have given you some new
5 notebooks, to update the information that was
6 previously submitted.

7 These new notebooks contain the
8 following: an executive summary that talks
9 about our project elements, construction
10 progress, our permit status and other
11 relevant information. We have also provided
12 you with new pictures of the project, a site
13 plan we are going to talk about in a moment,
14 contract information, exhibits talking about
15 our contract expenditures to date, and
16 finally a compliance status report with
17 regard to the regulatory conditions that have
18 been imposed.

19 But before I begin walking you through
20 the notebook, I want to give one very brief
21 comment on what's been said so far, and then
22 I will walk you briefly through the
23 permitting history of this project.

24 We have not had the chance to review
25 the lawsuit that has been filed, so we are

1 unable to comment on any of the particulars.

2 If you have questions about some of the
3 substantive issues, we would be happy to
4 address those, but we have not had an
5 opportunity to review that lawsuit.

6 Let me, as I said, give you a very
7 brief permitting history of the project.
8 That will help put our request into context.
9 When Caesars' submitted an amended
10 application for the Corp permit in February
11 of '97, it anticipated that the longest lead
12 time item for this project would be the
13 building of the permanent riverboat. We
14 thought it would take a little bit over a
15 year to complete that construction.

16 Given that time line, we believed that
17 we would be able to phase in the construction
18 of the permanent facility, such that we would
19 actually open with a temporary boat and
20 permanent facilities. However, as we all
21 know, that Corp permitting process took a
22 year.

23 As a result of that process we have
24 had to flip our expectations around. We now
25 anticipate opening with our permanent boat,

1 and in temporary facilities.

2 Another factor that I need to mention
3 before we go into our update, is archaeology.
4 Since mid February of this year, we have
5 learned a great deal about the archaeological
6 demand of our site. We have learned that the
7 area where we are planning on putting our
8 permanent pavilion has a fairly long lead
9 time, as a result of archaeological study
10 requirements. And we've learned that there
11 is an adjacent area that has a shorter lead
12 time.

13 We have been presented with the
14 opportunity to construct a temporary facility
15 in this adjacent area, but we have to be
16 willing to devote an additional eight point
17 five million dollars to that endeavor, and we
18 have submitted a plan for that temporary
19 facility to the Corp and state regulatory
20 agencies for review.

21 If those regulatory approvals come
22 through in a matter of a few months, we are
23 willing to devote the significant extra
24 dollars for the temporary facility. If the
25 regulatory approval takes a very long time,

1 our current plan will remain in place and we
2 will proceed with the archaeology that's
3 needed for the permanent facility and the
4 ensuing construction.

5 But I don't want to get too far ahead
6 of myself. I want to go through the notebook
7 and let you know what we've been doing, what
8 we are expecting to happen. If you don't
9 mind, turn to the executive summary and
10 looking at the second page that deals with
11 construction progress.

12 As I just commented, in order to begin
13 operation this year, archaeological
14 considerations are required that we do seek
15 approval for the construction of the
16 temporary facilities, which will serve our
17 permanent vessel when it arrives. Plans for
18 the temporary facility will be submitted to
19 the Army Corp and appropriate state agencies.

20 Assuming that the archaeological work
21 is completed in a timely fashion, and that we
22 get the approvals that we seek, gaming
23 operations from the temporary facility are
24 projected to begin four months from receipt
25 of the final permit to be issued by the Army

1 Corp for that construction.

2 If you will look behind the tab marked
3 temporary site plan, we have shown you in red
4 where the temporary pavilion would be
5 proposed to be. And then there is a detail
6 showing again where it will be located in
7 relationship to the rest of the project.

8 As I said, this is an opportunity that
9 presented itself as a result of our recent
10 archaeological work. We think we can clear
11 the archaeology and build in this area fairly
12 quickly, in comparison to the regular
13 construction. But that timetable is
14 dependent on regulatory approval and the
15 completion of the archaeological work we've
16 already begun.

17 If both of these are completed in a
18 matter of a few months we would plan to
19 proceed with the temporary facility
20 construction. If regulatory approval takes
21 many months, we will then be in a position to
22 open in part of the permanent facility.

23 You should be reassured that working
24 toward temporary facility does not affect the
25 permanent construction. We will proceed with

1 the construction of the permanent facility as
2 soon as we have completed the archaeology in
3 that portion of the site.

4 I want to take a moment, I suppose, to
5 brag about our archaeological work. We have
6 talked about it in terms of the burden it has
7 placed upon us. And Caesar's has made an
8 unprecedented commitment of resources to that
9 effort.

10 According to the Corp our commitment
11 of resources has resulted in excellent
12 quality and amazing quantity of
13 archaeological work. They view our
14 archaeological efforts as being
15 unprecedented. We are doing, by everyone's
16 evaluation, an outstanding job.

17 Let me return back to the notebook,
18 back to the executive summary, and talk
19 briefly about permitting, and review with you
20 generally the permitting status of our
21 project. And that would be on pages two
22 through five of the executive summary.

23 As has already been mentioned, and as
24 you are aware, the Army Corp issued a permit
25 on February 10, and that permit was

1 accompanied by extensive findings and is
2 subject to 34 separate conditions. And as
3 also has been noted, the EPA wrote a letter
4 to the Army Corp raising concerns with regard
5 to the Army Corp's action.

6 We interpreted the EPA letter as
7 raising the issue of whether or not
8 additional analysis should be performed. But
9 the EPA letter did not call for an
10 environmental impact statement, which caused
11 us to question the effectiveness of the
12 permit.

13 It's my understanding that we have
14 been provided by staff with a copy of the
15 Army Corp response, which we view as very
16 complete and very definitive. We also view
17 this as an interagency matter as we review
18 some of the issues that were raised earlier
19 today. We are not participating in an
20 interagency discussion but we are confident,
21 given time and effort with regard to our Corp
22 activities, that the Corp will be able to
23 resolve the issues that have been raised.

24 We are in compliance with the
25 numerous, very numerous, permit conditions

1 that have been imposed by all of the agencies
2 involved. We have in addition to the federal
3 permit conditions, state agency permit
4 conditions, as listed on page four, the state
5 permits that we have, that are related to the
6 construction.

7 And as also has been explained to you,
8 and reported to you in earlier meetings, two
9 of the permits have been appealed. We have
10 been very, very successful in the resolution
11 of those appeals.

12 The IDEM permit, the water quality
13 certification appeal, has been resolved in
14 our favor. The construction of the floodway
15 permit has been resolved with regard to every
16 issue on which the ALJ has ruled. There is
17 one issue remaining, which will be heard in a
18 hearing to be held the end of May.

19 The last tab of the notebook is an
20 abbreviated chart showing the Army Corp's
21 conditions, correlating those with some of
22 the state permit conditions, and reporting to
23 you on our compliance status. We think our
24 efforts have been very complete and in
25 compliance with the permit condition.

1 I also want to emphasize that Caesar's
2 is proceeding in every area that is currently
3 permitted. For example, as you may be aware,
4 because of fish flying in the Ohio River, we
5 have had to cease in water construction. Yet
6 during the same time period we have still
7 been making progress.

8 In your picture section we show you a
9 lot of stuff. One of the really impressive
10 things is the placement of the pedestrian
11 bridge across State Road 111. We work
12 whenever and wherever we can to fulfill our
13 commitments to you and to Harrison County.

14 To date we have expended 135 million
15 dollars on this project. We have additional
16 contractual commitments totalling 50 million
17 dollars, for a grand total of 185 million
18 dollars committed to date. The detail on
19 those expenditures and commitments are also
20 contained in the notebook, behind the tab
21 marked contract information.

22 Additionally, we are proceeding with
23 our personnel needs. We have approximately
24 90 people currently employed, and we have 100
25 people who have completed our training

1 program.

2 Finally, in terms of the update, you
3 may remember from our fall meeting that
4 Caesars' parent company, ITT, was being
5 acquired by Star Wood. Last month we filed
6 with the commission staff the relevant
7 information with regard to the acquisition,
8 and we continue to work with staff on
9 whatever additional information is needed.

10 In closing, I want to make a few
11 general observations about how Caesar's has
12 approached the many challenges that have been
13 presented to us in Harrison County. It's
14 hard to pick just a single right metaphor
15 descriptive phrase for our efforts.

16 I think the best way to put it is that
17 we have been responsive, resourceful and
18 flexible in dealing with the needs of the
19 regulatory agencies and realities of our
20 site. We have attempted to accommodate the
21 various regulatory agencies with which we
22 have dealt whenever we could. And throughout
23 it all we have tried to perform every task
24 with our trademark of excellent quality.

25 We ask today for your permission to

1 continue our work. I thank you very much,
2 and we are prepared to answer questions.

3 MR. CHAIRMAN: Thank you Ms. Mumford.
4 Any question?

5 MS. BOCHNOWSKI: I have one. You
6 indicated that you didn't want to make the
7 expenditure for the temporary facility, if
8 the permitting process would take a long
9 time. But, as we all know, you don't know
10 until you get into it how long the permitting
11 process will take. And it's my understanding
12 a temporary site is the same as a permanent
13 site, as far as the permitting process goes.
14 So, how will you make your decision?

15 MS. MUMFORD: Well, actually, it's one
16 of those situations where time will make the
17 decision for us. We are prepared to go
18 forward with the temporary facility if we get
19 the regulatory approval at a time when it
20 makes sense for us to go ahead and build it.
21 As time goes on, to the point where we might
22 as well just work through to the permanent
23 facility, then we will do that. It will
24 really just be a matter of timing.

25 MR. CHAIRMAN: Any other questions?

1 MR. SWAN: I have a question. What's
2 the latest you are going to be in the water
3 on a permanent basis? If we don't go with
4 the temporary but go with the permanent site,
5 then what are we looking at on a time line
6 for operating the permanent vessel, in terms
7 of time?

8 MS. MUMFORD: Let me just give you the
9 two components then they can help quantify
10 it.

11 The first component on the permanent
12 facility will be the completion of the
13 archaeological study of the area where the
14 permanent facility will go. And, as I
15 indicated, that is a longer lead time item
16 then it is for the temporary facility. So
17 that's this. And then once the
18 archaeological area is cleared, then we start
19 the construction of the temporary pavilion,
20 we have the ability to bring that on in
21 phases.

22 Now, let me see if I can have the
23 construction people quantify. Here's
24 Mr. Bob Pearson.

25 MR. PEARSON: My name is Bob Pearson.

1 The permanent facility, permanent boat
2 situation, the permanent facility is located
3 in what we call area 484 of the site. And
4 one section of 484 has considerable
5 archaeology to be done.

6 There is a picture in your book
7 showing the structure, which is a huge big
8 tent, which is where we will do the
9 archaeology work for that particular site.
10 Now, we expect it to be quite extensive.

11 That work will probably start in June
12 and, depending on how much we find there, it
13 could take from three to five months. And
14 depending on how many archaeological students
15 we can get to do the work, and there are a
16 limited number of people. Right now we have
17 80 archaeologists on the site working.

18 Anyway, the upshot of it is, to get
19 the permanent building we have to complete
20 that archaeological work. To get the part of
21 the permanent building we would need to
22 specifically do the ticketing but none of the
23 food service and recreational work. So just
24 to do the ticketing would be six months after
25 the archaeological work. So, it could be

1 nine months or something like that.

2 MR. SWAN: There's more to it than
3 just doing the work. It's doing the work and
4 getting the approval.

5 MR. PEARSON: We can start the work
6 right now. The permits that we have from the
7 Corp allows us to work right now on that
8 site, as soon as we finish the archaeological
9 work.

10 MR. SWAN: What point in the
11 archaeological work? I mean is it something
12 that says oh, you shouldn't build here? I
13 don't understand what's happening.

14 MS. MUMFORD: The archaeological work
15 that we are doing is excavation and
16 cataloging. That's the time table that it
17 takes. It's not a decision of whether or not
18 you can go there, it's the time of getting
19 stuff out of the ground -- you know, washing
20 it off, checking it in over here.

21 I want to make sure that there's
22 another question that maybe lurking there.
23 The only additional regulatory authority we
24 would need would be in regard with the -- if
25 we go for the temporary facility. There is

1 no additional regulatory approval need for
2 the permanent facility.

3 MR. SWAN: The length of that would be
4 nine months?

5 MR. PEARSON: That would be to be
6 partially open with the permanent facility.

7 MR. SUNDWICK: Let me ask a question
8 then. Everything we have heard today you are
9 still saying -- you are saying Winter of '99.
10 Which could be December 31, '99, but Winter
11 of '99. Do you see any extension any longer
12 than that period of time? The permanent
13 project, the hotel will be done by the Winter
14 of '99?

15 MS. MUMFORD: Those assumptions are --
16 I mean, those are built on certain
17 assumptions with regard to archaeology.

18 MR. SUNDWICK: I understand. The only
19 thing we are trying to do is find out if
20 that's -- you're telling us today -- if the
21 time table goes up two more weeks, we don't
22 care. We just want to know the answer. I
23 think that's what Bob's asking, is that
24 what's the answer. Of all the things you told
25 us, does this change or do we write this down

1 in stone?

2 MR. SOTTO: The problem is that if you
3 are to say to us you can start building today
4 I could give you an exact date when we are
5 going to open. So, what we have --
6 unfortunately, we have to hedge everything we
7 advise you, with the fact that there are
8 items that are outside of our control. So
9 what you have is our best estimate.

10 MR. SUNDWICK: That's right. I
11 understand that. So, what I'm saying to you
12 is right up front, what you know today, your
13 best estimate, it could be a little bit
14 longer than the Winter of '99?

15 MR. SOTTO: No, our best estimate is
16 what's written in this notebook.

17 MR. SUNDWICK: Okay.

18 MR. SOTTO: Based upon what we know
19 today, our best estimate is what's written in
20 this notebook.

21 MR. SUNDWICK: Did you know about that
22 lawsuit today?

23 MR. SOTTO: Well, when we prepared
24 this book we did not know about the lawsuit.
25 But then again we have not seen a copy and

1 we don't understand -- I haven't seen it. We
2 are not named as a party. We will appear,
3 you can rest assured.

4 MR. SUNDWICK: Bad news, you are.

5 MR. SOTTO: We are? Well, that's
6 better. And now I don't have to file a
7 motion to intervene.

8 MR. SUNDWICK: So, we are still
9 looking at about 2000 to get this thing done.

10 MR. SOTTO: Yes. What we are looking
11 to do is, we have made a commitment to this
12 commission, as well as the people of Harrison
13 County, that we will do our best to try to
14 get any operation up and running as quickly
15 as possible. That is why we have presented
16 this alternative with regard to the temporary
17 facility.

18 And it's really a question of timing.
19 If we get the proper approval needed for the
20 temporary facility, we can get the approval
21 in hand and the construction done at the
22 temporary facility before getting all the
23 work done, as precedent to being able to open
24 the permanent facility, we will go that
25 route. We are willing to put eight and a

1 half million dollars of our money behind that
2 commitment, if we can get that open quicker.
3 But it is a question of time as to if one is
4 going to tell us where we are going to be.

5 MR. SUNDWICK: I certainly understand
6 you are doing everything you can. That's not
7 my point, I guess. I was just trying to come
8 up with what you think might change your
9 dates.

10 I'm like you, I don't know either, so
11 I would say winter of '99, plus something,
12 because what I hear today, as a logical
13 person, I'm not the attorney, but I could --
14 from what I heard today it might be extended
15 somehow. It might be extended.

16 MR. PEARSON: It may be, but I can't
17 stand here and tell you. I wish my crystal
18 ball was working a whole lot better than it
19 is.

20 But, what you have before you is what
21 is the corrected judgment of a number of
22 people who sat in a room and beat each other
23 up to try to present you with the best,
24 fairest, and most comfortable date we could
25 give you and that we could rely upon.

1 Again, a lot of this is subject to
2 items that are outside our control. What you
3 have is our assurance that we are not setting
4 back and waiting for things to happen. I
5 want to invite you to go down to the site and
6 look at it. And you will -- I mean, it's a
7 construction site. There is no doubt. The
8 construction activity is proceeding and it's
9 proceeding at pace. We are doing what we can
10 do right now.

11 MR. SUNDWICK: I guess you could
12 assure us that it wouldn't be any earlier.

13 MR. SOTTO: We have every hope it is
14 going to be earlier. We would like it to be.

15 MR. SWAN: The second question that I
16 have is, that if this archaeological for the
17 temporary site was looking like it could be
18 done in three to five months period, I think
19 you said, and you went that route, then what
20 would you be looking at as far as when the
21 first quarter went in the slot machine?

22 MR. SOTTO: We expect that to be open
23 within three to four months of the date -- on
24 the temporary facility on the date that the
25 archaeological work is completed. The moment

1 they let us put a stake in the ground and do
2 the work we will be open. We will be open
3 doing gaming operations within three to four
4 months.

5 Now, we put four months in there
6 because, again, we didn't want to mislead
7 you. We are going to try our best to get it
8 shorter than that. But we did put four
9 months in this book. We looked at three to
10 four months, after we are told that we can go
11 ahead.

12 We have to get the archaeological work
13 done. But we also have to get permission to
14 go ahead. If the archaeological work gets
15 completed before the permission comes in, we
16 have to wait for the permission coming in.
17 But if those two things coincide, in three to
18 four months you will have gaming operations
19 in Harrison County.

20 MR. CHAIRMAN: Remind me, is there
21 some amount of money that you will pay to the
22 county if it's not on board at a certain
23 time?

24 MR. SOTTO: We have a provision for
25 delayed damages in our development agreement.

1 It pegs off of dates for gaming operations in
2 addition dates for the entire project to be
3 completed.

4 MR. CHAIRMAN: Is that going to start
5 occurring in the near future?

6 MR. SOTTO: No, not in our concern.
7 The precedents have not been satisfied. We
8 needed a final permit in order for those
9 conditions and precedents to be satisfied.

10 MR. CHAIRMAN: All right. Now,
11 according to what you provided us here today
12 it appears that the boat will be in a
13 temporary mooring sometime in the Summer of
14 1998; is that right?

15 MR. SOTTO: That is correct, sir. The
16 boat is, from my understanding, what's called
17 in the maritime industry as, quote, ready to
18 leave, unquote, from the shipyard in
19 Louisiana. There's work that still needs to
20 done on it but it can be done there, it can
21 be done on the way up, as well as once it
22 starts here. And we have made arrangements
23 for a temporary docking facility, that I
24 understand has in fact been used before by
25 another licensee.

1 It is off the Ohio River, so it
2 doesn't represent any problem as to river
3 traffic. And it is a place, again, that has
4 been used before. It is not ideal. Nothing
5 is going to be ideal until we get the entire
6 project completed. And even I think
7 Mr. Walsh has a number of things he would
8 like to do, but every operator does.

9 MR. CHAIRMAN: Any other questions?

10 MS. BOCHNOWSKI: Yes. What about this
11 issue in your book here? I mean, this has
12 just been presented to us, so I could be
13 missing something.

14 You have an emergency depth plan.
15 What if the evacuation plan has been
16 implemented and you have been in compliance
17 here and then we got this information that
18 you don't have anybody to do -- the U. S.
19 Coast Guard hasn't received something.
20 Again, I am just looking at this for the
21 first time.

22 MR. SOTTO: Again, I can assure you
23 and the commission we have submitted every
24 document that's required of us, including the
25 emergency plan. Where the information or

1 allegation is coming from that this has not
2 been done, is as much a mystery to me as it
3 is to you. This is the first time I heard
4 it.

5 MS. BOCHNOWSKI: That would be pretty
6 important.

7 MR. SOTTO: I can tell you that part
8 of the exercise and making sure that our
9 representations to you today were
10 representations that everybody brought in,
11 was going through the process of going
12 through each and every one of those
13 conditions and to create the chart that is
14 before you. And I have received
15 representations from our personnel that in
16 fact all of those steps have been taken.

17 MR. SWAN: They had mentioned also
18 that you had three permit violations in a
19 week. Would you like to discuss those,
20 please?

21 MR. SOTTO: One of the things that's
22 very important to us is that we do the things
23 that we say we will do and don't violate
24 permitting requirements. When you say that,
25 I don't know what those are.

1 And I don't know what the three
2 violations were in a week. There have been
3 three violations issued by the Corp that I
4 know of. It is my information that the Army
5 Corp of Engineers has been out to inspect the
6 site at least once daily, which is
7 significantly more frequently than any other
8 project that this state has seen.

9 And I will note for the commission
10 that this is not my first work on this type
11 of project. I did one in Illinois. And this
12 level of Army Corp Engineering involvement
13 far surpasses what my prior experience has
14 been.

15 But the three instances on
16 noncompliance that have, quote, been written
17 up, are as follows. One, was our current
18 required that certain discharge pipes be
19 inside the stream. They go all the way into
20 the stream. In other words it can't short
21 shoot.

22 When we placed them it was inside the
23 stream. The water level in the stream went
24 down, which resulted in the water level
25 coming down, the pipe was pouring into the

1 stream. While we were there extending it,
2 the Corp showed up and wrote us up for it.

3 Another instance was --

4 MR. SWAN: Excuse me, this is the silk
5 curtain?

6 MR. SOTTO: No, this is in addition to
7 the silk curtaining. The water level came
8 down because of the passage of the water, the
9 silk curtain had been essentially destroyed.
10 We then replaced it. What was the distance?

11 MR. SESKO: The distance is over 1600
12 feet. We've replaced that silk curtain on
13 this project now a total of four times. The
14 river has been up and done -- excuse me, my
15 name is Mike Sesko, from Caesar's.

16 The river has been up and down in
17 elevation this year. In the past week it has
18 risen to 422, dropped down to 398, four days
19 later it was back up to 422.

20 When it rises to that elevation I lose
21 silk fence across the whole entire project.
22 When the river goes down we are immediately
23 manned up and are replacing that curtain.

24 The Corp shows up, the curtain is down
25 and out, but we are taking care of correcting

1 it and replacing it. It's an ongoing issue
2 this past summer. It's been tough out there
3 on the river.

4 MR. SOTTO: Commissioner, Mr. Sesko is
5 actually the project manager who is in charge
6 of the construction, and is on site in
7 Harrison County. And, Michael, would you
8 give the last instance.

9 MR. SESKO: The last instance, we were
10 in the process of replacing the north south,
11 and it was about a week and a half before we
12 could get out in the river, July 1st. We had
13 our curtain in place, the river started
14 coming up so fast on us we had to cease
15 operation.

16 Basically, some of the pictures show
17 you that the silk is half completed. That
18 silk would have a tendency to rack or fail
19 and we were very concerned about that.

20 We made an arrogant judgment the 1st
21 of April. We were on the barge that was in
22 the river, we weren't replacing anything but
23 we should have not been on that barge. We
24 made an error in judgment.

25 My office is responsible for that

1 error in judgment. The Corp was on site and
2 notified us that we were in error. We got
3 out of the river, we talked to the Corp and
4 all the agencies that if there was a plan
5 that we could go in and stabilize that cell
6 so that it wouldn't fail and also do whatever
7 else the Corp wanted us to do.

8 After a period of time, the Corp came
9 back and said they wanted us to remove the
10 tubing, remove the H valve that we had put in
11 the river and take the barge and the crane
12 and remove it off site. We've done that in
13 the period of time that they've asked us to
14 do that. And all that's been removed.

15 We will not do any more work in the
16 river until July 1st. And, at that time, we
17 will go back in and try to place the curtain
18 and extend it. We have had failure of that
19 curtain three times now and have lost one
20 section of 1200, over a cost of \$60,000 to us
21 to replace that curtain. It is sitting on
22 the bank, we will put it back in place July
23 1st.

24 With the agreement of all the agencies
25 once we have deployed that curtain and they

1 are comfortable that that curtain is working
2 as it's intended, we will then bring the
3 equipment back, put the barge in place and
4 finish the north south. We've got some
5 resting piles that we have to put in and we
6 also have some dredging. And we estimate
7 that work to take up to 45 days.

8 MR. SUNDWICK: You know, in your
9 experience in a project this size, there has
10 to be some kind of issue you run into with
11 the Corp? Am I right?

12 MR. SESKO: Yes. You try to avoid
13 them. Unfortunately human decisions
14 sometimes make for problems and make for
15 conditions where you are out of compliance.

16 We have pulled the contractor into my
17 office with my staff and we made some changes
18 with that contractor. We brought on a
19 different project manager that I feel is a
20 little more in tune to -- before he takes
21 that first step he looks at it two or three
22 times, and confers with people and says okay
23 we can make that step.

24 It makes it difficult to get
25 construction to proceed at a steady pace, but

1 with conditions that we have on our permit
2 it's necessary at this point in time and will
3 be throughout our project.

4 MS. BOCHNOWSKI: You said that you've
5 seen the river rise and fall quite
6 substantially during this period. Just out
7 of curiosity, since that is an issue as far
8 as the flooding and everything happening, do
9 you still feel comfortable with your plans?

10 MR. SESKO: Our facility would
11 accommodate these periods of time. We will
12 still be able to operate and function, if the
13 boat was open, and get customers on and off.

14 MS. BOCHNOWSKI: And I know you said
15 that before, but not -- you have real
16 experience and I wanted to know --

17 MR. SESKO: We would still be able
18 to -- we have had real experience. We
19 have -- not to a condition with the river
20 elevation where we would have to evacuate the
21 site, or that we would then lose any of our
22 land site facility.

23 The fortunate thing about our design
24 of our marine facility it's similar to an
25 offshore jacking platform. We can raise and

1 lower hydraulically our loading platform on
2 and off the boat. So we are able to
3 accommodate these elevations, rises in
4 elevations, and also when the river drops and
5 runs away from us.

6 We will get a period of time here in
7 July when the normal pool elevation is about
8 the 388 mark, somewhere in that range. The
9 water will be down and we will be able to get
10 our curtain in place and be able to do the
11 dredging after July 1st. Right now the river
12 is crazy out there. It changes in a heart
13 beat.

14 MS. BOCHNOWSKI: Now, this curtain,
15 what is it made of and when you lose it does
16 it just go down the river, does it hurt --

17 MR. SESKO: The last time we lost it
18 it's probably down around the Mississippi
19 right now.

20 MS. BOCHNOWSKI: Does that put any
21 fish at risk?

22 MR. SESKO: It's a nylon curtain,
23 basically like an accordion, and you put dead
24 men on it and it extends it so that the
25 curtain can expand up to 30 feet. So it can

1 also contract with the river and everything.

2 So what that does is, that while we
3 are dredging everything it protects the
4 mussel bed from any sediments and everything
5 else going out and covering the mussel bed.
6 That's the reason for the curtain.

7 MS. BOCHNOWSKI: I would think that --
8 I mean, just sounds -- I'm picturing
9 something with mesh and fish getting caught
10 in it and whatever.

11 MR. SESKO: Well, we think what
12 happened when we lost it the first time that
13 the curtain was fully extended and very taut.
14 When the river is up we get exceptional
15 currents down there. We are also on the side
16 of the river where everything just -- we get
17 all the trash and garbage.

18 What looks like what happened to the
19 curtain is about five feet down. Either a
20 large tree or something hit that curtain and,
21 just like a knife, sliced it all the way to
22 1200 feet, completely destroyed it.

23 It's a challenge out there and we
24 continue to try to address these issues.

25 MR. CHAIRMAN: Any other questions?

1 All right. Thank you.

2 We have got this resolution that deals
3 with the extension of the certificate. Would
4 there be any discussion at this point?

5 MR. SWAN: I'm sorry, I did have one
6 more question. The issue was raised earlier
7 about cruising. I don't know it might have
8 been Mr. Frye who read the issue.

9 The comment was made that you are not
10 going to be able to cruise where you are at.
11 Can you go through this one more time for us.
12 I know we have been over this over and over.
13 I would like hear it one more time.

14 MR. SESKO: We submitted an initial
15 draft to the Army Corp of Engineers for a
16 permit. The draft came back and they asked
17 us to amend it and to redo it. We
18 resubmitted it to them again Thursday of last
19 week. They are reviewing it. I'm sure we
20 will see some comments of that.

21 The summary of the report says that we
22 can cruise this vessel, low water and under
23 high water conditions, and we can stay well
24 within Indiana waters. Once that report
25 comes out from the Corp and becomes part of

1 the record we will be glad to make it
2 available to you.

3 MS. BOCHNOWSKI: By cruising, you just
4 mean --

5 MR. SESKO: Yes. Our definition of
6 cruising to the south.

7 MR. CHAIRMAN: Any other questions
8 then? We have this motion here and it
9 discusses the extension of the certificate of
10 suitability, and it doesn't make any mention
11 of how long if we would decide to grant this
12 extension.

13 It does list out here the other times
14 the certificate has been extended. It looks
15 like originally 180 days, and then we went
16 for a month, then six, seven, eight months.
17 So, it's been all over the place.

18 MR. THAR: By rule, it's 180 days.
19 Most of the ones for a month have been to
20 either continue from one hearing to a next or
21 to continue from an expiration to the next
22 commission meeting.

23 MR. CHAIRMAN: Is there some
24 discussion about -- or does anyone have any
25 motion with reference to this resolution?

1 DR. ROSS: I think that all of the
2 holdup here seems to be not related to Caesar
3 but to other factors. So, I think they need
4 a full extension to attend the way they are
5 going.

6 MR. CHAIRMAN: Are you making a motion
7 for an extension of 180 days?

8 DR. ROSS: I'm making a motion for 180
9 days extension.

10 MR. MICAREK: I will second that.

11 MR. CHAIRMAN: Is there any other
12 discussion.

13 MR. THAR: By my calculations that
14 would be on or about November 2nd.

15 MR. CHAIRMAN: Then we would have a
16 motion and a second for resolution 1998 dash
17 17 to grant the extension of the certificate
18 of suitability to Caesars' Riverboat Casino
19 LLC, until or about November 2nd, 1998.

20 MR. THAR: 180 days, to on or about
21 November 2nd.

22 MR. CHAIRMAN: That's correct. 180
23 days to or about November 2nd. Is there
24 further discussion?

25 MS. BOCHNOWSKI: It sounds like we

1 will probably be back looking at another
2 extension at that time.

3 MR. THAR: I think that from a timing
4 issue we've heard today, unless they were to
5 get optimum time from regulatory agencies and
6 optimum construction conditions, that they
7 would not be -- or they would just about be
8 opening the temporary facility in about 180
9 days.

10 MS. BOCHNOWSKI: If that works out?

11 MR. THAR: Yes, that's all optimum.

12 MS. BOCHNOWSKI: Well, that's good
13 because we will have a chance to review it.

14 MR. SUNDWICK: We are going to have
15 the opportunity to hear about these lawsuits
16 as time goes on. We are going to be updated.

17 MR. THAR: Yes, staff will request
18 monthly maybe the week before each -- at the
19 time the agendas go out, an update on the
20 lawsuit for each meeting the commission has.

21 MR. SOTTO: Mr. Chairman, if you would
22 prefer we would be happy to make a commitment
23 that we will affirmatively update the staff
24 on a monthly basis.

25 And if you would want us back before

1 you at your monthly meetings we will be here
2 to provide you updates on the status of not
3 only the lawsuits but also where we are at
4 the time. I mean, sort of a mini update as
5 to where we are on each point. If that is
6 something that would be a convenience to the
7 commission.

8 MR. CHAIRMAN: Mr. Thar, is that
9 something you would find helpful every month?

10 MR. THAR: As long as it does not mean
11 Mr. Rivera Sotto is going to send me more
12 mailings.

13 MR. PEARSON: He has surrendered the
14 last package, which was ten boxes, and I
15 think I heard the uncle cry all the way back
16 in Las Vegas.

17 MR. THAR: The Star Wood acquisition
18 has caused rooms to be filled with paper. I
19 would like to have it in the following way,
20 so that we have a current update to give the
21 commission before each meeting and I'm sure
22 that there will be a representative or more
23 from Caesar's at each meeting.

24 And anything significant, such as the
25 granting of an injunction, the denial of an

1 injunction, the granting of a temporary
2 restraining order, the denial thereof,
3 anything like that.

4 MR. SOTTO: Would you like those in
5 writing or -- whichever you prefer, we will
6 do those.

7 MR. THAR: We will just take it orally
8 first and then move from there.

9 MR. SOTTO: We will do that.

10 MR. CHAIRMAN: We have a motion and a
11 second to extend the certificate for 180
12 days. Any further discussion? All those in
13 favor say aye.

14 COMMISSION: Aye.

15 MR. CHAIRMAN: Show the resolution is
16 granted.

17 When I became chairman I was informed
18 that -- and I said this before, that maybe I
19 was too young to do that because I could go
20 for a lot longer than some of the other
21 commissioners, so I think we will probably,
22 if it's okay, take a break. Is that the
23 feeling I'm getting?

24 MR. THAR: Ten minutes, fifteen
25 minutes, what's your pleasure?

1 MR. CHAIRMAN: Let's go back on at
2 five till 12:00.

3 (AT THIS TIME THERE WAS A BRIEF RECESS
4 TAKEN, AFTER WHICH THE FOLLOWING PROCEEDINGS
5 WERE HAD:)

6 MR. CHAIRMAN: The last item of new
7 business is not new business but the fifth
8 Ohio River license. That's on the agenda
9 here today. I understand there are
10 interested parties that would like to address
11 the commission. The first one is Mike Jones
12 of Switzerland County.

13 MR. JONES: Thank you Mr. Chairman.
14 My name is Mike Jones, president of the
15 Switzerland County Counsel. It's kind of
16 refreshing to be referred to as new business.
17 I want to thank Chairman Vowels and members
18 of the commission and all the staff.

19 My name is, again, Mike Jones, I am
20 president of the Switzerland County Counsel.
21 And on behalf of the citizens of Switzerland
22 County, and our neighbors throughout southern
23 Indiana, allow me to express my deepest
24 appreciation for your additional discussion
25 of the fifth license.

1 I was thinking driving up here this
2 morning that this has kind of been a five
3 year course so far, and normally one would
4 expect some certificate of achievement or
5 something like that, we will forgo that. We
6 do thank you for approving our request to
7 update you on our situation in Switzerland
8 County in southern Indiana.

9 The most significant investment since
10 our last meeting is that the actual results
11 provided absolute proof of the outstanding
12 nature of the southern Indiana market. Month
13 after month the actual performance confirms
14 an amazing growth in admission and revenue.
15 Once again we see the southeastern Indiana
16 market is constrained only by the capacity of
17 the two existing facilities. We have left
18 for you a series of reports, all based on
19 actual market performance.

20 Hyatt has achieved its highest
21 attendance projection and highest revenue
22 projection. It's operating today at 230
23 percent of its lowest projection. Yes, I
24 said 230 percent of its lowest projection.
25 And 115 percent of its highest projection.

1 Hyatt's best seven months of operation has
2 come since Argosy opened its mega boat. Both
3 Hyatt and Casino Aztar have increased their
4 admission and increased their income since
5 the opening of the Argosy mega boat.

6 Hyatt alone had recorded one million
7 more admissions in the past year than this
8 theory report projected. Casino Aztar
9 continues to operate above its projections.

10 We understand there have been some
11 concerns about Caesar's impact on the
12 southern Indiana market. And, as a layman, I
13 guess I could say with Argosy right next door
14 if it can't hurt Hyatt, then Caesar's with
15 its own immense market can't hurt Hyatt
16 either.

17 I could go on, but I won't. These
18 outstanding performances we feel should
19 settle the issue and dispel doubts.

20 Before I talk about Switzerland
21 County's future I must talk about the
22 present. First, I think it is difficult for
23 people to understand the reality of our
24 situation. Let's put Switzerland County's
25 situation in context.

1 Our annual budget is just slightly
2 over one million dollars a year. This
3 project will bring in 12 million dollars a
4 year. We need to spend as much as five
5 million dollars just to replace our condemned
6 bridges. It sounds like deja vu. We can't
7 keep prisoners in our jails for longer than
8 72 hours due to a court order. Instead of
9 patrolling our Switzerland County roads
10 deputies have to spend time taking prisoners
11 to Carrollton, Kentucky, across the river.
12 Everybody in Switzerland County knows we need
13 a jail, but everybody knows we don't have
14 three to five million dollars in taxes to
15 build it. Our present school system is
16 bursting at the seams.

17 A lot has been written and said about
18 local supporters who ride buses for two hours
19 to attend these meetings, as attested here
20 today. But let me present it in a different
21 manner. We send two bus loads of students to
22 Versailles, which is in Ripley County,
23 everyday. A two hour bus ride for vocational
24 education. Our superintendent and the school
25 board envision a facility of our own, but our

1 budget problems force our students to ride
2 buses rather than be able to spend an
3 additional ten hours each week in classrooms.
4 Our firefighters are still flipping pancakes
5 and frying chicken, rather than spending the
6 time training to fight fires.

7 An initial grant of four point three
8 million dollars for infrastructure from the
9 applicant, is four times our annual county
10 budget. The new infrastructure will help us
11 bring additional economic development
12 opportunities. Economic development builds
13 from infrastructure. Even if our gaming
14 partners never open their doors, the initial
15 grant and their initial spending will help
16 provide the base for an economic future.

17 Now, let's cross the river. Kentucky
18 will help our economic future because of the
19 construction of the 120,000 seat NASCAR
20 track, six miles from the Marker Dam. The
21 State of Kentucky will build a new
22 interchange and a new highway directly to the
23 Marker Dam Bridge. We have provided you with
24 letters from Kentucky officials confirming
25 this new construction schedule. This means

1 our riverboat project will be ten minutes
2 from Interstate 71.

3 Allow us to focus on our future, a
4 future built on economic development, a
5 future with our fine applicant, a future
6 where a new Kentucky interstate will mean
7 millions of visitors to our state. And a
8 future where Switzerland County meets its
9 longstanding needs, a future where
10 Switzerland County shares one million dollars
11 with Jefferson County, \$500,000 with Ripley
12 County and \$500,000 with Crawford County
13 through our revenues sharing. It's not just
14 Switzerland County in need as I stand before
15 you today. I introduce you to Steve Lyons,
16 president of the Jefferson County
17 Commissioners.

18 MR. LYONS: Thank you, Mike. As he
19 said I'm Steve Lyons, and I am a resident of
20 Jefferson County and president of the Board
21 of Jefferson County Commissioners. On behalf
22 of the Board of Commissioners, I would like
23 to thank Switzerland County for including us
24 in their revenue sharing agreement.

25 The riverboat project in Switzerland

1 County is more than just a Switzerland County
2 project, it's a regional project, whose
3 impact and revenue will be felt throughout
4 southeast Indiana.

5 Most recently Jefferson County lost
6 over 400 plus jobs to the closure of at least
7 four facilities, the Holstons, the Baileys,
8 Nine West and Jefferson Proving Grounds. The
9 much needed revenue offered by Switzerland
10 County will provide funds necessary to
11 improve crumbling infrastructures. A recent
12 study has shown that Jefferson and
13 Switzerland Counties; per capita income is
14 among the lowest in the State of Indiana.

15 Jefferson County must refund \$900,000
16 to a local electric utility over the next two
17 years. This will have a great impact on the
18 budgets of the Madison schools. Switzerland
19 County will share an estimated one million
20 dollars annually in their riverboat revenue
21 with our county. In comparison to our annual
22 average highway fund of one point six
23 million, this will make an incredible boost
24 to our budget.

25 We look forward to the benefits that

1 are area can reap from the added tax base,
2 tourism and creation of 1300 jobs. This will
3 give a long overdue shot in the arm to the
4 Ohio River region that is lacking in
5 interstate highway access, heavy rail
6 service.

7 Crawford and Ripley Counties will also
8 see significant economic benefits through the
9 issuance of the final Ohio River license to
10 Switzerland County and their willingness to
11 share their revenues.

12 I would like to thank you all for this
13 opportunity to speak.

14 MR. JONES: Commission members, I ask
15 that you allow Switzerland County to dream of
16 the future, a future of our own doctors, a
17 new 4-H facility, better education for our
18 children, safe bridges and new emergency
19 service equipment.

20 There are those who argue that
21 Michigan City was way too small and too far
22 away and too hard to get to, to not exceed
23 tourist estimations. But this commission
24 treated Michigan City fairly. You ignored
25 the naysayer and Blue Chip today is beginning

1 to receive the credit it deserves for the
2 benefits it has brought to northern Indiana.

3 Rising Sun was just like us, a city
4 and county with needs as great as ours. You
5 are justly proud of Rising Sun, as are we.
6 Here's your opportunity to create another
7 shining star in Switzerland County.

8 This process is about fairness. It's
9 a fairness for our citizens who must find
10 work in Kentucky. It's a fairness to
11 southern Indiana who, like those Hoosiers
12 along Lake Michigan, await the fifth license.
13 It's a fairness to our children who face a
14 future crammed in schools, a future of
15 leaving their home to find jobs, a future of
16 finding their medical care in other counties.

17 Allow us in Switzerland County the
18 same opportunity. The people of Switzerland
19 County voted for a riverboat. We are willing
20 to let our gaming partner risk their money
21 for our benefit. This is the right thing to
22 do. We respectfully ask that you schedule an
23 additional hearing for June, '98. Thank you.

24 MR. CHAIRMAN: Thank you, Mr. Jones.
25 Before we hear from any of the particular

1 applicants, is there someone here from
2 Crawford County to address the commission?

3 MR. THAR: Jeff Lorenzo. Jeff, are
4 you going to want to speak or Doug Floyd?
5 Doug Floyd.

6 MR. FLOYD: My name is Doug Floyd, I
7 am an attorney who represents Crawford County
8 Casino Corp, your applicant for the fifth
9 Ohio River license in Crawford County. I'm
10 here to remind you that Crawford County
11 remains a choice for the commission and for
12 the citizens of Indiana.

13 I'm not sure if I would agree that
14 June is the appropriate time for your
15 reconsideration of the fifth license. As
16 every citizen in Crawford County, I am
17 anxious that it is. But rather than agree
18 with Mike Jones that it is an appropriate
19 time I defer to your judgment on the question
20 and remind you that Crawford County has been
21 blessed with geography if nothing else.

22 It is, unfortunately, a county that
23 has a budget of less than the one million
24 dollars that Mike spoke of in Switzerland
25 County. And it consists of a population of

1 people who have been steeled, I guess, by the
2 lack of opportunity for a good number of
3 years. But that has also instilled patience
4 in the people that understand that the
5 purpose here is to satisfy the need for the
6 entire state.

7 Back to the blessing in geography, it
8 happens that there are two boats serving the
9 southeast market that Mike described a minute
10 ago. The state currently has no boat in the
11 Louisville market. Even if Caesar's finally
12 overcomes all of its adversities, which I
13 suspect it probably will, we represent a
14 choice in the Louisville market. And just as
15 the gaming customers in the southeastern
16 market have a choice today, so would they
17 have a choice in the Louisville market in the
18 event that you finally award the fifth
19 license there.

20 As we spoke to you the last time we
21 addressed this issue, that seems to satisfy
22 not only common sense but a good economic
23 analysis.

24 We would appreciate your
25 consideration, but only in the time that you

1 think is appropriate. And we will be
2 prepared to provide you additional
3 information at the time that you are ready to
4 receive it. Thank you for the opportunity to
5 address you this morning. We will be here
6 when you are ready to consider the fifth
7 license.

8 MR. CHAIRMAN: Mr. Lorenzo?

9 MR. LORENZO: Thank you
10 Chairman Vowels, commissioners, Mr. Thar, and
11 staff. Good morning and thank you for the
12 opportunity to address you this morning. I
13 am Jeff Lorenzo, on behalf of the town of
14 Leavenworth and Crawford County.

15 Let me begin by saying Crawford County
16 is ready for riverboat games. We were ready
17 when we were before you in August, 1996. We
18 were ready when we were here in December of
19 1997. And we are still ready in May of 1998.

20 As I have mentioned on several
21 occasions I have had to address you, we have
22 all the components in place for a successful
23 project. We studied our infrastructure, as
24 well as the social and economic needs of
25 Crawford County, and we believe that those

1 economic needs and infrastructure needs are
2 at least as drastic, and probably more so,
3 than our friends in Switzerland County.

4 We have assessed our unemployment
5 status, as well as the process for locally
6 owned businesses, and we continue to maintain
7 a good relationship with our applicant,
8 Crawford County Casino Corporation, and its
9 owner, Casino Magic.

10 We need only one other component to
11 complete the project, and that is your
12 decision to issue the fifth riverboat
13 license. Thus far you have chosen not to
14 issue the license because of two principle
15 concerns, and we understand that.

16 First, you indicated you have an
17 interest in determining the viability of the
18 markets in Cincinnati and Louisville metro
19 area. And, second, your concern that if the
20 market is not strong enough to support an
21 additional boat, the affected areas, either
22 Crawford or Switzerland, would be left with
23 significant unemployment, as well as
24 deteriorating physical assets that another
25 gaming company may not want and cannot be

1 easily converted to another use.

2 We respectfully disagree with this
3 assessment, and agree with Commissioner
4 Sundwick in his, to date, minority view that
5 the fifth license should issue now. The
6 people of Crawford and Switzerland Counties,
7 we believe, have waited long enough. On this
8 point, my friend Mike Jones and I agree. We
9 simply disagree as to where that license
10 should be issued.

11 We do in fact believe that the
12 applicants that are currently in the water
13 will have certificates of suitability, and
14 will continue to argue for additional market
15 analysis. It's in their best interest to do
16 so. If I were in their position I would
17 probably be making the same argument to you.

18 We also believe you when you tell us
19 you're concerned about the impact the fifth
20 license is going to have on the existing
21 operations and on potential unemployment in
22 Switzerland or Crawford Counties. We simply
23 don't agree with this premise.

24 The intent of the legislature, and I
25 believe the expression of the governor, have

1 been that the license should be issued, that
2 the commission should not sit on the license
3 nor wait for intervening information, such as
4 market data. This has been expressed by any
5 number of legislatures it was addressed to,
6 as well as the governor in written form.

7 But beyond that and perhaps more
8 importantly from our perspective, it appears
9 to me that this premise interferes with the
10 nature of the competitive marketplace. All
11 the applicants got into this game knowing the
12 rules. That five licenses would issue on the
13 Ohio River. They submitted their
14 applications and made their proposals to you.
15 In other words, these companies analyzed the
16 markets, they submitted their proposals, and
17 the assumed certain business risks.

18 Let them take the risk that they are
19 willing to take. We don't believe it is the
20 commission's role to protect these companies
21 from business failure. In fact, we don't
22 believe that there will be business failure.
23 We believe that the market in the Louisville
24 metro area is strong enough to support
25 another boat.

1 This analysis also applies to the good
2 people in Crawford and Switzerland Counties.
3 They know the risks. These people have been
4 made well aware of the risks, both by this
5 commission and by their applicants. I have,
6 in fact, worked in both of these venues for
7 nearly five years now, and I can tell you
8 that they are aware of what can happen if a
9 company fails. They are well aware of what
10 can happen if a company leaves the area.
11 Each of these communities have been through
12 significant periods of business closings and
13 unemployment.

14 And, in fact, unemployment, as you
15 will note in any statistical study you want
16 to look at, is chronic in Crawford County.
17 We have, unfortunately, the distinction of
18 leading the State of Indiana month after
19 month after month, in good times and bad
20 times, throughout the state. So we believe
21 that the license should issue.

22 We certainly understand the impact a
23 business failure can have, and we still want
24 the license. We still want it to be issued
25 as soon as practicable. We want the

1 commission to make a decision.

2 The applicants knew the rules, they
3 are willing to take the risk. The community
4 are active participants in the process, the
5 citizens of those communities are willing to
6 take the risk. We both have applicants, we
7 believe the members of the Indiana General
8 Assembly have expressed themselves
9 unqualified on this position. So now is the
10 time that we believe for the commission to
11 set a date certain, hear again from the
12 applicants and issue the fifth license.

13 As I said, Crawford County is ready.
14 Thank you.

15 MR. CHAIRMAN: Thank you, Mr. Lorenzo.
16 Anyone else on behalf of Crawford County?
17 Governor List.

18 GOVERNOR LIST: Thank you very much,
19 Chairman Vowels, members of the commission,
20 Mr. Thar and staff. We appreciate once again
21 the opportunity to be before you. Before I
22 begin my few comments I would like to
23 acknowledge our friends from Switzerland
24 County, our travellers who are with us. In
25 addition to Mike Jones, there are a number of

1 other public officials here.

2 Sheriff Johnson, once again, who is hoping
3 for his new jail. Kay Dean from the city
4 counsel and others as well.

5 We thank you for the opportunity to
6 come here and to urge you to proceed to set a
7 date in the near future to proceed with the
8 issuance of this final license. I'm going to
9 give you a few comments, if I may, on our
10 status, a bit of an update, and then I'm
11 going to introduce Mike Finnegan from
12 Hollywood Park. He has some additional
13 matters that he will address as well.

14 First of all, at the last meeting in
15 December where this was talked about, there
16 was concern expressed about Caesar's. And we
17 reflected on that considerably. I would like
18 to address it, if I may.

19 We heard this morning about the
20 permitting litigation issues and we don't
21 know what will become of those. We assume
22 ultimately they will prevail and they will
23 open. And all of our assumptions from our
24 business plan assume that they will be there,
25 they will be in competition.

1 And, frankly, that's fine. That
2 doesn't bother us at all. The reason is that
3 we know they are a great company. We know
4 they have a great site and we know that they,
5 in essence, have almost a monopoly with
6 nearly three million adults in their
7 marketplace, and our business plan has never
8 called for any kind of meaningful penetration
9 into that Louisville market. We never
10 depended on that. Our marketplace is
11 Lexington and the greater Cincinnati market.

12 So, that is a point that I simply
13 would like to drive home. We would hope that
14 you will, in your consideration, not tie the
15 award of this fifth license to Caesar's. We
16 don't know when they are going to open, but
17 when they do there's plenty to go around. We
18 will be happy with their leftovers, combined
19 with the rest of our core market. It will
20 mean a great deal to us.

21 Our level of success and their level
22 of success are virtually unrelated. There
23 isn't a gaming company in the world that
24 wouldn't love to have that proximity to
25 Louisville. We haven't applied for it we are

1 not competing for it. And, frankly, for all
2 practical purposes we relinquish it to them.

3 Our site, by the way, is permissible.
4 We are fortunate in that regard. We have an
5 environmental opportunity with the Webster
6 site that is rare and unique. We think it's
7 the most developable site in the entire Ohio
8 River Valley. It will have the least
9 environmental impact of any of the locations
10 of any of the licenses.

11 A word or two about the status in the
12 southeastern market, the greater Cincinnati
13 market, and the two operators over there. I
14 think we are all aware of the stunning
15 success that we have seen with Argosy and the
16 Hyatt. It's exceeded every forecast. It
17 exceeded their own projections, not only
18 their most likely but most optimistic
19 projections. They have now exceeded the
20 SPIDA forecast by tremendous amounts. They
21 exceeded the analysts forecast. These two
22 boats are enjoying smashing success by
23 everybody's reckoning. Surely no one can be
24 worried anymore about the depth of this
25 market.

1 You will recall that it's been widely
2 reported that the Fair Sterns most recent
3 evaluation indicated that they think it's
4 possibly a seven hundred million dollar
5 market. The two that are there now might do
6 400 or a little more, leaving a tremendous
7 margin of untapped capacity. And we have
8 only projected about 120 million dollars in
9 revenue, leaving a greater capacity even
10 after that riverboat opens.

11 So, we suggest to you that the time
12 has come when there should be no more concern
13 about competition, that you should proceed
14 and allow people in Switzerland County to
15 have the business and economic opportunities
16 that they have sought for so long.

17 With that, let me say that our entire
18 confidence in this market has been buttressed
19 and been fortified by the numbers. Month
20 after month, record after record, it's
21 gained, it's going strong. So we are excited
22 to proceed. We hope that you will set that
23 date in June.

24 Let me give you a bit of an update in
25 a couple of areas, then I will turn it over

1 to Mike. First of all, let me make you aware
2 that we have entered into an agreement with
3 Hilton, in which we are acquiring their
4 interest in the project. So, Hollywood Park
5 Boomtown, as of now, essentially is the
6 significant owner, and Hilton has stepped out
7 of the project for their internal strategic
8 reasons.

9 We also want to bring you an update on
10 the properties. You are probably aware that
11 some of our options expire in December on two
12 key parcels. We have reached an agreement
13 now with Mr. Webster and Mrs. Webster and
14 their partners, which extend those options,
15 and under which we now are back in a position
16 to utilize all the site that was envisioned,
17 and we are pleased about that. So, we are
18 prepared to move forward just as quickly as
19 you can act on the license.

20 Let me now introduce
21 Mr. Mike Finnegan, chief financial officer of
22 Hollywood Park, and also the president of
23 their sports and entertainment division.
24 Mike?

25 MR. FINNEGAN: Thanks, Bob,

1 Mr. Chairman, commissioners, Mr. Thar and
2 staff.

3 I am here today with a simple purpose,
4 and that's to assure you of our continued
5 interest and readiness to go forward on this
6 license. If you were to award it to
7 Hollywood Park Boomtown on the Switzerland
8 County project, we are prepared to go
9 forward.

10 A couple of updates -- well, I need to
11 mention something about Caesar's. Everyone
12 has talked about them. We think they are a
13 great company, we think they will be
14 successful in their site. We find it not
15 particularly relevant in terms of marketing
16 to the Switzerland County site. So, we think
17 that, if I can just echo Bob's remarks, our
18 project is not dependent upon their market
19 and those two awards of licenses ought not to
20 be, in our opinion, linked in some marketing
21 way.

22 A couple of updates on our company.
23 Since we last were here in December we
24 announced our acquisition of Casino Magic.
25 That is expected to close in or around the

1 month of October. That gives us, I guess
2 indirectly, some interest in both of these
3 sites. But our understanding is that they
4 have seeded their, at least contractually,
5 the Crawford County site to Harrods, and we
6 are today to pursue the Switzerland County
7 site.

8 The second piece of update that we
9 believe you are aware of, and that is we have
10 had or are having a series of discussions
11 with Horseshoe, with Hilton's withdrawal --
12 and I should indicate that Hilton's
13 withdrawal had has nothing to do with their
14 confidence in the marketplace. Their
15 decision is a strategic one.

16 With their exit we were approached by
17 Horseshoe in conjunction with some
18 discussions we had had with them about joint
19 ventures of the country, and asked if we
20 would be interested in them joining us in
21 this venture, and we were enthusiastic about
22 that. We do not have any agreements with
23 them at this time. We are in serious
24 discussions, we believe they are an excellent
25 company and will bring operating strength to

1 the project if they join with us. And, if
2 anything, that would strengthen what you've
3 already seen in terms of the proposal for
4 Switzerland County.

5 In that regard, Mr. Paul Alanese is
6 present here today and will make a few
7 comments on markets and this project, and why
8 they are enthusiastic about it and why they
9 feel specific enthusiasm to potentially join
10 us in this project.

11 MR. ALANESE: Mr. Chairman, members of
12 the commission, Mr. Thar, and staff, it's
13 been two years since I was in this hearing
14 room, and at that time we were seeking to be
15 approved for our application for certificate
16 of suitability for Harrison County. We left
17 that room disappointed, but certainly not
18 discouraged.

19 During these last two years we have
20 stayed busy and we have spent 300 million
21 dollars during that period of time
22 significantly expanding and improving our
23 existing facilities and tuning them.

24 We have added almost 1,000 all suite
25 hotel rooms, big new riverboat in Bosier City

1 and a major entertainment facility in Tunica,
2 significant new outside facilities and
3 amenities.

4 When we started those extension
5 projects we were the leaders in both of those
6 markets. During construction we remained the
7 leader in those two markets. And now that we
8 have completed the project, both of them,
9 this past January, the first three months of
10 operations indicate we have now expanded that
11 lead over our nearest competitor almost 40
12 percent. So, we do almost 40 percent more
13 revenue than our nearest competitor, which in
14 Tunica's case includes Grand Casino. They
15 have a facility a mile closer to Memphis,
16 three times our size in terms of gaming
17 positions and 200 to 300 more hotel rooms
18 than we have.

19 I am pleased to report that during the
20 month of March we exceeded twenty million
21 dollars in revenue in each of those two
22 locations.

23 When we came and made our application
24 for Harrison County, we at Horseshoe
25 considered that license to be the most

1 desirable, the most attractive riverboat
2 gaming opportunity in the United States at
3 that given time. I think that it is a clear,
4 near monopolistic situation for Louisville.
5 Easy convenient access to the huge
6 Indianapolis market makes the Caesars'
7 project in Harrison County an absolute sure
8 thing. We would trade places with them again
9 any day.

10 Since that time we have had dozens of
11 development opportunities presented to us.
12 We have rejected everyone of them. We are a
13 very cautious, conservative, and I think our
14 tract record indicates, very capable casino
15 developer and operator.

16 Mike is right, it was I who approached
17 them. When I became aware of the fact that
18 Hilton may be stepping aside as their
19 respective joint venture partner in the
20 Switzerland County project, I felt it was a
21 tremendous opportunity for Horseshoe Gaming
22 to, as the song goes, come back home again to
23 Indiana. We are most anxious to try and be a
24 part of this development, to make it a
25 Horseshoe casino, to have it be the quality

1 of operation that we have in Tunica and
2 Bosier. We have grown the market
3 dramatically in each of those locations and,
4 whether it's Hollywood Park or whether it's
5 Horseshoe, I believe that that development
6 will dramatically grow that southern,
7 southeastern Indiana market.

8 It is seeded by the introduction of a
9 quality gaming experience of Argosy. The
10 numbers have improved 100 percent year to
11 year. And Rising Sun, at the same time, has
12 improved 54 percent in margin from year to
13 year.

14 If you give the customer a quality
15 gaming experience, they will come. And there
16 are plenty of them in this market to go
17 around. We are extremely excited and we are
18 deeply committed to putting an agreement
19 together with Hollywood Park. We want to be
20 an important part of this development, we
21 want to come back to Indiana, we believe that
22 we can be successful in Indiana and that the
23 other operators who are now in operation, as
24 well as Caesar's, will remain not only
25 successful but the market will grow for all

1 of us. That they will ultimately be
2 beneficiaries of the type of quality
3 destination development that will turn
4 Switzerland County around.

5 So, we are very enthusiastic about
6 appearing before you again and taking a
7 second bite of the apple. We feel
8 comfortable that our agreement with Hollywood
9 Park can be translated into a definitive
10 written agreement within the next 30 days.
11 And therefore by June, by your next hearing,
12 we feel that we can could forward you well in
13 advance of that hearing that indeed an
14 agreement has been entered into, it is
15 definitive, it is in writing, and that we are
16 partners moving and moving forward in this
17 development.

18 Thank you, and I guess we are
19 available for questions.

20 MR. CHAIRMAN: Any questions?

21 MR. THAR: Is there anybody on behalf
22 of Casino Magic?

23 MR. LIST: Crawford County Casino
24 Corporation is wholly owned by Casino Magic.
25 There was a statement a moment ago that

1 Casino Magic had seeded its interest in
2 Crawford County to Harrods. I don't believe
3 that's accurate.

4 To provide you the specific
5 contractual situation, Harrods owns an option
6 to purchase the facilities in the event that
7 the award of the fifth license is to Crawford
8 County, that option could be dealt with. It
9 has been suggested there are more than one,
10 the ball has not stopped bouncing.

11 MR. THAR: I would like to get, if you
12 don't mind, to the Casino Magic issue.
13 Boomtown says Casino Magic -- Boomtown says
14 Harrods controls Casino Magic. Casino Magic
15 says Casino Magic has control. Harrods
16 advices that they are buying Showboat. And
17 under our rule, if a Showboat deal is
18 approved, they can only own ten percent of
19 it.

20 As we see it, as I see it, I won't
21 speak for the rest of the commissioners, I
22 have no idea who the applicant is in Crawford
23 County. Notwithstanding the fact that
24 someone -- that Jeff Lorenzo has indicated,
25 go ahead set the meeting, give it to the

1 applicant in Crawford County next month. I
2 don't know who it is? Who is it? What
3 company is behind that application?

4 MR. LIST: That would be Casino Magic.
5 Casino Magic owns all the stock in Crawford
6 County Casino Corporation.

7 MR. THAR: Does that mean that if
8 Hollywood Boomtown goes through that
9 Hollywood Boomtown owns it?

10 MR. LIST: I don't feel adequately
11 prepared to speculate as to what would
12 happen.

13 MR. THAR: Well, Mr. List is here.
14 Mr. Finnegan is here. Can any of them
15 address it?

16 MR. FINNEGAN: Clearly, if our
17 transaction is complete, and we expect it to
18 be completed in October, then we would own
19 any stock that Casino Magic currently owns.
20 Whether Harrods exercises its option, and the
21 license is awarded, would be a decision that
22 Harrods would make. That's something that we
23 don't control.

24 MR. THAR: But until Harrods exercises
25 its option?

1 MR. FINNEGAN: We will own it.

2 MR. THAR: Do you intend to make a
3 presentation with regard to a Hollywood
4 Boomtown slash potential Harrods Casino in
5 Crawford County?

6 MR. FINNEGAN: I apologize, I did not
7 hear your question.

8 MR. THAR: Does Hollywood Boomtown
9 intend to make a presentation with regard, or
10 remain an applicant and vie for the license
11 in Crawford County, pending Harrods election
12 to exercise its option or not exercise its
13 option.

14 MR. FINNEGAN: We do not. Harrods has
15 that right under its agreement with Casino
16 Magic. Hollywood Park really has no role to
17 play at the present time.

18 MR. THAR: So, Hollywood Park
19 Boomtown's position is, regardless of what
20 interest you may have in the Crawford County
21 application, or whatever contingent interest
22 you may have or lose, based upon that
23 contingency, you do not intend to pursue
24 Crawford County; is that right?

25 MR. FINNEGAN: Just in order -- at

1 present we don't own any interest. We expect
2 to close our deal with Casino Magic in
3 October. Our understanding of the documents
4 is that if Casino Magic has signed with
5 Harrods, gives Harrods the opportunity to
6 make any presentation it might want to with
7 respect to Crawford County, and to exercise
8 its options. After we close on Casino Magic
9 we will look at what alternatives there are
10 in the marketplace.

11 I will tell you as we stand here today
12 we prefer the Switzerland County site, we
13 want to proceed on the Switzerland County
14 site. This has such a history in terms of
15 timing, that I don't think we would want to
16 preclude any opportunity to act on Crawford
17 County if we have rights in the future. So
18 we wouldn't give those rights up.

19 But today, as we stand here, we want
20 to go forward on the Switzerland County
21 application, and if you were to award it
22 tomorrow, that's what we will do.

23 MR. THAR: What about Crawford County?

24 MR. FINNEGAN: We don't have any role
25 to play right now in Crawford County.

1 MR. THAR: That's your position then?

2 MR. FINNEGAN: That's correct.

3 MR. THAR: You have no role to play in
4 it right now?

5 MR. FINNEGAN: Right.

6 MR. CHAIRMAN: Any of the
7 commissioners have questions?

8 MS. BOCHNOWSKI: If this could be
9 briefly answered, I would like a reminder.
10 Mr. Jones, you were talking about you would
11 be giving \$500,000 to Crawford County in your
12 revenue sharing, is that based on a
13 percentage or is it just a flat fee every
14 year? And do you think that possibly --
15 let's -- and I will ask Crawford County the
16 same thing, what they intend to do. I mean,
17 this is the last license, if we decide to go
18 ahead. I would like you to maybe be very
19 generous with your --

20 MR. JONES: If I understand your
21 question, number one, it was -- those three
22 numbers were reached as a figure that would
23 be paid each year. One millions dollars to
24 Jefferson County --

25 MS. BOCHNOWSKI: Not any kind of

1 percentage?

2 MR. JONES: No, it was not at that
3 time, but we will be very open to look at
4 that again if the commission should ask, or
5 if that would be called for to changing that.

6 MR. SUNDWICK: I would just like you
7 to know that because it's the last license
8 and you are asking us to make a decision on
9 the last license, you really need to think --
10 both counties need to think about their
11 position vis a vis the other one.

12 It's very important guys that you make
13 sure -- everybody is in need of this license.

14 MR. JONES: Mr. Sundwick, I can say I
15 think I can speak for the people in Crawford
16 County, no one probably realizes it better
17 than Switzerland and Crawford County about
18 need, and we would be very open to looking at
19 that.

20 MR. THAR: Mike, let me put a
21 different spin on that if I might. You've
22 just heard that to a great extent there
23 really isn't a company behind the Crawford
24 County application that's willing to step
25 forward and make a presentation with regard

1 to this license.

2 If this commission was in a position
3 to then -- we would be forced to make a
4 choice. Do we open up -- does the commission
5 open up the competition for X number of
6 months in order to see if Crawford County can
7 get an applicant? Or does it say we've
8 already done that, so there's no need to do
9 it?

10 If the commission are in fact to say
11 we are going to make a decision in the next
12 60, 90, 120, 180 days and not give Crawford
13 County that opportunity, would Switzerland
14 County rethink its revenue sharing plan to
15 maybe increase Crawford Countys' share, since
16 it's been basically excluded from competition
17 by items outside their control?

18 MR. JONES: Yes, Mr. Thar, I can say
19 through this process I think we in
20 Switzerland and Crawford County have become
21 very sensitive to each other's needs, and I
22 feel very strongly that if the commission
23 were to come to that type of thought, that
24 the Switzerland County counsel would be
25 willing to consider that scenario, and a more

1 generous plan to share revenue with our
2 friends in Crawford County.

3 MR. THAR: I'm sorry, is that what you
4 were asking Ann and Bob?

5 MS. BOCHNOWSKI: Well, kind of. I
6 would like to see that Crawford County, if
7 things worked out in their favor -- you know,
8 if they would feel the same way. And I don't
9 remember what your revenue sharing was. And
10 we don't need a lot, I just want you to tell
11 me that you're willing to be generous and
12 that we could come up with something.

13 MR. PARKS: My name is Charles Parks.
14 I am the chairman of the Crawford County
15 Steering Committee for riverboat gaming. At
16 our last meeting, I think that I went over
17 some of the figures with you. And I will be
18 happy to share them with you again.

19 I think that our revenue sharing plan
20 from the outset has been generous, but
21 prudent. Of the multiple line items that we
22 intend to distribute in revenue sharing we
23 will share with Dubois, Orange, Perry,
24 Washington and Switzerland Counties. And we
25 have said that from the outset.

1 On a percentage basis, on a percentage
2 basis we intend to share 16 point 8 percent
3 of the multiple line items for distribution.
4 Switzerland, of that 16 percent, would get 21
5 percent. Washington County would get 24
6 percent. Perry County would get 22 percent.
7 Orange County would get 20. And Dubois would
8 get 11. The basis for that is somewhat of an
9 adverse relationship on their assessed
10 valuation.

11 In addition to the counties, there
12 would be about 22 incorporated towns that
13 would also share a flat amount. It's
14 included in those numbers.

15 If it comes to revenue sharing for a
16 decision on the license, and it is the desire
17 of the commission, we can rethink our
18 position. We are flexible. We are in this
19 for the long haul. It's a great benefit to
20 Crawford County. It will be a great benefit
21 to the counties in our development region.

22 Would you like some dollars?

23 MS. BOCHNOWSKI: That's fine.

24 Everybody seems open to suggestion here.

25 MR. THAR: May I ask a quick question.

1 When you want to call your applicant who do
2 you call?

3 MR. PARK: Doug Floyd.

4 MR. THAR: Okay. And we know that
5 Doug is an attorney in Lebanon, that runs,
6 among other businesses, he represents that
7 corporation. That is the applicant, not a
8 company. Do you know what company you are
9 dealing with? What gaming company?

10 MR. PARK: Harrods.

11 MR. THAR: Thank you.

12 MR. LIST: If I might just clarify one
13 point that Mr. Jones made. Switzerland
14 County committed ten percent of its tax
15 revenue to revenue sharing. They estimated
16 the first year that that will be about a
17 million and a quarter dollars. In addition
18 to that, we entered into an agreement with
19 the counties, the other counties and
20 Switzerland in which we committed half of one
21 percent of the ATR, which is estimated in the
22 first year to be about \$300,000. So, by
23 virtue of percentage we arrive at a
24 forecasted million and a half in the first
25 year. And by everyone's agreement 50 percent

1 of that is committed to Jefferson, 25 percent
2 to Ripley, and 25 percent to Crawford.

3 So, that's a number that would move as
4 revenues went up. That's the present
5 structure.

6 MR. SWAN: Governor List, you said it
7 was a million and a half in total? How does
8 that differ from the two million that
9 Mr. Jones referred to before? We have a
10 million to Jefferson and a half million to
11 Ripley, half a million to Crawford.

12 MR. LIST: I'm sorry, I misstated.
13 Our share is estimated at 750,000 not
14 250,000. It's at 750 and theirs is at one
15 and a quarter, so it comes -- a CPA could
16 straighten this out.

17 MR. CHAIRMAN: Any other questions?
18 If you will state your name for the reporter
19 please.

20 MR. STETSMAN: My name is
21 John Stetsman, and I'm president of the
22 Leavenworth town counsel. And I don't feel
23 like getting up here, I wasn't prepared, I
24 didn't know what kind of presentation we
25 would be making today or anything.

1 And I don't feel like getting up here
2 and putting sour grapes on things, but you
3 got the two poorest counties in Indiana here
4 that are vying for this license. And I have
5 ties to both counties. I was a resident of
6 Switzerland, graduated from high school in
7 Switzerland.

8 So, they both are willing to share the
9 best they can. But what's ironic to me is
10 can we set here and listen to the big market
11 that Caesar's is going to have, and both of
12 these poor counties, as far as I know,
13 there's nothing in writing that they share
14 anything of that market. And that doesn't
15 seem right, that you would take the two
16 poorest counties and expect them to share,
17 but then one of the richer markets and the
18 richer counties wouldn't be sharing.

19 MS. BOCHNOWSKI: That is not accurate.

20 MR. CHAIRMAN: I believe Caesar's is
21 sharing with Harrison County, particularly
22 with Crawford County. I'm not sure about
23 Switzerland County.

24 MR. STETSMAN: Well, it might be. As
25 far as I know there's nothing in writing to

1 that. And I'm not a county official, the
2 officials of Crawford County I know they have
3 nothing in writing.

4 MR. THAR: But I think you missed the
5 point that I was trying to make, and maybe I
6 better clarify it.

7 There's been a request here that the
8 commission act as soon as its next meeting
9 with regard to the next license. If we were
10 to do that, the commission makes that
11 decision, the likelihood is there will be no
12 applicant from Crawford County. As a result,
13 the question was asked if in fact we move so
14 quick that there was not anyone that would
15 step forward for Crawford County, would
16 Switzerland County sweeten the pot for
17 Crawford County, out of the amounts they have
18 already set. That's the only question.

19 Otherwise, the other consideration is
20 should the commission wait. Because I've
21 been in contact with Harrods over this issue,
22 and Harrods intends to wait to see what
23 happens with their acquisition of Showboat,
24 before they do anything. That, in essence,
25 means you have an applicant but you have no

1 company to back it up.

2 MR. STETSMAN: I agree with what
3 you're saying. And I also -- I've been to
4 all these meetings and I remember, I don't
5 know which one made the statement, but they
6 made it to Casino Magic representatives when
7 they was here, if there was a certificate of
8 suitability issued, you wouldn't have any
9 problem getting an applicant at all, either
10 in Switzerland or Crawford County, either
11 one. The applicant would come forward.

12 MR. THAR: I understand that, but --

13 MR. STETSMAN: Going through the
14 process, which we've went through this since
15 1992 --

16 MR. THAR: That's a real chicken and
17 egg situation. Unfortunately, the commission
18 can't put a certificate out there and then
19 wait for somebody to come claim it.

20 MR. STETSMAN: But I believe that the
21 idea is now that maybe the certificate was
22 not even going to be issued. I think there's
23 people -- and I've had people that have
24 contacted me, that said they would be
25 interested if they really felt that the

1 certificate of suitability was going to be
2 issued.

3 MS. BOCHNOWSKI: So, would your
4 position be that you would like to see it
5 opened up for new applicants?

6 MR. STETSMAN: I think that we would
7 have to do that in Crawford County,
8 technically, because of the fact that the
9 time frame that it has went to, and it should
10 be. But I don't think that it should be a
11 year down the road. It might be a four,
12 five, six months process rather than somebody
13 looking at a year down the road.

14 I think it's been too long. I've
15 dealt with it too long. It's something that
16 has dragged on and on and on and it don't
17 seem like it went anywhere.

18 But I do -- I'm like you, I believe
19 that there should be some time frame and
20 there should be a time span there that would
21 give Crawford County to reassess applicants
22 and see if there's an applicant suitable
23 there. Thank you.

24 MR. CHAIRMAN: Among the commission we
25 have dealt with this fifth license a number

1 of times before. And, again, it's time to
2 discuss just what we are going to do and when
3 we are going to do it. In the past, you
4 know, my concern has been the market
5 viability and the depth of the market,
6 waiting to see how things would flash out.
7 The Hyatt numbers have become more impressive
8 than I think what has been anticipated. My
9 concern about waiting to see about Caesar's
10 in the water -- from what we heard today, I
11 don't really know when that open date is
12 going to be, that continues to be unknown.

13 So, that's where I am. I am not
14 sitting necessarily where I was a few months
15 ago. I'm open to full discussion on this.

16 MS. BOCHNOWSKI: I've kind of come --
17 and I think that the wait is frustrating. I
18 think it was actually something that we
19 needed to see. I do not -- I'm like Don now,
20 I do not believe that we can wait for the
21 Caesars' numbers. I think we've got a good
22 indication, and I think we have to move on
23 with this.

24 Just in fairness to the staff, I would
25 suggest that June is maybe too quick. I

1 would probably like to see us do this in
2 September and make a decision.

3 MR. MICAREK: I've always been an
4 advocate of wait and see. However, the
5 economy at this time seems favorable. But we
6 can't rule that at some time in the future
7 there will be a down turn in business, and
8 all businesses will suffer, not just
9 riverboats.

10 With this in mind, I feel we must take
11 advantage of the present economy. There is
12 nothing more to be gained by waiting and much
13 could be lost if we continue to wait. I
14 would think that we should set a date.

15 DR. ROSS: My feeling about it has not
16 changed since before. The state has told us
17 how many licenses to give, and that we should
18 maximize the tax for the State of Indiana.
19 And I don't recall that there was anything in
20 there about competition or anything. So, my
21 feeling is that we need to move ahead and
22 give this fifth license.

23 MR. SWAN: Well, here I go again. My
24 business sense is still one that says -- and
25 I quote one of the speakers today, they are

1 in it for the long haul, and we in the State
2 of Indiana are in it for the long haul.

3 I think we don't need to be in a rush
4 to make a decision on this. When you talk
5 about the best timing and that the market is
6 right, right now, we are not talking about
7 putting a boat in the water right now. We
8 are still looking at a good period of time
9 before we actually get into the market. And
10 who knows what the marketplace will be like
11 then.

12 And when you talk about maximising the
13 taxes for the State of Indiana, I think you
14 have to look at it in the long haul. You
15 have to look at what this Caesars' boat might
16 do to all the boats on the Ohio River,
17 especially those in the southeastern corner,
18 and the Aztar Boat.

19 But I think that boat will have a very
20 dramatic impact, and if we put another one in
21 it may pull all of them down. I'm just not a
22 component of moving to quickly. I think we
23 need to get the boat in the water and see
24 some results for a good four to six months
25 before we make a decision.

1 MR. DARKO: My concern last fall was
2 to make sure that Caesar's was going to be a
3 go before we considered licensing either in
4 Crawford County or Switzerland County. It
5 now looks like that road has been crossed,
6 and despite the lawsuit and some other
7 difficulties, it is a go.

8 At that point I still think it's a
9 fair question whether Crawford County or
10 Switzerland County has the better site, the
11 better application, etcetera. But it sounds
12 to me like Crawford County presently is being
13 held up by things beyond their control.

14 I think I agree with Ann, that fall is
15 a reasonable time to make a decision. I will
16 hope that by that time Crawford County and
17 its applicant would either be able to have
18 their show together or have no show and so
19 it's not a difficult decision for the
20 commission to make. I would think September
21 or October would be a reasonable time frame.

22 MR. SUNDWICK: Well, I think my
23 position is pretty well known. I think we
24 could have done this six months ago.

25 I certainly agree with Ann that I

1 would like to see this done sooner than
2 later. As a matter of fact, I'm of the
3 opinion, and I think everybody in this room
4 is of the opinion we have seen presentations
5 by both counties, that we ought to be big
6 enough to vote on this right now.

7 Having said that, I don't think that I
8 could probably muster enough support to do
9 that. Well, then maybe I could do that. I
10 might get shot by my friends, I could throw a
11 monkey wrench in the whole deal. You know, I
12 think it's appropriate that we get on with
13 this.

14 I've looked at the presentations by
15 Crawford County, I've looked at the
16 presentations by Switzerland County. I've
17 listened to everybody. We have done this X
18 numbers of times. I don't think they can
19 probably tell us any more. I would think the
20 good people of Crawford County could stand up
21 today and we told you everything we are going
22 to tell you. You could put some more
23 lipstick and rouge on, but it's not going to
24 change. Am I right?

25 And I don't think these people are

1 going to tell us. They can come up with
2 another brand of lipstick and rouge for their
3 program and say here's what we got to do.

4 So -- you know, I look at this thing
5 and I would be more than happy to make the
6 motion today that we issue the fifth license
7 and see if I can get a second on that. And
8 if I can't then I will be more than happy to
9 entertain any other.

10 So, with that, I will make the motion
11 that we issue the license today. I will make
12 the motion we issue it to Switzerland County.
13 There's your motion.

14 MR. CHAIRMAN: Commissioner Sundwick
15 has made a motion that we issue a certificate
16 of suitability, riverboat license, to the
17 Switzerland County applicant and we do that
18 today. Is there a second to that motion?

19 There doesn't appear to be a second.
20 Is there another motion?

21 MS. BOCHNOWSKI: I move that we hold a
22 hearing -- I don't even know -- I say hearing
23 in the sense that they would just be an
24 update. I agree with Bob. I think that --

25 Before I make my motion let me just

1 discuss this a little bit. I think that all
2 we need is for everybody to send all their
3 updated material to the staff, because the
4 staff loves getting mail, and we review -- we
5 have time to review it, because I'm sure
6 there's been some changes, sounds like
7 corporate changes and so on, and that we have
8 an opportunity to ask questions, maybe get
9 a -- you know, none of the bells and whistles
10 and so on, get a chance to read everything
11 and review it, and that we grant the license
12 in 120 days.

13 MR. CHAIRMAN: Are you making that
14 motion?

15 MS. BOCHNOWSKI: I'm making the motion
16 that we grant the license in 120 days.

17 MR. SUNDWICK: I will second that
18 motion.

19 MR. CHAIRMAN: As far as discussion,
20 that would put us sometime in September or
21 October?

22 MR. THAR: Well, if you take 120 days
23 as being four months, that puts it at the
24 very first of September. Would you consider
25 amending your motion that the license be

1 given out at the September meeting?

2 MS. BOCHNOWSKI: Okay. I amend my
3 motion that we would give this license out at
4 the September meeting, and that the meeting
5 be toward the beginning of September.

6 MR. SUNDWICK: I will second that
7 motion.

8 MR. THAR: As a point of discussion,
9 may I throw in a couple of other things, just
10 for timing. Will this motion allow the staff
11 to set deadlines for final submissions for
12 both Crawford County and their applicant,
13 Switzerland and their applicant, and the
14 Hollywood Boomtown's finalized documentation
15 with Horseshoe, all of that?

16 MS. BOCHNOWSKI: I would incorporate
17 that into my -- I mean, yeah, we are telling
18 you -- we are telling you when we are going
19 to grant the license. Now, you do what you
20 have to do in the interim to get the
21 information. You do what you need to do.

22 MR. CHAIRMAN: So, the motion -- and
23 the motions has been seconded, I assume
24 you're second Mr. Sundwick?

25 MR. SUNDWICK: Yes.

1 MR. CHAIRMAN: The motion is that we
2 give out the license in September, at the
3 September meeting. Is there any other
4 discussions with reference to that?

5 MR. DARKO: I guess everybody has
6 their own position on this, I'm not at all
7 comfortable with voting that we will award a
8 license at the September meeting.

9 As somebody pointed out, there are a
10 lot of balls up in the air. I don't know
11 what things are going to look like in
12 September. I don't know if the company who
13 is now applying in Switzerland County may be
14 purchased by the Republic of Ukraine and be
15 here in September.

16 I'm certainly willing to have a
17 meeting or a hearing to decide whether we
18 issue a license, in September or October, but
19 I'm not comfortable voting that we will issue
20 a license. There may not be a suitable
21 applicant here.

22 MS. BOCHNOWSKI: Well, obviously -- I
23 think that the one question that -- and you
24 haven't been here, the one question the
25 chairman always asks is are these suitable

1 applicants -- you know, are they going to
2 meet all the qualifications.

3 Yeah, I guess that would be an option
4 that if there is no suitable applicant --
5 that's why I want to have all of the
6 materials, but I'm not sure that I'm in the
7 mood to have a whole hearing all over again.

8 MR. SUNDWICK: I think you're exactly
9 right. I think what you are really saying is
10 that if we have suitable applicants --

11 MS. BOCHNOWSKI: Make a decision.

12 MR. SUNDWICK: If they are not
13 suitable, or for whatever reason we don't
14 want to make that decision, there will be a
15 vote against it. Because it's a vote still.
16 At the end of the day we are going to vote.

17 MR. DARKO: That explanation helps.

18 MS. BOCHNOWSKI: So, in other words --
19 so, my motion wasn't really clear. Yeah, we
20 would be voting on the license and making the
21 final decision.

22 MR. MICAREK: I don't know if that's
23 what we want to do or not. I think that we
24 would like to give out the license, and by
25 setting another six months or three months

1 down the road and then making that decision,
2 I would like to come to some decision today
3 that we are going to hold a hearing for the
4 two counties, sometime in September, and let
5 the best county or the best candidate win.

6 And maybe we don't make that decision
7 in September, we have the hearing and we come
8 back in 30 days, or however many it was, and
9 say okay you had your presentation, we've had
10 your presentation, you get the license, like
11 we have always done.

12 MR. SUNDWICK: I think that's
13 appropriate, the only thing I think that
14 Ann's is trying to say is that we do that.
15 We will have an opportunity that day to make
16 a vote. It's just going to be another vote.

17 MR. CHAIRMAN: Okay. Let's just
18 clarify where we are on the motion. If I can
19 just paraphrase. There is a motion that
20 states that we will make a decision, yes or
21 no, at our September meeting regarding the
22 issuance of the fifth license, is that fair?

23 MS. BOCHNOWSKI: I could withdraw this
24 particular motion and restate it in that
25 form, if that's what people are comfortable

1 with. My thought is these companies and
2 theses counties have made so many
3 presentations.

4 I think we really -- I think actually
5 Bob is probably right, we could probably
6 grant the license today. But in fairness,
7 with all these things going on and whatever,
8 this gives everybody a chance to extend
9 everything. I want everything ahead of time.
10 I want to reread it, make sure, and then come
11 here and make a decision. I don't see the
12 need for huge hearings, to be honest, I
13 really don't.

14 MR. CHAIRMAN: I don't think we need
15 any further presentations, we just need to
16 know who the applicants are.

17 MS. BOCHNOWSKI: And this will clarify
18 it.

19 MR. CHAIRMAN: Even in Switzerland
20 County, Horseshoe may be in there, and we
21 have dealt with Horseshoe in the past.
22 Everything just needs to be updated as far as
23 whether there have been any changes in
24 ownership or whatever with Horseshoe since we
25 saw them in Harrison County.

1 So, if I understand the motion
2 correctly, it would be that we would consider
3 the issuance of the fifth Ohio River license
4 to either Switzerland or Crawford Counties at
5 our September meeting?

6 MS. BOCHNOWSKI: Right.

7 MR. CHAIRMAN: Fair enough.

8 MS. BOCHNOWSKI: Right.

9 MR. CHAIRMAN: Commissioner Darko is
10 that --

11 MR. DARKO: Fine.

12 MR. CHAIRMAN: We will call that your
13 motion.

14 MS. BOCHNOWSKI: Okay that's my
15 motion.

16 MR. SUNDWICK: I will second.

17 MR. CHAIRMAN: Any further discussion?

18 MR. SWAN: I would just like to
19 reiterate that I think we are here to
20 represent the long-term needs of the State of
21 Indiana, and not be subverting the needs of
22 the whole state for the needs of a couple of
23 counties. I think we are being too hasty,
24 and I will be happy to support 100 percent
25 what the commission votes for, but I want to

1 make it clear that I think that is detriment.

2 MR. CHAIRMAN: Any further discussion?
3 With that in mind all in favor of the motion
4 say aye.

5 MS. BOCHNOWSKI: Aye.

6 MR. MICAREK: Aye.

7 DR. ROSS: Aye.

8 MR. DARKO: Aye.

9 MR. SUNDWICK: Aye.

10 MR. CHAIRMAN: All those opposed?

11 MR. SWAN: Aye.

12 MR. CHAIRMAN: All right, it seems
13 that the motion carries the day and we will
14 have our September meeting and deal with the
15 fifth Ohio River license at that time.

16 Is there any other business, Mr. Thar?

17 MR. THAR: No, not that the staff is
18 aware of.

19 MR. CHAIRMAN: Now, as far as the next
20 meeting we haven't really discussed. Do you
21 have dates?

22 MR. THAR: We will have to get with
23 you. We have dates for this auditorium in
24 both June and July. Which would be Friday,
25 June 12th and also Friday, July 10th. We

1 will be contacting you with regard to those
2 dates. We may be having issues that wouldn't
3 draw as large a crowd, so consequently we
4 could adjust those dates and have the meeting
5 at the commission office if these don't work.

6 By the way, since we are targeting
7 September, if we were to have the meeting in
8 this auditorium, the day that we have it is
9 Monday, September 14th. So, you might want
10 to check your calendars, and let's check to
11 see if that day will be good.

12 We will get in touch with you with
13 regard to both the Friday in June and July,
14 and also work for an alternate date if that
15 won't work. And the potential of a telephone
16 meeting always floats out there.

17 MR. CHAIRMAN: All right. I think
18 that takes care of all the business. Is
19 there a motion to adjourn?

20 MR. SWAN: I make a motion.

21 MS. BOCHNOWSKI: Second.

22 MR. CHAIRMAN: We will show the
23 meeting is adjourned.
24
25

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

3 I, Peggy Morgan, a Notary
4 Public in and for the County of Hendricks,
5 State of Indiana at large, do hereby certify
6 that the foregoing business meeting was taken
7 down in stenograph notes and afterwards
8 reduced to typewriting under my direction,
9 and that the typewritten transcript is a true
10 record of the hearing.

11 IN WITNESS WHEREOF, I have
12 hereunto set my hand and affixed my notarial
13 seal this 6th day of June, 1998.

14 *Peggy Morgan*

15
16 Peggy Morgan
17 Notary Public

18 My Commission Expires:
19 December 26, 1998
20 County of Residence:
21 Hendricks
22
23
24
25