

STATE OF INDIANA)
) SS:
COUNTY OF LAKE)

BEFORE THE INDIANA GAMING COMMISSION

OCTOBER 18, 1995

BE IT REMEMBERED that the following
proceedings were had before me, TERESA D.
THOMPSON, Court Reporter, on October 18, 1995,
at the Hammond Civic Center, Hammond, Indiana.

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ROBERT SWAN

On Behalf of the City:

DUANE DEDELOW, Mayor, City of Hammond

JAMES M. BENNETT

DON THOMAS

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ROCHARDA MOORE-MORRIS

STAN DOSTATNI

THOMAS FROEHL

DAVID L. JOHNSON

1 MR. DEDELOW: Members of the Indiana
2 State Gaming Commission, Director Thar,
3 Mr. Hannon. Thank you for being here this
4 afternoon, as well as gamers and ladies and
5 gentlemen in the audience.

6 It is indeed a pleasure for the Hammond
7 team to be here today; we have looked forward to
8 this occasion for years. We are here to share
9 with you our vision for Hammond within this
10 vision. We are going to explain what is
11 important to Hammond, and further, we will share
12 with you the reasons why one gaming operator has
13 been recommended as the best suited to help us
14 achieve our vision.

15 To successfully build Hammond's future, we
16 have to have a clear vision of that future.
17 First of all, I think it is important to
18 understand the context of this project by giving
19 you a brief overview of Hammond. Hammond is a
20 very urban heavily industrial city; to the west
21 less than thirty minutes away is the great City
22 of Chicago. Along our southern border is
23 Interstate 80/94, the second most heavily
24 traveled freeway in the U.S. The Indiana Toll
25 Road and the Chicago Skyway swing very close to

1 the lakefront.

2 To the east are the cities of Gary and East
3 Chicago, also selected is riverboat sites at the
4 lake, and to the east you can see the great
5 steel mills of the region. Several of Hammond's
6 key employers are also located on the lake.
7 Next to the marina is the Waterford Fishing
8 Plant, the source of drinking water for Hammond
9 residents and the source of considerable revenue
10 for the city as we market it to communities
11 further south.

12 Beyond the geography, what is Hammond like?
13 We are a city of distinctive neighborhoods,
14 diverse ethnic backgrounds, and strong citizen
15 participation. Volunteers of all ages are one
16 of our most valuable resources. We know how to
17 create partnerships and make them work. Our
18 Partners in Education Program have received
19 international recognition, business and
20 government leaders work side by side with our
21 colleagues, neighborhood organizations, and
22 churches to plan for everything that we do.
23 Whether it is Stop The Violence March or
24 creating an economic develop plan. With
25 lakefront development and gaming we are looking

1 to a package that addresses the areas most
2 important to the city of Hammond. Economic
3 development, community development quality of
4 life, and public health and safety.

5 What are the priorities for Hammond as they
6 relate to gaming and to these broader city-wide
7 goals? First of all, we must have control of
8 our lakefront. Until recent years we have
9 overlooked the recreational potential of this
10 area, the beach was, in fact, known as Beer Can
11 Beach. Many of our citizens have never been to
12 the lake, there was little reason to go unless
13 you work there. In the late 1980s we invested
14 twenty-four million dollars to build one of the
15 largest fresh water marinas in the U.S. A
16 priority in the development was to make the
17 lakefront as accessible to the public in every
18 sense of the word.

19 The marina area is visited by several
20 hundred people daily to fish, walk, bicycle,
21 jog, take pictures and just enjoy. The marina
22 is home to a scuba diving program to study Great
23 Lakes environments, an educational center that
24 has taught thousands of school children about
25 the Great Lakes, and an adapted sailing program

1 for those who are physically challenged.

2 As we continue to unlock the economic
3 potential of the area, we must remember that it
4 still belongs to the citizens of Hammond. The
5 City of Hammond intends to secure the best
6 economic package of benefits possible, and to
7 maximize those financial benefits from this new
8 development, which we believe is located on one
9 of the most outstanding sites available in this
10 country.

11 The Lakefront development must be a
12 carefully planned development. It is important
13 that we build a foundation that is as good for
14 the future as it is for the present. The
15 development must respect the integrity of nearby
16 neighborhoods and of the environment. The
17 revenues generated by the marina must be used to
18 benefit all Hammond's Citizens, all
19 neighborhoods. Only with equitable distribution
20 will the whole city gain in strength and
21 vitality.

22 This project must be entered into as a
23 partnership. We must be part of a decision that
24 is going to dramatically impact our city, and we
25 want a rapid start. But we also know what it

1 means to persevere through challenges and
2 obstacles, discussion, debate and compromise. I
3 would like to site three recent examples of our
4 determination, vision, and tenaciousness.

5 Lear Seating is a new employer committed to
6 providing at least half of its three hundred
7 plus jobs to Hammond residents. Lear Seating
8 was down to a short list of potential sites
9 before our economic development team even
10 learned of the proposed economic facility. To
11 make a long story short, despite a late start
12 and in spite of the determination of other
13 cities vying for this investment, including
14 Chicago, Hammond landed the plant and its jobs.
15 It is done.

16 The downtown overpass is also done. Only a
17 few weeks ago we celebrated the completion of an
18 overpass in downtown Hammond that solved
19 problems dating back more than a hundred years.
20 It is an important component of our downtown
21 revitalization plan through changes of design,
22 off again on again funding, and even local
23 naysayers. We put the fast track on about a
24 year and a half ago and it is done.

25 Thirdly, the Hammond Federal Courthouse is

1 slated for occupancy in 1997. This courthouse
2 has been challenged in every way imaginable; by
3 the courts, in the U.S. Congress, by our
4 northwest Indiana neighbors, by the judges who
5 would preside there. It was even removed from
6 the federal budget in a process that appeared to
7 be final.

8 But again, our citizens came together and
9 held on. Business and government leaders,
10 church groups and individual citizens did not
11 let up and continued to wage a battle one blow
12 at a time. The courthouse is coming, it to will
13 be done.

14 So my point is that even with the
15 challenges to this lakefront project, which are
16 well known to the Gaming Commission, Hammond has
17 made tremendous progress one step at a time. We
18 are ready to accelerate that project through
19 this process this week. Together with our
20 preferred gamer we have met the challenges to
21 this project head on and we have come a very
22 long and winding way. Lake Michigan Charters
23 has the same kind of determination that is
24 needed to face challenges, stay the course, and
25 get the job done as a true partner.

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We are pleased to present our progress report today, and at this time I would like to invite Dick Henry, a life-long Hammond resident and businessman to say a few words. Thank you.

MR. HENRY: Good afternoon, my name is Dick Henry, I am a resident and businessman in Hammond, and past president and long-time active member of the downtown Hammond Council which represents many businesses.

After many years of hard times I am happy to report that our downtown is poised and in the midst of a comeback. Gaming on the lakefront will only help our effort. Two years ago the voters of Hammond faced a referendum as to whether or not to have riverboat gaming in our community. The Hammond Opportunity Committee was formed to support a favorable vote. I followed the open process the city went through; requests for proposals, the public meetings with the Mayor's Commission on Gaming, the negotiations with the top three vote getters, including members of the City Council. The process was a credit to our city. When asked to have the referendum committee, I said yes.

The response was overwhelming and the

1 support our committee received was tremendous.
2 Now the referendum was able to focus on whether
3 or not to have gaming and not on which of the
4 three candidates should be given a license. As
5 a private citizen I am not here to endorse any
6 candidate, however, I will tell you the process
7 the city went through in its endorsement process
8 gave us a specific plan. Lake Michigan Charters
9 had that plan, we were able to refer to that
10 plan while talking with Hammond residents during
11 the referendum.

12 The level of interest by so many people was
13 incredible. I can't begin to tell you the
14 number of people who expressed hope in this
15 opportunity. We continue to value the jobs that
16 our major industries, such as our steel industry
17 give us, but we cannot depend on those jobs like
18 our fathers had. Our citizens great interest
19 and hope was reflected on Referendum Day,
20 November 2, 1993 when more than 40 percent of
21 the registered voters cast their vote.

22 Our citizens turned out for a single issue
23 ballot and voted 65 percent to 35 percent in
24 favor of Hammond's opportunity. Collectively,
25 the city of Hammond and its citizens want a good

1 working relationship with the license holder.

2 In today's business world confidence and
3 trust goes a long way in building a solid
4 relationship. Our citizens want jobs of all
5 types. We want the license holder to hire local
6 people and to support local businesses, which
7 will create even more jobs. We want the
8 opportunity to develop Hammond to its full
9 potential for today's citizens and for future
10 generations.

11 Now, it is my honor to introduce one of the
12 Hammond Opportunity Committee's hardest workers,
13 President of the Northwest Indiana District
14 Council of Carpenters, Jim Hornak.

15 MR. HORNAK: Good afternoon, my name
16 is Jim Hornak and I am here to testify before
17 you today from three perspectives. First as a
18 native and current resident of the City of
19 Hammond, who along with other homeowners and
20 residents are damn glad to see this type of
21 economic opportunity come to our city.

22 Second, as President of the Northwest
23 Indiana District Council of Carpenters and
24 Millwrights representing over three thousand
25 union tradesmen and women covering over six

1 local unions in thirteen counties in northwest
2 Indiana. And finally and foremost as a
3 representative of the City of Hammond Commission
4 on Gaming which sifted through the applications
5 of numerous gaming companies wanting a license
6 in our city.

7 From all three perspectives I am excited
8 about this opportunity of development that will
9 not only put many resident union trades people
10 and carpenters to work, but also provide a
11 steady revenue stream to help rebuild our city's
12 infrastructure to compliment the renaissance we
13 feel the city is experiencing.

14 My role as a member of the City's
15 Commission on Gaming will be the focal point of
16 my presentation now, but I look forward to
17 addressing you later as a resident of Hammond
18 and also president of District Council of
19 Carpenters. The panel which consisted of
20 fifteen members met in August and September of
21 1993 at various public locations throughout the
22 city. The members consisted of representatives
23 from organized labor like myself.
24 Representatives from the educational
25 institutions from within the city,

1 representatives of the Robertsdale Neighborhood,
2 that neighborhood nearest where the gaming
3 development would be, representatives from the
4 City Council, the Port Authority and the mayor's
5 staff.

6 At these public hearings we heard from many
7 residents from throughout the city discussing
8 their wants, fears, and hopes from the riverboat
9 development. We were then given six
10 applications that the mayor's staff determined
11 were responsive to both the city and its
12 resident concerns and questions on this
13 proposal. The challenge the mayor put to our
14 commission was clear. Come up with the three
15 best applicants so that he, along with others,
16 can negotiate the best deal for the city.

17 We met in some marathon sessions in that
18 week following Labor Day in 1993, after which we
19 forwarded to the Mayor in no particular order
20 three candidates, Boyd, Mirage, and Lake
21 Michigan Charters. From there the Mayor and his
22 team negotiated the best deal for the city, and
23 that proves to be Lake Michigan Charters.

24 I want to tell you why some of the members
25 of the commission were opposed to gaming; some

1 only favored one applicant. In the end we
2 accomplished what the mayor challenged us to do.
3 That was listen to the residents, look at the
4 candidates, ask pertinent questions, deliberate
5 thoroughly, and recommended three.

6 While at that time I personally favored the
7 Mirage Group and their proposal, I was satisfied
8 and content that the mayor negotiated the best
9 for the city when he endorsed Lake Michigan
10 Charters. Two years later, as we all know,
11 Mirage is no longer interested in Hammond but
12 Lake Michigan Charters still is. They are still
13 here, still interested, still maintaining their
14 level of interest and contribution to our
15 community on a daily basis.

16 During the referendum of November 1993 and
17 since, I have had a chance to work with some of
18 the local representatives of Charter, and I can
19 say unequivocally and without reservation that
20 they have lived up to their word to me, that
21 there have been no labor disputes in any
22 proposal brought before me for construction.
23 They continue to be an active partner in the
24 community, albeit with no guarantees, and their
25 commitment to expediting any problem along the

1 way is unwavering. I feel they, Lake Michigan
2 Charters, want to be a partner of our community,
3 a user of local organized labor, and a true
4 partner of the City of Hammond's renaissance.

5 Our proof is via the fact that although
6 they have not had a promise or commitment of
7 success with this board, they have not hid their
8 heads in the sand until this great week for our
9 city. They still walk the walk, as we say in
10 the construction trades, continuing like some of
11 our leaders to deliver.

12 Thank you. It is with pleasure now that I
13 introduce Ms. Rocharda Moore Morris, the
14 Executive Director of the Department of Planning
15 and development. Thank you.

16 MS. MOORE-MORRIS: Good afternoon, my
17 name is Rocharda Moore Morris, I am the
18 Executive Director for the Department of
19 Planning and Development for the City of
20 Hammond. In my capacity, my responsibility
21 with the city is to coordinate the Department
22 of Planning, Economic Development, and
23 Community development, and to supervise the
24 staff that carries out the long range plans for
25 the Redevelopment Commission. Hammond's

1 lakefront project is a complex undertaking
2 requiring cooperation of federal, state, and
3 local agencies, and it must have the support of
4 the Hammond community.

5 I am happy to report that we have made
6 significant progress in order to bring gaming to
7 our lakefront. One of the primary issues that
8 had to be resolved was the proposed location for
9 the gaming operation. I want to emphasize
10 several issues that are extremely important in
11 regards to the site. We have a beautiful
12 location, a premier spot on the lake, but it
13 isn't large. Careful planning is crucial and we
14 must be sensitive to the interest that will be
15 affected by this development.

16 A significant of the land is already
17 occupied by industrial and commercial users. In
18 addition, our Hammond Water Filtration plant is
19 located here. The city remains committed to
20 maintaining public access to the lake and for
21 recreational purposes, as well as protect the
22 existing investment of our marina. Preserving
23 property values in the quality neighborhoods
24 surrounding the lakefront is of utmost
25 importance, and we are also interested in

1 protecting the unique migrant bird sanctuary.
2 Beyond that we are committed to being ready for
3 gaming. As you can see with these criteria, the
4 locations that can be developed for gaming is
5 very limited. The site Hammond has chosen is
6 approximately four acres. It is located on
7 property created by the water department in the
8 bed of Lake Michigan. Until recently the site
9 was owned by three entities; the Port Authority,
10 the Department of Water Works, and The State of
11 Indiana. Under the lakefront development plan,
12 this property will come under the jurisdiction
13 of the Hammond Redevelopment Commission. The
14 commission was chosen as a local agency to
15 oversee the gaming site for a number of reasons.

16 The Redevelopment Commission's role is
17 outlined in the state statute. It has the
18 responsibility for planning, replanning,
19 developing and redeveloping areas within the
20 city of Hammond in a manner that best serves the
21 interest of the city and its residents.
22 Consequently, the powers and laws applicable to
23 the redevelopment commission are flexible and
24 suited to this kind of development. The Hammond
25 Redevelopment Commission has undertaken many large

1 projects which have involved land acquisition,
2 complex finance arrangements with multiple
3 financing sources, and public/private
4 partnerships that generate revenue. The
5 commission has a distinguished track record
6 demonstrating the spirit of cooperation which is
7 required to bring us successful development as
8 quickly as possible, and with a thorough
9 attention to detail. We have received many
10 awards for excellent management as well as for
11 creativity in designing projects with broad
12 participation and benefit.

13 The commission can bring gaming to
14 Hammond's lakefront in a timely and responsible
15 manner. The Port Authority, the Department of
16 Water Works, and the Redevelopment Commission
17 have been working through a number of issues
18 that must be addressed in order to transfer the
19 gaming site to the Redevelopment Commission.
20 Although there are still few final actions that
21 need to be taken, the parties have reached a
22 working agreement that will allow these
23 transfers to occur.

24 In addition, the city has taken the
25 following steps to enable gaming operations to

1 operate on Hammond's lakefront. We have applied
2 for and secured the necessary permits from the
3 Department of Natural Resources. We are in the
4 process of attaining permits from the Army Corps
5 of Engineers. In addition, we are in the
6 process of attaining land patents from The
7 Department of Natural Resources. We have
8 commenced condemnation proceedings that will
9 allow the city to take immediate possession of
10 land and you ultimately own property needed to
11 construct an overpass.

12 We have entered into working agreements
13 with the property owners who are not subject to
14 pending condemnation proceedings that would
15 allow the city access to and ultimately
16 ownership of property needed to construct the
17 overpass. We have acquired the necessary
18 property rights and commence the construction of
19 necessary infrastructure. We have also
20 developed a plan for acquisition, annexation,
21 and rezoning of the property that will allow
22 gaming operations and the controlled development
23 of Hammond's lakefront. We have adopted
24 resolutions for the expansions of the
25 redevelopment area to include the area necessary

1 for gaming operations. And lastly we have
2 developed the documentation and a proposed
3 timetable for taking all actions that are
4 necessary to accomplish and finalize gaming.

5 As you can see the city has researched and
6 undertaken the necessary process that is
7 necessary in order to bring gaming operations to
8 Hammond's lakefront. However, the project
9 boundaries and development of the site cannot be
10 finalized until the actual gamer is selected.
11 In addition, several of the local agencies
12 awaiting to take final actions until the gamer
13 is selected. We eagerly await the decisions of
14 the Indiana Gaming Commission so that we can
15 finalize the remaining components of this
16 project.

17 Now I would like to introduce you to
18 Attorney Dave Johnson from Baker and Daniels who
19 will describe other issues that are crucial to
20 this project.

21 MR. JOHNSON: Thank you, Rocharda,
22 members of the commission, executor director,
23 thank you.

24 My name is David Johnson, and I am a lawyer
25 with the firm of Baker and Daniels. We have

1 served as special counsel to the City of Hammond
2 for the development of this exciting project
3 over the last two years. We have worked as
4 special counsel for the City of Hammond and a
5 number of other units for Lake County Government
6 really over the past decade but never on a
7 project as exciting as the one we are
8 considering today.

9 I am going to try to cover a great deal of
10 ground in a very short period of time and I know
11 that our schedules are increasingly compressed
12 because of time overruns today. It is an
13 occupational hazard for a lawyer to try to speak
14 quickly and cover a lot of technical details,
15 and subject to the Mayor's direction I will be
16 happy to answer any further questions you may
17 have on any of this material during our question
18 and answer session.

19 What I would like to talk about briefly is
20 to refocus on the priorities of the city that
21 the Mayor and Rocharda Moore-Morris have talked
22 about, to talk about the process that the city
23 itself has used to focus upon those priorities
24 and to organize them and to move ahead toward
25 riverboat gaming. To speak about the

1 partnership that the city has formed with its
2 endorsed gamer and try to realize those
3 priorities, and to give you a brief update along
4 the lines that Rocharda mentioned of the
5 progress we have made to date.

6 We are proud of the record, we expect to be
7 questioned on all of it, and want to establish
8 the groundwork for you in this presentation. As
9 the Mayor has mentioned, the city has several
10 priorities going into the consideration of
11 riverboat gaming; those priorities were control
12 of the lakefront. Hammond is proud of its
13 lakefront, it has spent a great deal of time and
14 effort trying to regain control of it from
15 private hands, it is a very limited, and as
16 Rocharda mentioned, a very precious resource,
17 and the city is determined not to have the
18 lakefront be overrun by any activity, including
19 riverboat gaming.

20 Additionally, the city has had a great
21 emphasis on the planned and focus development of
22 the marina and surrounding neighborhoods. The
23 Hammond Port Authority has done a marvelous job
24 in developing the marina project that you saw on
25 your visit to the marina the other afternoon.

1 It is a vital and successful project, the City
2 Port Authority, the Marina Commission have no
3 intention of letting that project, again, be
4 overrun by riverboat gaming. We believe that
5 the recreational activities and the Hammond
6 Waterfront are compatible with gaming, but
7 gaming needs to be held in balance. And it
8 needs to be part, a very significant part, but
9 still only a part of a focused plan for economic
10 development.

11 Additionally, there is concern that gaming
12 could overwhelm the surrounding neighborhoods,
13 again, if not properly developed. And more to
14 the point, the City of Hammond is concerned that
15 it does not want to mortgage its future solely
16 to riverboat gaming. While it is an important
17 activity, while it will certainly generate
18 resources and revenues for this community, The
19 City of Hammond has a vital economic development
20 plan, as articulated by the Mayor, which
21 includes many priorities besides riverboat
22 gaming. Riverboat gaming is a key, it is not
23 the only doorway through which the city intends
24 to pass through the future of economic
25 development.

1 Third, it is no secret that not only is the
2 lakefront a precious and prized resource of the
3 citizens of Hammond, it is a very valuable
4 potential gaming site. Its location close to
5 interstate highway access in the middle of a
6 densely populated area, the fact that the harbor
7 has been developed and protected and can
8 accommodate year-round riverboat gaming make
9 this a site that will be a very great success in
10 riverboat gaming activities. The City of
11 Hammond has been determined from the start,
12 without hesitation, without reservation that the
13 city should share in those benefits, not simply
14 in tax distributions but directly in revenue
15 sharing with the ultimately selected gamer.

16 The City believes that its fourth priority
17 that that sharing will best be accomplished
18 through the rapid start of riverboat gaming at
19 the Hammond Marina. The city is prepared for
20 it, it has been prepared for it for some time.
21 Again, it is no secret that riverboat gaming
22 will be coming elsewhere, specifically to the
23 west in Chicago, and it is important to take
24 maximum advantage of this opportunity at the
25 earliest possible time for the benefit of the

1 citizens of Hammond and indeed the citizens of
2 the State of Indiana.

3 Finally, in approaching riverboat gaming,
4 the city has been intent upon forming a true
5 partnership, a partnership not only with the
6 selected gamer but with this commission of which
7 the City has been respectful and mindful from
8 the very beginning and has sought to work
9 closely to accommodate the commission's
10 priorities. We believe you wanted to have a
11 competitive license process; we believe we have
12 given you that. We believe that you have wanted
13 us to develop good sight and the prospect for
14 successful operation, we believe we have given
15 you that. We believe we can continue to
16 demonstrate that throughout our comments today.

17 The City believed, very quickly, after the
18 adoption of the Riverboat Statute in July of
19 1993 that its priorities were more than an
20 academic concern. There was a invariable gold
21 rush of gamers that descended upon the site once
22 the statute was adopted. Each of them seeking
23 to tell the City of Hammond what were its best
24 interest, what its future should be. The City
25 had a very clear idea of what it wanted that

1 city so be and it also wanted to bring some
2 order to the process itself, and strictly set
3 out to find out which among the gamers were
4 really responsive to Hammond's views and
5 Hammond's needs. As Jim Hornak has mentioned,
6 the City issued a request for qualifications and
7 received eight responses from interested gamers.
8 Of those, six were deemed to be responsive
9 because they involved companies that had
10 substantial experience in the gaming business,
11 the other two did not.

12 Those six responses were then submitted to
13 the Mayor's committee, a broadly comprised
14 committee of public and private sector
15 interests, and business and neighborhood groups,
16 citizens groups, and individuals of which Jim
17 Hornak was a member, and that committee
18 proceeded to evaluate all other requests for
19 qualifications. The committee, after intensive
20 deliberation, conducted an open roll call vote
21 and on the basis of accumulated voting
22 recommended three candidates to Mayor Dedelow
23 without priority.

24 The Mayor, in consultation with his staff
25 and other representatives, and also in

1 consultation with members if the Hammond Common
2 Council, then proceeded to interview in detail
3 each of the recommended gamers, asking each
4 gaming company exactly the same standard
5 questions and seeking through dialog to develop
6 true answers. Out of that process the City
7 emerged with a clear favorite, Lake Michigan
8 Charters, for reasons that we will go into in a
9 moment.

10 But it was very productive process and we
11 believe it was productive for all that
12 participated in it. I want to stop for a moment
13 to talk about one legal matter, and that is what
14 happened next with respect to the Letter of
15 Intent. Mr. Thar raised some issues about that
16 this morning and it is probably an important
17 point to tell you what the city did do and what
18 the city did not do in September of 1993.

19 The city believed it was important because
20 it had a project on which to develop, to have a
21 partner in that development. So it entered into
22 an endorsement of one gaming company. It was an
23 endorsement agreement, it contained a broad
24 package of promises and benefits, it stressed
25 the city's concerns for the project, it stressed

1 the city's desires to be sure that the project
2 made maximum use of local and unionized labor,
3 paid prevailing wage rates, and made extensive
4 use of minority and women-owned business, and
5 generally met all of the priorities that the
6 City brought to the riverboat gaming process.

7 However, what the agreement did not do,
8 unlike in some of the other sites the commission
9 has considered, was to transfer any title, any
10 rights, any interests in any land to any private
11 party. The City believed it was very important
12 for the City to retain control of the waterfront
13 and to retain that control in its own name in
14 its own hands. Some of those reasons, probably
15 all of them, were self interested but some of
16 them, particularly, were self interested because
17 the city desired to maintain maximum leverage
18 until such time as a final development agreement
19 could be negotiated. The city wasn't sure where
20 gaming was heading but it seemed to be
21 developing along a very productive and
22 potentially profitable path. The Mayor was very
23 satisfied and we believe the council was
24 satisfied with the deal that was negotiated in
25 September of 1993. We also believe that the

1 deal might very well be able to be better, and
2 that at such time as this commission met and
3 awarded a Certificate of Suitability, we would
4 have a better sense of what the possibilities
5 were and a full development agreement could be
6 entered into.

7 I would not hesitate to say that I think
8 that that presupposition proved to be correct
9 and the City was wise to wait until now to
10 enter into any agreement that would change
11 anything having to do with title to the
12 property at the Hammond Marina.

13 Furthermore, this Letter of Intent was
14 adopted on September 20, 1993. It preceded the
15 adoption of the Commission's resolution
16 1993-10. In fact, the negotiations for this
17 Letter of Intent were undertaken at the same
18 time the Commission was having its initial
19 organizational meetings. The city appreciated
20 the Commission's concerns over jurisdiction
21 this matter; the city appreciated the
22 Commission's desires that the process here that
23 you are about today be competitive and that it
24 allow many applicants to pursue the license.
25 Again, it seemed to be the most prudent course

1 for the City of Hammond to have an endorsement
2 agreement but not to tie the commission's hands
3 in the award of the license by mortgaging,
4 selling or transferring title or interest to
5 property, and that is what we did.

6 The final chapter remains to be written,
7 the City is prepared to negotiate the
8 development agreement with full consultation of
9 all the affected agencies of the Common Council
10 as soon as this commission awards a Certificate
11 of Suitability. One other thing I would
12 mention in the process is that we believe the
13 City has remained open to all of the gaming
14 companies, the city has had good relations with
15 all of the gaming applicants before you here
16 today. It has been a good strong working
17 relationship with everyone, and we believe,
18 although we certainly can't prove it, that the
19 extent, vigor, and the energy of the
20 competition for license you see today indicates
21 that your desires for competitiveness have been
22 fulfilled.

23 The city did endorse Lake Michigan
24 Charters; the city does endorse Lake Michigan
25 Charters. The city has believed from the

1 beginning that lake Michigan Charters has been
2 the first, and in many cases, the only gaming
3 applicant to focus exclusively on Hammond, to
4 seek no license anywhere else in the State of
5 Indiana, but to seek to develop a very
6 successful facility in Hammond, in their case
7 based upon equal success in Joliet, Illinois,
8 which we also feel were directly applicable to
9 this circumstance here.

10 The City believes Lake Michigan Charters
11 was actually truly the applicant most willing
12 to commit to all of the city's programs,
13 priorities, and desires for riverboat gaming
14 without reservation. Whether it had to do with
15 the construction of the overpass, the
16 assistance with the shortfall in marina bond
17 payments, which were of critical importance to
18 the city and remains so, whether it had to do
19 with the referendum or with beginning to
20 develop the concepts and the plans for the
21 overpass, in all of these areas Lake Michigan
22 Charters stepped up to the plate without
23 reservation, with a commitment to do whatever
24 it took to get the job done. I don't mean to
25 imply by that that the other developer

1 applicants were not interested, and in many
2 cases willing to make a very strong commitment,
3 what I do mean to say, Lake Michigan Charters
4 was willing to commit without reservation.
5 Lake Michigan Charters was also willing to
6 pledge a package of benefits similar to its
7 commitments that were second to none. We
8 believe that Lake Michigan Charters continues
9 to pledge a package of benefits that is second
10 to none as you have seen here this morning.

11 Finally, Lake Michigan Charters was
12 willing to act and did act. It acted to work
13 with the city to assemble the parcel, to work
14 on the planning and development of the
15 overpass, to work on the permitting issues and
16 environment issues that attend a project like
17 this, and generally to order the boat, which
18 they did the moment the endorsement came in.
19 Every aspect of this project that we asked for
20 their cooperation on, we received it. That
21 cooperation, candidly, became all the more
22 remarkable the longer this licensing process
23 has continued. For more than a two-year period
24 Lake Michigan Charters has been willing to
25 focus, commit, pledge, and act with no

1 guarantees, with no guarantees of receiving the
2 license, with no guarantees of being
3 reimbursed, the substantial out-of-pocket
4 expenses they incurred, and we believe that
5 many of those expenses reflect city priorities
6 and city interests and not the propriety
7 interests of any gamer.

8 They have been willing to act, frankly,
9 during one particularly tough period during
10 1994 when it looked as though we might not have
11 riverboat gaming at all depending on the
12 decisions of the Indiana Supreme Court. It has
13 been a successful partnership, and we believe
14 the city has been able, through this
15 partnership, to succeed in developing a very,
16 very viable project. There have been some
17 questions raised, and we expect more to be
18 raised by this commission over what we have
19 been doing for these two years awaiting this
20 particular day. Rocharda has mentioned some of
21 the things we have done, and again, I would
22 like to put them in a final perspective before
23 returning the platform back over to Mayor
24 Dedelow.

25 The city has made progress in six critical

1 areas toward developing this project. First
2 with respect to planning, the city has
3 developed a comprehensive plan for the
4 acquisition, annexation, zoning and development
5 of all of the parcels and all of the various
6 aspects necessary to make this an immediately
7 viable and successful project. The city has
8 also been willing to entertain additional
9 concepts and ideas for retail, hotel, and other
10 types of development, but those have not been
11 the primary focus. The city has been primarily
12 focused on gaming activities themselves and
13 those plans are ready to go. The permits for
14 those plans are also largely ready to go. The
15 city in its own name has received the DNR
16 Permit for the project. We believe, although
17 we cannot prove, that we came close to being
18 able to receive the Army Core of Engineers
19 permit for the project once this commission has
20 made its decision and once fewer issues are
21 resolved with the Army Core Engineers.

22 With respect to environmental matters,
23 Phase 1 assessments on all affected parcels are
24 complete. Phase 2 assessments are also
25 complete or in process or required, and the

1 good news here is that environment or
2 remediation requirements are minimal. This is
3 a good site; it is a clean buildable site; it
4 is a site that is prepared for gaming activity.

5 With regard to land, again I mentioned the
6 importance of city ownership and control of all
7 of the land required for this project, with a
8 couple of exceptions today, is in the hands of
9 the City of Hammond, and in the name of the
10 City of Hammond I should also add. With
11 respect to its several outstanding eminent
12 domain matters, those have either been
13 successfully resolved or in the final appraisal
14 or court ordered stage, and we expect their
15 final order expeditiously. With regard to all
16 of the railroad tracks that all of us can see
17 affect this project, the city has either
18 definitive agreements or good working
19 agreements with all of the railroads for the
20 relocation of tracks where required, or for the
21 necessary easements or air rights, with one
22 exception, and with respect to that exception
23 the City has had a good working agreement to.
24 the extent that working agreement is not
25 successful, the city is prepared to, and has,

1 in fact, begun the process for eminent domain
2 proceedings.

3 With regard to the overpass, which has
4 been emphasized by all of the gaming applicants
5 to you as important, it is, it is vital.
6 Without it gaming activities really cannot
7 commence on the waterfront. The overpass is
8 planned, the plans are in place, the easements
9 are in place. Many structural components, the
10 H-pilings have been ordered for the overpass.
11 The overpass, we believe, and have independent
12 reason to believe, can be built on a very rapid
13 basis. All of your gaming applicants have told
14 you that, we can confirm it. We have consulted
15 with the independent engineering firm of
16 Cordino Associates -- or the Cordino Group,
17 rather, based in Louisville and Indianapolis,
18 and their opinion as to how quickly the
19 overpass can be constructed. Cordino has not
20 had access to all of the permits and all of the
21 information that we have with regard to the
22 project, but the answers they have given us are
23 that the overpass can certainly be built in
24 less than a year. And if indeed we are in the
25 situation we, in fact, are in with regard to

1 permits and other aspects of readiness, that
2 this overpass can be built within a nine-month
3 period or less.

4 With regard to other infrastructure
5 matters, the city has worked with the
6 Robertsdale List Station, and that improvement
7 is complete. The Sewage Works necessary to
8 serve the site are also complete, and the fuel
9 tank relocation for the port authority also is
10 in the process of completion.

11 The city is prepared, the city is very
12 eager to receive the license. We have taken
13 this process about as far as it can go without
14 knowing who the selected gamer will be. We
15 have an obvious and very definite preference as
16 to whom you give the license to; we would ask
17 for the speedy deliberation of this gaming
18 commission and for the speedy award of the
19 license.

20 Now, I would like to turn the podium over
21 to Mayor Dedelow, who has some final comments
22 on the endorsement process and on the outlook
23 for things to come. Thank you.

24 MR. DEDELOW: You have heard the
25 story Dick Henry described about the readiness

1 of the community for this development. Jim
2 Hornak emphasized the importance of these jobs
3 to our city. Rocharda Moore-Morris have
4 described the capability of the Redevelopment
5 Commission to complete the job. David Johnson
6 has given you the rundown of the contractual,
7 legal, and countless other details that have
8 been completed. I have here a binder which is
9 on the table that has a paper trail that shows
10 what we have accomplished. We are ready to
11 compile another and another such binder until
12 this project is completed with the greatest
13 possible speed.

14 As a community we have been looking to the
15 opportunity that will best help us reach our
16 goals. We are looking for the gaming partner
17 who understand our broad economic development
18 plan for the community and who understands how
19 gaming can help us reach our objectives. Just
20 as we had brought representation on the
21 referendum committee, the City's Gaming Review
22 Committee on the Robertsdale Development Plan
23 Committee, and for all other plans we have
24 developed we will also have the same broad
25 representation on the oversight team that will

1 work with our licensed gamer to develop the
2 lakefront. All voices will continue to be heard
3 as we develop this project. Our gaming partner
4 needs to understand that. We are looking
5 forward to the revenue that will allow us to
6 improve our aging infrastructure, streets,
7 curbs, sidewalks in all neighborhoods. We are
8 looking forward to the revenue and the partner
9 with the vision who will help us complete our
10 marina and lakefront development. We are
11 looking forward to revenue that will help us
12 strengthen public safety programs, resolve our
13 debts, maintain and expand our parks and
14 recreation programs, and provide for many other
15 needs throughout the city.

16 We look forward to financial support from
17 many organizations to provide valuable programs
18 and services to meet the needs of the Hammond
19 citizens; children, adults, and senior citizens.
20 This revenue will help them provide more
21 services and to reach more people. We look
22 forward to the new jobs this development will
23 bring for women and minorities, for union
24 workers, for citizens of Hammond and northwest
25 Indiana. We look forward to the beautiful

1 addition that will draw thousands of visitors to
2 the lakefront and to the rest of our unique and
3 welcoming city.

4 We look forward to achieving all these
5 goals in partnership with Lake Michigan
6 Charters. Why did we name Lake Michigan
7 Charters our preferred gaming operator? For the
8 reasons that David just outlined. We believe
9 that the partnership of Lake Michigan Charters
10 will best allow Hammond to begin successful
11 gaming at the earliest possible time with a well
12 conceived, well-managed operation. Charters is
13 a partner that shared and was willing to work
14 within our vision of what gambling should and
15 should not represent for our city's future.

16 From the beginning Charters has, number
17 one, demonstrated the commitment to get a boat
18 in the water first; two, offer the best
19 financial package overall; three, provided the
20 most substantial penalties for delays; four,
21 provided the needed financial backing; five,
22 demonstrated the strength and experience in the
23 construction field; and six, was willing to
24 enter into a strong Letter of Intent that
25 supported our vision for Hammond.

1 Additionally, Lake Michigan Charters is a
2 proven company, one that has tremendous
3 experience and expertise necessary to make this
4 a premier operation. Lake Michigan Charters, as
5 the city's endorsed applicant, has lived up to
6 its promise to work with the city, to bring
7 gaming to an early and successful start. The
8 last two years of waiting for these hearings
9 have not been easy for ones us, but as you can
10 see with our substantial package of documents we
11 have not been merely waiting, we have been
12 making progress one step at a time.

13 Lake Michigan Charters has been a good
14 partner through all of this, whatever support
15 has been needed, whether the support be
16 financial backing, specific expertise or simple
17 perseverance. We have come this far because of
18 their support and understanding of the need to
19 be ready. Our endorsement of Lake Michigan
20 Charters has never been a negative statement in
21 regards to other gaming applicants, but the fit
22 with Charters has always been the right fit from
23 the start. They have demonstrated this time and
24 time again, they have stayed the course, they
25 have been a partner. We are eager and ready to

1 complete this project, but we want to be able to
2 say much more than it is done. We want to be
3 able to say it is done and it couldn't have been
4 done any better. I am excited about this
5 opportunity to build Hammond's future, and all I
6 can say now is let's get on with it. Thank you.

7 MR. KLINEMAN: Thank you, Mayor. I
8 have been asked to give the parties a chance to
9 realign themselves for the question and answer
10 period, so we will take a couple of minutes or
11 a thirty second break.

12 (A recess was taken.)

13 MR. KLINEMAN: I will start off. I
14 have heard how your process went, my only
15 question is the question I think I posed this
16 morning. After we passed our resolution in
17 1993, was there any thought to abrogating your
18 Letter of Intent or whatever had been done and
19 then to go forward in any other means since you
20 have absolutely, as we did basically, nothing
21 against answers as to how exactly things ought
22 to be done.

23 The question, I guess, occurs to me
24 whether or not the opening of the process might
25 not have resulted in additional benefits to the

1 city.

2 MR. DEDELOW: Certainly, Mr. Chairman
3 when the gaming commission passed the
4 resolution the city did discuss that
5 possibility very briefly, but then we decided
6 that because of the process that we went
7 through believing that it was fair and open and
8 leading to good competition between gaming
9 companies, we felt that our package of benefits
10 we received was very good for the city. And
11 knowing we would be back here before the gaming
12 commission sometime in the future for you to
13 award the license taking everything into
14 consideration, we felt that going through the
15 endorsement process once again would not be
16 productive.

17 MR. KLINEMAN: One of the reasons I
18 asked that is because there were other
19 instances, and this may not apply to Hammond,
20 where the location, the local groups were
21 pretty far down on the road, and as a result of
22 our resolution, I am rather proud of it. They
23 then took a brief recess, so to speak, and came
24 back, and the benefits -- the direct benefits
25 to the local community were enhanced many fold

1 from what had previously been proposed. I
2 guess my question is: Do you feel that you
3 have got the best possible agreement based upon
4 your Letter of Intent?

5 MR. DEDELOW: I believe that seeing
6 the presentation that we have this past two
7 days that the benefit package has been
8 substantially increased and I would say that
9 the initial endorsement and going with charter
10 service was to move and push the process
11 forward and gain progress during there past two
12 years. Knowing, again, that we would be before
13 the gaming commission to have the gaming
14 commission make the ultimate decision on who
15 gets the gaming license. I think it has been
16 proven out through these hearings that through
17 this process the gamers have increased the
18 benefit package to our community. And to
19 answer your question, in short, yes, I believe
20 the City of Hammond through our entire process,
21 not only our initial endorsement, but also
22 going before the gaming commission have given
23 or will give us the maximum benefit package
24 when we get and start talking about the final
25 development agreement which will encompass

1 everything and the benefits that the city will
2 realize.

3 MR. KLINEMAN: Going back to 1993, we
4 have been trying to establish who first decided
5 that the 4.7 acre was the only location and
6 only part of your waterfront that was to be
7 used for gaming operation. Was it Charters or
8 was it somebody in this city?

9 MR. DEDELOW: It was the city in
10 consultation with community members. As it was
11 pointed out earlier we have a very, very small
12 lakefront so far as mileage wise. And it was
13 felt, specifically in Robertsdale, that we
14 wanted to preserve as much of the lakefront
15 that we had for open space for community and
16 family enjoyment. So we proceeded to try to
17 protect not only that open space but also to
18 try to confine the gaming in a certain area so
19 the development was at least in one area so it
20 would enable not only for open space but it
21 would allow for the marina to operate as a
22 marina and not interfere with the marina and
23 the boating public.

24 MR. KLINEMAN: As I have viewed it
25 and this is the only time I have been out there

1 was the other day when you were nice enough to
2 show us around, the public has access to the
3 bird sanctuary area, the NIPSCO property, so to
4 speak, but as far as the rest of the quote
5 waterfront, that is really already occupied, is
6 it not? It is either occupied by the marina or
7 by the parking lot, we are talking about the 4
8 acres, or by the water infiltration plant,
9 there is nothing else.

10 MR. DEDELOW: Certainly the area
11 which is the NIPSCO property which is part of
12 the migrant bird trap is the rest or a large
13 part of the remainder of the lakefront on our
14 shoreline of Lake Michigan. However, we do
15 also have property that is directly south of
16 that area, south of the shoreline that can be
17 developed, and we envision, can be made into
18 parks and the like for public enjoyment along
19 with being in conjunction and compliment with
20 the migrant bird trap.

21 MR. KLINEMAN: Just directly south of
22 the migrant bird area, or south gets into the
23 railroad tracks?

24 MR. DEDELOW: Well, the railroad
25 tracks are going to be consolidated and there

1 will be a certain area just west of the -- or
2 excuse me, south of the migrant trap that is
3 going to be able to be made into public green
4 space and open space for public enjoyment.

5 MR. KLINEMAN: That is the question I
6 think that has been coming up, based upon just
7 the feel for the thing, pushing the gaming
8 operation into that 4 acres really shortchanges
9 what could be a better economic package. And
10 that is what I am talking about, I not talking
11 about trying to take anybody's recreation away
12 from them or their ability to fish. What we
13 are trying to do is maximize the economic
14 benefits for Hammond and for the state, and if
15 you limit the development of certain areas and
16 don't allow some expansion you lose jobs on
17 maybe the additional construction. Obviously
18 you lose jobs on the operation of some
19 additional facilities and so forth. I think
20 that is what we have been talking about.

21 MR. DEDELOW: Sure, Mr. Chairman, we
22 certainly appreciate that, we to are looking at
23 the maximum benefit package for the community.
24 Our approach has been taking all community
25 input and desires into the whole process

1 through what we have been going through this
2 past, almost two years. We wanted to put the
3 gaming on the lakefront, get it up and
4 operational as soon as we could, do something
5 that made sense for the lakefront and our
6 overall economic development plans, and then in
7 the future if the market determined it and
8 dictated it, we certainly would look to doing
9 over things such as a hotel or other economic
10 development to compliment what we had on our
11 lakefront.

12 MR. KLINEMAN: I guess I have a
13 feeling if you don't get it now, you may not
14 get it. I have heard people say that is later,
15 next phase, et cetera. They are very sincere
16 here today and mean everything they say but
17 still if you get a firm commitment today you
18 are going to be better off than a phased
19 commitment. Anybody else?

20 MS. BOCHNOWSKI: In your process, it
21 is my understanding you have brought a group of
22 citizens together, community leaders and
23 citizens to give you, maybe narrow down the list
24 of applicants to three, and then you would move
25 on from there. Who were the final choices of

1 that committee and were they in any particular
2 order?

3 MR. DEDELOW: The final choices out
4 of the six applicants that were brought before
5 the commission or committee, the final ones
6 were Boyd, Lake Michigan Charters, and Mirage.
7 The scoring was done on an accumulative total
8 with not specific ranking.

9 MS. BOCHNOWSKI: So do you know who
10 got highest accumulative total or would that be
11 misleading?

12 MR. DEDELOW: I would have to refer
13 that to Don Thomas, who was very involved in
14 that process, Don.

15 MR. THOMAS: Don Thomas, I am the city
16 planner, I was the chairman of the Mayor's
17 committee. There was a great deal of discussion
18 on whether or not the recommended gaming
19 operators would be ranked and that there was --
20 during committee meetings and it was determined
21 by the committee on a vote of -- they would not
22 be ranged but the votes were as follows: It
23 was -- actually we only heard from five of the
24 six operators did not attend. Carnival 1, Boyd
25 10, Lake Michigan Charters 9, Mirage 13 and

1 Gamma 3.

2 MS. BOCHNOWSKI: Thank you.

3 Following up on that, then, apparently those
4 three came to the Mayor's office and negotiated
5 with you; is that correct?

6 MR. DEDELOW: Yes, that is correct
7 with the --

8 MS. BOCHNOWSKI: What I am trying to
9 figure out is how you were able to -- how you
10 came to choosing Lake Michigan Charters above
11 the other two. Were there some hard and fast
12 rules, for example, Boyd basically has fit into
13 your plan as well as Lake Michigan Charters.
14 Was the Milwaukee Clipper something that was
15 absolutely required -- that would be the
16 beginning. Did they have to go along with the
17 Milwaukee Clipper's rehabilitation in order to
18 get your endorsement?

19 MR. DEDELOW: Initially, when we
20 entered into negotiations all the gamers, the
21 ones who were selected by the commission or
22 committee, were asked the exact same questions.
23 And we went down a list with these questions
24 and at the end we had accumulative totals of
25 what each gamer promised and that is how we

1 ended up endorsing Lake Michigan Charters.

2 MS. BOCHNOWSKI: What were your
3 requests?

4 MR. DEDELOW: In regards to the
5 Clipper itself, either David Johnson or Jim
6 Bennett can answer specifics in regard to that.

7 MR. JOHNSON: Ms. Bochnowski, I don't
8 recall the Clipper being an issue really among,
9 well, certainly involving Boyd or Lake Michigan
10 Charters. Mirage Gaming, of course, favored an
11 entirely different site on the west end of the
12 marina where the NIPSCO property currently is.
13 The city made no bones about it at the time, we
14 had problems with that site, it would have had
15 to have a break wall, it would have taken lots
16 of permitting, and it was not what the
17 community wanted to do. But with respect to
18 east end site where I think both Boyd and Lake
19 Michigan Charters have indicated they were
20 wanting to locate the project from day one,
21 there was pretty much of a close match.

22 As the Boyd gamers indicated yesterday,
23 they did have some different ideas as to where
24 they wanted some of the project components that
25 did not match where city was. And in addition

1 there were some differences on some substantive
2 issues that were discussed. But as I mentioned
3 in my remarks, and I think Jim Bennett would
4 also confirm, the negotiations or really
5 discussions with all three were quite cordial
6 and competition was close. If you would like I
7 can tell you what the factors were that were
8 used.

9 MS. BOCHNOWSKI: I would be very
10 interested, yes.

11 MR. JOHNSON: Okay. These were
12 really in no particular order, and we stressed
13 to the gaming applicants at the time that they
14 were in no particular order, they were largely
15 factors that were put together from looking at
16 all of the gaming applications that the city
17 had received, not only from the three who were
18 before us at that point, but from all of the
19 gaming applicants who had responded to the
20 request for qualifications.

21 We ended up with sixteen issues, and again,
22 I do want to stress to you these were not in any
23 particular order. What we did in the process
24 was that Jim Bennett on behalf of the mayor set
25 the agenda, read through each of these questions

1 I will now indicate to you briefly, and then
2 said we will take them in any order that the
3 gaming applicant wanted to receive.

4 They were, first, a commitment to at least
5 3 percent of gross gaming revenues. Again, the
6 concept of direct revenues sharing. A concept
7 of -- basically a question to describe parking
8 facilities, parking spaces, how much would be
9 involved, estimates for parking revenues.
10 Again, at that time, all the of gamers were
11 recommending charging for parking. Coupled with
12 that was a request by the city for the gamers to
13 consider essentially a demolition bond or some
14 kind of surety bond whereby if gaming were to go
15 away, the city would not be left with a parking
16 structure or other structures on the waterfront
17 that really had no use.

18 The third was investment in the overpass.
19 The city was actively exploring the overpass at
20 that point and was in the process of trying to
21 develop plans for it, and was wanting to get a
22 commitment from each of the gamers to make a
23 firm investment in the overpass.

24 A fourth issue was referendum funding.
25 These discussions, of course, were taking place

1 in late September of 1993. The referendum was
2 in early November, the city needed some help, or
3 rather the Hammond Opportunity Committee of
4 Hammond citizens needed some help in putting the
5 referendum together and was looking, obviously,
6 for some support from the gamers in getting that
7 done.

8 An additional point was the Robertsdale
9 study, as I believe Don Thomas could tell you
10 that study was in process or under way or at
11 least had been conceived at that point. The
12 city was looking for funding to carry it out and
13 bring it to fruition.

14 The sixth point -- Commissioner, am I going
15 too fast or too slow on this?

16 MS. BOCHNOWSKI: No, this is fine.

17 MR. JOHNSON: The sixth point was the
18 funding for the foundation, the 501C3 for the
19 city to be used for essentially charitable
20 purposes, and to be -- the funding to be done
21 in consultation with the Mayor and the Council
22 and other affected authorities.

23 The seventh point, and a very critical
24 issue was a commitment to supplement the debt
25 service shortfall in the marina bond payments.

1 We will be happy to go into whatever length you
2 want to on that issue, but suffice it to say at
3 that point there was anticipated to be a
4 significant several hundred thousand dollar
5 shortfall in the December payment and beyond.
6 In fact, we felt that was such an important
7 point that the Letter of Intent required the
8 selected gamer to fund our December payment
9 shortfall even if gaming were defeated in
10 November of 1993 because we did not want to end
11 up with a default of those broad payments in
12 December of 1993.

13 The eighth point --

14 MR. KLINEMAN: Excuse, me can I
15 interrupt for just a second?

16 MR. JOHNSON: Sure.

17 MR. KLINEMAN: Did all the people
18 agree to that particular item?

19 MR. JOHNSON: My recollection is that
20 different people had different levels of
21 awareness of the problem. The agreement by
22 Lake Michigan Charters was unequivocal to fund
23 those shortfalls. But Jim, I can't recall what
24 Boyd's position was, I think that they were
25 certainly open to that although I think they

1 wanted to have an idea of what the limitations
2 would be. I honestly can't recall what that
3 was.

4 The other gaming applicant was less
5 interested in that, we got kind of an equivocal
6 commitment on that point.

7 MR. KLINEMAN: Thank you.

8 MR. JOHNSON: We felt that,
9 Commissioner, we felt that that was absolutely
10 an essential point for us and believed in full
11 confidence that we would end up getting there
12 with whoever received the endorsement because
13 it was something we had to have.

14 MS. BOCHNOWSKI: What would have
15 happened had you defaulted on those funds?
16 What would the results have been?

17 MR. JOHNSON: Well, there are various
18 potential consequences to that. The marina at
19 that point was and is today subject to a
20 Certificate Participation financing. As a
21 technical matter if there had been a payment
22 default on those bonds, the trustee at the
23 direction of the bond holders could have taken
24 control of the marina.

25 MR. KLINEMAN: Are those general

1 obligation bonds for the City of Hammond?

2 MR. JOHNSON: They are not, Mr.
3 Klineman, they are revenue backed bonds solely.
4 They are Certificates of Participation
5 technically issued by the trustee. The City of
6 Hammond is a party to the lease and has
7 certainly a moral obligation in the transaction
8 to make lease payments, but there is no tax
9 backing behind them.

10 MR. KLINEMAN: Okay.

11 MR. JOHNSON: The eighth point was a
12 strong commitment to local minority owned,
13 women owned, and unionized labor in the
14 construction of the project.

15 The ninth was the willingness to form a
16 partnership committee between the city and the
17 endorsed gamer. I believe that was a very
18 important point to move the project ahead.

19 The tenth was, frankly, a legal point
20 seeking indemnification in the event of any
21 litigation.

22 The eleventh was a concern for additional
23 security funding for sworn officers to the
24 extent of up to a million dollars a year.

25 The twelfth was a commitment to the green

1 spaces, the beaches, and the other recreational
2 developments of the waterfront that the city has
3 a top priority, and specifically, of course, to
4 working with the city to acquire the property
5 then and now owned by Northern Indiana Public
6 Service Company.

7 The thirteenth, and this may interest you,
8 was really sort of a statement, and that was
9 that the city would not commit and would not
10 enter into any kind of a binding agreement with
11 respect to the development of hotel and retail
12 facilities, but remain open to that possibility
13 so long as there was consultation between the
14 gamer and the city. What the city did not want
15 was someone coming in and saying this is what
16 you need to have on your waterfront. Again, we
17 are focusing primarily on the basic
18 infrastructure of the gaming facility. There
19 was an openness to look at a lot more, but there
20 was desire to be further consultation. I might
21 also add that we believe this would all be
22 worked out in much more definitive language by
23 the time we achieved the final development
24 agreement. Please do keep in mind this was not
25 the final development agreement that we were

1 entering into.

2 MS. BOCHNOWSKI: This was your
3 initial negotiation?

4 MR. JOHNSON: Right. And what we
5 wanted to do and if you have a copy of the
6 Letter of Intent, I would be happy to provide
7 you with one because it is a public document,
8 the Letter of Intent contemplated how the
9 development would read, and it contemplated
10 really virtually all the provisions I am
11 mentioning to you now. Most of them were
12 reserved for further discussion and inclusion
13 as binding terms and conditions in that
14 agreement.

15 The fourteenth point was the pledge of a
16 payment of dollar per capita of traffic to the
17 gaming facility, which would be dedicated to the
18 Hammond Marina and the Port Authority.

19 The fifteenth was a commitment to get a
20 boat up and running as quick as possible, with
21 substantial penalties if the boat was not up and
22 running. We were asking for a lot on that and
23 got criticized from the community for asking for
24 a lot, but we thought the boat was a critical
25 component. Again, we were working under the

1 impression that the license would probably be
2 issued within a year rather than a longer period
3 of time.

4 And finally, and this should have gone back
5 at the beginning, there was a desire for a
6 commitment to the development of engineering for
7 the overpass, engineering planning and designing
8 for the overpass as quickly as possible. Those
9 were the sixteen points.

10 MR. ROSS: One question about the
11 overpass funding.

12 MR. JOHNSON: Yes, sir.

13 MR. ROSS: Was that a non-recourse
14 funding for the applicant?

15 MR. JOHNSON: Yes, sir, and I
16 appreciate your asking that question. In the
17 course of these discussions we made clear that
18 everything we were asking for was to be done at
19 the risk of the endorsed gamer. Now, to be
20 fair, Commissioner, again we were under the
21 impression that the gaming license would be
22 issued in a lesser period of time than two
23 years. So we weren't necessarily sure we would
24 have a huge commitment of construction dollars
25 for that overpass construction because we were

1 simply in the process of planning it and
2 designing it.

3 But whatever expenditures were made by the
4 endorsed gamer were made at their risk without
5 recourse back to the city, with one exception, I
6 should mention, and that was the marina bond
7 shortfall payments, which we did specifically
8 contemplate that at such time the development
9 agreement was entered into the city would
10 reimburse the endorsed gamer for those shortfall
11 payments.

12 MR. ROSS: Did all three of your
13 chosen applicants agree to that?

14 MR. JOHNSON: I am sorry, to which?
15 To the overpass?

16 MR. ROSS: To the overpass.

17 MR. JOHNSON: They have differing
18 responses to that. Again, my recollection is
19 that Lake Michigan Charters agreed without
20 limitation to the funding for the overpass. I
21 believe that Boyd Gaming was willing to pay a
22 specified amount for the overpass because they
23 believed it could be done for a specified
24 amount. I believe they believed they could do
25 it for five million dollars. Jim, do you want

1 to supplement that?

2 MR. BENNETT: If my notes are
3 correct -- my name is Jim Bennett -- in those
4 discussions Boyd agreed they would pay for half
5 the cost of the overpass up to five million
6 dollars in their initial response to us at
7 their presentation. If I remember right,
8 Mirage said they would negotiate with the city
9 on the amount that they thought we should share
10 in the cost of the construction of that
11 facility.

12 MS. BOCHNOWSKI: Was Bally's involved
13 at all with that original group or did they
14 come later?

15 MR. DEDELOW: They were not involved
16 with the original negotiations. However, at a
17 later date they paid their specified
18 application fee and continued to pursue the
19 license in Hammond.

20 MS. BOCHNOWSKI: Did they go through
21 that committee you had chosen at that time?

22 MR. DEDELOW: Don?

23 MR. THOMAS: They were not a
24 respondent.

25 MR. VOWELS: Mayor, my understanding

1 is you were appointed, mayor and I see now you
2 are up for re-election, is that correct.

3 MR. DEDELOW: Pardon?

4 MR. VOWELS: When did you become
5 mayor?

6 MR. DEDELOW: October 19, 1992.

7 MR. VOWELS: So you were mayor during
8 all of this negotiation time; is that correct?

9 MR. DEDELOW: Yes.

10 MR. VOWELS: The Letter of Intent, I
11 believe, was entered into September 29, 1993?

12 MR. JOHNSON: September 20,
13 Commissioner.

14 MR. VOWELS: September 20. The
15 resolution 1993-10 that we had passed, I
16 believe it was on October 1993, I don't have
17 that in front of me but my impression of that
18 resolution was that we give little or no weight
19 to that endorsement, and that occurs prior to
20 the application deadline. Your statement to
21 the chairman's question was that city discuss
22 reopening, and I wrote that very briefly. With
23 that in mind, assuming and at least my position
24 is that I give little or no credence or weight
25 to your endorsement. Why is it that it was

1 only discussed very briefly given in the view
2 of resolution of 1993-10 coming into play in
3 just a little over a couple of weeks after you
4 guys entered this Letter of Intent. What would
5 have discouraged you from reopening the
6 process?

7 MR. DEDELOW: Commissioner, we again
8 did consider the negotiation, so as far as
9 reopening them, I did say briefly and you are
10 correct. However, I will go back to the fact
11 that we established this process with a lot of
12 input from a lot of people in our community and
13 we thought it was an open and fair process. We
14 believed we were getting a very, very good
15 benefit package. We do understand that the
16 gaming commission after passing the resolution
17 did say that they would probably give little or
18 no endorsement -- weight to our endorsement.
19 However, we believe that after having the
20 opportunity to state our case to the commission
21 as we have today that you potentially would
22 look at it for its merit and hope to see that
23 we went through a painstaking process to make
24 sure we insure the best process, the most open
25 process, and the best benefits package for the

1 city.

2 MR. VOWELS: My understanding is that
3 it is your feeling that the city's position is
4 reflective of the community sentiment. Can you
5 explain to me how that is so, were there poles
6 taken? It seems there was a 40 percent turnout
7 on a single issue, and a referendum of 65 was a
8 yes vote, 65 percent, which seems to be a lot
9 of involvement. But I am not hearing anything
10 other than certain people in the community were
11 on the selection process committee. Were there
12 poles taken? Give me some more understanding
13 of how it is reflective.

14 MR. DEDELOW: We had the referendum
15 process, we went through our public process so
16 far as selecting three gamers. We went into
17 extensive negotiations with those three gamers,
18 we had participation from city staff, we had
19 participation in the Hammond City Council, and
20 we went through the exact same points with all
21 three gamers and we came down to the bottom
22 line with the best package that we thought at
23 that particular point in time. But if the
24 question is, Commissioner, did we put it out
25 for a public vote as to what the general public

1 thought of this particular benefit package, we
2 did not. However, the City Council did have
3 public meetings and did talk about the benefit
4 package, and through their public process, I
5 believe, affirmed what the city's
6 administrations position was and that we got a
7 good package and that is why they endorsed Lake
8 Michigan Charters, also, as the preferred
9 gamer.

10 MR. VOWELS: Was there some hearing
11 where the public was able to present public
12 comment to --

13 MR. DEDELOW: They had council
14 meetings, sir.

15 MR. VOWELS: And the public did have
16 an opportunity for public comment?

17 MR. DEDELOW: Commissioner, I would
18 just state that, yes, there was an opportunity
19 for public comment.

20 MR. VOWELS: Did they take that
21 opportunity and what was that opportunity?

22 MR. KLINEMAN: Describe what
23 happened, how was the public input received?

24 MR. DEDELOW: In the process that we
25 went through with the referendum itself, that

1 again was a public process, and being that we
2 went through the public process and pulling the
3 three required gamers and the best required
4 gamers that was picked by a community group as
5 well as the staff, that limited it down to a
6 potential field of three gamers.

7 So the public was given an opportunity to
8 talk about those specific gamers and that
9 specific process where we entered into three --
10 or entered into negotiations with three
11 operators. That was the public input at that
12 particular point in time.

13 MR. KLINEMAN: The fifteen points
14 that Mr. Johnson read to us, those were not
15 points which the public was aware of as being
16 points that became important in the final
17 selection; is that not correct?

18 MR. DEDELOW: The community was not
19 represented at the final negotiations. We had
20 city staff there as well as council members,
21 and from the final negotiated package the
22 council, again, went through their public
23 process, I believe, allowed time for public
24 input, and through the council they endorsed
25 our decision.

1 MR. KLINEMAN: My question, I want to
2 focus on one particular thing. How much was
3 the payment that was due in December on the
4 bonds on the marina?

5 MR. DEDELOW: I would like to turn
6 that over to Jim, and before I do that, David,
7 do you have any comments in regards to the
8 process and public input?

9 MR. JOHNSON: David Johnson from
10 Baker and Daniels. The fifteen or sixteen
11 points that I just mentioned to you were, in
12 fact, public. They became published shortly
13 after the deliberations with the gamers, were
14 well known, widely circulated and, I believe,
15 even published prior to the execution of the
16 endorsement agreement.

17 MR. KLINEMAN: But prior to the
18 selection of Charters or after they had been
19 selected?

20 MR. JOHNSON: During the negotiation
21 and discussion process.

22 MR. KLINEMAN: But there was no
23 returning, you said they were made public
24 through the newspapers. Is that what you are
25 saying?

1 MR. JOHNSON: There was no intention,
2 Commissioner, if the question is was there any
3 desire to keep any part of this in any way --

4 MR. KLINEMAN: That is not my
5 suggestion.

6 MR. JOHNSON: But you understand why
7 it is important for me to clarify it. There
8 was no intention, whatsoever, to keep any part
9 of it away from the public.

10 MR. KLINEMAN: We get off on this
11 because the Mayor said the public knew
12 everything and were in favor of what he was
13 doing. Then we came back and saying did they
14 know the fifteen points and you are saying they
15 didn't know the fifteen points, okay, that is
16 enough.

17 My question was, what was the payment that
18 was due in December of 1993 on the marina bonds?

19 MR. BENNETT: We believe that that
20 initial payment was seven hundred and fifty
21 thousand dollars.

22 MR. KLINEMAN: I am coming around to
23 the place where I am about to conclude that the
24 reason you couldn't abrogate even after our
25 resolution 1993-10, the Letter of Intent was

1 because you had this pledge to pay this
2 shortfall that you needed and you wanted that
3 shortfall paid. Am I wrong in concluding that?

4 MR. DEDELOW: David?

5 MR. JOHNSON: Commissioner, I think
6 the Mayor is probably the best person to speak
7 to, to what overall the city concluded in the
8 process. I can only tell you that that
9 honestly had nothing to do with the decision
10 that his advisors made in recommending that we
11 continue to stay the course.

12 MR. KLINEMAN: Well, as you said, the
13 mayor could answer that probably best.

14 MR. JOHNSON: Could I elaborate on
15 that?

16 MR. KLINEMAN: Sure.

17 MR. JOHNSON: We believed, and we may
18 have been incorrect on that belief, we were in
19 active consultations with commission staff
20 certainly throughout -- from October of 1993
21 on. We believe that what was most important to
22 the commissioner, and we concluded this on our
23 own behalf, was that we not take actions that
24 were either behind closed doors, not subject to
25 public scrutiny or input, and would be

1 frustrating the competition in the process. We
2 believed that because the RFQ process had been
3 very public, and because the priorities of the
4 city had been very well developed, and because
5 all of this had been widely discussed both by
6 the mayor and then later by the common council,
7 there was nothing secretive about the process
8 whatsoever.

9 We were also very confident, at that time
10 it was just confidence, that this process would
11 be kept competitive because we had not been
12 seeking to exclude anybody in the negotiations,
13 and I do think we have kept it that way.

14 MR. KLINEMAN: I am not suggesting
15 that you did anything behind any closed doors
16 of any sort, and I do want to get back to the
17 question about the seven hundred and fifty
18 thousand dollars, standby.

19 My problems is we have Bally's here,
20 Bally's was never really a participant for the
21 very reason we passed our Resolution 10, which
22 is we wanted the cities to consider all of the
23 people who were on the playing field. We didn't
24 know who all the people were that might be on
25 the playing field and neither did you.

1 Along comes Bally's, the program is over,
2 you refused to abrogate it and we are left with
3 a situation where we have three applicants, two
4 of them whom went through your process, and one
5 didn't even get a chance to go through your
6 process. Even if you may have been cooperative
7 with them and so forth since they have become an
8 applicant, but they were never given a chance to
9 receive your endorsement. That is my one
10 problem. So to the extent that you read our
11 resolution as saying that the process should be
12 open, you read it right, but secondly you did
13 not apparently understand that the reason we
14 wanted it to be open and so forth and to wait
15 until all the applicants were on the playing
16 field was for the very problem we have here. So
17 I again ask you, why did you not abrogate your
18 endorsement of charters after we passed the
19 resolution, go back include everybody, was it
20 because you needed the seven hundred and fifty
21 thousand dollars for payment?

22 MR. DEDELOW: No, it was not.

23 MR. KLINEMAN: And that is the
24 answer. Was that considered in what you were
25 doing to abrogate your Letter of Intent was the

1 fact that they had agreed to pay seven hundred
2 and fifty thousand dollars in December, which
3 was coming right up. Was it considered?

4 MR. DEDELOW: That was not a
5 consideration in our decision not to reopen the
6 endorsement process.

7 MR. KLINEMAN: When you say "our
8 decision" that means you and your advisors and
9 the council, and that is the group?

10 MR. DEDELOW: Myself and my advisors;
11 I cannot speak for City Council.

12 MR. KLINEMAN: Were they involved in
13 the question about whether you were going to
14 open the process back up again or not?

15 MR. DEDELOW: I don't know that that
16 question was ever addressed to the City
17 Council.

18 MR. JOHNSON: I believe the Common
19 Council did consider that. I am recalling a
20 series of newspaper articles that came out in
21 February of 1994, and I don't pretend to speak
22 for anybody, but the articles, at least, quoted
23 the council as saying that they thought at the
24 time they would not abrogate the endorsement,
25 because there was no reason to do so.

1 It is hard to convey a feeling about it,
2 but I think the feeling we had overall was that
3 there would be no point to it, that we would end
4 up in the same position and simply have lost
5 time.

6 MR. KLINEMAN: You didn't have a
7 chance to consider Bally's application, that is
8 open and shut, they never had a chance as far
9 as where your endorsement is concerned.

10 MR. SUNDWICK: In your endorsement
11 didn't you say that you had three endorsements
12 that you proposed to the Mayor as counsel,
13 wasn't there three?

14 MR. JOHNSON: The Mayor's commission.

15 MR. SUNDWICK: The Mayor's
16 commission. In your voting process, there were
17 points that you were talking about, right? You
18 had the Mirage, Boyd, and Lake Michigan,
19 correct?

20 MR. JOHNSON: The Mayor's Commission
21 recommended those three to the Mayor, that is
22 correct.

23 MR. SUNDWICK: There was a point
24 system?

25 MR. JOHNSON: There was an

1 accumulative point system?

2 MR. SUNDWICK: Who had the highest
3 point system.

4 MR. JOHNSON: Mirage.

5 MR. SUNDWICK: Who was second?

6 MR. JOHNSON: Boyd.

7 MR. SUNDWICK: And third?

8 MR. JOHNSON: Lake Michigan Charters.

9 MR. SUNDWICK: So as far as you were
10 concerned it was turned over and the public now
11 had had their say and said here is three to the
12 mayor.

13 MR. JOHNSON: Well, sir, the numbers
14 were thirteen, ten, and nine. I am not sure
15 that that was a tremendous reversal.

16 MR. SUNDWICK: I just asked the
17 question, I am trying to understand.

18 MR. VOWELS: Just real quick. You
19 said you didn't see any point in reopening, I
20 am talking to the attorney. You read
21 Resolution 1993-10 where it said you would give
22 little or no weight to the endorsement so you
23 may have been wasting your time with the Letter
24 of Intent. How can you not see that as a point
25 to reopen?

1 MR. JOHNSON: You are asking me for
2 my advice or conclusion?

3 MR. VOWELS: I am asking, you read
4 the 1993-10?

5 MR. JOHNSON: Of course.

6 MR. VOWELS: Was it ambiguous?

7 MR. JOHNSON: The language was not
8 ambiguous, but I also did not read the language
9 to be saying this was something that had to
10 occur. You simply convey to the communities
11 that they were at their own risk if they had
12 conducted an endorsement process prior to that
13 vote. It strengthened the burden of proof that
14 we have had to give to this commission as to
15 the value of our decision. We had to prove it
16 on the merits not just on the endorsements.

17 MR. VOWELS: Succinctly, what was the
18 advantage of taking that chance?

19 MR. JOHNSON: The advantage was time.
20 The advantage was definitely time because again
21 the community had moved very quickly to put
22 together the kind of blueprint that it wanted
23 for the project. The belief again, rightly or
24 wrongly, was that time was a precious resource
25 because of the approaching onslaught of gaming

1 in Chicago, in that area. And the belief was
2 that since the city was really willing to
3 proceed, it should be moving ahead to proceed
4 as quickly as possible. We were very concerned
5 about jurisdictional issues. And the main
6 impression that we got, and again you can fault
7 us for this, but the main impression we got was
8 that the commission was most concerned and
9 deliberation that the commission undertook
10 really focused on the concept of frustrating
11 competition for the license.

12 MR. VOWELS: What jurisdictional
13 issues are you talking about?

14 MR. JOHNSON: Your jurisdiction.

15 MR. VOWELS: Of what --

16 MR. JOHNSON: Your jurisdiction to
17 license a gamer.

18 MR. VOWELS: From what aspect, I
19 don't follow you.

20 MR. JOHNSON: Well, we believed that
21 there was a clear statement in this resolution,
22 1993-10 that it was the commission that was
23 empowered to select the gamer. The community
24 was not going to do that for you, and that you
25 had power to make that decision, and the

1 resolution underscored that. And we
2 believed -- and again that we're going back to
3 the context for the discussions and
4 deliberations. At that time we believed
5 looking at other locations in the state that
6 what the concern was, was that the communities
7 would have a process that would not be in their
8 best interests or anybody's best interest
9 because it would not be competitive. We
10 thought we had a competitive process we thought
11 we would be able to maintain a competitive
12 process for the license. Obviously, if we had
13 only one applicant sitting here today we would
14 feel differently about it. But we continued to
15 promote competition among the applicants who
16 were licensed, including Bally's, who was not
17 on the scene at the time this occurred.

18 MR. DEDELOW: Commissioner, if I may.
19 It was never the intent of the city to ever do
20 anything to supersede the authority of the
21 commission or the intent of resolutions or any
22 other actions that they had taken. We have
23 just been going through this process doing what
24 we thought was in the best interest of our
25 community. And if you take exception to that,

1 I can understand that it is certainly your
2 responsibility to award the license and I am
3 sure you will do so accordingly.

4 MR. VOWELS: Just one other question.
5 Will you be able to work with any other
6 applicant if they are the successful applicant?

7 MR. DEDELOW: Yes, we can work with
8 any of the applicants if they were the
9 successful applicant. I would say the city
10 would be willing to work with them as long as
11 they were willing to work with the city and
12 give us the best benefit package possible at
13 the best possible and earliest time.

14 MS. BOCHNOWSKI: Are we done with
15 this subject, I wanted to jump to a different
16 one.

17 MR. KLINEMAN: Just to conclude about
18 what Commissioner Vowels has brought up. I
19 don't know if I got a yes or no from the Mayor.
20 Are you willing to work with anyone chosen to
21 receive the Certificate of Suitability?

22 MR. DEDELOW: If it is the
23 commission's decision to award the Certificate
24 of Suitability to somebody else other than Lake
25 Michigan Charters, yes, the city would work

1 with that gaming operator.

2 MR. KLINEMAN: If that gaming
3 operator happened to have, as Bally's does, a
4 proposal now that takes a little bit more
5 property than does the original four acres, can
6 you still work with them?

7 MR. DEDELOW: It is certainly an
8 interesting question and we would certainly
9 want to work with that gamer as long as it
10 didn't negatively impact our community at
11 large. As I mentioned before we value very
12 much our lakefront and we want to preserve it.
13 If there is a way to potentially, as you say
14 enlarge or pick up more property and not
15 disrupt the marina as well as take up
16 additional lakefront, we would certainly be
17 open to that.

18 One thing I might want to add is if another
19 gamer is awarded the Certificate of Suitability,
20 they would take a certain amount of time to get
21 up to speed on the entire process that we have
22 been going through over the past almost two
23 years, and certainly time would be lost and
24 therefore revenue to both the City of Hammond as
25 well as the State of Indiana.

1 MR. KLINEMAN: As we have established
2 already, Bally's wasn't even involved in the
3 process, so how can you now say, for instance,
4 if we did choose Bally's that they would be
5 putting the City of Hammond at a disadvantage?
6 It is really kind of a catch 22.

7 MR. DEDELOW: If I could,
8 Commissioner, I would like to call on Pat
9 Reardon who works with the Urban Enterprise
10 Association with the City of Hammond.

11 MR. REARDON: Good afternoon. I
12 co-chaired the Mayor's commission, it is my
13 recollection that the Bally Corporation did, in
14 fact, have an opportunity, it did appear before
15 the Hammond Common Council to present their
16 plan.

17 MR. KLINEMAN: At what time frame are
18 we talking about?

19 MR. REARDON: This was approximately
20 two years ago when the council held their own
21 public hearing.

22 MR. KLINEMAN: After the Mayor had
23 selected Charters?

24 MR. REARDON: That's correct.

25 MR. KLINEMAN: Okay, that's all

1 right.

2 MR. REARDON: Pardon me. After we
3 had concluded our process, the council had
4 engaged in their own process. And Bally's was
5 invited and Bally's did, in fact, appear.

6 MR. KLINEMAN: Who chose, I am really
7 getting confused now. The Mayor had this
8 committee recommend three to him. He choose
9 from the three based upon the fifteen criteria
10 that we have heard about. Tell me where
11 Bally's comes in?

12 MR. DEDELOW: In this very
13 competitive situation the companies were trying
14 to lobby, but whoever they put we would make a
15 decision, my office along with my staff had
16 made a decision as to who we would endorse in
17 the process. Apparently Bally's did not agree
18 with that process. But Hammond City Council
19 Bally's proved them in some way shape or form.
20 I am not even really how they were approved but
21 in the end the Hammond City Council, after the
22 city administration endorsed Lake Michigan
23 Charters went through their process and had all
24 the gaming people rank so far as who they
25 thought should be awarded the license. And I

1 think they only considered the three that were
2 recommended to the mayor's office to enter into
3 negotiations.

4 MR. SUNDWICK: You basically indicate
5 you would have some problem if Bally's was
6 chosen. The next question, if Boyd was
7 indicated that they might, under certain
8 circumstances, want to expand their project
9 that they would -- might have a desire to
10 expand their project off this 4 acre. Is your
11 answer to whether you could work with them the
12 same as to Bally?

13 MR. DEDELOW: I would say it is
14 certainly a subject of negotiation; anybody
15 reasonable would be considered by the city.

16 MR. SUNDWICK: The generic footprint
17 site that we talked about that lake Michigan
18 and Boyd have as their proposed facility, who
19 developed that footprint of the city or Boyd
20 and Lake Michigan as a city footprint?

21 MR. DEDELOW: The city wanted to
22 develop a plan. It was in the interest of the
23 city to do that.

24 MR. VOWELS: So there is more to the
25 negotiations with NIPSCO than just the original

1 sixteen acres and the bird trap area. So I
2 would just say that NIPSCO has been working
3 with the city for a period of time; we have not
4 finalized any agreement but we are in final
5 stages of that agreement and we would be glad
6 to go back and take your recommendations to
7 them.

8 MS. BOCHNOWSKI: I have no authority
9 over NIPSCO, I just want you to get all you can
10 get, that's all.

11 MR. DEDELOW: We are trying to
12 negotiate a fair and honest deal that would
13 benefit the citizens.

14 MS. BOCHNOWSKI: Going in a different
15 direction --

16 MR. KLINEMAN: Excuse me, would you
17 like to take a break and then we will come back
18 and conclude this; we have been going almost
19 two hours and I think the court reporter could
20 use a break.

21 MS. BOCHNOWSKI: All right.

22 (A recess was taken.)

23 MR. KLINEMAN: You are the Chief of
24 Staff?

25 MR. BREMMER: I am here for the

1 Congressman, the Congressman isn't here but he
2 is conducting public business in Washington.

3 MR. KLINEMAN: Very well, very well.

4 MR. BREMMER: Yes, sir, the House is
5 in session and it demanded his attention.

6 MR. KLINEMAN: But his ideas of
7 redeveloping the shoreline, we are pleased that
8 you are here today to express his opinions.
9 This is Chuck Bremmer, Chief of staff.

10 MR. BREMMER: Thank you for letting me
11 take the Congressman's place. I am going to
12 read his testimony.

13 As someone who has worked on lakeshore
14 development for many years, I'm very pleased to
15 be given an opportunity to testify here today
16 before the commission.

17 There is obviously a great deal of debate
18 over the future allocation of public and private
19 enterprises along urban shorelines. Northwest
20 Indiana has worked hard to enhance the potential
21 of waterfront lands for both private development
22 and public use. Unfortunately, while our local
23 government supports the widespread public use of
24 the water's edge, few can afford the costs
25 directly associated with development.

1 At the federal level, I have worked hard to
2 promote a long-range plan for the redevelopment
3 of Northwest Indiana and its water resources.
4 Based on a blueprint I set forth in 1984, the
5 "Marquette Project," we have moved forward to
6 recapture the lakeshore for recreational use and
7 responsible development. The Marquette Project
8 calls for recapturing at least 75 percent of the
9 lakeshore and ensuring a sound economic and
10 recreational development plan which incorporates
11 important industrial corridors, low impact
12 natural areas, and mixed use areas that are
13 dedicated to high public use and compatible
14 development in the public domain.

15 Since that time, I have authored and
16 steered through the Congress and into law two
17 bills enlarging and enhancing the Indiana Dunes
18 National Park and Lakeshore. This federal
19 legislation has provided local communities and
20 groups with a strong base on which to build.

21 At this time, the commission is preparing
22 to take another step towards recapturing and
23 improving our lakeshore by making an important
24 decision about the kind of natural developer
25 that will be allowed to help steward one of

1 Indiana's most precious natural resources. I
2 would certainly caution that while similar
3 development projects are often successful,
4 others can be ineffectual.

5 For your information, I have brought with
6 me today a copy of a book entitled Waterfronts:
7 Cities Reclaim Their Edge. With my compliments,
8 I would like to present this academic work to
9 the commission in order to provide a framework
10 for some of the most needed factors in
11 waterfront development. Published by the
12 Waterfront Center, this book contains frank and
13 independent appraisals of 75 national waterfront
14 projects. It puts into perspective such
15 particular waterfront features as marinas,
16 marketplaces, and gambling facilities.

17 For example, the book outlines how the City
18 of Chicago has been extremely successful in
19 enhancing its water resources by selecting
20 development projects which leave large open
21 spaces with plenty of trees and grass.
22 Buildings in Chicago do not crowd out views of
23 the lake but help frame and outline the
24 coastline. Lakeshore Drive provides a common
25 thread by which a number of important locations

1 on the lakeshore are linked, including museums,
2 community centers, sports complexes and marinas.

3 Beyond our neighbor Chicago, the Inner
4 Harbor at Baltimore becons as probably the
5 best-known piece of waterfront development in
6 the world. What makes the Inner Harbor the
7 successful attraction it continues to be is its
8 strong mixture of commercial and public
9 enterprises. Instead of focusing solely on its
10 primary business, the National Aquarian, Inner
11 Harbor successfully maintains a variety of other
12 enterprises which attracts visitors, including a
13 hotel, a convention/conference center, a
14 boardwalk and promenade, numerous restaurants,
15 and a separate land-based menu for music,
16 entertainment, and shows.

17 In contrast, Detroit Michigan is a prime
18 example of the type of waterfront development
19 northwest Indiana must avoid. Detroit failed to
20 properly plan its development and ended up
21 blocking out much of the public's view and
22 access to the water. The Renaissance Center
23 Complex has been further criticized because of
24 its blocky fortresslike design.

25 The structure is not set back from the

1 water and views are blocked. Furthermore,
2 adjoining Hart Plaza has few trees and even
3 fewer places to sit and enjoy the water.
4 Instead of blocking views, large physical
5 structures should provide a proper edge and
6 containment from marinas and boardwalks giving
7 them a stronger identity and sense of place.
8 Detroit clearly failed to live up to its
9 possibilities provided by the new waterfront
10 development.

11 However, by selecting responsible,
12 experienced companies committed to improving the
13 locale, the commission can avoid any of the
14 problems associated with poor waterfront
15 development and irresponsible gaming companies.

16 In order to avoid these problems I would
17 ask the commission to consider the various
18 development proposals with the following factors
19 in mind.

20 Specifically, what market trends are the
21 various companies intending to take advantage
22 of? Do all the companies have credible plans
23 for long-term development in northwest Indiana?
24 How do the companies view joint ownership of
25 the new development? What plans do the

1 companies have for bringing more than just
2 gaming dollars to our community? What other
3 attractions will the proposed development
4 include, such as retail shops, tourist
5 attractions, recreational boating, and lodging
6 plans. How do they intend to insure that
7 developments are attractive year-round?

8 We must also carefully examine the tourism
9 infrastructure plans of each proposal. How do
10 the various proposals measure up in terms of
11 their plans for hotel rooms, dining, and
12 transportation access?

13 While the economic benefits of increased
14 private investment and construction along the
15 lakefront are indisputable, the public's right
16 to have direct access to the water's edge
17 should not be limited to a private development
18 of lakefront land. Urban shorelines are a
19 public source and should be managed to benefit
20 the greatest number of people in the best
21 possible way. In light of this it is critical
22 to select private developers that will enhance
23 the public use and enjoyment of urban
24 shorelines by providing access to the water's
25 edge.

1 Because these are usually large-scale
2 development proposals which will serve actively
3 as focal points, the commission should be
4 especially sensitive to design opportunities
5 and local environmental conditions. The
6 special nature of urban design values of the
7 site should be incorporated into the
8 commission's consideration of various
9 proposals.

10 In closing development proposals currently
11 being considered by the commission offer
12 exciting possibilities for revitalizing
13 Hammond's and east Chicago's urban waterfronts
14 providing water-dependent activities and public
15 access in achieving the objectives of the
16 Marquette Plan. I would ask in its
17 deliberations the commission look beyond the
18 initial dollar figure offered by the various
19 proposals and take a serious look at long-term
20 benefits of each plan.

21 Finally, we must insure that the company
22 selected by the commission are committed to
23 serving as partners with local government and
24 the State of Indiana in enhancing the lakeshore
25 and improving the quality of life for everyone

1 in northwest Indiana. Thank you.

2 MR. KLINEMAN: Thank you. I don't
3 think I could have said it better myself. I
4 appreciate the sentiments of the congressman
5 and we will take them into consideration as we
6 always have.

7 MR. BREMMER: The text that we refer
8 to has been left with your staff.

9 MR. KLINEMAN: We have got a copy of
10 it. Mayor Dedelow, I guess we are trying to
11 wind up the questioning.

12 MS. BOCHNOWSKI: I kind of feel
13 inadequate here because that was a really nice
14 speech. Now I am going to get down to some
15 real little items, I guess this isn't little at
16 all, actually. In the various proposals and in
17 your talk you talked about security, and I
18 assume that includes all emergency services.
19 It is my understanding that you had a
20 reciprocal agreement with the City of Whiting,
21 and it is also my understanding that the City
22 of Whiting often is called on when the
23 Robertsdale area needs emergency service. Have
24 you entered into any kind of conversation with
25 the administration of the City of Whiting about

1 providing them with some help also, because
2 they probably, with more people coming into
3 this area, more people coming through Whiting
4 or close to it, their emergency services will
5 be called on even more than they are now, and I
6 don't know if it is fair for them not to get a
7 piece of this.

8 MR. DEDELOW: I certainly think we
9 have to take into consideration instances such
10 as those. And certainly when we have our
11 process through our oversight committee of the
12 development, I think some of those issues must
13 be addressed because they potentially will
14 impact the neighborhood negatively and we
15 certainly do not want to do that if at all
16 possible.

17 MS. BOCHNOWSKI: As of now you
18 haven't had any talks with them about --

19 MR. DEDELOW: Only to the extent that
20 I have talked to Mayor Bercik and said we need
21 to sit down and talk about this at some point
22 in time as to how we can work together in order
23 to have this not negatively impact one or the
24 other. And also we have had meetings with the
25 Whiting/Robertsdale Chamber of Commerce,

1 Hammond specifically in great detail talked
2 about any designing.

3 MS. BOCHNOWSKI: Are you open to
4 providing them with the funds that they might
5 need to provide this extra service?

6 MR. DEDELOW: I would certainly look
7 to Lake Michigan Charters to find additional
8 funds for something like this, yes.

9 MR. KLINEMAN: Anything further?

10 MR. MILCAREK: Would you please
11 elaborate on the diving area or diving part?
12 What were they referring to in the marina to
13 remove slips to put in something for diving?

14 MR. DEDELOW: I will have to refer
15 that to Jim benefit.

16 MR. BENNETT: We have presently
17 located on the clipper and in the marina and
18 has been there for a number of years, a
19 resource center, an Aquatic Resource Center
20 which is recognized nationally as being -- has
21 done some study on sponges. I'm not versed on
22 the real details, but they have been an actual
23 benefit to the City of Hammond. We have worked
24 very closely with them from the very first day
25 and have tried to accommodate their needs as

1 well as other people in the marina.

2 They asked us early on because of the
3 relocation of the gasoline docks and the
4 potential of the Clipper that we try to
5 accommodate them somewhere in the marina so that
6 they can continue to use the benefits of the
7 marina as well as the city getting the benefit
8 of having them in our city.

9 We in the original proposal to the Army
10 Corps specified an area inside the marina that
11 would relocate some dock space and would
12 accommodate the ability of the Aquatic Resource
13 Center to continue to function as a viable
14 entity. We continue to try and work with them
15 on that, and as this project concludes we hope
16 to be able to accommodate the Aquatic Resource
17 Center in their contributions to the city.

18 MR. MILCAREK: So it is for research
19 only and not open to the public to do diving,
20 or --

21 MR. BENNETT: Again, I would have to
22 refer to the director, who I think is going to
23 speak later at the public session, but my
24 understanding is they also do do some
25 certification in diving, and I think people

1 that learn in swimming pools and other areas
2 have to do some fairly deep water dives to get
3 their different certifications, and they have
4 used this center as a certification center and
5 are nationally recognized. I think one of the
6 national organizations has designated this as a
7 prime site, so they do use public -- I think
8 just as a certification center, I am not sure
9 if it is used as a direct dive site.

10 MR. SUNDWICK: Let me ask the
11 question, and maybe I have missed the answer
12 earlier, is there any plans to share tax
13 revenues to the adjoining cities that are being
14 impacted by this casino boat?

15 MR. DEDELOW: Not at this time,
16 Commissioner.

17 MR. SUNDWICK: You have heard
18 testimony that we have had down state, the
19 southern part of the state, why wouldn't that
20 be something that would be appropriate?

21 MR. DEDELOW: I am not sure that it
22 would be.

23 MR. SUNDWICK: Would you like to
24 explain that?

25 MR. DEDELOW: Certainly the City of

1 Hammond has put together this opportunity based
2 on its needs. However, the relationship you
3 are talking about, specifically the City of
4 Whiting, they are our neighbors, we co-exist
5 together, and certainly we have to be sensitive
6 on how this opportunity, which is potentially
7 beneficial for us also impacts us because they
8 are very very close to the Hammond Marina.

9 So what I am saying is that we need to sit
10 down along side with the mayor of Whiting and
11 his administration and talk about what the
12 potential negatives are to his community and how
13 we can hope to address them.

14 MR. SUNDWICK: So you are willing to
15 sit down and review some profit sharing or tax
16 sharing program with them?

17 MR. DEDELOW: I am willing to sit
18 down and talk about what potential problems
19 there are and with successful gaming applicant
20 who receives this certificate, I would really
21 not like to take anything away from the City of
22 Hammond, but would like to, if the need is
23 there for another community, get additional
24 incentives from them for the problems that may
25 occur in the community, and in this specific

1 instance Whiting.

2 MR. SUNDWICK: You are going to have
3 to leverage somebody here pretty quick, then,
4 aren't you?

5 MR. DEDELOW: Well, we still have to
6 talk to the development agreement, which is the
7 final agreement, where we tie everything
8 together.

9 MR. SUNDWICK: If we give somebody a
10 letter of suitability, then you don't have much
11 leverage.

12 MR. DEDELOW: We have got control of
13 the property.

14 MR. SUNDWICK: I don't think that is
15 much leverage, but it is nice to see that you
16 are willing to sit down with them and talk to
17 them. Of course the --

18 MR. KLINEMAN: Has there been any
19 discussions with Whiting, for instance on these
20 last two years or so on whether or not because
21 of the increase everything and they do provide
22 the fire and police, is that right, for this
23 area?

24 MR. DEDELOW: It is a reciprocal
25 agreement and it is not all one way.

1 MR. KLINEMAN: They do or do not
2 provide the fire and police for this area?

3 MR. DEDELOW: The City of Hammond has
4 their own services in the area of Robertsdale,
5 but we do have reciprocal agreement in the
6 instance where if each of us need help we
7 certainly try to respond to each other needs.

8 MR. KLINEMAN: So you are primarily
9 responsible, your police and fire are primarily
10 responsible in this area?

11 MR. DEDELOW: Yes.

12 MR. KLINEMAN: And they become
13 secondary and you would do the same thing for
14 them.

15 MR. DEDELOW: Correct.

16 MR. KLINEMAN: I misunderstood, I
17 thought they had the full responsibility in
18 this area.

19 MR. DEDELOW: No.

20 MS. BOCHNOWSKI: But it is my
21 understanding that more often than not they are
22 called to handle the calls in that area?

23 MR. DEDELOW: I have no reason to
24 believe that isn't correct, unless I am shown
25 some specific documentation to back up that.

1 MS. BOCHNOWSKI: But if you were
2 shown some documentation, I would think you
3 would want to help them.

4 MR. DEDELOW: I am willing to sit
5 down and talk about whatever negatives for
6 whatever the situations are in relationship to
7 both of our communities to make and co-exist as
8 neighbors.

9 MR. KLINEMAN: Do you have plans to
10 beef up your fire and police in this area, with
11 the advent of the gaming?

12 MR. DEDELOW: Sure, we have in the
13 Letter of Intent that we have signed up to a
14 million dollars for additional public safety
15 type of personnel and equipment per year.

16 MR. KLINEMAN: But my question was:
17 Do you have any plans, for instance, to build a
18 fire station or police station down in that
19 area to help serve that neighborhood, not
20 whether you are going to get a million dollars,
21 that could be spent anyplace in the City of
22 Hammond.

23 MR. DEDELOW: It is supposed to be
24 spent in the general area of the marina to
25 augment the protection of what we have there.

1 And talking about a police station, we already
2 have one, but certainly the potential is there
3 that we may have to improve or enlarge that,
4 but that will be determined in the future.

5 MR. SUNDWICK: Was your commission an
6 appointed commission, your decision commission
7 that we heard from earlier?

8 MR. DEDELOW: The one that selected
9 the three applicants?

10 MR. SUNDWICK: Yes.

11 MR. DEDELOW: Yes, it was an
12 appointed commission by myself.

13 MR. KLINEMAN: Change the subject.
14 Does anybody else have anything on fire safety?

15 MS. BOCHNOWSKI: No.

16 MR. KLINEMAN: One of the applicants,
17 of course, showed us a slide showing that the
18 marina as it now exists is a chain-linked
19 fence, and we have seen the fence.

20 Tell me what access the public has to the
21 marina, I am not talking about the people that
22 have ships there or who are going out on boats.
23 What access presently does the public have to
24 the marina area?

25 MR. DEDELOW: The public right now

1 can go through the marina, go to the Clipper
2 and enjoy the restaurant and the Clipper.
3 Also, they can walk and enjoy the Bin Wall
4 fishing and things of that nature at the
5 marina. Access, however, does need to be
6 enhanced to have them further enjoy in the
7 future.

8 MR. KLINEMAN: I don't know what you
9 mean.

10 MR. DEDELOW: Right now we have got a
11 situation where we have got railroad tracks
12 that inhibit, not on-foot traffic but vehicular
13 traffic, and that situation needs to improve so
14 that people have better access to the marina.

15 MR. KLINEMAN: But there is no
16 limitation at the present time from either
17 security or otherwise for people to get into the
18 marina at any time they want?

19 MR. DEDELOW: There may be some
20 limitations insofar as the people from the town
21 getting into the area where the boaters park.
22 But other than that I am not aware of any other
23 limitation so far as people going and enjoying
24 the Clipper in the marina itself.

25 MR. KLINEMAN: Are there any

1 park-like facilities, benches or anything, any
2 place around there that the public can enjoy,
3 and if so where are they?

4 MR. DEDELOW: There are some benches
5 and such for public enjoyment. However, there
6 is not nearly enough and it needs to be
7 approved.

8 MR. KLINEMAN: See, we get down to
9 the point that as --

10 MR. DEDELOW: Excuse me,
11 Commissioner, Jim would like to add something.

12 MR. BENNETT: I think that just for a
13 comment, that the Bin Wall on the west end of
14 the marina is a handicapped-assessible area so
15 the people can can go out on to the wall and
16 they can fish. It is absolutely open to the
17 public. The both ramp is a public access boat
18 ramp, there is no fees and charges to use that
19 ramp. The marina is, in fact, a public access.
20 Again, once this expansion takes place there
21 will be more parking, there would be more
22 access, some has been limited only by the space
23 and limitations that we have right now.

24 There were Federal dollars used to make
25 sure that these places in these areas were made

1 assessible.

2 MR. KLINEMAN: When I say
3 chain-linked fences, I don't think of open
4 waterfronts, which is what the Congressman is
5 speaking of in his fine remarks that were just
6 delivered to us.

7 MR. BENNETT: Again, that is not my
8 total expertise but I can tell you that right
9 on the other side of that chain-linked fence is
10 a railroad track, and in some cases you don't
11 want people wandering across railroad tracks
12 when they are not going across the crossing.
13 So in some cases that has been done to protect
14 the public not to hinder the public area. Once
15 these railroad tracks get relocated we have
16 some better access, and we think that would
17 make it more accommodating.

18 MR. KLINEMAN: But if you made as the
19 Bally plan indicates, a part of the frontage in
20 front of the marina available for further
21 development that would not affect that wall
22 where the handicapped can have access, that is
23 at the other end, right?

24 MR. DEDELOW: I believe that the way
25 Bally presented the plan, I believe that is

1 correct.

2 MR. KLINEMAN: They would only take
3 part of it, they wouldn't take the whole
4 frontage. Anybody else have anything?

5 MS. BOCHNOWSKI: Just a few
6 questions. I just wanted to ask your opinion
7 on that both ramp there. Are you sure that is
8 really safety to have the little boats going in
9 at the same kind kind general vicinity as the
10 big boat?

11 MR. DEDELOW: You are talking about
12 public access boats?

13 MS. BOCHNOWSKI: That's right,
14 because I think Bally's proposed having it down
15 further and away from --

16 MR. DEDELOW: That certainly isn't
17 going to present a safety issue, but we believe
18 it can be done properly so far as allowing
19 people out at that both ramp to have access to
20 the marina and go out around the gaming
21 vessels. However, certainly if there are
22 safety issues that arise and we need to do
23 something differently, we will be able to do
24 that in the future.

25 MS. BOCHNOWSKI: And as far as your

1 design goes the other concern that was brought
2 up, and I want your opinion on it, is everybody
3 trying to get into the Bally parking and the
4 parking garage in a very narrow area. Are you
5 concerned about traffic jams? Once you have
6 traffic jams people are not going to be
7 inclined to come back.

8 MR. DEDELOW: Certainly we need to
9 provide the best traffic flow that we can. And
10 whoever our design, whoever the successful
11 applicant is we would certainly take that into
12 consideration.

13 I would like to introduce you to our City
14 Engineer, Stan Dostatni, because he is more
15 qualified to answer that question.

16 MR. DOSTATNI: I have got twenty years
17 experience with the city in the engineering
18 department and I have worked closely with the
19 design engineers for the bridge structure and
20 for access into the lakefront. We think we have
21 got an excellent plan which will service all the
22 facilities up on the lakefront, it is going to
23 provide access through that bridge for the bird
24 sanctuary, for people using the boat launch
25 area, for the Hammond Marina, for the gaming

1 facility and also for the Wahala County Beach
2 Park at the south end.

3 We have got plenty of lane capacity, we
4 have got oversized lanes through the bridge
5 structure so that people towing boats won't have
6 any problems.

7 MS. BOCHNOWSKI: I wasn't as much
8 concerned about the overpass, just the area
9 that people have to go to get into that little
10 area, where they have to go into the parking
11 garage.

12 MR. DOSTATNI: That is going to
13 actually be widened. It is sort of deceiving
14 if you have been out here right now, that it
15 does look narrow. We are going to take out
16 some of the that grassy berm area so that we
17 can widen it out so that we have adequate
18 traffic lanes through there.

19 MS. BOCHNOWSKI: Thank you.

20 MR. KLINEMAN: There are some
21 questions now.

22 MR. ROSS: This is a geographical
23 question, but I have have heard you mention the
24 Robertsdale project, and it seems like
25 Robertsdale is the city that is -- the little

1 town that is around the water area?

2 MR. DEDELOW: Robertsdale is the area
3 of Hammond on the lakefront that is the
4 Robertsdale neighborhood, and it is bounded on
5 the north by the lake and south by A-12.

6 MR. ROSS: How far up the lake does
7 it go?

8 MR. DEDELOW: How far?

9 MR. ROSS: Does it go all the way up
10 to the NIPSCO?

11 MR. DEDELOW: It goes from the state
12 line on the west to the Whiting City line on
13 the east.

14 MR. ROSS: How many people live in
15 that area?

16 MR. DEDELOW: In Robertsdale?

17 MR. ROSS: Yes.

18 MR. DEDELOW: Fifty-eight hundred.

19 MR. ROSS: Just a comment about
20 getting into the marina. Yesterday I took
21 Commissioner Sundwick up to see the boat
22 because he hadn't, and it took two pieces of ID
23 for us to get past that guard.

24 MR. DEDELOW: Thank you for that
25 point of information.

1 MR. SWAN: I have a question, too,
2 about Bally's proposal, which included building
3 a boat on site. I wondered what the city's
4 reaction to that possibility was, especially
5 considering the number of jobs that might be
6 involved in that sort of activity?

7 MR. DEDELOW: That certainly brings
8 to mind an interesting possibility, the city is
9 also interested in creating jobs.

10 MR. SWAN: Have we looked into the
11 extent that you think it is not feasible to do
12 that, or do you think it is feasible to do
13 that.

14 MR. DEDELOW: We have not, being the
15 city, looked into it in great detail. However,
16 I would like David Johnson to say something in
17 that regard.

18 MR. JOHNSON: Just to clarify the
19 point, my understanding coming away from the
20 hearings yesterday was that the proposal was
21 not necessarily to build the boat in Hammond
22 but at the Port of Indiana. So it would not
23 necessarily be built on site here.

24 MR. SWAN: Right, I was still
25 thinking about the economic impact of the job.

1 MR. JOHNSON: Right.

2 MR. SUNDWICK: Who would like to
3 address the hotel issue, I know we have heard
4 from the -- one developer said they think a
5 hotel would be appropriate. One said, yes,
6 probably we should do that, and the other one
7 said, we don't think so but maybe we would.
8 What is the City's position?

9 MR. DEDELOW: Our position on the
10 hotel, as I stated earlier, first let's get the
11 gaming facility up and operational, if it is a
12 market-driven decision for the mandatory hotel
13 is shown, absolutely, but on the lakefront.

14 MR. SWAN: It seems to me that
15 testimony I have heard over the past couple of
16 days and the information you heard from your
17 commission, it seems to me what we have done is
18 limited the opportunities by the footprint that
19 you have approved to develop it. That is just
20 an opinion, that is just listing everything
21 that I have heard.

22 MR. DEDELOW: We developed this
23 opportunity based upon community input, and
24 based on the Robertsdale plan which was
25 representative of the community in that area.

1 This is not something that I have just
2 arbitrarily picked out of the air with any
3 particular interest in mind or any particular
4 development in mind, this is something that the
5 people of Robertsdale have directed me to do as
6 mayor. As mayor I must represent their wishes.

7 MR. VOWELS: That was the question I
8 had earlier as far as the community sentiment,
9 and I am trying to figure out, you said the
10 people of Robertsdale have told you this. Are
11 you talking about representatives of the people
12 of Robertsdale, or did you go to Robertsdale
13 and talk with these people or did they come
14 call you? Tell me specifically what that
15 means?

16 MR. DEDELOW: All of the above.

17 MR. VOWELS: How many people did you
18 talk to?

19 MR. DEDELOW: I have talked to the
20 committee themselves.

21 MR. VOWELS: Is that the committee
22 that you appointed?

23 MR. DEDELOW: That is the committee
24 that took part in the Robertsdale process. Did
25 we appoint those individuals --

1 MR. THOMAS: Don Thomas, City
2 Planner. We asked some of the people, we asked
3 some organizations to appoint people.

4 MR. VOWELS: Some, what do you mean,
5 some?

6 MR. THOMAS: Some of it was city
7 staff, some of them were residents that were
8 active in the area.

9 MR. SUNDWICK: Was the majority of
10 your commission appointed, or were these -- we
11 are still trying to struggle, I certainly am,
12 it just seems to me that it is still -- and
13 when I say your footprint it is without a
14 personal issue, I am talking about the city's
15 appointed staff, this is what we would like,
16 what we as a group think ought to happen. That
17 is what I get out of it, if I am wrong, tell me
18 how --

19 MR. DEDELOW: This is not a city
20 staffed decision this is a community decision
21 based on community input by not only committee
22 members but residents within the Robertsdale
23 community. And we also, being a mayor, you
24 have to be out in the community and I certainly
25 do that on a regular basis. I go door to door

1 and talk to residents in the community. So it
2 is my business to have a pulse insofar as what
3 the community wants, and more specifically in
4 this area and specifically because it has such
5 a big impact to the future of not only the
6 neighborhood but the entire city. So that is
7 my job and that is what I must do.

8 We went out and I personally had a lot of
9 contact with city residents. Do I know how
10 many? No, I do not, but it was many, many city
11 residents. And we also had input through the
12 committee process of this Robertsdale plan that
13 we invited people to participate in this public
14 process to determine, not what I want, or what
15 my staff wanted, but what the people of
16 Robertsdale wanted in their particular
17 neighborhood.

18 MR. KLINEMAN: The material that was
19 brought to us from Councilman Visclosky, it was
20 really interesting in that respect, and this
21 may speak to that question that the commission
22 seems to be having as whether it is a footprint
23 or otherwise. And it poses these questions
24 which I am not too sure Hammond has considered,
25 in fact, I think you have considered the other

1 side of the coin. What plans do the companies
2 have for bringing more than just gaming dollars
3 to our community? What other attractions will
4 their proposed development include, such as
5 retail shops, tourism attractions, recreational
6 boating, and lodging plans? How do they intend
7 to insure that the developments are attractive
8 year round? I think that is the challenge the
9 City of Hammond has, and I am not too sure that
10 it has fulfilled that challenge, at least that
11 is as I see the challenge of the City of
12 Hammond.

13 MR. SCIMIA: Commissioners, I would
14 like to discuss a little bit about the
15 Robertsdale plan because I don't believe the
16 commission fully understands the --

17 MR. KLINEMAN: I am not even sure we
18 know what it is.

19 MR. SCIMIA: Prior to the adoption of
20 the Indiana Gaming Statute, the only document
21 that was in place to guide the development of
22 the lakefront area, the Robertsdale area, was a
23 comprehensive plan for Hammond. Some of you
24 may not be aware of the fact that the
25 comprehensive plan is the overall document that

1 guides planning and development in an area.

2 And governmental agencies are required by
3 statute to give reasonable regard to the
4 comprehensive plan when making decisions.

5 With the agumentation of the gaming statute
6 or the adoption of the gaming statute, the city
7 recognizes that the comprehensive plan did not
8 address gaming because it was not a possibility
9 at the time the plan was created. In fact, the
10 plan gave a lot of attention to the development
11 of the Lake Calumet Airport, that at that time
12 was one of the developments considered for this
13 area, which as you know no longer came to
14 fruition. So in regard to the fact that there
15 was immediate need to discuss and determine how
16 this area would be developed and the fact that
17 they knew the gaming operations were imminent,
18 it would have a significant impact on this area.

19 The city sought out a comprehensive study
20 of this area by recognized land use consultants
21 in the field, and as part of the request, or the
22 RFQ process, basically considered requiring each
23 of the applicants actually fund that process.

24 It turned out, though, that they did not require
25 as part of the RFQ process, but after the Letter

1 of Intent was negotiated, it did include a
2 funding of the neighborhood plan. As a result
3 of that HNTB corporation was engaged to
4 basically study the entire Robertsdale
5 Neighborhood and lakefront to determine how it
6 can best be developed. The result of that
7 process was this final report.

8 I must inform you that the selection of
9 those results was done by the city at the city's
10 request; it was commissioned by the city to
11 determined -- to have professionals determine
12 what would be the best use of this property. In
13 this report, if you would like a copy of it we
14 will be glad to provide it to you, you will see
15 that the consultants determined that there were
16 a number of competing interests for this small
17 amount of shoreline that was around the Hammond
18 lakefront. As you can see there was a
19 significant investment in the marina at the
20 time. There is the infiltration property and
21 just to the west of this property is the
22 existing Wahala Park area. Then there is
23 probably the only really large piece of
24 undeveloped land along the lakefront and that is
25 the NIPSCO property, which consists of

1 approximately sixteen acres but does have a
2 migrant bird trap on it and a committment by
3 many people that that would remain in an open
4 space environment, whether it be parks or
5 another sort of open space development.

6 So recognizing there are a limited number
7 of resources here, the planners looked at those
8 issues as well as the necessity to plan for
9 gaming which was coming to Hammond, and came up
10 with a plan. What they tried to do was balance,
11 I believe, in my reading of the document, is to
12 balance the competing interest for the small
13 amount of lakefront which does exist, and to
14 develop a plan that would accommodate not only
15 the existing neighborhoods and the committment
16 of the city to preserving those neighborhoods
17 and the quality of those neighborhoods and the
18 property values in those neighborhoods but also
19 allow development to occur and also preserve its
20 commitment to providing open space, recreational
21 opportunities, committment to the marina and
22 accommodate the gaming that was sure to come.

23 I think what you are asking the mayor here
24 is at what point do you sacrifice some of those
25 commitments in order to take advantage of this

1 incredible opportunity that they are presenting
2 by gaming. The struggle, I believe, that is
3 faced by the city is by allowing these
4 operations to expand beyond a dedicated
5 footprint, you do so at the expense of some
6 other commitment. As that balance there is
7 struggled with but it is exactly that commitment
8 to things other than purely gaming, and being
9 forced with this opportunity with increased
10 revenues, which you all recognize is a
11 tremendous economic boom to the city, but not
12 basically betraying those initial commitments to
13 the neighborhoods, to the marina to the
14 preservation of recreational space, to the
15 preservation of open space.

16 Some of the respondents to those requests
17 presented projects that did not, in the mind of
18 the city, create the appropriate balance. But
19 the hotel issue states that as well as some
20 other issues.

21 MR. KLINEMAN: First, I am very
22 familiar with comprehensive plans, I serve on
23 another board that I hardly get paid for, which
24 is The Planning Commission and The Board of
25 Zoning Appeals, so I am familiar with it. We

1 are even familiar with HNBT who are presently
2 doing a project for the community that I live
3 in, so they are competent people. Timing wise,
4 when did this HNBT thing come out? I have a
5 feeling that the footprint that the city
6 designed came out prior to any survey by HNBT?

7 MR. SCIMIA: The final report was
8 dated 1995 and it was true -- but I think you
9 would have to read the report to make the
10 conclusin that this dictated the report. You
11 are obviously aware, Commissioner Klineman, of
12 the integrity of HNBT?

13 MR. KLINEMAN: They are the highest
14 in my opinion.

15 MR. SCIMIA: When you read the report
16 you will see that there was input into the
17 process, there was even a committee formed, the
18 Robertsdale and Lakefront Development
19 Committee, which we have talked here, and you
20 will see, if you look at the list, there were
21 three council members on it, there were
22 representatives from the Robertsdale area,
23 representatives from the Planning Commission,
24 from the County Parks Department, from the
25 Calumet College. It was really a broad-based

1 committee to provide the type of representation
2 of the community that you have been asking
3 about. They have significant input into this
4 process and in the development of this machine.

5 MR. KLINEMAN: But my problem, and we
6 were not serving as the Planning Commission for
7 the City of Hammond, we are not here to do
8 that. And it really makes me feel bad that we
9 get down into this any kind of nitty gritty, I
10 will call it, it really makes no sense. My
11 problem personally, and I don't know about the
12 other commissioners, is that we are charged to
13 enhancing economic development. The economic
14 development package that has been presented
15 here on the four acres is not, in my way of
16 thinking, the maximum that could have been
17 gotten out of the this economic development.

18 It may be a lot of money for the City of
19 Hammond, it may do a lot of things that you want
20 to do in Hammond, and that is good and that
21 should stay in place. But I am just wondering
22 how many more people could be employed if you
23 had a project of larger magnitude than what you
24 have now and that is where I end up. I am
25 sorry, but if that involves my becoming the

1 planning commission for the City of Hammond, I
2 don't want to assume that job.

3 MR. DEDELOW: Mr. Chairman, if I may,
4 certainly again we have an opening for another
5 stage of this development if the market
6 dictates so. This is not the final product, so
7 as far as what you see on this four and a half
8 acres. We have the opportunity and we have
9 property that can be developed along
10 Indianapolis Boulevard to compliment what we
11 are doing on the lakefront, to have that hotel,
12 to have whatever we need in that area to work
13 in conjunction with the gaming operation
14 itself. It is not that we have not considered
15 it. It is that the citizens have said, here is
16 how we want it done on the lakefront, let's see
17 what happens so far as that opportunity, if it
18 makes sense, if it will create more jobs, if it
19 is good for the community, then yes, we want
20 it, but we don't want it on the lakefront. We
21 have property on Indianapolis Boulevard and
22 other places to potentially do that.

23 MR. KLINEMAN: Anybody else have
24 anything further?

25 MR. DEDELOW: If I may, David

1 Johnson.

2 MR. JOHNSON: Chairman Klineman, I
3 think the other thing to mention in negotiating
4 and considering the Letter of Intent. It was
5 our guide and principle that economic
6 development should not be confined to the
7 waterfront. What we were looking for was a
8 particular project that would be the maximum
9 revenue generator that would permit broadly
10 dispersed economic development throughout the
11 city. The package of cash benefits and other
12 benefits which could be determined and used by
13 the mayor, by the council, and by the city
14 administration, rather than committed to
15 particular infrastructure improvements on the
16 lakefront. That was the city's direction to us
17 in the process of negotiating the agreement.

18 MR. KLINEMAN: Does anybody have
19 anything?

20 MR. THAR: I have a series of
21 questions.

22 MR. KLINEMAN: Please.

23 MR. THAR: I want to go over some
24 impressions I got as a result of some of the
25 discussions out here. The first one is with

1 regard to what the city has stated is the
2 preferred area of the waterfront. You have
3 indicated that that was driven by impact from
4 the community. If you could please tell us
5 what was utilized to obtain that community
6 input?

7 MR. DEDELOW: Very good. If I could
8 I would like to have Don Thomas explain the
9 Robertsdale planning process.

10 MR. KLINEMAN: Don, please keep it as
11 brief as possible.

12 MR. THOMAS: Besides the committee
13 there was a variety of open meetings, I can't
14 tell you exactly the number. I am sure it was
15 more than five, at which not just the members
16 of the committee spoke but also any other
17 residents that wished to have some input. We
18 had other -- there was also a process of
19 interviews with local citizens that was done by
20 the consultant, and all that is in the report
21 or previous segments of this report.

22 MR. KLINEMAN: What would you say the
23 level of citizen participation was?

24 MR. THOMAS: I forgot to add that we
25 did a survey of the residents, it was mailed to

1 every water bill, that was the best way we
2 could determine. I am thinking our return on
3 this survey was better than 38 percent in one
4 of the previous documents, and I will give them
5 to you, is a breakdown on the responses.

6 MR. THAR: So then if I take it to
7 the next step it is not that the city doesn't
8 want to see further economic development, it is
9 that they don't want to see it based upon
10 community sediment on the lakefront beyond that
11 one area of ground; is that right.

12 MR. THOMAS: That is correct.

13 MR. THAR: If one were to consider
14 the Bally's plan, first of all when was the
15 first time the city saw the Bally's plan
16 presented to them?

17 MR. THOMAS: I am sorry?

18 MR. THAR: The Bally's plan, the
19 Bally's lake house plan?

20 MR. BENNETT: We were notified, we
21 had discussions extensively with Bally's for
22 months and we understood that they had agreed
23 to move to our site. We had only found out
24 that they had made massive changes and had
25 converted back to their latest plan. They did

1 not meet with us before they made a public
2 presentation of that. They did call us after
3 that and asked to sit down and make a
4 presentation and give a explanation as to why
5 they had done what they had done, but we were
6 not consulted with the fact that they had
7 decided at some point not very long ago to make
8 that change.

9 MR. THAR: To get back to the
10 question, when did the city first hear of that
11 plan; a year ago, month ago?

12 MR. BENNETT: I would say less than
13 three weeks ago.

14 MR. THAR: You have not had an
15 opportunity to explore with Bally's whether
16 they are going to have stores, not have store,
17 or whether or not the plan would fit on the
18 amount of the property.

19 MR. DEDELOW: If I may, Jim. We have
20 been having, besides this plan which was
21 presently unveiled, we have been having
22 conversations and talking about this
23 development on the lakefront with Bally's.
24 Jim, can you please delineate that?

25 MR. BENNETT: We have been doing that

1 almost this entire time. But again, no, they
2 have not discussed in detail what that entails.
3 All we see is a futuristic drawing, we don't
4 know, in fact, how many parking spaces it
5 takes, what we get, how we would have to expand
6 our lakefront. As you know with the
7 notification that we can't move the EJ&E track
8 -- or the CSX tracks. That, in fact, limits
9 even access to that. We are not sure that that
10 even fits within the scope of the marina.

11 MR. THAR: I would like you to keep
12 your answers shorter, if possible, more towards
13 what the questions asks. I am sorry to be this
14 way it is just getting late.

15 MR. BENNETT: I am sorry.

16 MR. THAR: Hammond has submitted the
17 Army Corps of Engineering application for a
18 permit in its name; is that correct?

19 MR. BENNETT: Yes, it has.

20 MR. THAR: Bally's has indicated that
21 they see it would only take minor modifications
22 to that permit application in order to get
23 approval for its lakehouse plan. Does the city
24 agree with that?

25 MR. BENNETT: No, we do not.

1 MR. THAR: Why?

2 MR. BENNETT: We believe if we make
3 substantial changes to the present permit that
4 we have applied for it would require the permit
5 be started basically from the beginning, and we
6 would think -- we have been in that process for
7 over a year. If we come back and make
8 substantial changes of relocations, it would
9 not -- we would have to start the process over.

10 MR. THAR: If faced with a choice,
11 and I will put this question to the City,
12 either you get your endorsement candidate or
13 the area that you have designated is the
14 development goes, what's more important?

15 MR. DEDELOW: The area that has been
16 designated.

17 MR. THAR: So Hammond, at least from
18 your representation today, is more strongly
19 geared toward limiting the development at the
20 marina than it is anything else; is that the
21 priority?

22 MR. DEDELOW: In this initial stage
23 yes, as long as the benefit package is
24 maximized.

25 MR. THAR: Now, if I understood you

1 correctly, it is not that you are against
2 further economic development, it doesn't
3 necessarily have to take place at the marina,
4 it can take place --

5 MR. DEDELOW: Right, it could take
6 affect, Stage II, off the lakefront.

7 MR. THAR: There have been
8 accusations -- or, let's put it this way, their
9 have been comments during the course of the
10 presentation that the city, while it was well
11 meaning in trying to develop the overpass,
12 generic and other aspects to its development,
13 the city didn't make enough progress on it and
14 therefore that is the reason that it is no
15 longer important to have a time line that would
16 be any shorter from a year from now. Would you
17 care to comment on the fact that it has been
18 suggested that the city's process has not
19 progressed to the point it should have been?

20 MR. DEDELOW: I would take exception
21 to that because the city process from day one,
22 if you see what we have compiled here and
23 certainly willing and able to review that at
24 the appropriate time will show we have made
25 substantial progress. We have made substantial



1 progress so far as upgrading the pump station
2 of Robertsdale to better protection in the
3 area. We have also, in the process of an Out
4 For Bid on the overpass, as well as the parking
5 facility, so I believe that that does show
6 substantial progress when you are at that point
7 in time. And we have been able to put it under
8 the Redevelopment Authority the proper control
9 mechanism so that we can properly develop and
10 control that four-and-a-half acre site to the
11 city's benefit.

12 MR. BENNETT: I think one more point
13 needs to be made, and that is that the city has
14 been in condemnation for at least two years on
15 a couple of parcels of these properties, but we
16 have continued to move along with all the other
17 aspects and now we believe we will very shortly
18 have the appraisal reports filed on these
19 properties and we will be able to move forward
20 immediately.

21 MR. THAR: That raises the
22 opportunity that represents that two suits have
23 been filed and dismissed; is that correct?

24 MR. DEDELOW: I will have to turn
25 that over to somebody like David Johnson or Joe

1 Scimia.

2 MR. SCIMIA: I am one of the
3 attorneys representing the city. One suit has
4 been dismissed because of the inability to take
5 the CSX track. We have started over that
6 track, we do have the appraisals in. Most came
7 in last week, one was filed yesterday so the
8 money can be deposited and money can be taken
9 tomorrow.

10 MR. THAR: There are a few more
11 things I would like to get the city's response
12 that have been brought to our attention by
13 other applicants. First is a relative one,
14 like the development, specifically in on behalf
15 of Lake Michigan Charters. Can you respond to
16 that, please.

17 MR. DEDELOW: We don't necessarily
18 agree with that. We have said that the site we
19 want to develop comes to proposal any way you
20 want to do it.

21 MR. THAR: It has also been suggested
22 that Mr. Bennett is an employee of Lake
23 Michigan Charters. Whose work could that have
24 been?

25 MR. DEDELOW: Mr. Bennett is an

1 employee of the City, he is paid according to
2 the original Letter of Intent that we signed,
3 so far as they would pick up any and all gaming
4 charts that would be incurred over the course
5 of this development.

6 MR. THAR: Before riverboat gaming
7 was any pay initiated?

8 MR. DEDELOW: Yes, it was. Jim, can
9 you please respond?

10 MR. BENNETT: I have been a financial
11 adviser to local governmental union for over
12 twenty years and have represented a number of
13 unions of government in and around Lake County.
14 My experience is basically in the finance area;
15 I have worked with Mayor Dedelow from the
16 beginning of this process and under his
17 direction; that is the only direction I have
18 received.

19 Again, my expertise has been in the field
20 of finance working with the city. I think I
21 have worked years with the city before this
22 project started, so I have experience with the
23 city and not with any other entity.

24 MR. THAR: I was left with the
25 impression before we took a break, and some

1 others could have been left with the impression
2 that the reason the city did not reevaluate the
3 endorsement process after passage by this
4 commission is because they were staring at
5 three quarters of a million dollars payment due
6 on the marina which had no other way, other
7 than by sticking with the endorsement. If that
8 is incorrect, will you please correct it and
9 don't spare any word so you don't get the wrong
10 impression.

11 MR. DEDELOW: Thank you. As I
12 stated, that did not claim the plan or the
13 situation so far as endorsement. The reason it
14 did not is because the City of Hammond could
15 have gotten that revenue to match that
16 shortfall from the Hammond Water Department.

17 MR. THAR: Is that it?

18 MR. DEDELOW: David?

19 MR. JOHNSON: Mr. Thar, this is David
20 Johnson. The City of Hammond is a signatory to
21 the lease for the marina bond shortfall
22 payments. As such, it has a moral obligation
23 standing behind those payments to make those
24 payments. It had every incentive in the world
25 to come up with the funds from within the city

1 to be sure those payments were paid. It would
2 have had grave and adverse affects on the
3 credit rating of the city if they had not made
4 those payments.

5 MR. KLINEMAN: Just a moment, you
6 keep saying moral obligation. If it is a lease
7 and signed it is a legal obligation. Which is
8 it?

9 MR. JOHNSON: Mr. Klineman, the lease
10 is unusual in its structure. It is a lease
11 which is supported entirely by the revenues of
12 the marina. In does not have a tax backing
13 with it.

14 MR. KLINEMAN: It is exculpt?

15 MR. JOHNSON: That's correct. And
16 the distinction I am making is between a
17 general obligation of the city for taxes and a
18 moral obligation of the city to make up any
19 shortfall in payment, which it incurred by
20 signing the lease. There is no tax backing in
21 back of it, so the city would have to find the
22 revenues to do that.

23 MR. KLINEMAN: It is exculpt or it is
24 not? Is it legally bound to pay the lease so
25 that the payments can be made to the bond

1 orders or is it not legally bound to make those
2 payments? Just a simple question, I think.

3 MR. JOHNSON: I understand it is a
4 simple question, but the answer is not
5 completely simple. In the State of Indiana the
6 concept of moral obligation is that one is
7 compelled to do something even though one may
8 not be legally obligated to do something
9 because of the debt limitations that apply at
10 both the state and local levels. The State
11 Government of Indiana has the same concept,
12 where the state will not let certain payments
13 go without being made, even though there is no
14 legal obligation to make them. It has put its
15 name behind it and therefore in order to
16 support the credit rating it will come up with
17 the money to make the payment. My suggestion
18 here is the City of Hammond was in exactly the
19 same position and had other sources of funds to
20 make that payment.

21 MR. KLINEMAN: But the payment --

22 MR. DEDELOW: Mr. Chairman, if I may.

23 MR. KLINEMAN: Yes.

24 MR. DEDELOW: Had the City of Hammond
25 not made that financial commitment to meet the

1 debt service, they may have run the risk of
2 having the marina go into default and therefore
3 losing control of the marina and therefore
4 potentially this opportunity and the revenue
5 which it would provide. So it was very very
6 critical that we did meet that obligation, and
7 as I stated earlier we could have met that
8 obligation through city resources.

9 MR. THAR: I have one final question.
10 Obviously the commission has been very
11 interested in what the public's views are with
12 regard to development of the marina as well as
13 what their comments are to be about gaming as
14 soon as we are finished here. What do you
15 believe is the public sentiment regarding
16 riverboat gaming in Hammond, Indiana?

17 MR. DEDELOW: Well, I believe that,
18 first of all, the community is very anxious and
19 maybe frustrated at some people to get on with
20 the process and start developing the gaming
21 opportunity. Certainly we appreciate the
22 Gaming Commission being here to further that
23 process and we appreciate your effort.

24 It is very very important that whatever we
25 do with this opportunity is for the maximum

1 benefit of our community. Certainly we have
2 tried to structure it in this light. From the
3 very beginning, as I mentioned going through
4 what we do in this very public process is get
5 public input, and we have tried to develop plans
6 not only in how to develop this property but
7 also once it is developed with my input as well
8 as the Hammond City Council we have structured a
9 document as to how those revenues are going to
10 be spent. The majority of those revenues are
11 going to be going into infrastructure and things
12 to rebuild the City of Hammond over a period of
13 years to facilitate in the long term residential
14 and commercial growth in our community.

15 There is other caveats in the agreement
16 with the counsel that they have asked about bond
17 reduction and debt reduction, things so far as
18 park improvements and things of that. But the
19 majority of the funds, 70 percent with the
20 approval of the City Council, 70 percent are
21 going to other revenues, going to infrastructure
22 improvements. We are very very anxious to get
23 going with this process, we are very very
24 anxious to have our prospective developer, our
25 endorsed developer, be chosen because we think,

1 again, and not to belabor the point, Lake
2 Michigan Charters has been here from the
3 beginning, they have invested in our community.
4 I believe they have worked with us to determine
5 the needs of the community and therefore that is
6 what we have before you today.

7 We have presented a plan we believe from
8 beginning to end that it comes not from us, the
9 staff, or mayor, or any particular portion of
10 city government, it comes from the people of
11 Hammond for the benefit of the people of
12 Hammond. Thank you.

13 MR. KLINEMAN: Mayor, on behalf of
14 the Commission I want to thank you for your
15 presentation, for your forthcoming answers to
16 the questions we have been asking. I want to
17 state publicly that none of the questions were
18 meant in any fashion to be critical of you as a
19 person or critical of you serving as public
20 official, and that goes for all the gentlemen
21 you have brought with you, Mr. Johnson and
22 everybody else from the City of Hammond. All
23 we are trying to do is develop the kind of
24 facts I think the State of Indiana has required
25 that we do develop before we give out these

1 licenses, because they are very valuable and
2 hopefully they will be a long term, maybe
3 partial solution to some of problems that exist
4 in some of those areas. But I want to publicly
5 state that none of the questions that have been
6 asked should imply in any way shape or form
7 anything towards you personally or anything
8 towards any of the processes you have been
9 going through. I think you have been going
10 through the processes as you, in your heart,
11 believe were absolutely correct, so I thank you
12 for coming with that. We will take a couple of
13 minutes recess.

14 (A recess was taken.)

15 MR. KLINEMAN: On the stage, please
16 when you rise will you please spell your last
17 name so the reporter can make a record and have
18 the correct spelling of your name.

19 Secondly, we have a system, basically other
20 than people who represent a group, everybody has
21 five minutes. We have a system which will be
22 operated by Pam and Frank, who will be seated
23 over in this area that I am pointing to right
24 next to the gentleman with the blue jacket. We
25 have a yellow card which they will flash when

1 you have one more minute, so that would be an
2 indication for you to wrap up your comments.
3 And we have the red one, which is like the old
4 fashioned hook they used to have. We would like
5 you out of here when you see the red one. We
6 would very much like to try to keep your remarks
7 limited. If you finish early we will all
8 applaud you because we do have quite a list of
9 people and we want to hear all of you but we
10 also want to get out of here sometime.

11 Per the ground rules, if you have any
12 written materials you can submit it to the staff
13 to be included in the record. If you want to
14 expand your oral statements with written
15 material, likewise get that to the staff and it
16 will be included in our records. And also, if
17 you were not given an opportunity under the
18 ground rules to speak, if you want to submit
19 written materials that will be included in the
20 ground rules.

21 The other good news, or bad news depending
22 on how you look at it, we have received word
23 that the order preventing us from having
24 hearings in East Chicago has been dissolved, so
25 we will be having the hearings tomorrow pursuant

1 to our schedule at the Intergenerational Center
2 in East Chicago starting at 9:00 o'clock
3 tomorrow morning. So that is our public
4 announcement that we are back on schedule.

5 With that I will turn my theoretical gavel
6 over to Ms. Bochnowski who is our vice chairman
7 and she will call the people in order.

8 MS. BOCHNOWSKI: And the first
9 person, Steve Levin, has 15 minutes.

10 MR. LEVIN: Mr. Chairman, members of
11 the Indiana Gaming Commission Mr. Thar, thank
12 for allowing me the chance to speak before you.
13 I hope this last break you are in a better frame
14 of mind than you were the last two hours.

15 MS. BOCHNOWSKI: Excuse me, could you
16 state your name for the court reporter?

17 MR. LEVIN: I am Dr. Steve Levin,
18 L-E-V-I-N, president of the Whiting/Robertsdale
19 Chamber of Commerce. I represent the
20 organization that promotes specific economic and
21 social welfare of the people of Whiting and the
22 Robertsdale area of Hammond. We have a hundred
23 and fifty-four members and we are seven years
24 old. I am here today because our organization
25 remains committed to the improvement of the

1 overall economic growth while maintaining the
2 quality of life in the Robertsdale area.

3 I read in Tuesday's paper that you toured
4 the Hammond Marina. I don't know if you were
5 given an opportunity to visit the
6 Whiting/Robertsdale residential community or
7 downtown Whiting. Allow me to give you a brief
8 background of our community.

9 We are very unique. In many respects the
10 Whiting/Robertsdale area is considered one
11 community, even though divided by city lines.
12 The citizens of Robertsdale pay Hammond taxes,
13 but their mailing address reads Whiting, Indiana
14 and their telephone prefix is 659, the same as
15 Whiting. Robertsdale residents consider
16 downtown Whiting their own business district and
17 Robertsdale residents use city services, like
18 the Whiting Public Library, community center,
19 post office, and all too frequently the Whiting
20 Police Department.

21 Robertsdale, the northern-most section of
22 Hammond, is adjacent to Whiting to the west.
23 Robertsdale citizens are within walking distance
24 of downtown Whiting, but several miles from
25 downtown Hammond. The entire residential area

1 of Whiting lies within 1.3 miles of the Hammond
2 Marina. The entire land in Whiting lies within
3 two miles of the Hammond Marina. Downtown
4 Hammond is approximately six miles from that
5 site. If you can look at the map, we drew a map
6 for you. Are you familiar with where the town
7 of whiting is in relation to Robertsdale?
8 Whiting/Robertsdale is one community. We feel
9 we will have the greatest impact, positive or
10 negative, at the Hammond Marina. 100 percent of
11 the Whiting/Robertsdale area will be directly
12 affected by this development. We look forward
13 to the potential economic impact that the gaming
14 industry will bring to our community. We will
15 all benefit from the gaming tax revenues,
16 increased tourism, increased job opportunities,
17 and overall improvement. However, as with any
18 major development, serious community concerns
19 need to be addressed. They include the
20 following:

21 Our first concern is traffic, an estimated
22 six thousand additional cars per day will flood
23 Indianapolis Boulevard and Calumet Avenue to get
24 to the overpass. The congestion that now exists
25 will definitely increase, especially when

1 Illinois citizens find that Indiana gas is 20
2 cents cheaper per gallon. We will have a real
3 safety issue on our hands and a major
4 inconvenience to our residence as they travel in
5 and out of their own community.

6 Another concern is beautification,
7 beautification of the gateway. During the past
8 two days we heard gaming applicants refer to
9 Hammond as the Indiana gateway to Lake Michigan
10 South Shore. We would like to see the chosen
11 gamer and the City of Hammond beautify our
12 community gateways, specifically, Indianapolis
13 Boulevard and Calumet Avenue.

14 As citizens we must all be concerned with
15 security and safety. Whiting and Robertsdale
16 presently have a reciprocal police and fire
17 department agreement. Whiting does respond to
18 hundred of calls from Robertsdale every year,
19 specifically police calls.

20 We are concerned that police, ambulance,
21 and fire personnel will be pulled from Whiting
22 to respond to emergencies in Robertsdale and at
23 the gaming development, leaving citizens of
24 Whiting vulnerable.

25 We are also concerned with closing of

1 Calumet Avenue. This action will limit our
2 resident's access to the lakefront and force
3 them to use the overpass. We feel this access
4 should remain open, or at least to remain open
5 on an unlimited basis for pedestrians, bikers,
6 and emergency vehicles. Another concern to the
7 members of our Chamber of Commerce is jobs. We
8 have been told that over fifteen hundred new
9 jobs will be created through gaming. Because of
10 the close proximity to the gaming facility, we
11 ask that Whiting residents be given the same
12 consideration of employment as Hammond does. We
13 also ask that to the extent possible, the
14 majority of management and executive personnel
15 be from our region also.

16 Furthermore, we ask that education and
17 training be done at our local Indiana schools
18 and colleges. We are also concerned about
19 business opportunity. The gaming company should
20 allow local vendors to service the needs of the
21 gaming establishment. This includes such
22 business as cleaners, restaurant supply, food
23 wholesalers, limousine services, uniform supply,
24 et cetera. Also, the gamers should allow local
25 businesses to exist or develop at the Hammond

1 Marina, or at the gaming facility. In obvious
2 cases Whiting should be treated the same as
3 Hammond. The City of Whiting would also welcome
4 the opportunity to develop a shuttle system
5 connecting the marina in downtown Whiting.

6 As a final concern we have a long-term
7 commitment, a five-year project is not long
8 term. We hope the gaming development will have
9 the vision and financial commitment to remain in
10 the area beyond the initial five year licensing
11 period. This commitment is essential for the
12 continued stability of the area and continued
13 revitalization of the cities of Hammond and
14 Whiting. We understand there are no immediate
15 answers or solutions to our concerns. However,
16 we welcome the opportunity to participate in a
17 discussion with the City of Hammond and the
18 chosen gaming entity. We look forward to
19 developing a short and long range plan to
20 address these concerns as they arise.

21 The City of Whiting needs to be recognized
22 as an important player in any development in the
23 Whiting/Robertsdale area. Our Chamber of
24 Commerce recently passed the following
25 resolution: It states that the Whiting Chamber

1 of Commerce endorses a revenue sharing agreement
2 that would ensure the City is likely to receive
3 an appropriate share of gaming revenue in
4 accordance with current legislation. The
5 Whiting/Robertsdale Chamber of Commerce believes
6 the city of Whiting will be strongly affected by
7 the initiation of gaming in the Robertsdale
8 section of Hammond, and therefore should receive
9 some compensation and/or benefit for the
10 licensee of the City of Hammond. This
11 compensation will give Whiting the needed funds
12 to continue to improve the overall economic
13 growth of the city, while maintaining the
14 quality of life paralleling the City of Hammond.

15 I want you to know that several members of
16 the Whiting/Robertsdale Chamber of Commerce have
17 attended these hearings yesterday and today.
18 Within the next several days we will meet to
19 discuss what we have learned about these
20 applicants and their plans for our lakefront.

21 Subsequent to that meeting, I expect we
22 will forward to you a brief letter indicating
23 our opinions and additional concerns, if any. I
24 only ask that you receive this letter in the
25 spirit in which it was sent. That is that a

1 concerned group of civic leaders anxious to
2 resolve this issue in the best interest of the
3 Whiting/Robertsdale community. Personally, I
4 have been in practice in the Whiting/Robertsdale
5 area for over twenty-two years. There are good
6 people here, they deserve the best, and I am
7 confident that you will give it to them.

8 MS. BOCHNOWSKI: Thank you, very
9 much. Mayor Bercik.

10 MR. BERCIK: Thank you, very much. I
11 was going to deviate a little bit from the
12 prepared statement, but it is always helpful to
13 follow Dr. Steve Levin because he has already
14 mentioned some of the things I was going to
15 talk about. But one of the things I would like
16 to start out with, first of all, would be to
17 thank the commission, the chairman, and Mr.
18 Thar for allowing me to come and appear before
19 you and to make some statements so they would
20 be on record.

21 I would like to say that there is a
22 Whiting. I have heard some of the members
23 didn't know that there was a Whiting or where it
24 was. I have a little legacy that I would like
25 to mention, and that is that my dad was mayor in

1 the City of Whiting, my mom was mayor in the
2 City of Whiting, in fact she was the first woman
3 ever elected mayor in the State of Indiana, and
4 low and behold thirty something years later here
5 comes the son-in-law and he becomes mayor.

6 I do have a boy, he is in the service in
7 Texas and he always gets quizzed on whether he
8 has any political aspirations also.

9 I have been mayor, this is my 8th year,
10 whether it is fortunate or unfortunate my
11 opponent in the November election has withdrawn;
12 I have no opposition so if I do vote for myself
13 I will be around if the Good Lord so permits it.
14 It's like I have another four years while the
15 gaming industry comes to our community.

16 Mayor Dedelow and I have not talked, we did
17 mention that in the commission meetings in
18 regards to the last two years that we had to sit
19 down one of these days, I didn't push the issue
20 because it seemed like there were a lot of ways
21 and rightfully so, there should have been. But
22 now that it seems to be coming to a close I
23 think it is important that I and my staff make
24 myself available to the commission to the City
25 of Hammond and certainly whoever is unfortunate

1 enough to get the gaming license to sit down
2 with them because we are concerned. The
3 concerns we have are mainly the police
4 protection, the ambulance service, traffic
5 congestion, the volume of persons using the
6 gaming facility, and the safety, health, and
7 morals of our community.

8 The city of Whiting is unique as Dr. Levin
9 has stated; I have many brothers and sisters and
10 some uncles that live in Robertsdale. Our
11 population probably sits at about fifty-two
12 hundred right now. In '89 when -- it was
13 Standard Oil Company of Indiana at that time,
14 came to Hammond they built the largest refinery
15 in the world. Right now we are still the second
16 largest Amoco refinery; Texas City, Texas is the
17 biggest.

18 So we are an industrial town, a hundred
19 percent of our population is within a 1.5 mile
20 radius of the proposed location of the Marina.
21 So we are going to be impacted very
22 tremendously. I had my Chief of Police within
23 the last couple of months relay to the Hammond
24 chief that about the many calls we do make in
25 Robertsdale, more so the city of Hammond has

1 been good to Whiting, also. I am concerned
2 about in the future, how many more additional
3 calls that we will be asked to respond to.
4 Every time we do respond we leave our city at a
5 little bit of a shortfall. Fortunately Whiting
6 has a very good tax base because of Amoco Oil.
7 Whiting has a nice compliment of policemen and
8 firemen, but the big concern is what will we be
9 doing in the future, and I think this is one of
10 our most important things that have to be
11 addressed.

12 If I may, my city planner Dan Voltage is
13 here with me. He was referring to the
14 Robertsdale lakefront plan in October of '94 and
15 adopted by the City of Hammond, which recognizes
16 the fact that riverboat gaming will have
17 potential impacts on the Robertsdale
18 neighborhood and surrounding communities. We
19 understand that, we are here to be good
20 neighbors, we know that gaming is here, we want
21 to make sure it is done right and we appreciate
22 my having come before you and I thank you very
23 much.

24 MS. BOCHNOWSKI: Thank you, Mayor
25 Bercik.

1 Next we have Mr. Nutall. If you could just
2 state your name and spell it.

3 MR. NUTALL: McKinley Nutall,
4 N-U-T-A-L-L.

5 MS. BOCHNOWSKI: Thank you.

6 MR. NUTALL: Councilman 3rd District,
7 City of Hammond. I am very thankful that you
8 have allowed me this privilege, and I would just
9 like to say that the bottom line that I
10 considered when this project began was for the
11 benefit of Hammond and its citizens. The
12 projects that have been presented to you, some
13 of them have taken into account what the
14 citizens of Robertsdale wanted. Some of them
15 did not. I think it was stated from the city's
16 point of view what they wanted on this north
17 end; I think that certainly should be a
18 consideration. I want to say that others
19 following your talk about economic impact of
20 this project, that environmental concerns and
21 everything of that nature, that is not what I
22 want to talk about this afternoon. Yes,
23 Dr. Ross, you asked the question what would be
24 the minority participation, and I think,
25 Mr. Klineman, yesterday you had problems with

1 the definition of a word, so I to have a
2 definition of a word. You asked what would be
3 the minority participation. The answer was we
4 held a job fair and we sent out cards and said
5 they would be given applications. I don't know
6 how that is synonymous with the participation
7 because I have not seen, when I speak now of
8 minority participation, I am talking about
9 African Americans, Hispanics, Native Americans.
10 I am excluding women from what I am speaking
11 about now. I have yet to see that participation
12 on the front side and if I don't see it on the
13 front side as you use the word leverage earlier,
14 Mr. Klineman, I see no leverage for it on the
15 back side. That is what puzzles me about all of
16 the companies.

17 I would just like to say that two and a
18 half years ago, approximately, I married with
19 Lake Michigan Charters. For whatever reason I
20 see you don't particularly think the process was
21 a good one and I am not going to debate that,
22 but we married with Lake Michigan Charters at
23 that time. They made some commitment, like in
24 every marriage there is a commitment. To this
25 date in this Councilman's mind, they have lived

1 up to their commitment and I don't think they
2 should have to apologize for that because I
3 think that was the intent from the start. But
4 just let me say this: The other word I have a
5 lot of problems with the definition of is
6 "local". I understand, and it was my
7 understanding that it be local investors, and I
8 was certainly looking for local minority
9 investors. Well, I don't know of any of the
10 companies that have any local minority investors
11 and that is another problem with me.

12 This has been my first experience with
13 anything of this nature so I wouldn't have
14 known -- I do not know how to go about getting
15 involved in the process of selecting investors.
16 But I would think that these companies with all
17 their technicians, strategies, and marketing
18 people, that they would have expertise and the
19 wherewithal to seek out investors and protect
20 minority investors. I would just like to say
21 this: I have a slight problems with, and the
22 problem is not just slight, it is bigger than
23 that, but I do not know how to go about getting
24 this job done and correct this, what I think is
25 a flat out oversight, but I would hope you take

1 this into your consideration when you deliberate
2 to get your final decision. Now, Dr. Ross, I
3 was a little disappointed that you only asked
4 that question one time. I was hoping you would
5 ask every company what was their minority
6 participation. I want to see what their answer
7 might have been. But in any case I know you
8 will take it up in your deliberations. I thank
9 you.

10 MS. BOCHNOWSKI: Thank you.

11 MS. COSTA: Good afternoon, my name is
12 Bernadette Costa, C-O-S-T-A.

13 Thank you for giving me the opportunity to
14 come before you today. Some of the things that
15 you will hear from me and other people speaking,
16 I want to address it just a little bit
17 differently. As a Hammond Council person, I am
18 also on the Port Authority and I am lifelong
19 resident of the City of Hammond. I am here to
20 voice my concerns as they apply to the gaming
21 development on our lakefront. As a city we have
22 traveled quite a road since we overwhelmingly
23 voted yes for the opportunity almost two years
24 ago. At last the years for Hammond gaming are
25 nearly completed.

1 In evaluating the proposals of the gaming
2 companies I trust you. I trust you, that you
3 will consider the impact to the city, especially
4 to the neighborhoods surrounding the city,
5 surrounding the development, the needs of the
6 voters who occupy our marina. The concerns of
7 the people in preserving the open spaces as well
8 as the integrity and financial background of the
9 three firms that have made proposals to you.

10 In the last two days we have heard a lot of
11 fluff as well as substance, we have had some
12 checks and some balances, and I am confident
13 that your research, your background checks,
14 reports from financial experts, and common sense
15 will lead you to the best choice for the City of
16 Hammond.

17 As a member of the Mayor's Commission, my
18 personal choice was Boyd. However, as a member
19 of the Hammond Common Council, I supported a
20 resolution supporting Lake Michigan Charters.
21 Now you, the members of the commission, have to
22 make a choice. In awarding the Certificate of
23 Suitability, I urge you to choose the gamer that
24 will give Hammond not only the best financial
25 package but the best vision for development that

1 will take us into the next century. By choosing
2 the best all-around company, you will allow
3 Hammond and our citizens to truly realize
4 rewards and benefits of their vote when they
5 voted for the opportunity.

6 Finally, just as a side note, if you give
7 me a choice between a ship and five million, I
8 would take the five million. Thank you.

9 MS. BOCHNOWSKI: Is Councilwoman
10 Janet Moran here?

11 MS. MORAN: Thank you for allowing me
12 this opportunity to speak. I am councilwoman
13 Janet Moran, and that is spelled M-O-R-A-N. I
14 have served on the Hammond City Council for
15 twelve years. I have been an active participant
16 in Community Affairs in Hammond for over
17 twenty-five years. All of the applicants that
18 have appeared before the gaming commission today
19 and yesterday have been exciting. They are
20 really exciting and an impressive development to
21 our city. Hammond is very honored to be the
22 recipient of Lake Michigan Charters, Boyd, and
23 Bally's interest. I do not envy you the task of
24 choosing between these three highly qualified
25 riverboat operators.

1 The economic development and economic
2 returns to the city and state have been and will
3 continue to be examined and compared. But I
4 wish to discuss philosophical points of concern.
5 In 1993 I was a member of the Mayor's Advisory
6 Committee to evaluate gaming proposals, but much
7 has changed in the gaming industry in the two
8 years since Hammond has completed its
9 endorsement process. The economics of
10 riverboats now question their ability to charge
11 admission of parking fees. The riverboat gaming
12 market is fast becoming symbiotic with the
13 destination resort theory; riverboats,
14 restaurants, entertainment facilities, and
15 hotels are advantageous and necessary to each
16 other but not harmful to either. By the
17 admission of one applicant and an internal memo,
18 which was inadvertently released to the public
19 it was stated that quote, these days it takes
20 more than a vote, a boarding facility, and a
21 garage facility to produce sustainable long-term
22 development.

23 Hammond is located fifteen minutes away
24 from Chicago's loop via the Chicago Skyway.
25 Hammond's Lakefront, development correctly, can

1 be a viable riverboat destination and
2 entertaining position even in the face of
3 Chicago's Casino competition. All of the
4 applicants have discussed a hotel in one
5 location or another. I would respectfully ask
6 the gaming commission to check with the travel
7 and marketing consultants, if you haven't done
8 so already, I assume you probably have, on the
9 desirability and availability of the proposed
10 remote site hotels as well as the lakefront
11 hotels as to what would be the marketing rate
12 that they would have as far as occupancies.
13 Should the riverboat pull up anchor and leave
14 permanently, Hammond does not want to be stuck
15 with a white elephant building that can only be
16 used in connection with the riverboat. Hammond
17 needs lakefront and sell rate development with
18 stand-alone long-term capability. I was
19 somewhat surprised to hear in the
20 administration's presentation today that in 16
21 points there was a demolition component to that
22 that they would, if the riverboat was actually
23 left, that there was a demolition plan to
24 demolish what had been built, I would not agree
25 with that theory.

1 In addition to the day trip riverboat
2 visitors that will make up the vast majority of
3 coming to the riverboats, I believe there is a
4 market in Hammond's lakefront for a midwestern
5 regional conference site that would be
6 attractive by the riverboat development. Small
7 regional conferences tend to get swallowed up in
8 big cities which are often too large and
9 overpriced for the comfort of regional
10 conference goers. Hammond's lakefront
11 development can offer a very unique active
12 conference alternative that has good interstate
13 and toll roads access and is on Chicago's
14 doorstep. When Hammond decided in its RFQ's as
15 to its preference for the actual footprint for
16 riverboat development on the lakefront, its
17 primary concern was a gambling activity should
18 not drive away the boaters, and that the
19 riverboat development should enhance the Hammond
20 Marina and build upon what we already have here.
21 I believe that all three proposed riverboat
22 plans in their own individual way enhance the
23 marina and compliment boating, but just as the
24 city remembered the non-voting public and
25 provided it access to the breakwater wall and

1 fishing peer at the marina, I remind the gaming
2 commission to remember the non-gaming public as
3 it makes its riverboat choice for Hammond.

4 In addition to developing the casino there
5 should be new developments for those who just
6 want to enjoy the lakefront and not gamble. I
7 would say there has been much discussion about
8 cutting off the lake view; I feel that all of
9 the plans that have been presented here in
10 Hammond have, in effect, cut off the panoramic
11 lake view. But keep in mind that you will be
12 entering this marina from an elevated overpass
13 so that we are going to have a bird's eye view.

14 I see my time is up so I will present these
15 to you in writing if that is all right. Thank
16 you for your time. I do want to just say that
17 whatever you decide as gaming commission who
18 should receive this Certificate of Suitability,
19 I as an elected official and community activist
20 will work toward helping that applicant be
21 successful here in the City of Hammond.

22 MS. BOCHNOWSKI: Thank you. Anything
23 that you have in writing you can give it to the
24 staff and they will make it part of our
25 permanent record. Councilman Golec.

1 Mr. GOLEK: Mr. Chairman, members of
2 the board. My name is Rob Golec, G-O-L-E-C. I
3 am the 6th District Councilman for the City of
4 Hammond. I have been representing my district
5 for the past seventeen years. A few weeks ago
6 you received a letter from me withdrawing my
7 support behind Charters for economic reasons. I
8 think those economic reasons were as important
9 at that time as they are tonight, as they were
10 two years ago. I have heard a lot of dialog go
11 on today, especially some of questions that
12 Mr. Klineman had asked representatives of the
13 City of Hammond, and that included the Common
14 Council.

15 Unfortunately, you should have asked the
16 Common Council the responses of those questions,
17 and I think you would have had a diametrical
18 different opinion, or opinion, as to what was
19 happening or not happening during those periods
20 of time. No one can really speak for the
21 council except ourselves, and we have members
22 here that could have attested to the correctness
23 about what was being said about the council's
24 participation in this process. But
25 notwithstanding, when I looked at new

1 application, the amended application, I think it
2 was June 24, 1995, I had realized that the
3 partnership of Charters in the City of Hammond
4 there was a significant change. That change was
5 two fold. Number one, instead of the financial
6 formula being based upon the three percent of
7 the gross rate gaming revenues, in addition to
8 three dollars per car, a new formula had been
9 substituted without the knowledge of the Hammond
10 City Council when Charters had submitted the
11 464.

12 In addition to that, which came as a great
13 surprise to this councilman, was when they were
14 asking for a tax credit, a tax credit against
15 all future years in the City of Hammond that we
16 would not receive a benefit from it. It was
17 interesting to note that shortly after my letter
18 to the commission I had contact with Charters
19 that they had agreed prior to any meeting with
20 the mayor to withdraw their request for a tax
21 credit and they had agreed. I think that was
22 wrong.

23 When you are looking at all of these gaming
24 companies that are here before you, I think
25 integrity has to play an important role. It is

1 integrity when I run for office, when I
2 represent the people that come before me, and
3 when I speak for them. I think the integrity of
4 the people that I represent have been
5 compromised by the change of a deal of the
6 Letter of Intent without notifying the council.
7 I think that is wrong. I think based upon the
8 information, and the numbers are very inclusive,
9 as original proposal that Charters presented
10 versus the proposal that is before the
11 commission at this time. It is inclusive as to
12 whether it is a better proposal or not. I heard
13 some questions on the development on what the
14 city ought to do insofar as a structure being
15 built on the lakefront. I can tell you this,
16 that the Common Council is also part of the
17 city. In fact, it takes the Common Council to
18 make the zoning laws to change them to allow
19 these developments to occur.

20 Again, Mr. Chairman, humbly we are left out
21 of that discussion as to what the Council feels
22 insofar as the residents of that neighborhood
23 are concerned with. We have some definite
24 opinions as to how the development of that
25 lakefront ought to be. I think this commission,

1 on whoever the choice is in the final analysis,
2 ought to consider that the city, the citizens of
3 Hammond, the Mayor and Council ought to have
4 that opportunity to discuss how that development
5 is to occur. I think it would be wrong and
6 improper for this commission to say you must
7 accept this company because you must also have a
8 development along with it. It is for us to make
9 that decision, Mr. Chairman, and I believe the
10 reason why is that once these hearings are
11 concluded, once you issue that Certificate of
12 Suitability, and once that license is issued you
13 are gone. Those of us who live here in the City
14 of Hammond must live with the problems that
15 emanate from such a time of economic development
16 as well as the benefits that are attested to
17 that economic development.

18 In conclusion, I don't know whether or not
19 we will have an opportunity to answer any
20 questions at a later time. There are a number
21 of other speakers, but I would think that if
22 you really want to get to the bottom and get
23 correct answers, the next time when you ask the
24 city for responses, that the Hammond City
25 Council also represent eighty-three thousand

1 people that live in the City of Hammond and
2 that we should have been given the opportunity
3 to tell you what our feelings are about that
4 development. Thank you very much, Mr.
5 Chairman, and members of the panel.

6 MS. BOCHNOWSKI: Thank you.
7 Councilman McCarthy, and state your name
8 please.

9 MR. MCCARTHY: Joe McCarthy, City
10 Councilman, M-C-C-A-R-T-H-Y. Commissioner,
11 thank you for the opportunity. I can't possibly
12 express in five minutes the magnitude of what
13 this was presented in 1993. This was the
14 original document that Charters submitted to the
15 City Council, which Democrats, Republicans,
16 Independents alike throughout the city wanted an
17 opportunity for gaming. The campaign slogan was
18 Opportunity, Yes, but what we are seeing is an
19 opportunity that has a limited window. While
20 the administration was proposing a twenty-five
21 million dollar figure, this councilman was
22 talking percentages. The reason why I say it is
23 percentages is because I realize that those
24 revenues are projected revenues that when
25 competition increased that those revenues are in

1 fluxed. That is why it is very important that
2 this councilman, in relation to the community
3 needs, talk about other investments throughout
4 the community of Hammond.

5 Charters submitted a document stating that
6 they are going to build a diving facility in
7 order to stimulate other investments, other
8 service industries, national competitions,
9 swimming, region meets. The whole key was not
10 to just depend on gaming but to bring in other
11 attractions of a professional style that
12 compliment the Chicago marketplace. When you
13 invest in other opportunities such that you make
14 them more committed to the plan, hotel
15 development that should be looked at.

16 As people go through and they gamble and
17 they drink, or they want to take in the sites of
18 the city which the city is going to invest a ton
19 of money in, we want them to stay in the region,
20 we want them to offer them complimentary
21 packages. I want to submit this to the
22 commission and I want to show that although we
23 have talked to numerous gamers, those
24 commitments were building on sifting sand.
25 Today the rubber meets the road. Just like one

1 of the commissioners said, we want to get to the
2 nitty gritty. I didn't partake in a lot of the
3 presentations from the gaming because I knew
4 that it was presentations, nothing of substance.
5 Today there is a lot of substance, and in the
6 sanctity and quietness of your facilities you
7 are going to mull offer everything from
8 financial statements to the actual ability to
9 build the facility. The City of Hammond has a
10 lot going for itself.

11 When I walk the neighborhoods and I talk to
12 people in general, their eyes lit up, that they
13 would actually have an opportunity to get a job.
14 I don't see that we can give a person a job but
15 we can provide an opportunity and environment.
16 What is wrong with training people to work in
17 riverboat facilities? Charters has one of the
18 best plans I have seen that were submitted,
19 although part of their plan was withered on a
20 vine. I would like you to ask them, why don't
21 we diversify our market and build a gaming
22 facility that incorporates our entities. People
23 want jobs; people want opportunity. I myself
24 twenty-five years ago was washing dishes, today
25 I am a city council member raising a family. We

1 have two incomes, my wife and I work. We are
2 raising two kids and fifty thousand dollars
3 today doesn't buy a lot. We want to be able to
4 provide those opportunities to other people.

5 City council has offered to work with other
6 people to provide a job outreach bank, I think
7 that is something this city should self reflect
8 on and look at computers that match up talent in
9 our market with the people and their jobs. I
10 think I have no problems endorsing Charters; the
11 only reasons why I did endorse them is they
12 stepped up to the plate and when the marina was
13 in trouble they offered their assistance. The
14 other gamers helped, Bally's took their marbles
15 and walked out. The presentation that was
16 before the council, that was a public meeting
17 they decided not to participate to go straight
18 to the commission, and that is a fact.

19 But what I would like to see is, make the
20 commitment to the city and that is to build a
21 facility, build the hotel, invest in the
22 community and let us spend that money that this
23 city has long suffered. Thank you.

24 MS. BOCHNOWSKI: Thank you.

25 MS. MARSH: Carolyn Marsh,

1 C-A-R-O-L-Y-N M-A-R-S-H. I am the founder of
2 the Track Committee. Initially we were given
3 ten minutes and it has been reduced to five, so
4 I will be going a little over the five minutes.

5 Thank you for the opportunity to speak to
6 you. I rarely turn down offers to talk on
7 subjects that has become for me a steadfast
8 commitment to save the migrant trap. As a
9 resident of Whiting and avid birder in the
10 Whiting/Hammond area, I am here today to implore
11 the State Gaming Commission to deal on its
12 priority to help preserve this bird sanctuary.
13 My soul concern is that the migrant trap be
14 saved as a bird habitant and that it be managed
15 by the State of Indiana on a permanent basis.
16 To whom you award the gaming license is a
17 particular concern of mine. I care that the
18 developer you choose honors the wishes of our
19 residents.

20 In a survey of Robertsdale neighborhood
21 conducted last year by the city of Hammond for
22 the Robertsdale neighborhood and lakefront land,
23 the residents gave protection of natural
24 environment a priority. The next highest need
25 was for parks and open space. Other types of

1 development lagged far behind.

2 The final report of the lakefront plan
3 recommended that the trap be preserved. I want
4 to give you some background on this property why
5 it is important to save, who wants it saved, and
6 why it is important to manage the property. The
7 sixteen acre Lake Michigan Migrant Trap, owned
8 by a northern Indiana pharmaceutical company
9 lies adjacent to the Hammond Marina. With grain
10 payer's money NIPSCO purchased the land in the
11 early 1960s from the Shed Estates as a potential
12 site for the power plant. NIPSCO then decided
13 not to build a plant and the property was zoned
14 open space. It was during that 1970s that the
15 landfill, now vegetative, began attracting
16 birders. Use of the parcel has been under
17 contention since 1990 before the prospect of
18 gaming was publicly announced, that was when
19 NIPSCO, with the partnership of the City of
20 Hammond announced plans to develop entire
21 parcels, hotels, condos, and retail outlets.
22 With the construction of the adjacent marina
23 then underway, the 1990 development plans would
24 have eliminated the area's only privately owned
25 lakefront zoned open space. Since then other

1 development plans have been presented.

2 Lately these have been included and
3 proposed by gaming companies for which you
4 gather today. Why save the migrant trap
5 foremost? It is widely recognized among one of
6 the most important scholars of migrating birds
7 in the Great Lakes basin. Steven H. Evan,
8 Director of the National Audubon Society has
9 written, quote, despite the unsightly
10 appearance, it, the migrant trap, is likely the
11 most unique and valuable area for migrating
12 birds, of any one spot in the entire State of
13 Indiana, end quote. The bird habitat has been
14 added to wildlife guides such as the Indiana
15 Wildlife Viewing Guide, which is described as
16 quote, one of the best places in the state to
17 view migrating songbird in the spring and fall,
18 end quote.

19 Another reason is the quality of life
20 issue. Heavy industry dominates the Lake County
21 shoreline. In comparison, Chicago has a
22 lakefront protection ordinance that provides its
23 neighborhoods with a green corridor along the
24 city's entire lakefront. Ken Kauffman, author
25 of Advanced Birding Field Guide, told the

1 September gathering of the Chicago Society that
2 they should feel likely to be, quote, truly
3 blessed, with such a visible migration along the
4 lakefront.

5 What about the Hammond/Whiting corridor,
6 which is equally visible with migrating birds in
7 the spring and fall. Is our Corridor to be
8 nothing more than gas stations, asphalt parking
9 lots, and a concrete tangle of overhead
10 highways? Haven't area residents compromised
11 enough supporting a twenty-three million marina
12 and gaming? Surely we can save a mere sixteen
13 acres to insure that some migrant birds remains
14 along our lakefront.

15 MS. BOCHNOWSKI: You will need to
16 finish up pretty soon.

17 MR. PESCHKE: One of the licensed
18 applicants before you today, Lake Michigan
19 Charters, once recommended that the migrant trap
20 be donated to the state. Prior to the city
21 gaming referendums, Charters distributed a
22 proposal for public review in which it proposes
23 to acquire the migrant trap property and quote,
24 donate all sixteen acres to a qualified
25 conservancy or the Indiana Department of Natural

1 Resources, end quote. However, it is promised
2 to the community to preserve the migrant trap
3 was predicted later. An agreement dated
4 September 20, 1993 between Hammond's Mayor and
5 Charters, the company stated that the NIPSCO's
6 site title would be delivered to the City of
7 Hammond. Within the past week another applicant
8 states in writing to donate the land to an
9 appropriate agency, such as Indiana DNR
10 Foundation to, quote, act as steward to protect
11 and insure its continued use as a migrant bird
12 trapping, end quote.

13 Other pledges they make are to hire a
14 landscape architect to create a botanical
15 enhancement and to contribute additional funds
16 to help maintain the property. Should you
17 select any of them, I hope the commission will
18 see to its promises. The Lake Michigan Migrant
19 Trap can become a viable asset, a bird sanctuary
20 for state management. It can be transformed
21 into a vegetative land and lakefront garden.

22 In conclusion, so I implore the gaming
23 commission to select a company that will respect
24 the wishes of area residents, represent groups
25 and conservation organizations who want the

1 migrant trap protected. I am for you to select
2 a gaming company that will purchase the migrant
3 trap and donate to the state. There is only one
4 company that offered to honor both interest,
5 Bally's Entertainment Corporation.

6 MR. PESCHKE: Thank you, and thank you
7 for the opportunity to speak to you today.

8 MS. BOCHNOWSKI: Thank you. I will
9 ask everybody, I know you were prepared for ten
10 minutes, but I will ask everybody to try and
11 stay with five minutes as we have had a long
12 day here. I understand Michael Daugherty is
13 taking the next spot, is he here? No. Dewey
14 Pearman.

15 MR. PEARMAN: Mr. Chairman, members of
16 the commission, my name is Dewey P-E-A-R-M-A-N,
17 I am Executive Director of Construction
18 Advancement Foundation. On behalf of our
19 officers, directors, and members, I would like
20 to thank you for tonight to address you today.
21 The Construction Advancement Foundation is a
22 private, not-for-profit construction industry
23 trade association with over three contract
24 members. We serve a six county northwest
25 Indiana area. Many organizations and

1 individuals from northwest Indiana worked very
2 hard for the successful passage of the Indiana
3 Riverboat Gaming legislation. We in northwest
4 Indiana worked for passage of that legislation
5 and we are pleased that those efforts will soon
6 bear fruit for the economy and people of our
7 area.

8 On a personal note, Mr. Chairman, let me
9 say that having been born and raised in Hammond,
10 having been served as City Director of Economic
11 Development for some years, having served as
12 Executive Vice President of the Chamber of
13 Commerce for a number of years, I have many
14 personal and professional attachments for this
15 county and I am personally very pleased that
16 Hammond will be given the opportunity to regain
17 much of the economic strength and vitality that
18 was lost over the last twenty-five or thirty
19 years.

20 In my former capacity with the Northwest
21 Indiana Forum, it was my pleasure to actively
22 lobby for passage of the gaming legislation. I
23 recall as the legislation was being drafted,
24 there was much discussion about how the language
25 should be constructed to guarantee the greatest

1 amount of economic development benefit for the
2 state, and in particular the community in which
3 the riverboat would be docked.

4 We believe the legislation anticipates that
5 the commission will give significant
6 consideration to the degree to which the
7 development proposals will benefit the local
8 economy, specifically, Chapter 4 Statute 1
9 states that the commission will, quote, select
10 among competing applicants that promote the most
11 economic development in the home docked area and
12 that best serves the interest of the citizens of
13 Indiana.

14 In this regard we would like to bring to
15 your attention two issues that we feel should be
16 important and worthy of your consideration.
17 First, the total investment package of each of
18 the proposed developments, and second the extent
19 to which the applicants are committed to using
20 local contractors and subcontractors, materials,
21 suppliers, and vendors from the home docked area
22 to construct the facilities. With regard to the
23 first issue we believe the greater investment in
24 land site improvements, the greater the economic
25 benefit for northwest Indiana and Indiana.

1 The legislation debate of riverboat
2 legislation included much discussion of the
3 possibility that given the nature of riverboat
4 operations, a significant piece of the
5 developer's investment could easily be floated
6 away if the market stops temporarily or if the
7 developer receives a better offer from another
8 state. The best way to insure a long-term
9 commitment from the license holder is to secure
10 a substantial investment in land site
11 improvements.

12 We see the financial commitment to land
13 site improvements as the clearest indication
14 that an applicant has a long-term commitment to
15 Indiana and the home docked area. The
16 commission should therefore give weight to the
17 proposal which includes land site amenities such
18 as eating and drinking establishments,
19 entertainment facilities, recreational
20 facilities, on and off site infrastructure
21 improvements, and hotel facilities. These are
22 the investments that will insure a long-term
23 commitment to Indiana.

24 With respect to the second issue we have
25 raised, if local contractors and subcontractors

1 and suppliers from the home docked area are used
2 in these projects, the convene of the home
3 docked area and the economy of Indiana will
4 benefit greatly.

5 If contractors and subcontractors,
6 material suppliers from outside Indiana are
7 used, the economics of other states will
8 benefit and we will have lost a very great
9 opportunity for Indiana. Let me assure you
10 that the construction industry in the home
11 docked area has to be with these facilities.

12 In your discussions with the applicants we
13 ask that you entrust with each of them a firm
14 commitment to use northwest Indiana contractors
15 and subcontractors. Thank you for the
16 opportunity.

17 MS. BOCHNOWSKI: Carlotta King.

18 MS. KING: Good evening, my name is
19 Carlotta King, K-I-N-G. I am extremely
20 delighted to be here to speak to you on an issue
21 that is extremely dear to me. I consider myself
22 very active within the city, I have been a
23 resident for over a twenty-five years, I am the
24 Redevelopment Commissioner, and president and
25 founder of my own business, Carlotta's Ultimate

1 You Image Building Center, and our focus is
2 image building for children. I am a licensed
3 leading member of the NAACP, board president of
4 a child care and development center, and I am
5 also president and image builder Indiana Expo
6 Hammond Chapter and State board member. I come
7 to you speaking and asking you that when you
8 consider who gets that gaming license, that they
9 have in place a package that will impact the
10 minority community. That factor along is so
11 dear to me that at this time I would like to
12 relinquish to Mr. Joe Rodriguez, who is vice
13 president of the Hammond Hispanic community, and
14 he will be working diligently together making
15 sure that an impact is done in our community.
16 Thank you.

17 MR. RODRIGUEZ: Thank you,
18 Mr. Chairman. My name is Joe Rodriguez,
19 R-O-D-R-I-G-U-E-Z. I am vice president of the
20 Hammond Hispanic community.

21 We would like the gaming commission to
22 consider some issues that we believe are
23 important in regard to the licensing. As the
24 commission is aware there have been many marked
25 by public and gaming interests and public

1 proposals. There are employment opportunities,
2 from one thousand to as high as twenty thousand
3 jobs. What we are asking the commission is that
4 they consider competent to license, that the
5 licensee must prepare a hiring plan that will
6 guarantee service jobs to Hammond residents.

7 In addition we would like employees to be a
8 fair reflection of the diversified ethnic and
9 racial groups that constitute the City of
10 Hammond. It is our hope that their hiring plans
11 will be reflective of our diversity, and that
12 Hispanics, African-Americans, and women will not
13 be relegated to menial labor employment.

14 Because of the limited time that I have, I
15 would like to go to a list of recommendations.
16 First, we think the gaming licensee should
17 greatly benefit the city, for developing a
18 gaming program for that type of employment.

19 Second, a monthly and annual statistical
20 report should be required showing number of
21 employees, the demographic details of the
22 employees, jobs classification, and their
23 corresponding salaries. In addition, the report
24 should reflect any political activities in which
25 the licensing company participates.



1 Third, a specific annual contribution
2 should be made to youth programs and activities,
3 specifically geared for those neighborhoods most
4 at risk which have a high youth problem, and
5 scholarship programs for low to moderate income.
6 There are many economic and socially important
7 issues. I do not have the time to talk about
8 all of these. But the bottom line is there must
9 be a positive gain for our community, our most
10 important resource.

11 Our organization believes that the
12 residents of Hammond should be the primary
13 beneficiary of the gaming revenue. Thank you.

14 MS. KING: In conclusion, I cannot
15 impress upon you enough the importance that
16 these two communities participate in this
17 process. It is always the numbers game, and as
18 redevelopment commissioner I have seen those
19 games played. We are talking billions and
20 billions of dollars, and it is just awesome when
21 you think of all of this money, and will it
22 trickle down, how will it trickle to the various
23 communities.

24 I have often heard that this city is that
25 of a melting pot. For once, I want all ethnic

1 groups to be represented. I speak for the
2 African-American community, I am very sure my
3 view speaks for the Hispanic community. Please,
4 whatever gaming outfit is selected, if you are
5 out there today, I will be a one-woman platform
6 if this process does not filter down to the
7 various communities. I will stand, I will
8 shout, I will scream to the highest to make sure
9 in this process for once, if it is going to be
10 if numbers game, I am hearing 10 percent 20
11 percent. But what happens to that 90 percent if
12 I am to be left with 10 percent or 15 percent or
13 20 percent, give me those best jobs because do
14 we have a list? Yes, we have a rich list of
15 African-American kings and queens and they can
16 hold any job that you have to offer. Thank you.

17 MR. DABERTIN: My name is David
18 Dabertin, D-A-B-E-R-T-I-N. Commissioners, Mr.
19 Thar, staff, Chairman. I want to thank you for
20 being here today. This is an important issue
21 for our community, that is the community of
22 Hammond, but also the community of Robertsdale,
23 which is the community where I live.

24 I thought by way of introduction I could
25 give you my involvement with gaming. First off,

1 I have lived in Robertsdale all my life, I own a
2 home there and have a family there. I served on
3 the Mayor's initial selection committee and
4 perhaps the questions -- I cannot support any
5 gaming company and would be happy to give you an
6 unbiased approach to or opinion to what
7 transpired there. I can tell you that the
8 proposals that we saw are vastly different from
9 what we have seen today. So giving weight to
10 that recommendation I can also tell you that
11 there was a lot of discussion, it was clearly a
12 free discussion, and the question of who
13 appointed those people, I was appointed but by
14 no means did I answer to anyone who appointed
15 me.

16 I have organized many public meetings on
17 this issue in the Robertsdale community, I have
18 talked to dozens and dozens of people up there.
19 I am the president of an organization which has
20 the vast majority of its members in
21 Robertsdale. We had a meeting and Mr. Thar
22 came out and spoke to our committee, members of
23 our organization, plus the residents from the
24 community. However, the decision you are going
25 to make, I truly believe, goes well beyond



1 deciding who will get the gaming license. I
2 truly believe that the decision you will make
3 will determine the fate of the community of
4 Robertsdale as well as Whiting.

5 Whatever happens there will clearly impact
6 that community much greater than the rest of
7 Hammond. There is a lot that is going to
8 happen, we don't know what. So the decision
9 you are going to make is well beyond just
10 deciding who gets that gaming license. It
11 really will affect that community. Hopefully,
12 you have had a chance to tour the community. I
13 gave you guides to the community, I understand
14 they are going to be here tonight. You can go
15 take that tour guide and let them show you
16 around, it does give you the history of the
17 community. Hopefully somebody from the City of
18 Hammond has told you that our home values are
19 high and our crime rates are low, that we pay
20 more than our share of taxes to the City of
21 Hammond. We are a good community.

22 Some people got up here and talked about
23 blighted communities and troubled communities;
24 we are really not one of those. So with regard
25 to that community that is close to that marina,

1 we have stuck in together and have held
2 together. Some of us was talking about giving
3 a symbol of civic pride. I happen to believe
4 that the people of Robertsdale already have
5 that civic pride, and already have that symbol,
6 which is themselves, and they work very hard to
7 keep up a good community.

8 I would like to go very quickly through
9 some points. I speak quickly and I hope I can
10 get them all, but I would like to invite
11 questions from all of you. Hopefully, I can
12 hear some questions, someone will ask me what's
13 it like to live in Robertsdale, what are some
14 of our concerns. I must say I disagree fully
15 with the idea that a hotel should be included.
16 The area, in terms of making it a destination,
17 it is already the designation for thousands of
18 residents and heavy industry.

19 Someone mentioned the soap factory. I
20 invite all of you to go take a look at that
21 site. It is very close to the American Mays
22 Product Company, it is very close to Lee's
23 Brothers Company. One of the gaming applicants
24 was telling me, well, there are laws against
25 that, not really. I would invite you to check

1 the laws in the State of Indiana. You will see
2 that putting a hotel next to either one of
3 those companies will cause a confrontation I
4 believe will cause friction. You are going to
5 have complaints, and one of them is going to
6 have give. Either the hotel will have problems
7 or you will lose one of the heavy industries.
8 My personal choice is that you stick with heavy
9 industry. It is good industry, it has really
10 served the community well, it employs people
11 with good jobs, I would hate to see anything
12 interfere with losing heavy industry. I would
13 suggest you look very closely at that site,
14 once again, and see the proximity of those
15 industries. I would also point out that the
16 Hammond Marina has the same sort of promise
17 with regard to economic development, a spin off
18 and so forth. In fact, the purchase of the
19 Milwaukee Clipper, same sort of thing where
20 people were getting up and saying it was going
21 to be good for a spinoff for jobs, none of it
22 materialized.

23 I would suggest you look very closely at
24 the people who have hired consultants to look
25 at that issue very quickly. I think you should

1 look very closely at nitch marketing. I think
2 if you look at the competition you will find
3 everyone is looking to Chicago. There might be
4 a vote in Calumet City, if that happens the
5 Hammond Marina site will be in dire straits in
6 terms of that geographical site. Look for the
7 company that gives you nitch marketing with
8 regard to the Robertsdale plan, I participated
9 very actively in that, served on Adhoc
10 committees that we put together. Believe me,
11 when the city tells you that the community
12 spoke very loudly and clearly about that plan,
13 we did. They can show you the bruises that
14 they gave you today are the bruises that the
15 citizens gave them. When we said we wanted our
16 open space and our lake front, we meant it.
17 Quite frankly, if I go back to Robertsdale
18 tonight and tell folks, look, the gaming
19 commission is thinking maybe we should close up
20 that open space we could easily fill this hall
21 again. I think it was sort of an understanding
22 with the local residents, I think the reason
23 they were not here was they had great faith
24 that what we told the city was going to be
25 carried forward and you would give justice to

1 what the city had to say. I am also very
2 disheartened that no attention was given to the
3 concerns that this project will have. Three
4 million dollars to save migratory birds,
5 nothing to look at human health, something very
6 important to me.

7 MS. BOCHNOWSKI: You will need to
8 finish up, just a closing remark.

9 MR. DABERTIN: Something that came to
10 my attention was that Bally Corporation has now
11 acquired -- did not include in their
12 presentation to you at all. They have included
13 an option on a piece of property that I view
14 more valuable than migrant bird trap. If you
15 are interested in the environment, if you are
16 interested in protecting the environment, they
17 have an option on a piece of property out there
18 which is much more valuable than that. They
19 have not given any proposals, they did not
20 include in their proposal to you, they assured
21 me they would mention it when it comes up for
22 questions and answers. They have never
23 mentioned it to you. I would give it to them;
24 but I can tell you that piece of property, if
25 that is included in their proposal we need to

1 have discussions on that, something they had
2 excluded from us. And I would hope they would
3 come up and present it to you and they tell you
4 that was part of their proposals. Any
5 questions?

6 MR. KLINEMAN: Yes, just identify the
7 property that you say that they mentioned so we
8 can identify it for the record. We have no
9 idea what you are talking about.

10 MR. DABERTIN: I was hoping they
11 would, but seems like everyone else seems to
12 know about this as they have taken it out,
13 George Lake. George Lake, the organization that
14 I represent, it has for many years, sort of the
15 fight for the migrant bird trap really pales
16 compared to what we have done to try and save
17 and take that property. I am not suggesting
18 that they wouldn't but I would certainly like to
19 know before this is given out, I would like to
20 know what their plans are. If there are no
21 plans then they should say there are no plans.
22 I would like to know because I live very close
23 to that property, lots of people do and we would
24 like to know.

25 MR. VOWELS: I have a question, and

1 the question is where on the map, you talk
2 about open spaces. Show me in that map where
3 you are talking about.

4 MR. DABERTIN: In terms of what the
5 committee put together, we had many many late
6 night discussions with citizens.

7 MR. VOWELS: I think you said they
8 would fill the hall up again, they would all
9 come down here again if we did something.

10 MR. DABERTIN: If you would start to
11 take away from this open space, when you start
12 to take away from the public access, the
13 decision to go here. I heard the Mayor and the
14 City talked as to who made the decision, I can
15 tell you my impression was that people were
16 very clear about protecting this view, this
17 area, and we were put on this spot because we
18 requested that. The decision to put gaming on
19 Lake Michigan isn't one that was made by
20 legislature. My personal opinion it was a
21 terrible decision, you took our most valuable
22 property sitting on our Lake Michigan and you
23 put something out that --

24 MS. BOCHNOWSKI: You will need to get
25 back to the mike, she can't hear you.

1 MR. DABERTIN: The legislature has
2 sort of saddled us with this idea that we have
3 to have gaming boats on Lake Michigan, which
4 there is really no connection between Lake
5 Michigan and gaming, there is no reason for
6 that. And the thought is we are to take our
7 most valuable resources, and we are forced and
8 compelled by law to do that. Let's have its
9 minimal impact because at the same time this
10 community has really started to look at Lake
11 Michigan, something we want to protect and
12 preserve, so the thought was to minimize that.
13 So that is really the open space, all the open
14 space. If you look at the reports there is
15 lots of citizens -- surveys that was issued to
16 households, it is very important to the
17 survival of our community that we have got to
18 compete with other suburbs, which has more
19 space, an older community, an industrial
20 community. We have to have more open space.
21 If you crowd it all out, I kid you not when I
22 say that the survival of the community really
23 is hinging on this. It is very difficult to
24 live in Robertsdale, this is one of our drives.
25 If you take this away and lock it up, they are

1 not simply going to want to move there anymore.

2 MS. BOCHNOWSKI: Any other questions?
3 Thank you very much. Is Dr. Philpot here? I
4 was under the impression he was not. James
5 Strayer.

6 MR. STRAYER: Thank you. My name is
7 James Strayer, S-T-R-A-Y-E-R, and I am the
8 president of Northwest Indiana Building Trades,
9 and obviously my concern is about jobs. I
10 would like to talk about or focus on one
11 particular thing, and that is building the boat
12 in place on site. It was said earlier today,
13 we can't do it on site, that we actually have
14 to go to the Court of Indiana, well, that is
15 okay with us, that is still opportunity for
16 employment for the people of Northwest Indiana.
17 To have them both brought up here from
18 somewhere else, to take all of that money and
19 send it to another state, to me is totally
20 ridiculous.

21 There was an impact study done by Economics
22 Research Associates for Chicago Bridge and Iron,
23 some of things that this study have shown is
24 that approximately two hundred thirty
25 construction jobs will be affected if we build a

1 boat here on site. That relates to over eight
2 million dollars worth of payroll, that is a
3 tremendous amount of money. That is three
4 hundred thousand man-hours. Now approximately
5 fifteen million on top of that will go to direct
6 purchases in Northwest Indiana, for example, the
7 steel to build the boat. We are the steel
8 producing region of the United States. In
9 directly there will be over sixty-eight million
10 dollars of benefit to us. The facility that we
11 use to build the boat can also be used to repair
12 all the boats that are going to be on the
13 lakefront for this gaming city would bring an
14 opportunity for even greater benefit to our
15 members as far as repairing the boat and also
16 business to Northwest Indiana.

17 In closing, I would like to rebut something
18 that was said yesterday, something that might
19 have led you to believe that maybe we don't have
20 the quality people here to build boats. I can
21 reassure you that you will find no better
22 craftsmen in the entire United States than you
23 will in Northwest Indiana.

24 MS. BOCHNOWSKI: I had Michael
25 Daugherty next, but I understand he is still

1 not here. Steven Ashby, is he here? Then I
2 have John Blount.

3 MR. BLOUNT: Mr. Chairman, fellow
4 counsel members. My name is John Blount
5 B-L-O-U-N-T, I am here representing Lake County
6 Sheriff, John Buncich, B-U-N-C-I-C-H. I have a
7 prepared statement I would like to read, I have
8 previously supplied your staff with a copy of
9 this statement --

10 MS. BOCHNOWSKI: We have it, we have
11 all received that.

12 MR. BLOUNT: -- as opposed to
13 materials. In anticipation of projected
14 operation of casino boats on lake Michigan, it
15 is my opinion that the topic of public safety of
16 the Lake County Indiana shoreline with Lake
17 Michigan has not been adequately addressed;
18 public safety concerns should be revisited.

19 For your information of records, the Lake
20 County Indiana Sheriff's Department is
21 responsible for maintaining law and order on
22 Lake Michigan Indiana waterways. The Lake
23 County Sheriff's nine-man marine unit is
24 presently comprised of personnel from the
25 following local law enforcement fire department

1 agencies: Three from the Lake County, two from
2 the City of Hammond, and four from the City of
3 East Chicago. Their salaries and expenses are
4 paid by the following cities, i.e. each
5 officer's respective department. The Lake
6 County Sheriff's Department supplies the marine
7 unit with a new thirty-six foot rescue unit
8 valued at one hundred sixty thousand dollars.
9 Of all of the necessary equipment one would
10 expect to find on a rescue unit, at present the
11 Lake County Marine Unit is headquartered in East
12 Chicago, Indiana, and I enclose a photograph of
13 that. That fabulous palace that we have in East
14 Chicago that has no running water or toilet
15 facilities. The annual cost to maintain the
16 Lake County Marine Unit is three hundred
17 sixty-six thousand five hundred eighty dollars.
18 This includes salaries, employee benefits, fuel
19 boat, telephone service, first aid equipment,
20 rescue equipment, and office equipment.

21 In 1995 to date the Lake County Sheriff's
22 Marina has reported a hundred seventeen motorist
23 arrests, issued ninety-seven citations, and made
24 one arrest. This does not include our
25 involvement with the boat accidents, company

1 injuries, or death. It does not include the
2 recovery of drowning victims, four this year,
3 swimming accidents, et cetera.

4 This method of law enforcement patrol on
5 Lake Michigan waterway must continue by our
6 primary voice and the safety of the general
7 public and the small craft pleasure boats should
8 not be compromised by the operation of the
9 casino gambling boats.

10 To insure the safety of the pleasure craft
11 boats who use the waterway of the Hammond
12 Marina, the general public who also utilizes
13 those waterways, and the patrons of the gambling
14 boats, we feel that we must have an equal
15 nine-man marine unit headquartered at Hammond
16 and vessels similar to our primary vessel, which
17 I also enclose, which is now in East Chicago.

18 The one time start-up cost, which would
19 include a similar rescue vessel and equipment is
20 a hundred eighty-five thousand dollars five
21 hundred, and the additional annual cost of that
22 marina will be the same as East Chicago, three
23 hundred sixty-six thousand five hundred eighty
24 dollars.

25 In that regard, our recent survey indicates

1 that there are a hundred fifty pleasure boats
2 going in and out of the marina during the summer
3 months.

4 Additionally, with the casino gambling
5 boats in operation, we expect the daily boat
6 rafts in that area to increase dramatically.
7 Therefore, with these facts in mind, and in
8 order to insure the safe passage of the casino
9 boat in and out of the marina harbor area, the
10 sheriff's department vessel will guide the
11 casino vessels in and out of the marina. This
12 safety precaution should be utilized to afford
13 the maximum protection of small pleasure craft
14 boats within the Hammond area. To do less would
15 be an invitation to disaster.

16 Equally important, we must also insure the
17 safety of the casino boat patrons and crew. The
18 sheriff's must be prepared to respond to any
19 catastrophic emergencies which may occur on the
20 boat while it is in service. In that regard,
21 upon assuming the Office of Sheriff on January
22 1, 1995, I instructed our tactical unit to
23 participate in intensified training programs.
24 This intensified training is ongoing since
25 January of 1995. An integral part of that

1 training is in the area of air/sea rescue,
2 utilizing our three helicopters.

3 I believe the Lake County Sheriff's
4 Department has prepared itself well, under the
5 circumstances, and will meet any challenge that
6 is presented as the occasion occurs. However,
7 to be perfectly candid, in order to provide the
8 highest degree of public safety to all
9 concerned, we must have a sheriff's marine unit
10 fully staffed and equipped. The matter of
11 funding the Sheriff's Marine Unit must be
12 addressed in very specific terms before the
13 casino gambling boats sets sail.

14 MS. BOCHNOWSKI: Your time is up, so
15 if you want to finish up with this paragraph.
16 We have this in writing.

17 MR. BLOUNT: The taxpayers of Lake
18 County should not bear the brunt of any
19 additional expense and the resulting casino
20 gambling boats. We know there will be gambling
21 on the boats, there must be no gaming with
22 public safety.

23 MS. BOCHNOWSKI: Thank you.

24 MS. DUPEY: Gentlemen and Ladies, my
25 name is Francis DuPey, I am an elected official

1 of Lake County Indiana, I represent the Lake
2 County Counsel and my district represents the
3 area in which this riverboat will be done. I am
4 also chairman of the Hammond Democratic
5 Political Party in Hammond. But most
6 importantly I'm a resident and a vice precinct
7 committeeman of the precinct in which the boat
8 will be docked.

9 I started out as an opponent of gaming, of
10 gambling. In a short time I probably came full
11 circle and helped lead the democratic party to
12 form a coalition with the Opportunity Council to
13 get a yes vote on the referendum. The reason I
14 did that is because of the presentation that we
15 received from Lake Michigan Charters. Because
16 of their response to our neighbors, to our
17 community, they are the only company that came
18 to us and said we want to meet those residents.

19 We walked them through the precinct, they
20 met with many people, we walked door to door,
21 they had coffee in some of the homes, they
22 listened to our concerns and we feel very
23 comfortable that if they are given the license
24 that they will respond to us. I was somewhat
25 shocked today when I heard your chairman ask our

1 mayor that if in the event another company got
2 the license would he be willing to give up the
3 4. acres, the 4. something acres to other
4 development. His answer should have been
5 emphatically no. That is not what the residents
6 of Robertsdale want, they are going to be the
7 most impacted by this, they are not prepared for
8 a seventy story structure, they are not prepared
9 for a hotel, they are not prepared for fantasy
10 land.

11 I believe that when an industry comes to
12 your community, it is good for your community,
13 but the great thing is always, yes, let's have
14 it, but don't put it in my backyard. I live in
15 the precinct where that boat would be docked,
16 and those people overwhelming went to the pole
17 and voted yes on that referendum. Based on my
18 leadership and the leadership of other people
19 like David Dabertin who talked to you, David can
20 say it probably better than I, for most of the
21 residents in Robertsdale. But I supported it,
22 basically, because Lake Michigan was honest with
23 us, up front with us. I went to Joliet, I
24 looked at the operation there, I was satisfied
25 that they had made an improvement in that

1 community. I expect them to keep their
2 commitment to us and make an improvement. Thank
3 you.

4 MR. EARLY: Timothy A. E-A-R-L-Y. I
5 would like to introduce the commission to the
6 Aquatic Resource Center through our mission
7 statement, which is to increase public
8 knowledge, awareness, knowledge and
9 understanding of the aquatic environment. This
10 mission is accomplished through implementation
11 of activities in the fields of education and
12 science, and through the provision or support of
13 public access through natural and cultural
14 aquatic resorts, specifically of Lake Michigan.

15 I have to be honest with you, I had what I
16 thought was a pretty good speech prepared, but
17 to be honest with all the flash and fluff that
18 we have seen for the last two days, that speech
19 would be pretty pitiful and insignificant. I
20 think I would be more effective, and I think it
21 would be more beneficial to the commission if
22 instead of a prepared speech I would just tell
23 you what I know, what I have seen, and perhaps
24 if you have any questions for me afterward I
25 will be happy to answer them. I will make this

1 very quick.

2 In telling you what I know I am going to
3 tell you about Lake Michigan Charters. I am
4 going to tell you about the people of Lake
5 Michigan Charters. I heard some of the
6 commissioners ask questions that either allude
7 to or focused on what type of people are we
8 dealing with. I cannot in all honesty say what
9 other gaming applicants, what type of people
10 they are. To be honest with you, I don't know
11 them. Until this week I have not met them. But
12 I do know the people at Lake Michigan Charters.
13 Whether or not they know me, I am not sure,
14 probably not. Most of them might not even know
15 what I look like. But I can tell you I know
16 them, I know Robert Conley, (Phonetic) because I
17 see him five, six, and seven days a week at his
18 office working on his project. I know Bill
19 McHenry, I know Mike Hanson. Once in a while
20 Bill will stop in my office to ask how things
21 are going.

22 I know Kevin Larson and Jack Travis,
23 because I have seen them talking with people in
24 the community, discussing their needs, their
25 conditions. That is how I know these people. I

1 know Katherine Mesa (Phonetic) because I have
2 seen her out on the boat, not parked at the dock
3 but out on the lake becoming familiar with that
4 lake, because I believe it is important and I
5 think she does and Charters does too, that they
6 understand that.

7 We have heard a lot of talk, we have seen a
8 lot of fantastic drafts of a ship that is
9 docked. In reality, any ship would be out on
10 the lake 70 to 75 percent of the time. I think
11 it is important that the captains of those ships
12 and the gaming operations understand the lake.
13 One thing we do know about aquatic research is
14 the lake, we also know about community. What I
15 have seen is Charter's commitment to the
16 community because they have developed a working
17 relationship. I have seen them express an
18 interest and to have a working knowledge of the
19 lake and the marina. To us at the Aquatic
20 Resource Center, these are all very important
21 attributes, and I would hope that the commission
22 recognize these as important attributes. I do
23 understand the commission's feeling of not
24 recognizing the endorsement of any municipality
25 because logically -- that we have to ask what do

1 we look at.

2 In the last few days from my standpoint, I
3 have seen three applicants present a picture,
4 which in all cases was very, very good. I think
5 they all have the ability, the logistics, and
6 the financial wherewithal to carry out that
7 plan. I have to ask myself, beyond that what is
8 it, and to answer that question, I have to say
9 the commitment to the community and the working
10 knowledge, because we are not discussing here
11 Las Vegas or even the Mississippi River or even
12 Joliet, Illinois. We are talking about Lake
13 Michigan and Hammond, Indiana, and for any
14 applicant to have a working knowledge of that
15 community and that lake is very, very important.
16 I think that should be vital and I hope that you
17 take that into account when you make that
18 selection.

19 Earlier I was out of the room,
20 unfortunately, I understand there was a question
21 raised about the Aquatic Resource Center in the
22 diving area. If there was such a question I
23 would like to answer it.

24 MS. BOCHNOWSKI: Yes, and your time
25 is almost up but I think if you can briefly

1 tell us what that is that would be fine.

2 MR. EARLY: The diving area is an area
3 set aside in the marina. If you look at the
4 picture on the right you notice that next to the
5 Clipper it looks like a little lagoon area that
6 is defined by the fuel dock and the break wall.
7 That area is currently used for diver training
8 and for scientific research. When the gaming
9 operation that is selected doesn't come in, that
10 area would probably be lost.

11 We have been talking to the city and we
12 have been told we will probably have another
13 year to conduct diver training, which is open to
14 the public, and to conduct our aquatic research
15 elsewhere in the marina. I think, and if I am
16 not incorrect, the question was asked where that
17 diving area would be located.

18 MS. BOCHNOWSKI: Do you have any idea
19 where that would be?

20 MR. EARLY: It will be towards the
21 west end of the marina probably towards the end
22 of the dock. And I would like to state that
23 diver training is available and open to the
24 public.

25 MS. BOCHNOWSKI: We will take a few

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minutes break.

MR. HORNAK: I am Jim Hornak,
H-O-R-N-A-K. I am here at this time not only
from the Northwest Indiana District Council of
Carpenters, but also as a life-long resident of
this community. I thought earlier on that it
would be a little difficult task that you have
been commissioned to do and that is choosing an
applicant. But I saw many remarks before me
that you have definitely before given a road map
so that choice should be easy. Everybody is
telling you how to make your selection, but
again I want to talk about a few things that you
may not know of because there are a couple of
people here from Northwest Indiana but there are
some of you from outside of the community.
Being a life-long resident of the city, I
remember the downtown area that it was a
retailer center. I remember the lakefront when
it was a place to go after a Friday football
game to take your girlfriend and watch what we
call the submarine race. That is, if you could
get past the beer cans and ice boxes, everything
else that was dropped off there. What you see
before you in that picture has been a legitimate

1 impact on that lakefront, a beautiful facility
2 that also has the beauty of the lakefront.

3 I think that when you do deliberate, and I
4 am not going to tell you how to make your
5 selection, but I am going to tell you about a
6 factor that I don't believe a lot of people have
7 talked about, its timing is critical. You have
8 already allotted two licenses to the City of
9 Gary, Certificates of Suitability, you are
10 meeting tomorrow in East Chicago, we have this
11 one facility here in Hammond, and let's not kid
12 ourselves, Chicago is on the front, they are
13 going to need gaming sometime in the near
14 future, that is a given. The thing is when I
15 say timing is critical, because I don't know if
16 the community can stand twelve to sixteen month
17 delay to make the project come to fruition
18 before we start construction. We have to have
19 that facility on the lakefront open in order to
20 guarantee the economic development that is
21 promised by any of the gaming companies in the
22 community.

23 I talked to you earlier about a particular
24 developer, a particular operator, Lake Michigan
25 Charters. Although one of the other operators,

1 Bally's, has a partnership, one of our most
2 renewed local contractors, that is Calumet
3 Construction, Richard Gordon, and they have
4 talked about building a boat with Chicago Bridge
5 and Iron, which their sister company, a
6 non-union company which I personally had to pick
7 and line some shrubbery over it when they were
8 building a tent facility, a water tank facility.
9 Again, that is also good union contract. But I
10 also would be remiss if I didn't talk about the
11 fact that when they first had the gaming
12 forefront in Hammond when I was on the
13 Commission of the Mayor and the City Council
14 served on. One of the companies that first came
15 to me and said, what do we need to sign to
16 guarantee local union employment was Lake
17 Michigan Charters. Through that I helped
18 facilitate the rest and we put together a
19 paperwork, and I am sure you received that in
20 some of your documentation of Lake Michigan
21 Charter today. And we do have guarantees,
22 verbal guarantees, but I would be remiss if I
23 didn't say we have one written guarantee, and
24 that is with Lake Michigan Charters.

25 And again, as I said earlier, Richard

1 Gordon of Calumet Construction is one of our
2 most revered local contractors. But again, when
3 we signed our paperwork with Lake Michigan
4 Charters, I give my word that if they gave their
5 word to us to use our people to construct our
6 facility, I would support them. In my business
7 my word is my only bond. I left the field to do
8 the job of business legion of the carpenters,
9 and got elected as president of the district
10 council. I care about employment for my people,
11 I care about developments of spending all the
12 way to the state line and all the way to the
13 outside boundaries of the City of Hammond. But
14 as a resident, I care about the quality and the
15 commitment. I am here to tell you today that we
16 do have a written agreement with Lake Michigan
17 Charters, I do support them because if I didn't
18 I wouldn't be true to my word. And again in my
19 business, my word is my time.

20 I would hope that sometime when you travel
21 or while you are in our great city that you will
22 also notice some of the other commitments that
23 we issue in trying to make the community. In
24 back of this facility right here, I don't know
25 if you saw it in the daytime, but we are

1 building safety village for the kids here, and
2 union tradesmen are donating all the labor to
3 save the City of Hammond many thousands of hours
4 in labor costs. On the picture of the Clipper
5 ship, the original raft, which as you can see,
6 was made out of wood. We donated that to the
7 riverboat, we came and donated the time to put
8 that raft in until they could have them
9 repaired.

10 I thank you, I see I got the red card, I
11 have stood before you twice, have a great trip
12 home. Let's build these riverboats, let's get
13 the job started.

14 MR. McROBERTS: Hi, my name is James
15 McRoberts, I am Commodore of the Hammond Yacht
16 Club, last name spelled M-C-R-O-B-E-R-T-S.
17 Hello, Mr. Chairman and Ladies and Gentlemen of
18 the board. You and your commissioners face a
19 very important and difficult decision concerning
20 the riverboat license for the City of Hammond,
21 Indiana. Thank you for allowing me to lend my
22 opinion on this important matter. I have been
23 elected to represent the Hammond Yacht Club.
24 The Objectives of the club are to promote
25 interest in boating, increase respect for pilot

1 rules, build pilot skill in navigation, promote
2 safety, create and maintain among its members
3 and community an atmosphere of good
4 sportsmanship, and caring on such other
5 activities as may be beneficial to boating.

6 We have been filing the riverboat process
7 and feel it is essential for you to know our
8 notion in choosing the proper crew for the
9 Hammond site. We are of the opinion that it is
10 crucial to choose a company that has not only
11 gaming in mind but the interests in preserving
12 what the marina and yacht club currently
13 represents and promotes, boating. The dilemmas
14 of safety and convenient operations of vessels
15 and existence of the Hammond Yacht Club
16 facilities currently aboard the Milwaukee
17 Clipper are all issues that directly affect
18 boating population. In dealing with all three
19 competitors, Ballys and Boyd have only expressed
20 an interest in the last two weeks. Lake
21 Michigan Charters has been exceptional.

22 Since the fall of '93 prior to the
23 referendum, Lake Michigan Charters has taken
24 into consideration the important role in the
25 pledge in a successful marina and has aided the

1 operation of the yacht club by providing
2 facilities and essential communication. They
3 have also made contributions, such as the
4 fireworks for Venetian Night, that not only the
5 yacht club but slipholders benefited from, but
6 some twenty thousand plus residents of Indiana
7 as well. The Hammond Yacht Club as a whole
8 considers Lake Michigan Charters conduct to be
9 considerate, diligent and sincere. We will to
10 continue these business relationships as
11 neighbors within the Hammond Marina.

12 In closing, the decision made by you and
13 your commissioners will greatly affect all
14 slipholders in the Hammond Marina and the
15 existence of the Hammond Yacht Club. As
16 Commodore of the Hammond Yacht Club, feel free
17 to contact me if I can be of assistance to you
18 in making this momentous decision. Thank you.
19 If there are any questions you may have, and
20 thank you.

21 MS. BOCHNOWSKI: Thank you.

22 MR. LUCAS: Mr. Chairman, members of
23 the gaming commission. My name is Luke Lucas, I
24 am currently the owner and president of the
25 Clipper Cover Cafe, which you people had toured

1 the other day. I had a speech all prepared and
2 I think we'll just forget about that.

3 I just want to say a few things. I have
4 been one of the founders of the Hammond Yacht
5 Club. I have been their Commodore, I just --
6 Mr. McRoberts had succeeded me, I have had many,
7 many dealings as Commodore with Lake Michigan
8 Charters, with the Hammond Port Authority, and
9 Mayor Dedelow.

10 I can say from the bottom of my heart that these
11 people are just unbelievable. Everything that
12 we have ever asked for, we never had a home at
13 the Hammond Marina until we got involved with
14 Lake Michigan Charters. I have gone to them
15 only one time, and in that one time they gave us
16 a space on the Milwaukee Clipper as a home.
17 There was no charge for rent, no charge for
18 anything, it was to us.

19 There had been several other things that
20 the fireworks, that Mr. McRoberts had mentioned
21 that was donated each and every year. Now it is
22 an annual thing from Lake Michigan Charters. I
23 can say this, that this company is local and
24 they are only a phone call away. When I opened
25 up the Clipper, I subleased from Lake Michigan

1 Charters, they operated it in 1994. They asked
2 me to do one thing, and that was train and hire
3 local people. I had twenty-nine employees,
4 twenty-six of them were from Hammond/Whiting.
5 The other ones were from East Chicago. So we
6 all endorse Lake Michigan Charters, and I hope
7 you will take that into consideration, thank
8 you.

9 MS. BOCHNOWSKI: Thank you.

10 MR. STRAIN: Thank you for the
11 opportunity to speak. My name is Mike Strain,
12 S-T-R-A-I-N. I am a resident of Whiting,
13 Indiana, I have been a businessman in
14 Robertsdale for fifteen years, and I am
15 president of Great Lakes Inland Marina
16 Incorporated.

17 The Great Lakes owns twenty-two acres next
18 to Hammond Marina. When the Indiana Legislature
19 passed riverboat gaming for Hammond I was pretty
20 excited. I thought that as the only private
21 land owner adjacent to the marina, it would
22 certainly be some opportunity for my company to
23 participate. Boy, was I wrong. The only thing
24 I participated in was a series of condemnation
25 lawsuits filed by me by the City of Hammond for

1 the benefit of Lake Michigan Charters. The City
2 of Hammond has filed three separate suits
3 against Great Lakes. The first suit was filed
4 by the war department, after we challenged them
5 the suit was dropped, but that suit cost my
6 company fifty thousand dollars. Shortly
7 thereafter the Board of Works filed suit and
8 just days before the damage trial they dropped
9 it. That suit cost me three hundred and forty
10 thousand dollars. Within days after dropping
11 the second suit, the Board of Works filed
12 another one, and this suit is still pending.

13 These condemnation suits were recklessly
14 brought on Great Lakes and other land owners
15 near the marina so that Lake Michigan Charter
16 might gain a competitive advantage against the
17 other applicants at these hearings, and that
18 plan almost worked. But the City of Hammond has
19 made many mistakes, for instance they have never
20 had any agreements with the railroads to move
21 the tracks, and they still don't have those
22 agreements. So they are not ready. Any
23 potential advantage they may have had has been
24 squandered. This fiasco has cost my company
25 nearly four hundred thousand dollars, and

1 neither the city nor Charters has reimbursed us
2 one dime. In fact they have appealed Judge
3 Webber's order to do so. That is how Lake
4 Michigan Charters works with local businesses.
5 However, if Great Lakes and other local
6 businessmen would have been invited to
7 participate in the process, we may have donated
8 our land for that overpass, but they never came
9 to talk to us, it was never a dialog.

10 As it stands now, once the overpass is
11 finished and Calumet Avenue is closed, I will be
12 out of business. And for this Lake Michigan
13 Charters and the City of Hammond has offered me
14 six thousand dollars. However the court
15 appointed appraisers have determined the value
16 of the property that they were taking to be one
17 million dollars.

18 The city's offer is a mere one sixth of one
19 percent of what the court appointed appraisers
20 have determined it is worth, and that is how
21 Lake Michigan Charters deals with local
22 businesses.

23 I am not here today to endorse any
24 particular applicant. Each of their plans as
25 they now stand have a negative impact on my

1 current business, on the value of my property,
2 and on our future development plans. In
3 addition to this Charter has already seriously
4 deviated from their RFQ. Their development and
5 their benefits to the community have been
6 substantially reduced since their endorsement.

7 If Ballys is allowed to build its
8 four-story parking garage, our view of the lake
9 will be eliminated. This would wreck any of
10 our future development plans for that.

11 Regarding the Boyd Plan, I think it is somewhat
12 shortsighted and does not take full advantage
13 of market potential of the site. But I must
14 say they are the only current applicant with
15 whom we are having a positive dialog. I might
16 add at this time that not that long ago we did
17 have a lease on our property with Bally
18 Corporation, but after the City of Hammond
19 demanded that they move their development from
20 my parcel to city owned parcel, they broke the
21 lease. I know all this sounds rather negative,
22 and --

23 MS. BOCHNOWSKI: Excuse me, you can
24 finish up. This is pretty interesting but your
25 time is up, but that is fine. Go ahead and

1 finish up quickly.

2 MR. STRAIN: This is how these plans
3 impact my company. I know it doesn't have to be
4 this way. I don't think the Indiana Legislature
5 meant for it to be this way. Gaming was
6 supposed to benefit the community, I am part of
7 this community. If I cannot benefit from this
8 endeavor, then I should not lose. I should not
9 lose my land, I should not lose my access to the
10 lake, I should not lose my view to the lake, and
11 I should not lose the opportunity to develop my
12 land as we see fit. Thank you.

13 MS. BOCHNOWSKI: Can you point out on
14 there where your property is?

15 MR. STRAIN: I would love to but my
16 property doesn't even show up on that map.

17 MR. SUNDWICK: Where would it be if
18 you were drawing?

19 MR. STRAIN: Our property is from the
20 dirt parking lot, approximately, to the Conrail
21 railroad tracks. I really can't point it out
22 because it is just not there.

23 MR. SUNDWICK: Give me an idea of how
24 far that is. I was over there but I didn't --

25 MR. STRAIN: Our property is about

1 four hundred feet from the shoreline, and it is
2 approximately three quarters of a mile long.

3 MR. SUNDWICK: So from the edge of
4 what Bally's looked as a parking lot, that
5 green area to the Conrail track, how far is
6 that across?

7 MR. STRAIN: I am sorry, the question
8 again?

9 MR. SUNDWICK: You showed us
10 where that was, give me how wide is it.

11 MR. STRAIN: The chain-linked fence
12 has been referred to few times, we are about two
13 hundred feet from that chain-linked fence.

14 MR. SUNDWICK: How wide is your
15 property?

16 MR. STRAIN: The property varies in
17 width, about three hundred seventy-five feet at
18 its widest point, and at its narrowest point is
19 about one hundred feet, but that is very far
20 west.

21 MR. SUNDWICK: So it kind of goes
22 east to west this way?

23 MR. STRAIN: It is actually at its
24 widest in the middle. We have about three
25 hundred feet of Calumet Avenue.

1 MR. SUNDWICK: What business are you
2 in sir, I guess I missed that.

3 MR. STRAIN: I am in the boat storage
4 and ferry transport business.

5 MR. VOWELS: You don't have any
6 lakefront property; is that right?

7 MR. STRAIN: No, we do not.

8 MR. VOWELS: My understanding is this
9 third lawsuit you have an interrogatory appeal
10 going up on that from your attorney?

11 MR. STRAIN: Correct, yes.

12 MR. VOWELS: And the city is
13 appealing that judgment that you got against
14 them for three hundred thousand, fees and
15 expenses; is that right.

16 MR. STRAIN: Yes, they've appealed
17 that judgment.

18 MR. VOWELS: Do you know what the
19 status is? Has the Appellate Court not ruled
20 on that yet?

21 MR. STRAIN: I am sorry, I don't --

22 MR. VOWELS: It is still pending, I
23 assume?

24 MR. STRAIN: It is.

25 MS. BOCHNOWSKI: Any other questions?

1 MR. REARDON: Good evening, I would
2 like to thank the Chairman and the Commission
3 for this opportunity to speak.

4 My name is Matthew Reardon, spelled
5 R-E-A-R-D-O-N. I am a current resident of
6 Hammond, Indiana, but I am also Third District
7 City Council candidate. I am going to spare you
8 and everybody else here political rhetoric and I
9 am going to talk about the issues that I feel
10 are very important as it relates to riverboat
11 gaming. The first issue is the process. I feel
12 that the selection process of both the Mayor's
13 Commission and Common Council were both fair and
14 open process. Any and all gaming interests has
15 an opportunity to respond, and those who have
16 chosen to, it appears did.

17 The Mayor's Committee was an inclusive
18 committee, it was comprised of members from the
19 resident business, educational, and labor
20 groups, all members of Common Council. The
21 Hammond Common Council also host the gaming
22 meetings, which again is an open process because
23 that is all public information. And to my
24 knowledge, the recommendation of both the
25 Mayor's Commission and the council were the

1 same.

2 The second issue I would like to address is
3 employment. I would ask the commission to
4 select an applicant to local employment in the
5 construction phase, committed to local
6 employment for the long-term jobs. It is my
7 opinion that residents of the City of Hammond of
8 all race, color, and creed should receive the
9 highest consideration for employment
10 opportunities on all jobs.

11 The last issue, and Mr. Hornak touched on
12 it a little bit, and in my experience as an
13 economic developer, timing is critical. I urge
14 the commission, again, to render a timely
15 decision that will expedite our city's economic
16 opportunity. We are in competition with other
17 local opportunities as well as the development
18 of Chicago gaming. As a resident of Hammond,
19 Indiana, I want to see our boat go out first.

20 Lastly, please select an applicant who is
21 willing to adhere to the wishes of the residents
22 of Hammond, Indiana, as it relates to the
23 lakefront development, and not the gaming
24 industry's desire, because after all, we live
25 here. Thank you for your time.

1 MS. BOCHNOWSKI: Next we have Charles
2 Dolin -- Dr. George Jancosik.

3 DR. JANCOSIK: I am exhausted and I
4 know you all are too. I am so beat. I have
5 been here all day yesterday, all day today, and
6 I know how you feel, but you don't get my
7 sympathy because you are not running for
8 re-election.

9 I should be at a meeting tonight and I am
10 here because actually it is approbo that I am
11 speaking last. Last because I came here to
12 represent the people of the first district, that
13 is the district I represent. This is in the
14 first district, this development. The speaker
15 that -- not the one that just -- not Mr. Reardon
16 but Mr. Strain, I notice he caught your
17 attention, and I have been trying to help him
18 get justice every since I found out his
19 predicament. One thing he didn't tell you was
20 that -- one thing he didn't tell you was about
21 himself and his small company. They were --
22 beautiful property between the railroads tracks
23 that was overlooked when the marina was planned
24 by all of the minds that were planning the
25 marina. They didn't see those two pieces of

1 property that he brought, and ever since he has
2 brought those properties he has nothing but
3 trouble from the administration because of this
4 development.

5 I would hope that since he has caught your
6 attention, and I know he has because I can tell
7 by the expressions on your faces, that you can
8 somehow get some justice to him through your
9 authority, through your power. I don't know how
10 but I would hope you would look into that
11 situation because he really deserves it.

12 Now, the reason I am really here is not to
13 defend Mr. Strain but to represent the people in
14 my district. If you are not familiar with my
15 district, we have been under attack for ages.
16 In fact, the most recent was Mayor Daily. Mayor
17 Daily wanted to destroy a good part of our
18 district, tear down five hundred homes, put jets
19 over our houses and pollution and everything
20 else, and the committee to fight that was an
21 urban airport committee, which started in my
22 home. I decided this could not happen to the
23 community and as you know the plan failed of its
24 own weight, it just couldn't happen. But the
25 crowd, the uproar that fought that was amazing,

1 that is my community.

2 I was born and raised in this community and
3 we have people who love this, we have people who
4 are intermarried between different families.
5 Our roots are very deep, this is a very special
6 community, and I know you are not from here.
7 But what I want to point out is that usually in
8 development it seems to happen in Robertsdale
9 and in the first district. We have all the
10 industry and we are happy to have the industry,
11 but we don't want too much of it. The recent
12 study that was made by Turkle, Pettigrew and
13 Payne, paid for by Charters, they found out that
14 our area is over industrialized. What I really
15 wanted to point out to you is that we need every
16 precious bit of space that we have or we are
17 going to die, and George Lake is one of our
18 precious treasures, Wolf Lake is a precious
19 treasure, this is one of our magnificent
20 treasure, and when you speak up, let's expand
21 the development we cringe, because we worry
22 about every bit of space that we have to give
23 up. This is the mind set of the people in
24 Robertsdale and the first district.

25 We put up with pollution, we put up with

1 development, and now it has come to a battle
2 between industry and the community, and by
3 golly, if we are going to exist we have to dig
4 in and we have to hope that we will have income
5 and jobs and industry and business, and we want
6 all that but it has got to be in harmony with us
7 otherwise we are going to choke to death, they
8 are going to squeeze us out, and there will no
9 longer be this wonderful community in the first
10 district that we have now. It is really a
11 beautiful one, I would hate to lose it.

12 I thank you very much, and I thank you for
13 volunteering your time to this public service.
14 I know it has been very difficult.

15 MS. BOCHNOWSKI: Go ahead, Alan.

16 MR. KLINEMAN: I have one question.
17 You have heard that Charters has auctioned or
18 in some ways acquired ten acres away from the
19 lakeshore for additional development. Is that
20 something that your people would support, is
21 that an acceptable program? I don't know where
22 the property is, I have no concept.

23 MR. JANCOSIK: I will help you a bit.
24 That property was bought by Nazo and Nazo and
25 you are familiar with Nazo that makes the corn

1 product. The area really had a lot of old
2 trees, I was sorry to see that that was going to
3 be done away with, and it has already begun to
4 happen. So we have already lost precious
5 stakes.

6 However, it has been an area that has been
7 neglected, and although we would not want to
8 give it up, it is one of the places where it
9 would fit into the community, and I think -- I
10 am only speaking for myself because I have not
11 taken a survey on this, but I would think that
12 that would hurt us the least in that area. It
13 is away from the lake, it is across on
14 Indianapolis Boulevard. Maysville has acquired
15 rights and has already begun to make a parking
16 lot, and I hear that they are going to build a
17 corporation headquartered there, whether that is
18 true or not.

19 MR. KLINEMAN: We heard that.

20 MR. JANCOSIK: So development has
21 already begun and this will more or less fit
22 right in. They wanted a rezoning on that
23 property and I said, I don't want to make it
24 industrial on Indianapolis Boulevard because we
25 could use that for development. So the answer

1 to your question, Commissioner, I think it will
2 fit in there. I might get some flack from my
3 constituents, but I think it is okay.

4 MR. SUNDWICK: Let me ask a question.
5 On the map up here, show me exactly where you
6 do not want additional development?

7 MR. JANCOSIK: This is not really a
8 good map. I think that what we have here is --

9 MR. SUNDWICK: It is not really a
10 map.

11 MR. JANCOSIK: It is not really a
12 map, it is an artist transition of something
13 that doesn't represent what we consider to be
14 the precious areas. I don't want to touch on
15 migrant bird trap because that issue has been
16 settled, it is accepted that that is going to be
17 left alone. The area past that belongs to
18 Commonwealth Edison and I think that could be
19 developed and left alone also. I am told
20 Commonwealth Edison may not be there in the near
21 future. That is a possibility and I would like
22 to see that protected. Every bit of space along
23 the lake is precious, and the county has
24 developed an area, a beach area, and we are very
25 happy about that. What we have elsewhere goes

1 really more toward the lakes that we have, and
2 we don't want any encroachment on that. You
3 heard Dave speak of the fear of the option on
4 the George Lake.

5 MR. SUNDWICK: But every development
6 and presentation that we have only deals with
7 that rendering, only deals with that rendering.
8 The excitement seems to come from the
9 development on the rendering. And we haven't
10 seen anything other than what is on those
11 renderings. The only thing we have seen
12 between Boyd and Michigan Lakes, whatever it
13 is, is the same area, and I think Bally's wants
14 to put the parking lot down that strip of land,
15 which by every stretch of the imagination is
16 certainly blocked by that overpass. So I don't
17 understand, and if somebody could explain it to
18 me, what are we trying to defend?

19 MR. JANCOSIK: My feelings are, I
20 think, in line with yours, and that is that the
21 available property here is really going to be
22 used toward development and that is accepted.
23 The question is whether or not Bally's idea of
24 putting the parking lot here is an acceptable
25 one, or limiting it here. I am not going to get

1 . involved in that. I really am concerned mostly
2 about the properties outside of this area.

3 MR. SUNDWICK: If that is your
4 district and you speak for the people in your
5 district, is that what they are telling us? It
6 is not that little piece of property there to
7 be concerned with, it is the greater green
8 area.

9 MR. JANCOSIK: Absolutely, yes. But
10 you will get some discussion and arguments about
11 whether or not to block off the view up here.

12 MR. SUNDWICK: I understand that, I
13 think I got that from somebody. When I looked
14 at the overpass construction designs that we
15 have seen for three days, they are blocked.

16 MR. JANCOSIK: To a degree, yes.

17 MR. SUNDWICK: You put a bunch of
18 steel down and everybody says they are going to
19 block off Calumet Avenue because it is -- for
20 some reason it is going to be too much traffic
21 and we only want to open it up for safety
22 reasons. What is it that we are blocking? I
23 don't understand it.

24 MR. JANCOSIK: Actually, I think it
25 has been overdone. You are right, it has been

1 overdone, and the decision about whether to put
2 the buildings here or here is very controversial
3 as far as I am concerned, even as far as the
4 residents are concerned. The residents are more
5 fearful of the impact regarding crime, and
6 traffic and all of that on Indianapolis
7 Boulevard and in the near neighborhood,
8 particularly crime, but in this area I think as
9 far as this is concerned you are right.

10 MR. SUNDWICK: I appreciate it, thank
11 you very much, that is a great answer.

12 MS. BOCHNOWSKI: Thank you. Does
13 anybody else have any questions?

14 MR. POTTER: My name is Clayton
15 Potter, I own most of the property, the overpass
16 and so-called green space on both sides of
17 Indianapolis Boulevard. I can pretty much tell
18 you what is really going on here.

19 MS. BOCHNOWSKI: Would everybody be
20 in agreement that they would like to hear what
21 he has to say?

22 MR. POTTER: I have all the answers
23 because my family and I have owned this property
24 for about forty years, so I really want to give
25 you the truth.

1 MS. BOCHNOWSKI: That would be great;
2 can you make it brief; I think we are
3 interested to hear.

4 MR. POTTER: The real thing is all
5 about big money. This little guy sitting in
6 front of you is the number one tobacco retailer
7 in the State of Indiana, owned the number one
8 Gaming Cal Station in the United States.

9 MS. BOCHNOWSKI: Are you the one that
10 gave us the envelop?

11 MR. POTTER: Yes, I am. I am the
12 majority owner, all the juicy real estate there,
13 my family and I acquired it piece by piece in
14 the last forty-five years. The real name of the
15 game is to comment, to clear the blighted area,
16 the fact that I just bought property in the area
17 for two million dollars two years ago doesn't
18 mean --

19 MR. KLINEMAN: Excuse me, sir, we
20 have been here a long, long time and supposedly
21 you were going to tell us something about the
22 overpass and the availability, and we are miles
23 away on your description now.

24 MR. POTTER: It is all --

25 MR. KLINEMAN: Give me about a

1 three-second answer to what you wanted to tell
2 us and be done, please.

3 MR. POTTER: It wasn't so much what I
4 wanted to tell you is just let you know what the
5 real story is with the overpass, what it does,
6 who it affects, how it affects them and what is
7 going to happen after it is built and what the
8 City's and Charter's attention are to do with
9 the rest of the real estate. Like Michael
10 Strain that was up there, for instance. Michael
11 Strain is -- he is done. They could have
12 designed this overpass -- let me you tell you
13 something, they say everybody had full
14 operation, we went to the community and we
15 notified everybody by their water bills. I have
16 got nine water bills because I have got nine
17 pieces of property and I never received one.
18 Mike Strain never received one, nobody from the
19 city ever came to me and said, hey, we would
20 like your input on the overpass. The actual
21 marina and overpass was designed with public
22 funding, my father.

23 MS. BOCHNOWSKI: It would probably be
24 good if you could put this in writing because I
25 am going to tell you I really don't think that

1 we can given begin to absorb this, and if it is
2 in writing we have time to really look at it
3 and read it. I understand what you are saying.

4 MR. POTTER: I just want to know if
5 you have any questions because I am the only one
6 that really knows it.

7 MR. KLINEMAN: Well, send us a little
8 map and we will be able to read it. I think we
9 are getting ready to adjourn.

10 MS. BOCHNOWSKI: I believe that is
11 it.

12 MR. KLINEMAN: The only thing I would
13 like to add is we appreciate all the people who
14 came here today, we have really taken notice of
15 what you had to say. I appreciate your
16 interest. The only thing I want to leave you
17 with is we are not going to force something on
18 Hammond that Hammond does not really want. All
19 we are trying to do is to sort out what would
20 be the best economic package for the people of
21 Hammond and the State of Indiana, and that is
22 all. Regardless of which one of the applicants
23 we choose, it is going to be your final
24 decision as to what you get. But please bear
25 in mind the thing that we are all trying to

1 achieve is we want to put the most people to
2 work and thereby multiply the economic benefit
3 for everybody.

4 Thank you all for coming.
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1 STATE OF INDIANA)
2 COUNTY OF MARION) SS:
3

4 REPORTER'S CERTIFICATE

5 I, TERESA D. THOMPSON, a duly
6 qualified stenotype reporter and duly authorized
7 to administer said oath, do hereby certify that
8 the foregoing proceedings were had before me, on
9 Wednesday, October 18, 1995, at the Hammond
10 Civic Center in Hammond, Indiana.

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

18 IN WITNESS WHEREOF, I hereby affix my name
19 and seal this 20th day of November, 1995.

20

21

22

SEAL

Teresa D. Thompson
TERESA D. THOMPSON, Notary Public

23

24

25

My commission expires November 4, 1997.