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INDIANA GAMING COMMISSION  
REGULAR MEETING

MAY 8, 1996  
9:15 A.M. (EDT)

PLAYERS HARRISON COUNTY, LLC PRESENTATION  
PLAYERS HARRISON COUNTY, LLC QUESTIONS AND ANSWERS

RDI/CAESARS RIVERBOAT CASINO, LLC PRESENTATION  
RDI/CAESARS RIBERBOAT CASINO, LLC QUESTIONS AND ANSWERS

STATE AND FEDERAL AGENCY PRESENTATIONS  
FOLLOW-UP QUESTIONS OF APPLICANTS OR GOVERNMENT  
OFFICIALS

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THE MEETING IS CALLED TO ORDER

COMMISSION MEMBERS PRESENT ARE:

ALAN I. KLINEMAN, CHAIR:

ANN M. BOCHNOWSKI, VICE-CHAIR:

THOMAS F. MILCAREK:

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

ROBERT W. SWAN;

DONALD R. VOWELS

ALSO PRESENT ARE STAFF MEMBERS:

JACK THAR, FLOYD HANNON, KAY FLEMING, JILL COPENHAVER,

PAM AYRES, AND AN AUDIENCE.

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MR. KLINEMAN: We are about to receive the presentation from Players Harrison County L.L.C. It's about 9:30 and so we'll let the people have one hour to make a presentation. So you may proceed.

PETER RUSTHOVER: Good Morning. Members of the Commission, Mr. Thar, and Staff, I am Peter Rusthover, attorney with Barnes and Thornburg. I am happy to be here with my partner, Tim Guning who represents Players Harrison County L.L.C. For the next hour we are going to outline and hopefully persuade you that Players' proposal is at the right site, that it's the right size, and it is the right fit for Harrison County and it is the right choice for the

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State of Indiana. The Commission has seen many presentations over the last two and a half years, seen presentations from five companies yesterday and today. Preparing our own presentation, the thought occurred to us that at this stage you might be a bit blitzed out and, therefore, we have deliberately decided to be very low key, and we business like presentation, and we thought the most helpful way to tell our story, as you are involved in your decision making process, is to walk you through our own decision making process from site selection to final product. As we ask ourselves the questions that we thought you would ask of any applicants. Those questions were informed by the experience that Indiana has had, they were informed by our own experience as the only applicant

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before you operating three cruising riverboats, and also by the experience of the industry as a whole, experience for the last two plus years. Each locale is presented different choices to you, different issues, sometimes very difficult decisions. We'd like to note at the outset, candidly acknowledge three critical aspects for the choice that we believe is before you in Harrison County. First of all is location. You have a decision to make between the east side and the west side. I will tell you candidly that we believe that Louisville is THE key market for the Harrison County riverboat, we believe that is where we have middle income, middle market in entertainment dollars that are vital to the immediate and long term success of any project of this sort. I'll tell

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you candidly we believe that when the legislature passed this statute authorizing licenses along the Ohio River, Louisville is one of the markets they had in mind. I think it's no secret certainly it's been argued to this Commission it's always been Louisville is one of the primary markets; that is why as you will see the site we have selected is geared to that market and indeed is within twenty minutes approximately to the vast bulk of the market that this riverboat must reach. Second issue that candidly is before you involves size. It is no secret to anyone that one of the projects before you in this County is much larger than any of the others. We're talking about a hotel that is some two hundred rooms larger than the hotel that was approved for the largest

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riverboat market, the Lawrenceburg-Cincinnati area. It is considered indeed one of the largest riverboat markets in the nation. We're talking about a boat with respect to that project that is as large or larger than the boat that was approved for the Lawrenceburg-Cincinnati market, a market that's been estimated to be seven hundred plus million. Here, we are dealing with a market of three hundred million. So we will tell you candidly at the outset and we will explain as we go through that we believe as part of our philosophy one thing we will ask you to consider that the right way to come into this market is to come in at the right size, with the capacity to expand if market conditions warrant, for peak conditions being something unknown to anyone in-

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cluding this Commission at this stage,  
which is where the Commission will award  
the fifth license along the Ohio River.  
The third key thing that we would ask  
you to keep in mind is very much in-  
formed that this project from its out-  
set has to do with the critical ques-  
tion of can this be delivered. I be-  
lieve that the experience has had in  
every location, it's very key to this  
process, we think its a ..... point,  
has to do with permitting. You will  
see this site is one that has previously  
been permitted by the Army Corps of  
Engineers. You will see that the site  
we've selected is one that has previously  
been permitted by the Department of  
Natural Resources. And one other thing  
you will see that's critical. There is  
a statutory prohibition in Indiana on  
residential construction of flood way



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a hotel, and you will see that this site permits us, the question would be you would want to ask of any applicant, this site permits us to put our hotel construction entirely outside of the flood way. With that I'd like to begin the process of introducing or I should say re-introducing Players. Many of you will recall Players from Evansville a little more than a year ago. I know at Players we cheerfully recall Merv Griffin's reunion with his long lost son, Jack Thar. Jack, I've been talking to him about the will. He says he wants to wait and see. But while many of you have seen Players before, a lot has happened to this company since you've seen them last. They have experienced major expansion of existing project, has launched a major new facility in Mesquite, Nevada. It is work-

1 ing on a major new project in the  
2 Maryland Heights area of St. Louis.  
3 So, with that we would like to start  
4 the re-introduction process with this  
5 video:

6  
7 (VIDEO PRESENTATION)

8  
9 Hi, Merv Griffin, inviting you to  
10 visit my new Players Island Casino.  
11 Here's what's going on right now.

12 From the Nevada Desert to the  
13 Louisiana Bayou, to a mid-American  
14 rivertown, Players International has  
15 become a premier force in the gaming  
16 industry. In the early 1980's, Ed  
17 and David Fishman founded International  
18 Game Promotions, a company that marketed  
19 casino services. It's spokesperson,  
20 Telly Savalas, made Players International  
21 the clear leader in the market. It

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created a household name known world wide. But that was only the beginning. Then, the opportunities for a casino and riverboat gaming development as a growth industry and an economic development tool grew across the United States. Utilizing their marketing and prudent business skills, Players was poised for success as a riverboat operator. Now, Players is known as a leader in the gaming industry but not only has Players benefited from its success, so have the communities of Mesquire, Nevada; Lake Charles, Louisiana; and Metropolis, Illinois. Players has really made a big difference in Metropolis, Massac County and southern Illinois. I know what it was like before Players came in with a boat. The area was suffering economically. In fact, I have some of the

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poorest counties in the State of Illinois adjacent to Massac County, and so not only has this provided jobs for people in the Metropolis and Massac County, but in the region which has helped greatly.

They've been very cooperative, they've worked well with our city people and tried to do what they think is in the best interest of us and them, I guess, they've been very good partners.

It has been one of the best things ever happened to the City of Metropolis. Since Players has been in, we've been able to upgrade our equipment, our electrical lines, and things like that, our roads and all. They have pretty well been a life saver for the City of Metropolis.

When Players becomes partners with a community, they share its goals,

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good jobs, economic development and long term success for existing businesses.

Players is a partner with anyone in the community who wants to work with them. They have gone out of their way to assist any local businessmen whether it's through promotions, common marketing themes, anything to help these people here to make their business better because Players recognizes that it's a win win situation for everyone involved.

Beyond the positive economic goals that Players shares with its host communities, communities just like those in Harrison County, Players shares community values.

Players has taken an active interest, it's been my experience, in many of the organizations which function in Metropolis civic organizations,

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social organizations. Players has also taken an active interest in supporting activities at the community college, and in the local high school and other educational institutions. Players has been a good citizen in Metropolis.

Metropolis, Lake Charles and Mesquite are not Players' only valuable and successful partnerships. Players has the advantage of having Merv Griffin as an active business partner and spokesperson. Merv's celebrity status has proven to be of major marketing value with Players and its community partners. Merv's marquis value has helped Players grow into what Casino Journal calls "One of the hottest new gaming operations in the nation." Players has a proven track record of continued investment in their properties

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and host communities. In 1993, Players established a highly successful riverboat facility in Lake Charles, Louisiana. Building on the success of its project, Players has reinvested an additional one hundred thirty-five million dollars in Lake Charles in the last twelve months. The improvements include a new, spacious riverboat to accompany its existing boat, a massive sixty thousand square foot entertainment center, with a Players Island theme, a six-story parking garage, a one hundred foot buffet, and a first class animatronic show, to name just a few. Next step for Metropolis is a total entertainment center with a Players Island theme, and expanded parking facilities. Profits and reinvestment are one thing but people are another, and people are truly what makes Players different.

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Players has meant a lot to me and other people too. It has given people that didn't have a job a job to work that has families and children. They were out of work completely and no where to go to work here in Louisiana and the riverboat has brought in a lot of business for us.

Players people, Players experience and Players sense of partnership, all add up to success for all involved.

Players is a first class operator in the gaming industry. One of my professional concerns when riverboat gaming became legal in the State of Louisiana was the quality of the operator that we would have in our community and I'm very pleased, professionally, with Players International. We've got a first class operator here. And I'm happy about that.



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This particular operation has come the closest of any of the boats we have in the State of Illinois, I think of realizing what has been viewed as the goal for these boats. It wasn't only to help some businesses make money, but it was to create economic opportunity for a region, and this particular project has definitely done that.

Well, I have lived in Harrison County all my life. I have been a commissioner for sixteen years, and looking at the proposals that I have seen, I feel like Players would be the best for Harrison County. They're big enough to do the job, but small enough not to lose sight of what Harrison County has and what they're about.

Commitment, experience, team work,

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Players Island Resort, the right fit  
for Harrison County.

(END OF VIDEO PRESENTATION)

PETER RUSTHOVER: Thank you for  
your attention. We'll begin the pro-  
cess of outlining our decision making  
process, starting with site selection.  
It's my pleasure to reintroduce Steven  
Perski. Mr. Perski is, as you will  
recall, our Executive Vice President  
and General Counsel, and you may also  
recall that for several years he was a  
New Jersey State Court Judge and then  
for three and a half years, was head  
of the New Jersey Casino Control  
Committee. Steve is gonna start by  
telling you the corporate level deci-  
sion, the first aspect of any project  
of this sort, where to put it, why we

1 chose this site.

2 STEVEN PERSKIE: Mr. Chairman,  
3 Members, Members of the Staff, Good  
4 Morning. It's nice to see you again.  
5 As Peter has indicated, we're gonna  
6 start by showing you how we put this  
7 project together. Obviously, the  
8 first question is site selection and  
9 as you know, we have acquired control  
10 of the site with a mile of frontage  
11 on the river. This is the general  
12 shape of the site. You'll notice that  
13 all of the land below the road is, you  
14 will hear more about that later, but  
15 our entire project is to be developed  
16 between the road and the river. The  
17 site selection embodies a number of  
18 critically important concepts and I'm  
19 gonna outline them for you here, you'll  
20 hear more about them in our presentation.  
21 The first and most important we think

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is proximity to the market. As you know, the Bridgeport site where we are is located in the corner of the county just adjacent to Floyd County and obviously close to Louisville. Every independent and financial model and every study of the gaming industry with respect to riverboat gaming establishes that proximity to the market is a critical feature of the success of the project. Riverboat gaming, and a cruising riverboat particularly, is not the same as other forms and not the same as even a land based riverboat because of the inconveniences of the scheduling and the amenities that are provided, you've got to maximize the opportunity for patron comfort. Close proximity to the core of the market is a critical feature of that comfort. By the other night's test, we are seven-

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teen minutes from downtown Louisville to our site and that's before we even provide all of the infrastructure improvements that we contemplate and about which you will hear. So, the first feature is site selection and site selection is proximity to the core of the market. We also have selected a site about which you'll hear more in a few minutes that has previously been permitted both by the Army Corps and by the DNR for developing in a flood way. And now we have, so there is no misinterpretation, neither of those permits would permit the development we have here, as you will hear in detail we have applied for new permits to the property, but as you will hear in a few minutes, the fact that this property has previously been permitted for other uses, gives us confidence as

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we hope it will give you, that we will be able to meet the commitments that you will hear about what we intend to do and when and how we intend to do it, and we believe that that's again a critically important element of the site selection. Thirdly, as the site indicates, the site allows for a cruising riverboat. You know better than I that the focus on the requirements of the law for cruising is an important point of focus. At any site along the Ohio River, not only here in Indiana but also in our experience in Illinois, the question of the viability of cruising and the ability practically and legally to cruise within the state line, these are all critical functions or critical questions that you, we believe will want to know the answers. We will be able to establish, I believe

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to your satisfaction, that we have de-  
signed the project, we have designed  
the boat so that we will be able to  
cruise effectively from this site at  
all times during the year. And the  
last aspect we call "Quality of Life."  
As you heard yesterday from the county  
officials and your discussion with them,  
any project of this size regardless of  
which one you choose, being brought  
into a county like Harrison County is  
a significant, potential change and a  
significant, potential impact on the  
life of the people who live here. We  
believe that with the kind of project  
that we have designed and the location  
of this project in the corner of the  
county closest to the metropolitan area  
that is the principal source of the  
patron business, that we will minimize  
the negative if you will or the adverse

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impact of bringing the project of this size and scope into Harrison County. So for all of those reasons, we believe that the site we have selected is the right site.

Thank you.

PETER RUSTHOVER: Next set of issues involves something that Steve was just talking about, just how the project will fit with the county and specifically it involves infrastructure, traffic, water, sewage, public safety. And it's critical whenever you bring a large project in as Steve has mentioned especially critical when you're talking about your own home county. To address those issues, I would like to introduce Kevin Dixon of Dixon Associates. Mr. Dixon is an Indiana licensed engineer. He has worked with Players on a number of its projects.



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He will describe for you not only what we've done and what we propose but how we have worked very, very closely with the local officials here in designing the infrastructure improvements that we have had the privilege of the project of working in this county.

KEVIN DIXON: Good Morning.

Players asked me to provide the infrastructure design for this project as they have in all their projects, with one specific condition in mind and that is that we do the necessary homework, to take into account not only what Players' infrastructure needs are, but the needs of the local community as well. We did the homework with all of these agencies, submitted plans to them, got their input and incorporated the input that we received from all of these federal, state, county and local agencies

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including the Ice Committee in which  
Zoeller and ..... is a long  
standing member. To incorporate those  
into an infrastructure program which  
addresses the needs of the community  
as well as the needs of Players in the  
area of traffic, water, sewage and  
the public safety infrastructure im-  
provements. For instance, we did a  
traffic study which resulted in some  
recommendations for roadway improve-  
ments. After collaboration with various  
agencies, some of which were listed on  
that slide before, we came up with an  
eight million dollar roadway improve-  
ment program, including traffic signal  
improvements in the City of New Albany,  
re-alignment of key intersections like  
Corydon Pike, transportation safety  
improvements and shoulder improvements  
along 111. We believe, of course, that

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the main transportation corridor to the site will be from Louisville thru New Albany, down 111 to the site. That's a trip that takes about seventeen minutes from downtown Louisville. We have also incorporated improvements not only to the site but beyond and to 211, the route 211 which is beyond our site as well. This incorporates all of the comments received from the agencies that reviewed our plans. In the area of the water supply system for our site, we took into consideration the needs of the Elizabeth Water Company in our design. Our system not only provides us with all the domestic and ..... that we need, but it gives a connection from our elevated water storage tank, situated at the top of our site some four hundred and fifty feet in elevation above our site,

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strategically set so that we can connect to the Elizabeth Water Company's water supply and augment the existing water supply of the Elizabeth Water Company. Our wet field is situated on our own site and draws from the river applicant. This is a key issue for us because we recognize that ground water withdrawal in some parts of the county contributes to the sink hole problem and we are very happy to say that we will be withdrawing water from the river aquatha do not have to impose any kind of a burden upon that geological substrata. Our wastewater treatment plant is also on site and it was designed in accordance with, not only IDEM's or the Indiana Department of Environmental Management's regulations on discharges to the Ohio River, but also based on input received at the local level as

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well. We went to great lengths to contact a number of public safety officials in the areas of law enforcement, emergency response, fire protection and other types of situations that we know from our experience with Players and their experience on other riverboats that need to be addressed. One of the ways we did that was we contacted a number of different agencies to ask them specifically what their needs were. As you can see from the list on the slide, we have a substantial security force which will be on duty at all times; not all one hundred of them, but there will be a substantial security force on site at all times. Paramedic and EMT's on the site at all times. We are dedicating an ambulance, an emergency equipped van and communications equipment to the local providers

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of the emergency services, as well as a sheriff's car. Not only that we are providing on site a community center which has a place for law enforcement personnel to stage or to muster for the operations that they may encounter on site. This came after a great deal of communication with the various providers of those services and the result is that we provided the infrastructure needs not only to Players but also to the community.

I'd be happy to answer any questions after the presentation. Thank you very much.

PETER RUSTHOVER: The next question of course, is can the project be delivered and to answer that question we have to bring up Don Brotherton who is our Senior Vice President for development and construction. as you will

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see, has been involved in bringing many  
Players projects in on time and on  
budget. His can-do attitude he developed  
in the Green Beret. I've been calling  
him sir for two weeks but I think we  
cn just call him John. John..

JOHN BROTHERTON: Thank you, Peter.  
Before coming to Players, I was respon-  
sible for developing over thirty very  
large marine projects worldwide for  
areas such as the South China Sea,  
South America, South Africa, the North  
Sea, and the Persian Gulf. After  
joining the Players team I was respon-  
sible for constructing our Metropolis  
facility in Metropolis, Illinois which  
opened in 1993 and was the first all  
new facility that was opened in less  
than eight and a half months. That  
record stood until later that year we  
opened our Lake Charles, Louisiana faci-

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lity in eight months. Later on the State of Louisiana awarded us a second license and we purchased the Star riverboat and got Corps approval and expended our facility and opened the riverboat in less than seventy days from Commission approval, and that record still stands. We then took a break and last summer we opened our Mesquite, Nevada project which is the Players Island Hotel Casino and Spa in Mesquite, Nevada and this project took nine months. We are currently joint venture partners in Maryland Heights, Missouri which is in western St. Louis County, building the largest riverboat casino project in the world. Now, our development team believes in three things: The first is experience and hopefully you've seen that. The second is doing homework and the third is keeping our promises. So let's talk



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about homework for just a second. As Steve earlier said, this site holds currently a Corps of Engineers permit and a construction of flood way permit from DNR. I don't want to mislead you. We don't believe that we're gonna be able to modify these permits in any way, we're gonna have to follow them as you know and I know. This is for a ninety barge mooring site at our site but what it says to the development team is that there are no inherent risks to the property such as mussels and etcetera or any surprises because the Corps has already looked at this property. DNR has looked at this property and it gives us some assurances for the project. Of particular importance to us was the construction in a flood way permit. All along the Ohio River and especially in Harrison County,

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this will probably be an issue on every property whether it be riverboat or private ownership. So what we did was our homework. We established the flood way line on our property in red as we see here, and that's not the high water mark, that's not the flood mark, but that's the catastrophic flood way that is regulated by DNR. And, more importantly, as I said earlier, the Indiana Legislature has prohibited the building of a structure such as a hotel or residence within the flood way. We laid out our project on our property and as you can see, our entire hotel facility as well as the expansion lays outside of this flood way line. So we've done our homework on this property. Now, this is where we stand in the permitting right now. On site inspections that we've had the Wildlife and Endangered Species evaluation, the wetness lineation and determination, that

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is done. On studies, the Endangered Species is not required at the site. Traffic and circulation is completed, submitted to INDOT, New Albany, Harrison and Floyd Counties. The flood plain had had two studies completed, submitted to the Corps and DNR, the cultural resources would have been completed if not for the weather and we expect it on May 19th. The Ohio River Risk Assessment is completed. The Environmental Site Assessment is completed. As far as reviews, Army Corps, Coast Guard, Ohio River ICE Committee, DNR and IDEM was completed, and as you saw earlier our site, our project lies between State Road 111 and the River so we will need no highway crossing to come as the bridge across will take patrons to the boat. The Army Corps of Engineers application has been com-

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pleted and I use that term loosely because nothing is complete until a certificate is issued. But as far as possible we have done our homework. It's been submitted and accepted for review and you see it and follow it on the screen. The same with the DNR permit for construction of flood way is completed as far as we could possibly get it. We've had your approval, submitted and set for review and there is the file number you see on the screen right there. Also, another resource we have available as you heard earlier at the Metropolis facility, available to move here. This facility is floating and self contained. On it is a buffet restaurant, ticketing, retail, also have a boat with slot machines and table games and it sits on a site which is approved by the Corps now, so

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we know that the facility itself should have no Corps issues. It fits right into our site as you see with the river boat, restaurant, ticketing, retail, walkway and parking. Now, I want to discuss this chart with you a little bit. We had given a hundred and five days for the Corps permit issuance, using our experience in prior permits. We hold more permits than probably anybody you'll see here over yesterday and today, but we don't control that process. All we can use is our experience and homework to try to estimate the best guess of when we will receive that permit. But I've also heard six months to nine months. And as you know, I don't sign that permit so I can make no guarantees or promises with regard to the permit because it's in their hands; however, I can guarantee that

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once the Corps permit is issued, I promise you that within seventy-five days I can have our temporary riverboat open here in Harrison County. Let's talk about the permanent boat for just a second. It was very important for us to build the largest vessel possible for the market and also the largest vessel possible to navigate within the State of Indiana and especially at low water. This presents some challenges. We went to Levak Shipyard who has built two of our earlier vessels in Louisiana and this vessel was too large. We have been trying to get it built at Jeffboat, had been in discussions with them, but they're very busy and can't guarantee us an opening slot. We talked to Service Marine, they're building an Argosy vessel, Atlantic Shipyards building the Showboat vessel, Ballinger

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has almost half of his staff committed for the next seven years. So what we did is we went back to Levak and we went to Corn Island Shipyard in Spencer County and formed an arrangement to construct this vessel on site. We have a mile of riverfront so it would be at the far downstream end. What Levak will do will be to provide the hull fittings with machinery, of course, that place can cut structural steel, provide it to the site for construction management by Corn Island Shipyard. This is the only way that I could assure management that we could get a quality project in the time frame we desired and to further assure you, Corn Island just completed and delivered two months ago a four-hundred foot by a hundred and thirty foot project for St. Louis, and further Players just did

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the same thing by committing the construction area in Lake Charles, Louisiana ourself managing the project and from beginning to opening, took seven months to build a four-acre floating facility we call the Island which you'll hear about in just a few minutes, and that was featured on the cover of Boiler Makers Magazine two months ago. So I ask if you would give us the chance to prove that we have the experience, that we've done our homework and that we'll keep our promises. Thank you very much.

PETER RUSTHOVER: The next thing we'd like to talk about is permanent boat dock and construction standpoint but from an operational standpoint with the project that's being delivered and also the facility. To do that, I'd like to introduce Doug Wise, who is our Senior Vice President for Sales and



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Development. Doug has had thirteen years of experience in the gaming industry. Also, on his resume that he once served as a stunt double for Merv Griffin in a paratroop. And I guess this is can do and will do really without advise of counsel, so we try to redirect Doug's energy to our Harrison County project. Doug.

DOUG WISE: Thank you, Peter.

We try to do everything right but we missed. We missed on the weather. We didn't get any island weather in for you all today. But we feel like we've got everything else ready to go. We've got the right site because it is permissible. We have a temporary facility that we can bring down, up the river in four days. It will be complete and as John mentioned we have a casino, we have restaurant and we have ticket

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facilities. But the next part from the ground up is our permanent facility on the boat and it is called Players IV which is right here. Now, the reason it is called Players IV is because we have Players I, we have Players II, we have Players III. They are all cruising riverboats. We are the most experienced cruising riverboat operator competing for these license. With the capacity which when we were developing this particular vessel, we felt like the real need was two things. One is capacity. But that takes up two questions. One is for the weekend obviously and the second is during the week and Pat Rogers in a minute will speak to that. So our capacity at this time is thirty-two hundred. That is guest and crew. If the market dictates, we can take that to four thousand. We

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have twenty-one hundred and twenty gaming positions. If the market dictates we can take that to three thousand. We feel like we have the right size as far as Players IV is involved. The next is our land based facility. There are three more components to this part. The first one is our hotel. We have studied it, we've decided that three hundred rooms is adequate to service this market, and as you can see it is between lll and the Ohio River and it is out of the flood way. Also, if needed, if the market conditions are there we can expand to two hundred as we have done in all our other locations. It is also being outside of the flood way on our expansion. The next part component is our island itself. It's a hundred and twenty thousand square foot of island-themed entertainment center.

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What's involved in that? What's involved in that hundred and twenty square foot? We have meeting and conference facilities, we start with ten thousand, but we can expand to forty. We have a full service spa. We have an entertainment live lounge for live entertainment, we have anamitronic. Our chairman will show you a video shortly as he walks you through the island. We also have three restaurants; we have a specialty restaurant, our gourmet area, we have a five hundred seat buffet and a coffee shop. You can also shop at our gift stores. We have retail facilities. We have child care, both for our employees and our guests. This is the picture of the lobby at Mesquite, Nevada, but this is Players Island. This is the same thing that will be here. As well as our gourmet

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restaurant and our buffet. This is the completed product. This is Players Island. This is all four of the major components. But there is one more component that really makes the difference, not only for us but for everybody else, and that is the people. We will be creating two thousand jobs to join our family at Players and why does that make a difference, because everybody else is gonna hire people as well, because our philosophy as a company, we hire for attitude and we train for skill because if you go anywhere, if you may go to a restaurant and you go back the food may be good but you always remember the people. The greatest thrill we get is when people say, "You've got the friendliest people at your project," that's the key, that's part of our family. So we

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have the right size for the service this market. But more important, we will have the right people so that when you come to our island, you'll have an enjoyable time and when you go home you'll tell everybody about it so you can come back. Thank you.

PETER RUSTHOVER: Thank you.

The next question is operational. How you run this facility, this has to do with hiring, to deal with working with the local community on marketing. To talk about those issues, if I can introduce Pat Rogers. Pat has thirteen years experience in the gaming industry and nine years with us. He's the gentleman who opened and is the general manager of our facility in Metropolis and is a Senior General Manager of our Company. Pat.

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PAT ROGERS: Thank you, Peter.  
Peter alluded I am probably the only person in the room that can honestly say that I operate, manage and market the riverboat casino on the Ohio River in mid-America. So what I want to try and accomplish in my few minutes is talk about our company's operational philosophy, marketing philosophy and not make promises of what we're going to do in this type of community, but tell you what we're doing today.  
When we came in to Metropolis, Lake Charles and other small community like Mesquite, it was very important for us to build a partnership with the community from day one. Not be an outsider come in but be a leader in the community and make sure that our success is not only for our company but the success was also realized for the community

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from day one. One of the ways we do that we emphasize is by local hiring and purchasing. In our three properties combined, over ninety percent of our employees are from the local area. As well, is one of the areas that we also want to make sure that there is some advantages for the locals, is at our dealer school which is one of the primary jobs and better paying jobs. We have assured that the locals get priority treatment and priority hiring in those opportunities and the way we have done that is in a mile radius and if you don't live in that mile radius you're not eligible to apply for dealer school. That's one of the ways to ensure that happens. Now, as far as our other commitments which is very, very important to us too, is to work with the community in giving opportunities



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for women and minorities as well. In all three of our locations, we have exceeded the local census percentages and in company wide where twenty-six percent of our employees are minorities. Company wide females over fifty-three percent of our employees are female. One-third of our employees at Metropolis have been given opportunities and transfers since inception three years ago, and over half of our original employees are still in Metropolis. We're very proud of that. That is what we're gonna do in this type of market as well. That's very important as we said earlier and as the Mayor of Metropolis most eloquently said: Players will be your partner. Not only with riverboat and in marketing, but in civic organizations, charities that are listed there and opportunities

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within the Chamber. When we first came the Chamber of Commerce in Metropolis, Massac County was eighty-five members, presently today there's two hundred and ten members. That's because we assist them. Once you're doing that it's very important that you promote within a community as well and you make sure that there's success in your marketing programs and your tourism to create that opportunity in the area. One of the ways that we've accomplished that is with this gentleman here who we all recognize. We have very, very good relationship with the community and various promotions that are important to them, like the Superman Festival, the Fort Massac Encampment at the State Park, and what we're most proud of is the Christmaslike display at Fort Massac which between the Chamber of Commerce,

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the City and our Company, we invest over a half a million dollars to drive customers to our area during the holiday season, and what I might add is not all of those people are going to the boat, they're going to the various other businesses that we're directing this business to. This is important for the community and that's the way we emphasize our business. Once you drive people into the area, either by plane, by car, limousine, how ever they come in, it's very important that you share the wealth and that's something that we're doing every day. One of the ways you can accomplish that in your marketing efforts is to create something like we've created here that is operating at Lake Charles and Metropolis today. This is a fun boat and this is full of incentives to the various busi-

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nesses in the area. This is something we've already created, we're not promising, we do it in Metropolis and our other areas, we will do it here. It's very important and what that does is build community spirit and helps success for the businesses. And when you talk about marketing tourism, our company's expertise as Ed Fishman, our chairman, will say a little bit later, is the middle market. It is not the individual that jets in, the high roller, and bets some of our mortgage payments; it is the middle market, average citizens, the people that are sitting right over there. We target that. We think that's a long term success of this market in middle America. Louisville is seventeen minutes from our site. We'll be very successful. It's a terrific market with the long term success

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when there's competition is to target the right people with the right product. One of the challenges that you have in operating a riverboat casino that I can tell you from experience is to have the right product. I can guarantee you no where in this industry in the riverboat is there a boat that is full Monday through Thursday. So that's a challenge that you have when people come in that they're gonna feel comfortable Monday through Thursday, that the boat is gonna be user friendly, it can support the marketing programs, but the boat is not so huge that it is overwhelming and intimidating for the customer, but yet the other challenge is the capacity problems that you might have on the weekend. You have to have the right size boat. If the people do not feel comfortable they won't come to

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your facility. We believe that we have the right size boat and that's based on experience with three other riverboats. Secondly, you must theme your project to this market. We believe we've created the right theme for this market based on experience. We've given them an escape what they want to see. And, thirdly, you must have the right marketing emphasis. Middle market, middle America, repeat business, the stress in fun and entertainment. We believe we're the right company, we have the right experience and I thank you very much for your time.

PETER RUSTHOVER: That is the first time that Pat has failed to mention that Superman is standing on Lois Lane. (Laughter) It's a street. To continue our conversation..

ANN BOCHNOWSKI: You'd better make that clear.

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PETER RUSTHOVER: It is a street in Metropolis. Thank you. To continue our conversation with you, I'd like to reintroduce Steve Perskie who is gonna discuss economic benefits and incentives to the local community and financing matters.

STEVE PERSKIE: Thank you, Peter. I have just checked my watch and as we predicted, I have more to say than I have time to say it, so I'm gonna ask your indulgence on part of it. You have before you our briefing books and some of the material I'm going to be discussing about are commitments for economic development in the area is in the book. As well I should tell you we authorized as of last evening to indicate as a result of a conversation with the County's attorney that we have reached agreement in principal as to

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the content of the development agree-  
ment which will among other things in-  
clude all of the commitments I'm about  
to briefly describe. The County is  
preparing a draft of that agreement for  
submission to us, but we have reached  
substantive agreement on its content.  
But what we have done is to essentially  
start with a figure of three point nine  
million admissions. That is according  
to our analysis and the material you  
have before you. The figure that we  
believe we will average for the first  
five years after the commencement of  
operations at the permitted facility.  
So all of the numbers that I'm going  
to indicate are based on that premise.  
As you can see, the tax revenue for  
Harrison County will be twenty-one  
million dollars a year. The tax revenues  
to the State of Indiana will exceed



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thirty-nine million. I should note that there's a mistake in the sheet on that page that says: twenty-one and your book is wrong; it should say more than thirty-nine million annually. In addition to that, as you will see in detail, we have proposed a creation of three funds: First, an economic development fund to be controlled by the County. This we will fund at the -- again, using three point nine million admissions we will total, the sum at the bottom will be four point eight million dollars a year that will be available to fund the economic development fund. The community development fund again will be controlled by the public sector, it will be a non-profit organization designed for gifts and grants for charitable and civic groups. We will fund that with an initial five million dollar deposit before gaming operations com-

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mence and then annually at that passenger level, we would reach a nine hundred and fifty thousand dollar annual contribution to the community development fund. In addition, we have a separate targeted fund to provide educational assistance for post secondary schools to the students of Harrison County. This, again, will be controlled by the public sector. We will fund it initially with a contribution of seventy-five thousand dollars, again before gaming operations commence, and thereafter, permanently, a seventy-five thousand dollar annual contribution and we will assist in raising other funds for that as well. As you heard yesterday during the County's presentation, they asked each of the developers to focus on five substantive areas which they described and which are here on the chart.

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We believe as a result of doing our homework as we listened to the County and as I just indicated and we see the detail in the material, before gaming operations commence we will make eight million dollars in various funds available to the County to assist them in defraying any costs that are involved in this measure. We also identified eighteen million dollars of infrastructure improvements and contributions of which eighteen million, eight of that, just under half, is dedicated for transportation and highway infrastructure improvements. So we -- and all of this as I've mentioned will be embodied in the form of the development agreement that we are prepared to sign with the County. So, we believe that we have effectively responded to the needs as identified by the various agencies in

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the County. Let me turn your attention briefly to the question of overall financing of the project. I have, of course, submitted the original application, supplementary to that and you have received a number of additional correspondences which are referred to, and I have with me today Peter Araneau the Executive Vice President for Finance of our company, and Scott the Managing Director of Donaldson Lufkin Jenrette Securities Corp. who have been involved with us from the very beginning who are here and available to respond to any questions that you may have. So, very briefly, we estimate this project at a hundred and ninety-three million dollars. Our present plan is to invest seventy-five million dollars of equity capital in that project and to finance the balance

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of about a hundred and twenty million dollars. As you can see in the materials that you have before you, we have by reason of our history, by reason of the experience at DLJ and Solomon with us, we are and they are convinced that we will have no difficulty in achieving the permanent funding for all of our projects. We presently have available a credit line that has in excess of one million dollars that is presently untapped; that money if this certificate is issued, the credit line will be applied for the needs of this project. We are prepared to commit to escrow the seventy-five million dollars in equity participation within ninety days of the issuance of the certificate of suitability. In addition to those resources, of course, we have our on-going cash flow. Players as the finan-

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cial information that you have seen before you, is of course generating significant monthly revenues over and above all debt service and operating expenses and taxes, and that money of course would be available to us for interim needs, and lastly, but no less significantly, you have received a letter from the Griffin Group. As you have already heard and will hear again a bit later, Merv Griffin has been involved with this company from the outset, he provided the funding that enabled us to develop the Metropolis project from which the entire company has then grown, he has been intimately involved with the company ever since, both as our largest shareholder as well as by representative sitting on our board of directors. He has been intimately involved in the design and the plan of this

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project and is completely committed to it, and as you can see from his letter, he does not believe that we will need his assistance, but in the event we do, he is prepared to provide whatever is necessary for the funding of these projects. So we are satisfied and we hope that you are that we have identified the appropriate sources of the revenues to complete our commitment.

PETER RUSTHOVER: Last, to give you a quick look at the final product that we hope to deliver here, I'm happy to introduce the man who sat down some years ago with Merv Griffin and decided to create a benefit that is now the success known as Players and he sat down with Merv Griffin a little later and decided that he would try to bring that to Harrison County, our Chairman and our Founder, Mr. Edward Fishman.

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EDWARD FISHMAN: Good Morning,  
Chairman, other Commissioners.  
Five years ago when the first riverboat  
casino made its way down the Mississippi,  
Merv and I decided that we wanted in  
the riverboat business, but we decided  
we just didn't want to be a riverboat  
casino, that our vision was going to  
be to create fun, excitement, and give  
middle America a new form or an alternate  
form of entertainment. We selected  
niche markets which we can use my back-  
ground, which first fifteen years was  
in a creator and writer of television  
and film, and the last seventeen years  
as a casino monitor.....as a consultant  
to some of the major casinos through-  
out the world. Combine that with Merv's  
forty years experience and entertain-  
ment, all his creativeness, all his  
celebrity contacts, to deliver that vision



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which we have in our projects. As you have heard, we are the only applicant in front of you who has created, developed and operated three riverboat, cruising riverboat facilities. We're very proud that we've done them on budget and every one of them on time. We have built and put together the strongest cruising riverboat management team in existence. We have ready for Harrison County that team headed by Mr. Scott Cooper who has successfully opened up four cruising riverboat operations in the last four years. As you know, there is a major, major difference between a riverboat that doesn't cruise, because essentially that's land based, and cruising riverboats. Besides all of the marine considerations you have, most important to a monitor, we have a consideration of our guest, the consumer.

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Have to worry about time, being there on time etcetera. That's why in choosing our location we chose the closest to our core market which is Louisville, seventeen minutes away, so that our cruise schedules and people planning their schedules, can be there on time. It's easy to come after work, have a lunch, a day off, come right after work, they're really expecting and when they miss that cruise time you've got a very unhappy guest and sometimes you lose that repeat business. Partnerships with our community. We have always delivered in each of our communities more than we promised. For example, in Metropolis, Illinois, we entered three and a half years ago, twenty-one million dollar commitment, there were no other promises. Since that time we have added a hotel, added a Merv Griffin Theatre

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with all the kinds of shows and celebrities that Merv has produced, more parking and right now have purchased a hundred and ten thousand square foot barge for our island entertainment project, bringing that investment, that we never promised to do, twenty-one million to over sixty million dollars. In Lake Charles, Louisiana, we entered two years ago with a thirty-one million dollar investment. In the last year as you've heard, we've put in another riverboat, no promises, a covered parking garage, just finished a very unique sixty thousand square feet island entertainment complex on thirteen barges that have never before been put on that kind of mass of barges and float it down the river, bringing our investment from thirty-one million to over a hundred and sixty million dollars. In Mesquite,

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Nevada, we opened up a seventy-three million dollar investment, immediately put in another ten million dollar golf course. We are now in the midst of Maryland Heights, Missouri, close to a three hundred million dollar joint venture project. Because we're in the entertainment business, Merv and I sat down a couple of years ago, said what kind of theme does mid-America want. We said we don't want just to be a river-boat, we want some type of excitement, some type of escapism, some kind of alternate entertainment they feel like they get away and enjoy themselves besides just gaming. After talking to our guests, doing lots of focus groups, we came up with the island theme. So twelve months out of the year you can feel like you've gone away, and just that little experience and you've got

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a theme throughout the whole property.  
It's been very successful as you know  
by the most successful two operating  
properties that have opened up new  
have been the Mirage, and Treasure  
Island in Las Vegas, both very heavily  
island theme. With your indulgence I  
would like to show you a couple of  
minutes of what we've done in two of  
our projects. With the island theme  
that you will be seeing here in Harrison  
County as we theme both the indoor and  
outdoor of our project. Roll them  
please.

(VIDEO PRESENTATION)

Hi, Merv Griffin, inviting you to  
visit my new Players Island Casino.  
Here's what's going on right now. We  
have waterfalls indoor and outdoor.  
All outfits will be themed with the  
revolving sky dome...

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This is our animatronic show which we produce here but yet we will use a sports team instead of a pirate theme around the animatronics. Our new island is more than Players Island Casino, it's an adventure. We have a lot of lush tropics throughout the properties, slides over a covered pool for children to go along with our children's center. Our island buffet. This will be one of our gourmet restaurants. This is director of security. All part of the animatronics. This is our pool service and spa that we will be providing for Harrison County. One of our several mineral baths. This is part of the entertainment, we'll be constantly doing entertainment on our project here. This is our income tax consultant. Mademoiselle, perhaps we will meet again soon, no. Our new Players Island Casino

1 is the winner. (By Merv Griffin)

2 (END OF VIDEO PRESENTATION)

3  
4 Thank you. This works, this is  
5 what we will bring to Harrison County.  
6 This will make our project a full year  
7 round destination resort, and if you  
8 only travel seventeen minutes away you  
9 will feel like you've traveled far and  
10 got away from the every day work and  
11 be refreshed when you go back to work  
12 in the morning. I think we've showed  
13 you today that we've got the right site.  
14 We have chosen the right size project.  
15 As a company we're the right fit for  
16 mid-America for cruising riverboats  
17 and we're the right choice for the  
18 State of Indiana.

19 In conclusion, on behalf of Merv  
20 Griffin who is our largest stockholder,  
21 myself, the second largest stockholder,  
my board of directors and all its share-

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holders, I want to deeply express to you how very important and excited this project is to Players, as evidenced by the commitment of our company to the largest amount of money we've ever committed for one single project. And we are very excited, look forward to working with Harrison County as our partner in delivering to the State of Indiana the most successful riverboat facility there ever was. I thank you very much.

PETER RUSTHOVER: Thank you very much, ladies and gentlemen, to your close attention. And I see we are out of time and you've been hearing a bunch of presentations and before you make a decision. We'll leave you with the questions that we highlighted at the outset, one is location Louisville, you've heard about that. The second



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is permissibility that we can deliver the project. The third is size. I would talk briefly, very briefly about that. We believe one of the lessons in the industry it's very important to come in at the right size, partially because you need to fit with the community and not overwhelm it. Even as important as that, is you have to hit the market right. Our philosophy is you come in at the right size with the capacity to expand if conditions warrant, one of the conditions being a decision you will make with respect to finalizing on the Ohio. Because if there is a dramatic lesson of this industry over the last two and a half years is that if you come in too big and it doesn't work for the market you can't build it down, and that is the lesson of New Orleans. We thank you very much for your time and attention.

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We look forward to answering your questions.

MR. KLINEMAN: Thank you all. We will now take our usual fifteen minute break. We'll be back in about ten of 11:00.

(RECESS)

(RESUMED)

MR. KLINEMAN: We're ready for the questions and answers for Players. Mr. Resthoven will be the ....

DAVID E. ROSS: I have one question about the seventeen minute trip. What time a day is it seventeen minutes from your site to Louisville?

STEVEN PERSKI: I can't tell you that was an average, Doctor, that was one, not terribly scientific test, in

1 the early, uh, in the 6:00 - 6:30 in  
2 the evening, and we did not do anything  
3 like a comprehensive time study, but  
4 that's how long it took that time.

5 ROBERT SUNDWICK: I have one.  
6 Somebody show us the cruising path of  
7 that boat and how long, how far off  
8 the shore all the issues on cruising?

9 BRIAN MCPEAK: My name is Brian  
10 McPeak, I'm with  
11 we're planners and environmental con-  
12 sultants. The cruising path of the  
13 vessel leaves the mooring area, proceeds  
14 northerly for about three-tenths of a  
15 mile -- it's falling off the board..  
16 (Obviously need more super glue)  
17 Just higher to the mouth of Knob Creek,  
18 the boat reverses, comes back and re-  
19 enters the mooring area.

20 MR. SUNDWICK: Reverses?

21 MR. MCPEAK: Yes, it's fully capable

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to move in both directions.

MR. SUNDWICK: How far can you go west?

MR. MCPEAK: How far can we go west?

MR. SUNDWICK: Yes.

MR. BROTHERTON: North is that direction.

MR. SUNDWICK: Well, okay, south then?

MR. MCPEAK: At normal pool we cannot go in a southerly direction.

MR. SUNDWICK: So you can go three-tenths of a mile?

MR. MCPEAK: Correct.

MR. SUNDWICK: And then you put in reverse and go back over, three-tenths of a mile?

MR. MCPEAK: Correct. Now, at elevated water levels we can move in that direction, but at normal pool for

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all intensive purposes is the usual  
circumstance. It's three-tenths of a  
mile up, three-tenths of a mile back.

MR. SUNDWICK: Does everybody have  
the same problem that you have, uh, you  
have a few extra..... in the area,  
obviously, do they have the same problem?

MR. MCPEAK: Yes and no. Every-  
body has the same generic problem but  
that's frankly one of the considerations  
that goes into designing the boat and  
the slip. We, for example, do not  
have as you'll notice here, we do not  
have any place around which we have to  
sail and the boat is wide enough, uh,  
it's large enough but not too large  
to make that cruise without traversing  
the Kentucky waters.

MR. BROTHERTON: The State line  
is indicated on here, we have it sur-  
veyed, located, designed at the boat,

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the mooring area and the program in the cruising channel to accommodate the boat, the largest boat we possibly could.

We've also supplied a copy of that survey.

MR. KLINEMAN: You want to state your name?

John Brotherton, Vice President. I'm sorry. We've also submitted a survey which is in the books that we've given to you that shows the line as a hundred and ten foot from the shore and at eighty-eight foot, that's the maximum, been our experience that probably you can safely maneuver a boat and .....tow in Indiana rivers.

MR. MILCAREK: Well, in Metropolis you can go to the middle of the river, can't you? Isn't that by agreement with the State of Illinois?

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MR. BROTHERTON: By agreement with the State of Illinois now, right. By agreement with the State of Illinois now we can sail both ways into the middle of the river; however, for the first year and a half we were restricted some points within a hundred foot of the shore and we adhered to that. So we experienced the same problem that Indiana is experiencing now because the low water mark..

MR. MILCAREK: How many feet is three-tenths of a mile?

MR. BROTHERTON: It's about sixteen hundred I would guess. Sixteen by my math real quick in my head. It's fifteen eighty-four. Somebody is being paid to get better than that.

MR. SUNDWICK: Yeah, Michigan City has got you beat by a couple of feet.

MR. BROTHERTON: Thank you for

1 bringing that up, Mr. Sundwick.

2 MR. VOWELS: I'd like to address  
3 ..... in the flood way, what did that  
4 red line represent? You said it didn't  
5 represent the hundred year flood.  
6 Which flood did it represent?

7 MR. BROTHERTON: Kevin Dixon of  
8 Dixon and Associates will address that.

9 KEVIN DIXON: Yes, thank you.  
10 That's a good question. The flood way  
11 is a line that is established by an  
12 engineering method, developed through  
13 a computer model. That's fancy language,  
14 all it really means is it's the area  
15 of the river that is required to ade-  
16 quately handle the flood. The way the  
17 DNR treats that issue, in the meetings  
18 that we have had with them, is that the  
19 way they explain that incident is if  
20 you look at a flooded river, the flood  
21 way is the part of the river that is



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moving, outside the flood way is the part that is not moving. The water is standing still.

MR. KLINEMAN: Yes, one of your friendly competitors that showed us an aerial picture of your site with the water, I thought that was standing water, is that what that is?

MR. DIXON: That is correct. The flood way is a, uh, we went to great lengths to talk to the DNR and as of today we are the only applicant before the DNR at this time for construction in the flood way. Our construction in the flood way permit application to the DNR includes a set of calculations that include that computer model. And what the computer model shows is something called the Hecht II Calculations. You will hear and have heard already that the applicants have performed and it's

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all the same performance, the Hecht  
II Calculations. Part of this calcula-  
tions require the establishment of a  
point beyond which the -- let's say a  
point on any given cross section in  
those calculations beyond which you  
can build a residential structure. You  
build a bunch of cross sections on  
the river and connect a dock and that's  
your flood way line. We went to great  
pains to meet with the Department of  
Natural Resources, talk to them about  
the preparation and calculations and  
the assumptions that go into that, the  
definitions and so forth, and we talked  
to them before, during and after our  
calculations. We met with them after  
the preparation of our calculations  
and in the review of our permit appli-  
cation and they went so far as to say  
your line looks reasonably accurate

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based on the level of our computer at this time. Matter of fact, in our meeting with George Bowman at the DNR he had pulled out the Army Corps of Engineer Sensitivity Study and used the Sensitivity Study that he had in his possession to make that statement. Recognizing the fact that we are still subject to their review and they must do a thorough review based upon the issuance of certificate, we are very confident that we are able to build this hotel structure out of the flood way based on recognized and accepted methodology after extensive conversations and meetings with the DNR.

MR. SUNDWICK: If you could build not the hotel on the flood way, but everything else, you know, have you looked at the water down there? Is there water down there now?

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MR. DIXON: No, there is not water there now.

MR. SUNDWICK: Everything else is in that aerial photograph shows it would be in water.

MR. DIXON: We're in something called the flood plain.

MR. SUNDWICK: Right.

MR. DIXON: We are elevated above that. The building is elevated above the elevation of the flood. When we talk about the flood way it's important to recognize it as a two-dimensional thing. You are either inside the flood way horizontally, or you are outside the flood way horizontally; however, the flood plain encompasses the entire area from lll to the river. In the hundred year flood that area is under water. That's why it was critically important for us to elevate our structure

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above the elevation of that flood so when that flood occurs the structure will not flood, the parking garage will not flood and any of the hotel or entertainment structures will not flood.

MR. SUNDWICK: Do you have to do anything to make that happen? Do you have to back fill it, do you have to do..?

MR. DIXON: Well, of course, we have to raise the building above, the elevation existing ground, and so that requires obviously an expensive foundation system that will do that. Most likely, the underpinning of this structure will consist of piles because we have the good river gravel and sand base and we may go to a skin friction pile or we may go to buried piles or something right on bedrock, the river grout..

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MR. SUNDWICK: What does it cost you to do that over and above let's say of you had normal, just a regular environment to work with?

MR. DIXON: You would still, if you were in a -- you'd be in a sand and gravel environment you would most likely build piles. You might be able to fill with straight footing. I would say the order of magnitude of difference is probably about thirty to fifty percent higher in foundation costs to be able to go to, to have to go a pile as opposed to a straight footing. But in the river, in the sand and gravel formations it's just a question of the stability of the underlying surface, uh, underlying soils so it's quite possible in any given situation outside the flood plane you would have to do this as well.

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ANN BOCHNOWSKI: Are there environmental problems with bringing in that kind of fill in this area that you would have to overcome?

MR. DIXON: There are environmental concerns and of course one of the biggest concerns of bringing fill into a site is sedimentation in the river.. The Corps has very specific standards which we have agreed to follow in the placement of that fill, and of course, we would stabilize that fill even with pavement or landscaping vegetation to make sure that the sedimentation doesn't occur in the river. In addition, we will install silt curtains in the river to control anything that washes into the river after a heavy storm or something like that. We will also be in compliance with the 1990 Financial Discharge Elimination Regulations which

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require soil erosion and sediment control measures to be in place prior to construction as part of the IDES plan and in compliance with the EPA.

MR. SWAN: Could I follow up on the site? Looking at the model, it would appear that you've got, and even the photograph or the picture that we've seen in the drawing, that your fill say is up to thirty or forty feet along the river, judging it against the boat there, is that reasonable?

MR. DIXON: The land does rise considerably. We will be filling some of the site. It will not be thirty or forty feet. The land is considerably higher than the normal flow of the river now. The normal flow is about three eighty-three and the land surface is let's say roughly four hundred and twenty-five or in that area, so it's



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already considerably higher than the river.

ANN BOCHNOWSKI: Yeah, I'm curious about how -- I realize you say this is the right site but yet we've got four applicants and everybody kind of has their land tied up -- how did that all happen? Did everybody just kind of do a land grab? Or did you specifically go around and, you know, decide which site you wanted? You know, I'm looking at from a cruising point of view, from a construction point of view where the road is.

MR. KEVIN DIXON: We have not yet .....so I don't think we've done a land grab. But we'll have Steven Perskie to address that.

STEVEN PERSKIE: As .....comments inaudible. all different levels depending on what level the water is in the river. And as David said we have moved

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up the limit of the right-of-way for  
(FURTHER COMMENTS INAUDIBLE)

We knew what we'd be looking for in a site, and as I briefly, and without going through all the mechanics, first qualification if you will was a site that could be effectively marketed located so that you could bring people to it easily and conveniently from your core market, so that led us in Harrison County to get as far east as we could. Then with respect to specific, site specific consideration, mostly they are environment, our ability to cruise effective what we know from experience, again, what we've dealt with in Illinois where there is a state line issue and we know it's a serious issue in Indiana, we knew that you have to be very calibrations of both the size of the boat and the design of the slip so that you

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can come in and out without worrying about getting arrested or anything else. Because the other piece benefit was, and as you've focused here quite appropriately, there are in any piece of land a myriad of environmental concerns particularly in talking about the Ohio River so that you're talking about a multiplicity of jurisdictions of the federal government, the county and the state. We tried to find a piece of ground that we would be satisfied and that we trusted our ability to persuade you to be satisfied that it was permissible to this purpose. That's what we looked for. We had a number of alternatives. This is the one we selected.

MR. VOWELS: I would like to follow up on that one. If in fact you were given the certificate of suitability

1 by the pictures we saw yesterday, the  
2 ground just south - and I say south  
3 because I think that it is pictured  
4 in that direction - is one of the com-  
5 petitors you're dealing with.

6 I believe it's the other side.

7 Carnival.

8 MR. PERSKIE: Oh, Carnival, yes,  
9 Carnival is south..

10 MR. VOWELS: They showed the pic-  
11 tures that they were high and dry when  
12 everybody else is under water. If you  
13 are given that certificate would you  
14 make any attempt to move to that loca-  
15 tion?

16 MR. PERSKIE: No.

17 MR. VOWELS: Why?

18 MR. PERSKIE: Because this is the  
19 location that, uh, which we have both  
20 the legal and a significant commitment,  
21 and we think the site works. You know,

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there is no such thing anywhere that I am aware of as the perfect site. Every site has assets, every site has draw backs. We believe this site works effectively, we believe that it's the best location. We believe for reasons you've seen that it's environmentally and practically useful.

MR. VOWELS: Well, you know, we're not talking about very far. We're talking about what a half a mile? So high and dry and half a mile is two different issues?

MR. PERSKIE: Well, Commissioner, I understand what you're saying but we believe as I, as we've tried to indicate that as Kevin has suggested to you -- let me have him answer this..

KEVIN DIXON: There's high and dry and then there's high and dry. With certain storms this site may be inundated

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with water. At the same storm perhaps another site, maybe perhaps a site for which you've seen photographs may not be under water. There are portions of this site which are elevated which have different elevations than other portions of the site. So you will see a portion of this site under water during major storms up to the road. There are other portions of the site that are totally out of the flood way. Statutorily, if the establishment of a flood way line requires the preparation of calculations and a computer model to determine where that flood way line is, and determine who is capable of putting a building on a site, to that extent this applicant or -- 'cause Players is the only applicant before the Department of Natural Resources to do that.

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MR. VOWELS: I guess maybe you're not getting my -- either I'm not explaining myself very clear or, you know, something is wrong here. As I look at the photographs and the photographs are evidently wrong, a half a mile up the road there is no water. In that particular storm I'm gonna, you know. storms may be changing. ~~Ma. In Madison,~~ Indiana they don't change, they're the same. You place one at the same place every time. If in fact that's true, why would that -- why wouldn't that be a spot that would be more appropriate because it doesn't?

MR. PERSKIE: That is a aquatic question and the answer is within the hundred year flood we're all under.

MR. VOWELS: Well, I understand but what you're not seeing is the hundred year flood. And in the hundred

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year flood everything is under water.

KEVIN DIXON: Commissioner, if I may, let me.. What we are also ..... is that in any of these conditions which you're focusing on, our hotel, our entertainment complex, our garage, are ..... I am wrong by designing that project. We would have a problem with the surface parking. And we would have two thousand spaces in the garage and all of the rest of the facility would still be.....

MR. VOWELS: My, my original question was: If you were given the certificate and that obviously land might be available, would you say: Gee, you know, we have bought it up there because we don't want to back fill the river? Just....

MR. DIXON: I hear you. And the logic of your question is impeccable.



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I'm not sure, to be honest with you,  
I'm not sure the answer because I don't  
even know the legalities of that.

Okay. That's fine.

MR. DIXON: Would you....believing  
that we have the right site there..  
this is the site.....

I'm not, I think it,  
I'm not sure of the site, I guess the  
site is kind of close together so I'm  
not, you know, I'm not trying to pick  
on one over the other.

MR. KLINEMAN: I think what  
that the certificates are really site  
specific and.

MR. SUNDWICK: I understand that.  
I was just trying to get at, if where  
the right side was. What part of the..  
Hypothetical question in fact. I know  
you can't ....a hypothetical.

MR. DIXON: There is complicated

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legal engineering part.....  
to the site. We have done for this  
site and there's gonna be cruising,  
there's the hotel construction on a  
flood way .....project  
and we have all our other structures  
elevated above the kind of figures you  
saw yesterday and that's something we  
have seen in other presentations.  
This is not an unfamiliar thing. We  
have done our homework for this site.  
We have submitted all the work to the  
DNR. We have been told by DNR we're  
the only person to do that. So it's  
very hard to -- we can't answer or  
reply what we would do in another site  
where someone else has presumptively  
done a lot of homework the same as we  
have done.

QUESTION INAUDIBLE.

MR. DIXON: The problem is, to be

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honest with you, that the answer from  
Players' point of view is no, because  
Players acquired the interest in this  
site six or eight months ago. At the  
time that this was initially selected  
by our predecessor, I don't know the  
answer to that question. I suspect  
that at least as to Caesar's site the  
answer is no. I'm not sure about the  
others.

MR. SWAN: I'm still troubled  
with the depiction on here right now.  
With this wall that we have. Where  
the water is today, where would it  
show on the drawing or on this three  
dimensional sign, where would the water  
be today? What I'm getting at is if  
it's up to the top of that wall, where  
is the boat gonna be?

MR. DIXON: The water is normal  
full, it is represented to scale accord-

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ing to the model.

MR. SWAN: So it is twenty-five feet?

MR. DIXON: Yes.

MR. SWAN: Or something like that?

MR. DIXON: Yes, approximately.

MR. SWAN: Okay. And today how high is it above normal pool?

MR. DIXON: Today right now, right this minute?

ANN BOCHNOWSKI: Well, let's say in recent days?

MR. DIXON: It's ....  
So it isn't a problem.

ANN BOCHNOWSKI: That would be terribly high.

MR. DIXON: Right. In terms of what it is today, I can't really answer your question. What I can tell you is what ordinary high water is which top of bank approximately four twenty-two. Normal pool is three eighty-three.

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Ordinary high water is four 0 seven.  
So, in ordinary high water, which is  
below flood stage for all purposes, the  
water would be below the top of that.

MR. SWAN: How often do you get  
ordinary high water?

MR. DIXON: It's a seasonal..

MR. SWAN: So at that point the  
boat is floating at the top of the wall?

MR. DIXON: At that point the  
boat floats up and stays in front of  
the mooring structure here, the top of  
the wall would still be evident.

MR. SWAN: And you'd still have  
access to its..?

MR. DIXON: There's a ramp system  
between these two towers in order to  
provide ADA compliant access to the  
boat in all water fluctuations up to  
the hundred year flood. Two feet above  
the hundred year flood is the require-  
ment.

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ANN BOCHNOWSKI: So does the ramp move so that you're coming in at the same location or do you come in at a different location?

MR. DIXON: You come in at the same location; you exit out out the entry to the boat which is difficult to point to. It's between my fingers aren't quite that nimble.

ANN BOCHNOWSKI: So in other words, if the water is higher you would exit at a different location?

MR. DIXON: Yes. Perhaps the way to think of it if the water is higher the time you spend traversing a ramp is shorter, if you don't have to descend as far.

MR. SUNDWICK: If in fact you could cruise past a point from your location downstream three-tenths of a mile, reversing and going back to the

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location, at least it indicates to me you can't go south. You can't cruise south at all?

MR. DIXON: At normal pool that is correct.

MR. SUNDWICK: Then, I guess one of the, you know, a by product from my last question was: If that's the case how does the people south of you cruise?

MR. DIXON: Neither the bank nor the state line is a line in a true sense of the word both meander. The location of each relative to each other, changes along this .....of the river. It's roughly consistent but it does alter slightly. I have looked at maps of other sites. I am not as familiar with them as I am of dock side for obvious reasons. There are varying widths and lengths of available cruise at various levels.

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MR. SUNDWICK: So in fact at some point you can go south on the river?

MR. DIXON: Inaudible.

MR. SUNDWICK: But that would indicate that the site south of you, and I kind of wish you'd a said: Gee, the reason we have this site because they've told you you couldn't cruise down there.

MR. DIXON: The site immediately south of us is not ..... They're farther south than ..... They're about two miles down. Two or three miles down.

MR. SUNDWICK: Okay.

MR. MILCAREK: One follow-up question on the site. If you were the only applicant in Harrison County, there was no one else, would this have been the site you would have chosen for your casino?

MR. DIXON: Absolutely.



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MR. PERSKIE: And we'd be very,  
very happy saying.....

MR. KLINEMAN: Before we leave the  
question about the heighth and all.  
You're creating so much surface park-  
ing. What kind of drainage are you  
providing for the service parking...?

MR. PERSKIE: Inaudible.  
1990 EPA standards require us to pro-  
vide not only this kind of surface  
drainage we're all used to inlands and  
so forth, but also sediment traps and  
both when the channel swells to pick  
up the flow and to create .....  
flow and we go in the parking areas  
and help filter out the run off from  
the parking lot before discharging into  
the river. That is in compliance with  
the EPA standards. So we are providing  
drainage..... the surface parking area  
and there will be discharges for various

points which will .....

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2 MR. MILCAREK: Then when the river  
3 comes up to meet you, then you.....?

4 MR. DIXON: We're under water.  
5 Fortunately, it's the parking lot that  
6 is under water, there's no question,  
7 and that's why we have a parking struc-  
8 ture the way we do.

9 MR. ROSS: What part of your total  
10 budget is dedicated to building,  
11 cleaning up the site, and getting your  
12 water sanitation and water supply?

13 MR. DIXON: Infrastructure costs  
14 related to the sewage treatment and  
15 water and other utilities is approxi-  
16 mately eight point nine million dollars.

17 MR. ROSS: Does that include  
18 utilities?

19 MR. DIXON: Yes, it is water,  
20 sewer and utilities.

21 MR. ROSS: And how much more of  
getting the land where you can build it?

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MR. DIXON: It's pretty much ready to go. We've got some fill to bring onto the site.

MR. ROSS: No, I mean how much does it cost.

MR. DIXON: Let me grab the little adding machine first. We're looking at one part of the budget, there's another line that, in response to your question under the boarding, under the boarding, under the preparation, the construction of the base and we have ten and a half million dollars set for site grading and flood ..... That is in addition to the utility monies. We've got ten and a half million dollars for what in essence is the site prep and the grading that you're asking.

MR. ROSS: So about twenty million?

MR. DIXON: Little less.

MR. SUNDWICK: You're gonna build the boat on site and would you review

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for me how you're gonna get the materials to the site? You obviously have to go down 111?

JOHN BROTHERTON: Yes, we will go down 111. The materials will come down 111 to the site and hopefully mostly in Indiana.

MR. SUNDWICK: Okay. But you're gonna have to go through, off 64 to the off ramp?

MR. BROTHERTON: Yes.

MR. SUNDWICK: Do you have to do anything special with those off ramps just to get the materials to the site?

MR. BROTHERTON: Not with construction of the vessel. Actually we have more here as far as land, as far as resources and roads, than we had at Lake Charles to build on four acres. So, we're happy with this site. As far as having 64 that really comes in

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MR. SUNDWICK: Who is here to talk about the road construction from the bypass? The road construction, can somebody detail the road?

MR. PERSKIE: Yes sir. Kevin Dixon. Mr. Dixon is gonna soon be our President and Chief Executive Officer. will respond to that question.

MR. DIXON: Thank you. In your books you will find under the infrastructure section a fold out of a map showing in transportation improvements. Item Number 3 in your folder. Starting with New Albany, we met with the Mayor and the City Engineer of New Albany, and although it's not detailed specifically because of the scale of the map, I would just like to describe the fact that we have a number of traffic signal improvements in the city of New Albany. Lane stiping and some

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other add grade improvements to assist  
the load of traffic through New Albany  
which we anticipate to be the primary  
route to the site off the interstate.  
Leaving New Albany we are traveling  
down 111 and as you're going down you  
may remember the down that roadway  
there is an intersection to Corydon  
Pike, a very sharp angle, we plan on  
realigning that intersection and in-  
stalling signals if warranted. There  
is a railroad crossing near that inte-  
section and we will be addressing that  
crossing. It is an add grade crossing.  
And we will be integrating the entire  
area with the one plan and it will  
address both the crossing and the inter-  
section because they're not that far  
apart.

QUESITON INAUDIBLE.

MR. DIXON: We will be improving

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the add grade crossing so that it will be a smooth crossing. Right now it's, you know, not that smooth. We will be installing the synthetic crossing to provide a smooth transition before the paving of the tracks, as well we would be installing a necessary signal and loop detectors necessary to indicate when the, uh, and the mast arms needed to stop traffic when there is a train. Further down lll there are a number of intersections. Where these intersections come into lll we will be widening them and providing the necessary turning radaii and the turning lanes into those intersections and adding shoulders, reflectors, guard rail, the drainage necessary to widen the road, to put the shoulders in, pavement marking signing as necessary, and in addition to that we'll be doing some widening in

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the area of our site, and of course, we need a left turn lane into the site. We need some acceleration lanes coming out of our site, transition traffic coming off of the site into the traffic onto the roadway. We want to provide additional flood protection on the roadway from the county line down to route 211. I believe that pretty much capsulizes the...

MR. KLINEMAN: When you say you are gonna put in a turning lane, left turn lane, are you talking about building .....

MR. DIXON: Yes, you would put the left turn lane so that it is an exclusive left turn or protected left turn lane.

MR. KLINEMAN: Inaudible.

MR. DIXON: Well, we will have a, it will be approximately five hundred feet long so there will be plenty of,



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uh, and of course we don't anticipate very large..

MR. KLINEMAN: Inaudible.

MR. DIXON: That's correct.

Exactly, in transitions in and out of that, a wide section of roadway and of course the oncoming traffic is not expected to be real heavy because we're talking about lll and not necessarily traffic, you know, coming to the casino. When it's all coming it's coming thru the ..... but there is some interchange, there is some need to put a left turn lane in there. A protected left turn lane. But we believe that five hundred feet will be more than adequate.

MR. KLINEMAN: That really just doesn't show on your drawing.

MR. DIXON: Because of the scale, that's correct.

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MR. KLINEMAN: What about the signalization at that, at your entrance, at your main entrance?

MR. DIXON: That is something that if it meets the warrants will be installed, and the warrants of course are something that are promulgated by the Department of Transportation. We have to meet one of fourteen signal warrants. The ..find in the manual uniform traffic control .....

MR. KLINEMAN: Can't you if you choose to, with their permission, put in signalization whether it meets their criteria and their criteria is fairly high but they don't want to be putting in signalization every place.

MR. DIXON: With their permission we would want to put a traffic signal, absolutely.

MR. MULCAREK: I would like to ad-

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dress your temporary boat. The table we have here between the temporary permit it shows that the gaming positions are just about double on the permanent vessel. Did you consider the temporary boat large enough to accommodate the ...? Would you elaborate on that a little bit?

PAT ROGERS: I'm Pat Rogers, Vice President and General Manager at Metropolis. Presently the temporary facility is not in use. We are using the larger facility at Metropolis but this facility that would be coming to Evansville -- pardon me -- to Harrison County would be approximately the capacity would be fourteen hundred gaming positions which we think is more than enough for a temporary facility. Commissioner, if I may just add, that is the facility that we operated very

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successfully at Metropolis.

MR. MILCAREK: For how long?

MR. ROGERS: For approximately three years and averaged over two million customers per year.

MR. MILCAREK: Just in your experience .....slot machines, the permanent boat has fifteen hundred and the temporary only seven hundred and thirty-six. Do you think that is.... or what are you gonna do with the.....?

MR. ROGERS: Well, one of the things you will see in our proposal as far as marketing, I can guarantee you in any market, initially when you first open up you have an influx of business, but your market share grows each year. By the time our ability to have this functioning riverboat open, which is again approximately, if you have approximately fourteen hundred

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gaming positions will have over a thousand slot machines, so the comparison is not as great as the ability to get open and operating riverboat cruising facility we feel will satisfy our requirements initially until we get the permanent boat.

MR. KLINEMAN: I've got one more question about the highway improvements. Would the highway improvements be completed before your temporary boat opens?

MR. DIXON: They are subject to the DOC permitting process as well. I can't speak for the DOT. I understand that an office exists within the DOC to facilitate the review, the processing of those permits. We anticipate building them before the boat is open. I cannot guarantee that we would have the permits from DOT to do so. We, of course, are making representations about

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when the boat could be there, but we can't represent when the DOT permit would be done.

MR. KLINEMAN: Well, I personally would like to see the highway improvements completed before you open to the traffic.

MR. DIXON: As would we.

MR. VOWELS: How large is your motel at Metropolis? How many rooms?

PAT ROGERS: Metropolis, the property that we have adjacent to the facility is a hundred and twenty rooms. I might add since we opened in Metropolis eight new hotels have opened in the vicinity, which is approximately another thousand rooms that came into the area. So we built a hundred and twenty but eight more hotels came into the same facility.

MR. VOWELS: Is your hotel on site?

MR. DIXON: Yes.

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MR. MILCAREK: And what is your occupancy rate at this time?

MR. DIXON: Well, it's a little different market than here, of course, we'd love to have Louisville seventeen minutes away at Metropolis but as far as our marketing programs were there, the Metropolis properties approximately ninety-five to a hundred percent occupancy during the weekend. Again, it is based on season, it changes a little. Mid-week is approximately eighty percent. It is one of the most successful hotels in the .....  
by the way.

MR. MILCAREK: If you're banking so heavily on the Louisville market and it's in such a close proximity, that should affect the motel. I mean people aren't going to stay at your motel when they can drive seventeen minutes back there, are they?

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MR. DIXON: I'm glad you asked that question. Louisville is no question the base of our market and there is no question that is where the bulk of the market will be. But as we've proven in our marketing and as I've showed you our fun book and other tourist programs we have, that is not where we're gonna concentrate all our efforts. We will spend significant amount of time and energy to bring in people from outer markets, from Indianapolis, people will be coming in Fort Knox, the various other areas, Bowling Green, that will stay overnight. Our bus program that is presently in place where we have representatives throughout the vicinity right now and are selling, we will immediately turn on that program and we will be bringing overnight guests and tourists



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in immediately from outer markets as well as concentrating on the Louisville market.

MR. MILCAREK: On your fun book, is that an approved local merchants .....

MR. DIXON: Absolutely.

MR. MILCAREK: What would something basically be .....

MR. DIXON: For example, Charlie's Party Hut. Fifteen percent discount. You don't get more fun than that. We have the antique crafts, clothing and jewelry, restaurants, various, this is a promotion that at Fort Massac State Park that is free but it's an incentive to try and drive them in. We work with the entire community and not only just vendors necessarily are charging for the facilities, but again things like tourist locations, the superman

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statute, things like that, so when people look through this and there's nothing better than a bus tour where you have three people in a captive bus with nothing to do for three hours when they come in your area than to go through this and promote the destination when they get here. And it's worked.

MR. SWAN: On the financing side, I think I caught a comment that you're in the middle of a project now in St. Louis that is a huge project, that's a joint venture of some sort. We would be concerned of course that you had the capacity to handle both of these at the same time. Could you address that please?

MR. PERSKIE: I'll address that and others as he may identify. Steve Perskie will introduce Peter Aranow who is the Executive Vice President of Finance for Players.

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PETER ARANOW: The Maryland Heights project is about three hundred million dollars total. So is basically Harrah's and our portion of the budget is a hundred and thirty-five million. Of that hundred and thirty-five million we have already invested (further comments unintelligible) And over the course of the next twelve months we will probably keep funding and paying the bills with the remainder of that ..... dollars. That will be taking place roughly at the same time. Depending upon which phase of the project we're addressing. The question of whether Players has enough financial capacity, you know, and experience is obviously ..... Right now, as we speak, we only have a hundred and sixty million of borrowed, outstanding. That's a hundred fifty

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million of our notes and eleven million  
dollars under the bank loans. In  
various parts of the company we still  
have twenty odd million cash; some of  
it is in .....  
So this is a company that really has  
only just begun to use its borrowing  
power and to finish the funding for  
Maryland Heights and then do this in  
addition, is not gonna be much of a  
stretch for us. Obviously, each time  
you put a bank line in place, you pay  
commitment fees, and my job is to weigh  
the trade-offs between paying those  
fees so that you're over financed and  
your stockholders are poor and the fund  
ing needs .....  
We've made a effort I think to help you  
out by giving you letters from various  
people including the DLJ folks who have  
done a number of financements here in

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Indiana, but basically ..... Players really doesn't have that much debt today. They have four operating casinos that are throwing off nine million dollars in operating profit. And with the award of this certificate, it's not gonna be a problem for us to go out and put the financing in place. Steve mentioned that, if it gave you some assurance, we would put the equity in escrow and within ninety days we could do that, not without cost, but my attitude about spending money after I have a certificate is a little different than it is today.

MR. SWAN: You kind of cringed when you said that.

MR. ARANOW: No, I, uh, yeah, as I said to the folks at DLJ, I said, "It's a nice problem to have." With the certificate in hand I have a dif-

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ferent viewpoint about what kind of commitments I'd be able to put up.

MR. SWAN: You mentioned the hundred million dollar line, I think?

MR. ARANOW: Right, it's a hundred and twenty million dollar line we'd be over eleven years.

MR. SWAN: Okay. And that's available to the company and that's for whatever project you have?

MR. ARANOW: Right, construction projects. We've just finished a menu with the banks so that we'd be sure it would be available for everything ....and obviously, they very much want us not to go to the bond market and to stay with the banks, and so it's a very .....

MR. SWAN: One other finance kind of question. In the projection I saw, it looked like you were developing the

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admissions after the second or third year. I don't know if I read that correctly or not. We have admission income for a couple of years, then it ceases on the projection. I'm not really too concerned about that, but wanting to address that, and also the element of your incentive package that goes to Harrison County Economic Development, 'cause I think a buck a head or something going in, and I want to make sure that that's not being impacted by your decision to drop admissions in the third year.

STEVEN PERSKIE: No. Thank you. I'm Steven Perskie. Glad to get the opportunity to expand a little bit on that piece that I rushed through in my presentation about the Economic Development. To answer your first question, the drop off there assumes, the concept

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is it assumes that you are making a decision to license a fifth boat and that it's going to be, uh, have some impact whether it's Crawford or in Switzerland, on the short term basis. Again, eventually over the long term our expectation is that the market grows and obviously each individual property will grow. But for the short term we've tried to build in the consequences of a boat for that fifth license and of course, we're doing a little bit of guesstimating because we don't have a clue, obviously where it's gonna be. With respect to the fundings of the various groups, they are a mixture of up front cash commitments which are conditioned only upon the issuance of a certificate of suitability. And then an ongoing revenue stream which is predicated on admissions. And what we



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do, we started with one dollar per admission and then added a second dollar after two million admissions. The underlying dollar and half of the second dollar go to the Economic Development Fund and the five million dollar up front and the other half a dollar of the additional dollar go to the other fund, and then of course the scholarship fund, the seventy-five thousand is an annual seventy-five thousand on top of any of that.

MR. SWAN: Thank you.

MR. KLINEMAN: Let's.. understand this equity. I have learned that equity sometimes isn't really equity as I learned it when I was going through accounting school, uh, tell me about the equity, how is it going to be equity in this project.

PETER ARANOW: On a project basis, the project has its own capital struc-

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tures and a portion of that bears an interest coupon and interest to be paid by third parties; that's the debt. The other portion has no interest coupon and is just bear as to ownership, and that's what part that Players will put in and that's what we're labeling on a project basis as equity. Where Players gets that money, all right, which is probably been..

MR. KLINEMAN: May be borrowed?

MR. ARANOW: It may be borrowed. And, again, it's part of a whole pool where if I borrow it today with the kind of money that we're producing in our other operations, I probably won't have repaid that borrowing but the money would still stay.

MR. KLINEMAN: That's ..... that the money stay?

MR. ARANOW: Right.

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MR. KLINEMAN: So if it is structure I would like to see it structured but if it is directly to the project then.....

MR. ARANOW: Right. No, it would be equity in the project and there's no schedule for withdrawing it.

MR. KLINEMAN: All right. Thank you.

MR. THAR: If I could follow up on that?

MR. KLINEMAN: Yes.

MR. THAR: On the equity, whether it's seventy-three or seventy-five million dollars, are you indicating now that the source of that money is not known?

MR. ARANOW: It's corporate check.

MR. THAR: It's cash you would say you have in the bank someplace else?

MR. ARANOW: Well, it's cash, it's

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my bank line or it's my ability to raise the financing, you know, in the normal course over the next six - nine months.

MR. THAR: Well, that...

MR. ARANOW: I don't have cash on my balance sheet now because it just doesn't make that kind of good sense to put it there. We can put that cash in escrow ninety days after we get the certificate and then go on to deal with the rest of the financing.

MR. THAR: But it's not cash you have on deposit somewhere?

MR. ARANOW: That's correct. I have a bank line -- when a company like mine --

MR. THAR: --No, I think that answers the question. The next part simply is: Your amount of available cash that you will have on deposit seems

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to vary quite a bit.

MR. ARANOW: Right.

MR. THAR: And what are the reasons for it? I mean..

MR. ARANOW: Well, you're in a balancing act between raising cash and large chunks as we did last spring, we raised a hundred and fifty million dollars and we also at that time got a bank commitment which we didn't use. Over the course of the last year we put a hundred and thirty-five million dollars into Lake Charles. We've earned an additional fifty or sixty million dollars after taxes and invested most of that. At this point, having finished that investment pool, our spare cash was about zero and with calling on our bank loan, the financial plan for Players over a five or ten year span will be to borrow under that bank loan

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when the money reaches a reasonable amount in terms of an economic amount that is worth going after the market and it looks like we're not gonna pay then you would go out and finance it with a bond, you know, which cannot be paid for five years. To the extent you think you might pay it back quickly you would keep it as a bank loan, because you cannot pay the bond bills back until the six years, and you're stuck paying high rates on the money.

MR. THAR: Thank you.

MR. KLINEMAN: Switching the subject, uh, let's talk about the construction of the boat. You are telling us that the boat would be built on the site and that it would be, construction would be supervised by the Corn Island ship people.

MR. PERSKIE: Yes sir.

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MR. KLINEMAN: And do you know what their experience is in building river boats? And where are they located by the way?

MR. PERSKIE: Spencer County.

MR. KLINEMAN: Spencer County, Indiana?

MR. PERSKIE: Yes.

MR. (Speaker is unidentified)  
(Remarks unintelligible...)

I don't mean to be cute. However, they have the experienced people in their yard to build all types of facilities, wide range of products. I'm bringing my experience to the table because I've built several riverboats and supervised that, so I guess I would be the expert, as well as the construction manager they would be able to, as with any project, they'll manage the

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construction, coordinate delivery of the materials, coordinate the purchase, deliver it on site, coordinate the lay down yard, and the crews to build the project.

MR. KLINEMAN: Well, if this is an Indiana company, why wouldn't we build it at their yard? Why is that being built on site?

MR. They are so busy the build yard is full. Secondly, I would like to be involved in it at my site because that's my specialty. Overseas you don't have the luxury yards, and my specialty is on-site construction. And then also I was the manager for the first riverboat to be built, so I personally bring a lot to the table, and with them being able to coordinate the purchasing, the crews, and the deliveries it's a perfect combination.



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ANN BOCHNOWSKI: Yeah, I've always figured that construction was construction, but I think boats are a little different. Would you have an able architect or some kind of marine architect to design it, or how does that get designed so that the company hasn't built a boat can actually build a boat? .....

The same way we did it for Levak Shipyards when we built their first boat. Rodney Lay is the same naval architect we've always used, Levak has always used, I'm very familiar with their designs and I've helped them develop that design, so they've already designed this vessel up to the point where they're waiting on ..... to send the lines to a metal cutter and have the lines cut. It's a simpler process than it sounds. In the industry wide there's a lot of specialists

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in this business that we move around that we could bring in, but a vessel such as a river boat is really not that different from say a crew boat or a ferry or other vessels which we all have experience in building. Just because it has slot machines it's really not that different from a coast guard vessel.

ANN BOCHNOWSKI: Now, we've heard before from another company that was planning to build on site. And the local union was fairly excited about that. Now, the way you were talking it sounds like you're planning to bring almost components in. Would there be the same amount of work for the Boilermakers let's say or the union people here to work on this boat.

MR. Well, nationwide it would be the same amount of work, but I

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will tell you that some of the work such as the hull and the fitting of the machinery would be done out of state. That way we wouldn't have to build the boat up on shore before a Corps permit to launch the...

ANN BOCHNOWSKI: So the hull would come in on the river then?

MR. Yes ma'am.

ANN BOCHNOWSKI: And then how would you put that together if it's on the river, or would you keep it on the -- how does that work?

MR. The same way we done it in Lake Charles. We bring the hull up to the vessel up to the shore. We have two (2) seventy-five ton cranes, generator, welding machines, ..... parking, lay down in the yard. Just like any other shipyard would do it. It's just not called a shipyard.

1 ANN BOCHNOWSKI: Okay. So you  
2 basically are creating your own ship-  
3 yard?

4 MR. PERSKIE: Absolutely.

5 MR. KLINEMAN: And where would  
6 the hull be built?

7 MR. PERSKIE: Levak Shipyards,  
8 Jennings, Louisiana by the people who  
9 built our two first riverboats.

10 MR. KLINEMAN: What percentage of  
11 a boat is the hull?

12 MR. PERSKIE: I'd say that the  
13 hull is about thirty-five percent.

14 MR. KLINEMAN: And is that subject  
15 to coast guard supervision?

16 MR. PERSKIE: Absolutely, all the  
17 way.

18 MR. KLINEMAN: Inaudible.

19 MR. PERSKIE: Yes sir, Levak has  
20 what they have as an on-site inspector  
21 from the coast guard. We will also be

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probably assigned one to this site also. Typically, in this business, when you're building passenger vessels for the public in the interests of public safety, the coast guards really monitors what you're doing and the rules are very strict.

MR. KLINEMAN: The hull will be brought in in one section?

MR. PERSKIE: Yes sir.

MR. KLINEMAN: Anybody else have anything else? We will move on then to a different subject which is to meet the minority, women hiring goals that have set here. For some information about Harrison County..... what plans you have to meet those goals.

MR. PERSKIE: Let me, first, do that in two parts. I'll make a brief response and then I will ask somebody from our metropolis project to probably respond as well. First, as I mentioned

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earlier, we have been discussing with the County officials for some time a development agreement and reached an agreement in principal on that. That agreement by its terms contains the obligations that we very freely and enthusiastically undertake to meet all of the applicable goals with respect to both women and minorities. We know, and we've looked around, that the case of minorities in this particular community in Harrison County, it's a relatively small number but we, as I understand the obligations of the development agreement, we would be dealing with that on a regional basis as well. Players from the very top of the company through each of our operating properties - you heard Pat Rogers say - has prided itself on our ability and focus on meeting those kinds of obligations.

1 Barbara Eichenburg is our Director of  
2 Human Resources at Metropolis and she  
3 has been working with her colleagues  
4 in human resources at each of our other  
5 properties on those types of issues and  
6 I'd like to ask her to respond for  
7 Players as well.

8 BARBARA EICHENBURG: Thanks, Steve.  
9 I'm Director of Human Resources. Each  
10 one of our properties in river boat  
11 industry offers different challenges  
12 because of the different percentages  
13 of minorities. What we've tried to do  
14 in each property is to meet with the  
15 community advisers, the NAACP for in-  
16 stance, the Paducah Chapter, the local  
17 high schools and colleges in the area,  
18 and we also work internally to track  
19 through the applicant process the per-  
20 centages of minorities and women that  
21 we bring in so you don't lose sight of

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our goals and we meet them and in every one of our properties we have exceeded them. We do the same, just in case the question would come up, with our vendors as well. We have internal tracking systems that we use to approach and develop the local vendors and on the minority basis.

MR. KLINEMAN: I think I heard that there is a seven-county group that exists....Have you been in contact with any of those groups here locally?

MR. PERSKIE: No. We have been dealing for the moment on this with the County's Task Force on that issue. They have in effect, as I understand it, on behalf of those institutions have put this in the development agreement between the....

DOUG WISE: I'm Doug Wise. We have met with Judy who worked with that



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particular department - Judy Hess - and we have had discussions with them on that matter.

MR. KLINEMAN: I guess I will move to another subject, that's the emergency response facilities and so forth that you can put in place. I saw that you have made financial and ..... What else are you furnishing to provide for the safety of the patrons?

PAT ROGERS: I'm Pat Rogers from Metropolis. I'm very happy to answer this question because it is obviously for us a priority. Public safety is ultimately, probably our main focus. One of the areas that we, I think, have accomplished this in our other markets is that to give you a straight answer to that question is very difficult. Without the cooperation of the community and the various

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services as far as the specific location. What we will do here is what we have done and what we were operating in our other locations. Is we will provide fire department, police, emergency service for the local community, the sheriff department, etcetera... We work together as a community. When we would come in here we would sit down, we would compare plan for each possible problem that we could possibly have. And in this book we've got every conceivable possible disaster that we could absolutely hope never happen, from earthquake to tornado, to terrorist action, how we would proceed emergency wise, where we would get the help, how everybody community wide would support that. It's very important not only for us that the outside community as well has the same book. They sign off on this. They agree. And we build

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this together as a team. This is something that we do every day, it works and this is what we do in Harrison County as well.

MR. KLINEMAN: You indicated you would buy an ambulance..... and what other things did you put in your proposal? And, again, whatever these facilities are or whatever the costs of these facilities are, would this out front money would not be anticipatory payment of what you might be paying to the County later on down the road?

MR. PERSKIE: That is correct. I'll defer the payment aspect of that to Steve and Jim Gunning, but just to discuss the infrastructure components. We spoke with Greg Reas, the Emergency Management Agency. Greg indicated the biggest need that the emergency providers in that area is communication equip-

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ment more so than anything else. So we are putting a radio repeating tower in the upper portions.. you heard me talk earlier about the elevation difference in our site. We're gonna put in the upper portions a radio repeating tower to improve communications in this whole region of the valley. That's gonna help emergency services as well as the sheriff's office respond tremendously. In addition to that, we're gonna give them hand held portable units that they can use and also we're donating the ambulance to the emergency management agency as well as an emergency equipped van, complete with the jaws of life. So they will be -- we're gonna help them out substantially. We're also donating a car to the sheriff's fleet. As well as, I should add, a spot in the community center to allow them

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to set up, stage and muster operations that they may inevitably have to respond to situations on the property.

STEVE PERSKIE: Two point, first the development agreement that I mentioned at least in this last or latest draft, in relevant part reads: Prior to the opening of the project or operation of the boat, the developers will develop and implementation to the County and other relevant governmental authorities an emergency preparedness and disaster response plan that complies with all provisions of applicable ordinance to operation of the project. Including but not limitation to operation of the boat. We have this version that we use in Metropolis. We'll be happy to leave this with you for your later... I don't have twelve copies, Jack, but we'll leave this one with you.

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JACK THAR: No. Should you get the certificate of suitability we require that you file one with specific to this. So we don't need the Metropolis.

MR. PERSKIE: Fine. With respect to the money, Mr. Chairman, the commitments that you've just heard, the ambulance, the van, the telecommunications, the police car, the facility in the community center are all additional financial commitments beyond the monies that I mentioned before. The monies for the community development, the monies for the economic development, the scholarship, the passenger revenue fees are all over and above these commitments. These commitments are part of our budget.

MR. MILCAREK: Have you gone over this with the County, is this your list you put together, or is this their

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wish list or where did this list come from?

MR. PERSKIE: That is their basically resulted from our communication with the County, Harrison County Emergency Management Agency, Mr. Greg Reas. We did contact him. We contacted a number of other agencies. Obviously, the Sheriff's Office as well, Clyde Sailor. And this was based upon input we received from the providers of the emergency services.

MR. MILCAREK: Yesterday, in the discussions, they indicated that they may need as high as three, four, to maybe seven officers and a fully equipped car for each one. How does that fit into your-- when you mentioned the one car being in the...?

MR. PERSKIE: Yeah, I head that yesterday as well. It was my understand-

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ing that what the Sheriff was saying was if it was to be required that a sheriff's officer was to be stationed full time at the site that that would be what would be needed. My understanding is that that is not a determination that has as yet been made. Beyond our own security course, which is and you have heard will exceed a hundred. Beyond that we have, as you well understand better than we, a contingent of Indiana State Police that will be on site at the project as well. So that the question of whether a full-time sheriff's officer needs to be twenty-four hours a day at the property is not one that I think has been determined. What I think he was saying was if you did that this is what it would involve.

ANN BOCHNOWSKI: The other thing, somewhere I was trying to find it, you indicated there was EMT's on board, and Dr. Ross has indicated that that



1 might not be good enough, you might  
2 need the paramedics. Is that something  
3 you would consider?

4 MR. PERSKIE: Yes. Kevin mentioned  
5 that in his original presentation.

6 ANN BOCHNOWSKI: Okay. Then I..

7 MR. PERSKIE: He said on the slide  
8 and it's in your book but it didn't  
9 say paramedic, but the difference is  
10 that paramedic as we understand it is  
11 a requirement of law, and of course  
12 we would do that. The EMT's are some-  
13 thing that we undertook to do.

14 ANN BOCHNOWSKI: Okay.

15 MR. MILCAREK: On the list that  
16 you have there, when did the helicopter  
17 pad become.. did you have it on your  
18 list before?

19 MR. PERSKIE: That was on the  
20 slide presented to the Task Force.

21 MR. MILCAREK: It felt like the  
ink was wet this morning.

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MR. KLINEMAN: Anybody have anything else? Mr. Thar?

ANN BOCHNOWSKI: Yeah, oh, I have another question. It's kind of regarding what this complex is all about and animatronics and the -- are you interested in children coming here to see this. I mean I don't know why the adults would go to animatronics to play.....

ED FISHMAN: No, we certainly don't keep children out. That's why we have a child care center, we have slides in the pool. We don't promote children, but if you look at the Las Vegas, one of the most successful visitor centers, is the forum where the animatronics and the sky dome is something to see, and what's working in Lake Charles is, you know, people don't stop and say: I'm just going to animatronics. It's a nice

1 way going in, nice way of going out.

2 ANN BOCHNOWSKI: So it's not  
3 really a separate display; it's part  
4 of the ambiance?

5 MR. FISHMAN: It's part of the  
6 whole ambiance in entertainment field;  
7 in other words, you're not just going  
8 to the riverboat. It changes. We  
9 have different scripts that change  
10 every day, every hour different  
11 scripts and as I said here we're plan-  
12 ning a whole sports theme animatronics.

13 ANN BOCHNOWSKI: Okay. So you  
14 have the sports animatronics.

15 MR. FISHMAN: Yes.

16 ANN BOCHNOWSKI: So how does that  
17 jive with the ...

18 MR. FISHMAN: Larry ..... look  
19 alike.

20 ANN BOCHNOWSKI: No, I understand,  
21 but how does that go along with the

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tropical scene, or is it kind of more sports oriented. When you say the Islands, that's...

MR. FISHMAN: Well, no, I mean that's only one portion. It is dressed as, uh, probably a lot of shorts. A lot of sports figures.

MR. MILCAREK: Something have a continuously annoying song like: It's a small world.....

MR. FISHMAN: That's a good idea.

ANN BOCHNOWSKI: Somewhere along the line somebody else, you know, talked about the children's activities. To me it just doesn't.. I wanted to .....

MR. FISHMAN: No, we don't enhance it. We don't go in there and promote it, but there is certain needs especially when you have a close proximity far as the workers, in other words, with their children, day care center.

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ANN BOCHNOWSKI: Oh, yes, exactly.

MR. FISHMAN: But then also on weekends is when you have it, when people can't find anybody else, so it is a convenience and when it's a very short notice, they can leave somebody for three or four hours in a child's care center where they have some type of dealing. I mean it does happen. I mean, we don't have a child's care center in our properties right now. We are thinking about that. But in other destinations they have worked successfully.

ANN BOCHNOWSKI: Okay.

MR. KLINEMAN: Mr. Thar?

MR. THAR: Please don't get up, just answer the question from where you're sitting. Go a little quicker. With regard to the road improvements on 111, are you committing to finance

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those improvements regardless of cost, or are you just committing a certain amount of, a certain number of dollars from the budget?

JIM GUNNING: Jim Gunning, Barnes and Thornburg. There is an eight million dollar allocation but in the development agreement we are obligated to conduct a couple of studies and meet some minimum road requirements.

MR. THAR: When would that start and when would it be concluded?

MR. GUNNING: Okay. It would start upon the certificate of suitability, it is designed to be completed to the extent possible by opening of the boat.

MR. THAR: The Mesquite project, are your attendance figures where you thought they would be, or are they a little higher than you thought?

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ED FISHMAN: The Mesquite project as you know, is about seventy-five miles northeast of Las Vegas, it was an adventure to start a whole new destination like Laughlin did twenty-five years ago. We are running last month about about ninety-three percent occupancy. It takes a while to build that mark but we are very pleased with how we've been progressing. We will finish it, our golf course in the end of September, which in other words enhance more visitors.

MR. THAR: Has your visitors been then just a bit slower or are they about as your projections? I just wondered as far as your projections how is it going?

MR. FISHMAN: Our projections we thought that probably we'd have a little more gaming revenue. Not so much more

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visitors; more gaming revenue. That they are buying into our strategy of that it is a resort, it's a getaway, and that's what they're doing. There are guests lying by the pool, enjoying our spa, and they don't know quite inside what all those slot machines, what they are. We are now beginning to get more people now who appreciate that type of entertainment in the evening also.

MR. THAR: The theme of Players Island, I don't remember that in your Evansville presentation. Is that something you were working on and have perfected as a company wide theme now?

MR. FISHMAN: That's exactly.

MR. THAR: Was that be carried over to Maryland Heights project also?

MR. FISHMAN: Absolutely, our casino will be absolutely island theme.



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MR. THAR: Okay. While we're speaking about your other projects, you would be the only company if we give you a certificate of suitability here that would manage to have the Evansville facility wedged between two facilities. This is kind of an awkward question but one I think we need to know. How aggressively are you gonna go after a western market?

MR. PERSKIE: The answer is and we hearing that might have directly... somewhat, our market studies show that starting first from the west, Evansville was and remains a very small piece of the Metropolis market area, and in fact we're very pleased. Our projection -- our prediction was that when Evansville opened it would tend to expand the market and in fact our patron counties opted Metropolis over the period,

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the ..... period question, which it was going very well. By the same token we believe that the primary market focus for this site is starting the Louisville area and then running through central Indiana and down into Kentucky, east and west. We do not believe that there is significant market overlap between this project and Evansville. So we think that there's likely to be very little impact on either property from the other. Now, there are -- you didn't ask so I won't discuss what happens if there is another one in the same area what impact that would have -- but as far as our program for marketing this project is concerned, that really is not Evansville area directly.

MR. THAR: I was just wondering though if you should have a likely of cross marketing of two projects which

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we have one other Indiana riverboat  
right in the middle. And.....  
and I don't want...It's not, and I don't  
want to take away from anybody, you  
know, the ability that they can make a  
profit, you don't want to design some-  
thing that causes another Indiana river-  
boat---

MR. PERSKIE: Pat Rogers will res-  
pond to that. If I could expand on  
that a little bit too. We will be  
approximately the same distance from  
our Metropolis project to St. Louis as  
well, to give you an idea of graphic..  
but we will not be in the cross park  
in between the two because there is  
completely different markets. Another  
area as far as our marketing empetus  
goes, our marketing dollars, in our  
opinion it does not make sense to spend  
a lot of marketing dollars in a market

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that already has gaming. It makes much more sense to go to markets that do not have gaming, so we're more likely to go up towards Indianapolis, other areas farther up that do not have competition because your dollar goes a long, long way that way instead of competing in another market.

MR. KLINEMAN: .....last night that off the highway in Evansville doesn't exist?

MR. PERSKIE: We were fortunate in that case to be in at that time to get a bang for our buck but if you also notice you won't see commercials in Evansville, you won't see ....

MR. KLINEMAN: I don't know about that but I did see your billboard last night.

MR. PERSKIE: Right. We got a bang for our buck in that one.

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MR. KLINEMAN: You promised never to put .....inaudible due to laughter.

MR. PERSKIE: We're gonna instruct Harrison County to forget the anti-trust implication.

MR. ROGERS: Matter of fact, we might take that billboard down, Mr. Chairman

MR. THAR: Would we be able to rely on those representations with regard to your future marketing plans as you see them right now?

MR. ROGERS: Absolutely as with every other representation that we're making.

MR. THAR: The incentives that you have portrayed today, you will admit are a little bit higher than what we had and the deadline time has been added to them as a result of the discussions that we've had?

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MR. ROGERS: Yes.

MR. THAR: You have a cruise schedule on the front of your binder. Is that just for..

MR. ROGERS: That was for illustrative purposes, it is not a necessary fix at this point.

MR. THAR: Okay. That means, one of the problems we've got an hour and a half for boarding. That doesn't work here?

MR. ROGERS: Right. You're correct.

MR. THAR: It's just a decorative idea?

MR. ROGERS: Exactly.

MR. THAR: The mention on the police things, I don't know if we are to discuss -- it has been brought up -- one of the problems that we see in this County is that the Sheriff has indicated assuming nobody is on vacation and everything else is going right, they have

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two cars on patrol at any given time. You would be well aware that from the operations at Metropolis of people sometimes get arrested. In this state if we had to use a state trooper, remove the person to a facility, you couldn't gain. So the issue of responsive law enforcement to those elected persons become serious. If you want to keep uninterrupted gaming going. Do we understand that you're willing to make what commitments are necessary to ensure..?

MR. ROGERS: Yes.

MR. THAR: Thank you. I don't have any more.

MR. KLINEMAN: Okay. Any of the other Commissioners have anything, follow up?

Hearing nothing, I thank you very much for your presentation. They have

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been most imformative. We will now  
come back at five minutes after 1:00  
for final presentation.

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INDIANA GAMING COMMISSION MEETING

MAY 8, 1996

PRESENTATION BY PLAYERS HARRISON COUNTY

9:15 A.M.

PRESENTATION BY RDI/CAESARS RIVERBOAT CASINO

1:00 p.m.

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MR. KLINEMAN: It is now ten after the hour of 1:00. You may begin.

PETER BOYNTON: Thank you. My name is Peter Boynton, and I'm President and Chief Executive Officer of Caesar's World, Inc. Good Afternoon, Chairman Klineman and Members of the Commission. After preparing for almost two years for this day, Caesar's and our local partners are excited to be able to present our proposed gaming project for Harrison County, Indiana to you. During this two year period a variety of factors influenced our proposal to this Commission. (1) The verdict of Indiana Supreme Court holding the Constitutionality of gaming statutes. (2) The modification of the gaming statutes to limit one license to each county. And (3) the outcome of the second county referendum employed in

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Clark County. As a result of these events, Caesar's is convinced that South Central, Indiana is one of the most attractive market opportunities anywhere in the United States. You will hear that we are a big company and you will hear a lot about size. You should know that this market and this particular project represents the third largest gaming project in our entire mix of properties. It's very important to us. We have responded to this changing environment in a proactive manner. We are proposing one of the most expansive and unique destination resort projects outside of Las Vegas and Atlantic City to ensure the State of Indiana that you have maximum participation in this gaming market. With the capital expenditure cost approaching two hundred and thirty million,

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this project is a hospitality and entertainment facility which features, with features designed to appeal to a broad customer base. With Caesar's quality in the five-hundred room hotel that you see before you, the championship golf course, superior dining experiences for a variety of patrons and budgets, kids' quest for our youngest adults, a video arcade for teens, circus maximus for older and more mature adults, and the imax theatre complex for all ages, this entertainment experience not only will generate repeat visits but attract customers from a broad geographical market. Further, ITT's written commitment to the Indiana Gaming Commission to fund one hundred percent of the project costs through existing lines of credit is one of the many indications of our commitment to this project. In

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addition, we have the following representatives of ITT Corporation here today: Ann Reese who is Executive Vice President and Chief Financial Officer of ITT; and John Capiocas who is Chairman of ITT Sheraton and Caesar's World. At this time I'd like to invite Ann up to the podium just to say a few words.

ANN REESE: Thank you, Peter. Good Afternoon, Chairman Klineman and other Members of the Commission.

In 1994, ITT determined that expansion in gaming was critical to our long term strategy. That strategy is to create the largest hospitality gaming and entertainment company in the world. We chose Caesar's as an acquisition at one point eight billion dollars to help further that strategy. Caesar's unparalleled name recognition, its exper-

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tise in gaming and marketing, and its  
flawless reputation and regulatory ex-  
perience were a natural fit for ITT.  
From this phase, we plan to continue  
our expansion in gaming. With over  
four hundred hotels in sixty-one  
countries, we are uniquely positioned  
to be the leading hospitality and gaming  
company. Our gaming revenues in this  
year will top one point two billion.  
This commitment will carry over to  
Caesar's Riverboat Casino here in  
Harrison County. ITT's financial com-  
mitment to fund this project, combined  
with the Sheraton's worldwide reserva-  
tion system, and as we've already men-  
tioned, Caesar's expertise both in  
marketing and in gaming, we believe will  
combine to ensure the State of Indiana  
the most successful gaming venue pos-  
sible. Thank you all for giving us the

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opportunity to present the project this afternoon.

PETER BOYNTON: Thank you very much, Ann.

At this time I think I'd like to invite the Commission now to sit in the chairs to view the film. I'd like to say that during the Players Island film that there was a brief point at which it went dark, my heart stopped because I remembered the old adage: Never celebrate the burning of your neighbor's house in a strong wind.

(LAUGHTER)

Hopefully, this film will go well!

(VIDEO PRESENTATION

BY RDI/CAESARS RIVERBOAT CASINO)

In the next few minutes, you are going to hear about the most ambitious riverboat gaming complex and revenue

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generation plan in the entire State of Indiana. ITT Sheraton Caesars Worldwide Entertainment Corporation invites you to get on board. (Accompaniment of "Rolling on the River")

From the Company that made Caesars Palace the most renowned gaming resort on the famed Las Vegas Strip comes an exciting new land base themed resort and riverboat gaming attraction. Only a short driving distance from major population centers, you are about to see why Caesars at Bridgeport is indisputably the best possible site to build what will be Indiana's largest and most successful gaming and entertainment complex. The ITT Sheraton Caesars Plan calls for the largest financial corporate investment of any gaming applicant. From New York's Wall Street, the financial strength of our publicly



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traded company, is unequaled by any other gaming applicant. Our facilities plan is the biggest. Our investment commitment has the highest price tag. Our gaming vessel will be the largest riverboat in all of North America. We advocate more gaming positions than any other applicant and Caesars has consistently forecasted the highest gaming revenues, state taxes and of local profit sharing plan directly benefitting the citizens of Indiana and Harrison County year after year into the future. Now, before we show you our plan, let us first tell you who we are, why we're such a solid choice, and why Caesars should be selected to operate the largest resort and riverboat gaming attraction in the entire midwest region.

If I became attached to the old ITT Corporation, I'm entirely entranced

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by the new one. They are a rapidly growing company with a great future... We have in this new company the wonderful brand names of Sheraton for hotels. Caesars for gaming. Madison Square Garden as a theme center for entertainment sports events. With ownership of the New York Knickerbockers and the Ranger Hockey Team. We're very pleased within that complex to own a Madison Square Garden network which broadcasts not only the New York Knicks basketball games and Rangers hockey games, but also the New York Yankees games throughout the season. We're going to extend our voice and communications. We have just purchased, together with Dow Jones Company, a television station formerly owned by New York City. This is going to be a wonderful new medium for use together with our sports faci-

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lities at Madison Square Garden and others in the New York area, and furthermore, to extend coverage far outside this region. And a major ownership position in ITT Educational Services. We're very brand name conscious. We're going to be very conscious of a growing customer base which already totals over one hundred million people in over one hundred countries. That's a big base to grow from and we intend to grow rapidly and well.

And now direct from Caesars Palace please welcome the Court of Caesar and Cleopatra.

Now that you know who we are let's see what Caesars has planned for Harrison County. Caesars Riverboat Casino and Resort will be a true five-star quality destination and entertainment attraction. When completed, it will be the largest gaming complex in the midwest, attracting thousands and thousands of new visitors from all over the country.

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These visitors will have a positive economic impact on all Harrison County communities. Inside our main lobby Caesars will dedicate an important visitor information center that promotes such nearby visitor attractions as the scenic railroad, the old mansions and the quaint historic shops of Indiana's original State Capitol here in Corydon. For the convenience of these overnight visitors, Caesars will construct a luxury five-hundred room Landmark Hotel Towers. This Hotel contributes to Caesars marketing strategy to attract overnight guests from Indianapolis and surrounding states. We will also bring in our regular guests from throughout the Sheraton and Caesars worldwide marketing network. Inside, you'll stroll through the ..... like shops on streets that are reminiscent

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of ancient Roman village. This all weather atmospheric must-see attraction will draw thousands of visitors to Harrison County. There will be five palatial restaurants, themed in Caesars famed Roman motif. These restaurants will be positioned for both luxuriant and family dining experiences. And an especially popular attraction will be Caesars Magical Empire featuring a subterranean dining and entertainment experience. The visitor will enter the dungeons and hidden catacombs under Rome to enjoy a captivating mix of magic and miracles. Children will be strictly supervised in an educational activities learning center especially created to appeal to a wide variety of age groups. A regional coliseum and entertainment complex will play host to lavish productions, major sporting events, bullriding

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and big name entertainers. This extensive auditorium will also bring local and regional gatherings of local and community interests. Another entertainment highlight will be Caesars bit IMAX theatre and first-run movie complex. Inside, the senses will be dazzled by a bigger-than-life screen with dynamic surround sound productions that are simply unforgettable. But that's just the inside. Wait till you T off on Caesars 18-hole championship golf course. It will be nestled along these gently rolling meadowlands around the resort. The course will become an important sports attraction and destination conference ground that will draw overnight guests. Not only will Caesars Riverboat Casino and Resort be built with five-star quality standards, it will fast come to be known as a regional des-

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mination entertainment center. Caesars will be Indiana's largest gaming venture. The complex at Bridgeport will be one of the few resorts in America, developed to such exacting standards as to bear the world renowned name of Caesars. The ..... potential of this magnificently planned development is just one of the many sound reasons why Caesars should be selected as the operator of choice in Harrison County.

Caesars will be "Rolling on the River" with the largest gaming riverboat in North America. ITT Sheraton Caesars already operate two successful casinos aboard cruise ships at sea and riverboats in Windsor, Ontario and Tunica, Mississippi. This exceptional floating casino at Bridgeport will be four hundred fifty feet long and one hundred four feet across at the deck. Generous accom-

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modations will be made for non-smoking and non-gaming patrons who only wish to cruise. The sea-worthy vessel will easily navigate the Ohio River, staying safely inside the Indiana border. The boat will be navigated from two pilot stations positioned forward and aft. This makes it possible to cruise up the Ohio and then straight back down the River to Bridgeport, without the need to turn the boat around. Our expansive riverboat will be licensed to operate and inspected periodically by the New Orleans Steamboat Company, the most respected name in riverboat operators. This company has an unparalleled record of safety and sound marine practices. Without question, the New Orleans Steamboat Company is the most experienced riverboat operator in the world. And this is where all the fun



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begins. More than any other gaming applicant, Caesars plans to have an exceptionally large gaming presence, to capture and maximize market penetration. Independent consultant analysis clearly demonstrates that the greater southern Indiana market can provide up to eight million gaming visits annually. That's why Caesars plan to have three thousand slot machines and one hundred fifty table games, providing thirty-seven hundred fifty gaming positions. This is not only more gaming positions than any other applicant proposal, ours will be the largest casino riverboat in all of North America. Gaming is a business and participants is in numbers, the more gaming positions you have the more people who can play the games. The more the players the greater the gaming revenue benefits to Harrison

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County and the State of Indiana. That is why Caesars forecast greater revenue projections than any other applicant. In Indiana, bigger really is better. Our sheer facility size will dominate the region for years to come. Caesars Riverboat Casino and Resort is more than just a boat with some slot machines. It will be an enduring five-star quality destination. It has been planned to accommodate thousands of visitors and overnight guests every single day. ITT Sheraton Caesars has more gaming sites throughout the world than any other gaming company applicant. As a publicly held corporation, our operating history has been sharply scrutinized by governing boards in all major gaming markets. Caesars has the operating experience, the management systems and exceptionally qualified personnel. As

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the largest gaming operator in the world, our ability to generate revenue has no equal. In the first year, we are forecasted to generate over fifty-three million dollars to the State of Indiana and over two hundred eighty-seven million during the first five years. Indiana counties are projected to receive nineteen point six million dollars and an additional seven million dollars from profit sharing and seven point five million dollars in one time community improvements. That totals thirty-four point one million dollars for Indiana counties in just the first year. As an added attraction, Caesars plans to erect and operate Caesars Chariots, a modern gondola system, from an industrial site that's safely behind a levy in Louisville, visitors will high across the Ohio River at a capacity

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of twelve hundred guests per hour.

The five minute gondola ride is expected to be exceedingly popular because it represents an alternative path from Louisville directly into our resort in Bridgeport. The gondola, designed to operate above the one hundred year flood plain, will provide an attractive ride experience across the Ohio River.

For those who drive, Caesars Riverboat Casino and Resort will invest over two point five million dollars in road improvements along the State Route 111 Corydon. We will repair, renovate and restore serious weather affected sections like this with a new asphalt overlay. Narrow shoulders will be widened to transform the highway into a safe, broad, vehicular corridor. In the nearby town of New Albany, Caesars will additionally invest in new traffic signals to facilitate the smooth, continuous

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flow of traffic over the Ohio River on I-64 and onto the wide new Albany on ramp. This three lane on ramp can easily accommodate increased traffic loads without inducing traffic congestion. Vehicles will skirt the outside of the downtown corridor staying to the extreme southern industrial district of New Albany. Many of Caesars alliance partners have deep roots in the Hoosier state. The development will represent a strong employment opportunity for all Harrison County residents. First priority, given to the equal opportunity hiring of a local work force. This will provide a positive revenue boost to the income of families living in Indiana. Our partners were instrumental in passing the gaming referendum here in Harrison County. We've retained a renowned hotel architect firm of Paul

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Steel to design an exceptional plan.  
Construction will be managed by  
Geupel Demars, Inc., a firm home based  
in Indianapolis for sixty years.  
Nationally, they're regarded as one of  
the leading construction management  
firms in the United States. Over the  
years ITT Sheraton Caesars has developed  
a stable of exceptional hotel, casino  
and business management executives.  
Caesars Riverboat Casino and Resort will  
be operated hands-on by our own local  
management team of gaming hotel profes-  
sionals. Following Caesars successful  
corporate guidelines, our team will  
adapt a custom management system unique  
to the venue site and local customs of  
the region. The importance of market-  
ing such a large facility cannot be  
understated. The best possible market-  
ing position is to begin with a company

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that has already established a widely held reputation for exceptional gaming and entertainment facilities. In this regard, ITT Sheraton and Caesars are in a class all their own. ITT is already well known as a dominant industry giant with Sheraton Hotels in Indiana. Cheetah is but one of the many names of the luxury collection of hotels we operate. The famous name of Sheraton is synonymous with premiere hotel chains throughout the world, offering luxurious accommodations in global markets, and no gaming establishment has aligned its name or broadcast more world class sporting events with the biggest names in show business than Caesars Palace. Our worldwide reputation will greatly enhance the marketability of Indiana's largest gaming attraction. But then what greater mar-

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keting strategy than to be ideally situated in a close, line of sight path to a large is utilized by every major travel agency and airline reservation service and the name of Caesars has been marketed and televised as a world leader in sports entertainment. The name recognition of our five-star quality properties has always delivered a significant reputation of excellence to the markets we serve. With such an extensive plan to build Indiana's largest destination and riverboat gaming resort, the question must be asked: What are the resources of ITT Sheraton Caesars and what might be the financial stability of the other applicants? Who clearly represents the most fiscally stable corporation to see this important project through to completion? Who has



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a flawless reputation as an established gaming operator? Who has the most experience and who has the closest site to the primary population centers? But the most important question is this: Who has the strongest plan that will return the most gaming revenue tax benefits to the counties and the State of Indiana? First, let's examine fiscal stability. Caesars is pleased that our two hundred twenty-eight million dollar development costs has already been pledged, in writing, by ITT's corporate treasurer. Our funding is not predicated on developer speculation or future investors. Project funding is already one hundred percent committed from our own three billion dollar corporate line of credit. Yes, Caesars is a fully funded applicant. We're ready to implement our development

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plan immediately in Harrison County.

Reputation: Caesars has an unparalleled reputation for its compliance and support of regulatory authorities.

Experience: Our experience is that of being the largest publicly traded gaming operator in the world. We provide specialized training and management system development programs that keep all our entertainment properties vibrant, wholesome, and profitable.

Closest Site: Traveling by highway, the closest site from the primary feeder markets is Caesars Riverboat Casino and Resort at Bridgeport. And with Caesars chairing its gondola system across the Ohio River, Caesars is just slightly more than one mile from the metropolitan area of Louisville. Finally, the strongest plan: By every measure, Caesars has the strongest project proposal. We

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have the highest name recognition in gaming and entertainment. We'll have the largest riverboat in the U.S.A. with more gaming positions than any other applicant. That's why we have projected to generate more gaming revenues to Indiana and the counties than any other gaming applicant. Our project requires the biggest longterm corporate investment in Indiana. We'll have more hotel rooms, more public event space, with a greater capacity per guest. Our site will create more new jobs, more economic opportunity and more tourism that will benefit all residents of Harrison County. Our project represents the largest gaming attraction in the entire state and as a location, Bridgeport will naturally attract more visitors because it has the closest access to the markets that

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will be needed to make riverboat gaming successful in Harrison County. All applicants have merit, but only Caesars has the qualifications, fiscal strength and the investment commitment that is embodied in our large site revenue earning plan. So now that you know the scope of this project, what does all this really mean to the residents of Indiana? How will Harrison County benefit when Caesars is selected as the operator of choice? While there are many side benefits, the most persuasive argument is the size of our investment, the size of our magnificent developer, and the size of our strong revenue projection. The reputation of a Caesar brand name venue will ensure that in fact we reach our earning potential. Additionally, Caesars development plan will share profits with local county

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government. Although tiered ten cents on every dollar over two hundred million dollars will be paid to Indiana counties year after year after year. Upon award of certificate of suitability, Caesars has pledged to donate five million dollars in cash to a community foundation. The principal difference in our plan is that Caesars pledged this five million dollars with no strings or conditions for its use. We have also pledged an additional two point five million dollars in highway improvements. Caesars will generate the need for more than fifteen hundred jobs directly relating to construction. We will hire two thousand four hundred forty new employees, more direct jobs than any other applicant proposal. Equal opportunity will be provided to all job applicants. Our annual payroll is fore-

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cast to inject millions of dollars in  
to the local Harrison County economy  
every year. More than any other appli-  
cant. We have forecasted over twenty  
million dollars in new revenue for the  
counties every year, taxes that benefit  
all residents, and thousands of visitors  
will boost the local economy every  
month and bring new vitality to the  
entire region. The Bridgeport destina-  
tion will turn inactive agricultural  
land into a strong taxation district  
and the Caesars destination will be an  
exceptional public venue that's open  
to the enjoyment, benefit and use of  
all local residents. Bigger really is  
better in Bridgeport. More payroll.  
More jobs. More taxes. More gaming  
positions. And more state and county  
revenue. Caesars has pledged the big-  
gest investment, the biggest facility,

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the biggest vessel, the biggest hotel,  
the most gaming revenue and profit  
sharing. Caesars Riverboat Casino and  
Resort, we're primed and ready to put  
our experience, our operating integrity  
and our financial commitment to work  
in Harrison County.

\*\*\*\*\*

What's wrong? ...presentation  
and you blew it. What do you mean?  
You forgot. You forgot. I forgot  
what? You forgot to tell them about  
all the lots and lots of studies, the  
environmental impact statement, the  
Corps of Engineers, and the Indiana  
Natural Resources ..... I didn't for-  
get. A project of this magnitude re-  
quires exhaustive preparation to ensure  
that all local, state and federal issues  
related to construction of future oper-  
ations are in compliance. Our develop-

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ment team has concluded that Caesars can have the temporary operation in place within ninety days of regulatory permit. Caesars will fast track the construction of a precast parking garage, the passenge bridge across State Route 111, ticketing and boarding ramps. We will utilize a temporary vessel while the permanent boat is being constructed. This temporary plan will begin to generate immediate revenue for Indiana. The permanent boat will be delivered a few months thereafter. And will be closely followed by completion of a venue site. The most important attribute is the ability to cruise. The temporary boat will follow our designated four mile cruise route. We plan to remove silt build up on the Indiana side of the river to provide an extra margin for safe, year round passage



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of docking during low water. Our permanent boat will have a pilot station fore and aft so we can safely move up and down the channel without the need to turn the boat around. Caesars has performed all marine risk assessments. We've met the requirements of the Ohio River Ice ..... We've performed independent traffic analysis and we've conducted a comprehensive flood plain analysis. To satisfy FEMA requirements we have architecturally elevated all structures approximately eighteen feet above the level of SR 111 so that our bottom most floors begin one foot above the one hundred year flood plain. Safe pedestrian access to the vessel is provided by an elevated walkway that bridges Highway SR 111. Passengers will board the vessel by walking down the multi-level ramping system. During extremes of both high and low water, this pedestrian ramping system will load passengers, irrespective of the river's

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elevation. The height of these loading ramps will be hydraulically adjusted in elevation to correspond to those periods of broad river fluctuation. Caesars has completed slope stability tests. We have performed an environmental impact study. The property has been subjected to a phase I cultural resources survey. And natural wetlands delineation has been established. The study has identified point zero four acres of wetlands. Caesars will preserve this wetlands area in its natural state, protecting the area from any impact related to development. We have performed a survey of the endangered species and mussel beds in the area. A properly implemented mussel program will not only avoid adverse impact of the muscle bed but will also help save at least some of the mussels from ex-

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tinction. By extracting the threatened and endangered mussels from an environment in which the non native zebra mussels are threatening the very existence of one of the largest fresh water mussel beds in the U.S. We're giving these species a second chance for survival. All applications and procedures have been completed, preparatory to issuance of permits from the U. S. Army Corps of Engineers and the Indiana Department of Natural Resources. There is no material finding for a negative impact that would prevent issuance of necessary permits to begin construction of our facility at Bridgeport. Bridgeport is in the northeast corner of Harrison County; this is a sparsely populated area, surrounded by hills, corn fields and power plants. Caesars will provide on board EMT personnel,

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trained in CPR and other life-saving skills. All crew aboard the vessel will be stringently trained in advance to follow safe procedures in the event of an emergency. At the venue site, Caesars will maintain an ambulance and EMT's who are trained to handle medical emergencies. A nearby helicopter landing pad will be provided for emergency evacuation. Fire suppression equipment will be maintained on the site. Additionally, Caesars will work to secure a fire protection contract with a local municipality or provide their own fire protection. Bigger really is better in Bridgeport. More payroll. More jobs. More taxes. More gaming positions. And more state and county revenue. Caesars has pledged the biggest investment, the biggest facility, the biggest vessel, the biggest hotel, the most gam-

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ing revenue and profit sharing.  
Caesars Riverboat Casino and Resort.  
We're primed and ready to put our ex-  
perience, our operating integrity and  
our financial commitment to work in  
Harrison County.

(END OF VIDEO PRESENTATION)

PETER BOYNTON: There's no ques-  
tion that we're a big company and there  
is no question that our project is a  
big project. But I want you to know  
that with size and we believe size has  
some very distinct advantages in this  
particular application, you also get an  
extreme sensitivity on the part of our  
company. (1) To the environment in  
which we operate because we operate in  
a lot of environments, extremely diverse  
environments that are different and  
that call for a lot of customized ap-

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proaches to things. You also get a lot of sensitivity with customers. We have an image as being a company that caters to high rollers and that's an important part of our business, but you might be surprised to know that it's only about twenty percent of what we do. So we have, like everybody else, we have all the same bells and whistles and we appeal to a wide range of customers, customers' tastes and budgets. We also have an extreme sensitivity to our employees because fundamentally we believe that unless we're doing our job and our employees are happy, they can't do their job and make customers happy. And we're a thirty year old company that was built on personal customer services, an important part of what we do is our culture; it's expected and most of our employees deliver. The size

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of our project we believe is appropriate because we believe that this is a market that is not only, that is big within its inherent boundaries and the immediate area, but with our ability to bring customers from other neighboring states and other, as you heard earlier, through the Sheraton Reservation System which is an extremely powerful tool, we believe that our five hundred rooms are necessary and we want to build them now rather than wait and do it incrementally. At the same time we think our boat should be big because we think based upon our numbers which you will be surprised to know we think are conservative, but that these numbers are very attainable. And while we're big you should also know that if you look at the individual components of our properties, in Las Vegas Caesars Palace, a

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thirty-year old property, has about  
fourteen hundred rooms. Compared to  
the MGM at five thousand, compared to  
our neighbors, the Mirage, Treasure  
Island, the Colage.. that's being built  
next door, and others, we have really  
been relegated almost to a bed and  
breakfast status there. In spite of  
that, we do extremely well financially  
and we compete very favorably with our  
neighbors who are much, much larger in  
size. In Atlantic City we have six  
hundred and forty rooms. We are the  
eighth largest property in that city.  
We are consistently number two in reve-  
nues and number two or three in opera-  
ting profits. So we know how to run a  
business, we know how to appeal to  
customers, we know how to be efficient.  
We believe we have something for  
everybody. The forum shopping center



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at Caesars Palace was a very, very creative development that, quite frankly, when it was proposed received nothing but criticism from everybody in the town. Our neighbor on one side that: Gamblers don't come to Las Vegas to shop. Why would you want to do something like that? Last year twenty million people visited the forum shops at Caesars. You can imagine the financial impact that that had on our property, getting them in through the forum shopping center and ultimately going back to the casino. Incidentally, the forum was developed by a gentleman by the name of Sheldon Gordon in partnership with Herb and Mel Simon who are headquartered in Indianapolis. It is their most successful shopping center. It does over a thousand dollars a square foot consistently and they are adding

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two hundred and twenty thousand more square feet and after broken ground for that on top of two hundred and fifty thousand square feet that exists currently. We are building the Magical Empire which is a disney like feature that will provide a dining and entertainment experience for families and adults where they will be, uh, incredible illusions being performed while you are eating and the waiters literally appearing and disappearing and the food likewise, and we think this is gonna be probably the finest attraction in Las Vegas of its type. We have Planet Hollywood Restaurants at all three of our major casino properties because it provides excitement, state of the art dining and again something for everybody. I would be remiss if I didn't talk about human resources. We believe

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in our employees and I believe we've got some slides here that we can take a look at.

In the area of affirmative action, this is in our management ranks, you can see why our statistical breakdown. We have differing affirmative action requirements, some are mandated as in New Jersey and some are entirely voluntary but in all of those areas that we operate we meet or exceed our goals.

This is in our employee profile, our management employees. To give you a rough idea of how that breaks out.

Here's our male/female breakdown both in management and our total employee ranks. We're a strong proponent of both female and minority hiring. And here are some of the things we do. We encourage each of our operating management at the local areas to become highly involved in charitable and civic

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events. We believe that's the best form of involvement and we also are prepared to write the checks as necessary, but you can see there's a wide variety of things that we're involved with and this is only a small sample. Next is our minority and women owned business enterprise purchasing. Nine percent, incidentally, it gives you an order of magnitude of total expenditures amounted to about thirty-four million dollars last year that was spent was certified minority and women owned businesses. This doesn't happen by accident; it's a conscious effort; it's a conscious program that we have developed. It works. And we know how to do that.

That concludes the formal part of our presentation. I presume that if we're a little bit early in getting that

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over with that won't bother you very much after sitting here two days for these. But we are, uh, our management team is here and ready to answer any questions you may have at that time.

MR. KLINEMAN: Thank you. Do you want to take a break now?

Well, we'll take our usual fifteen minute break. We will be back about ten after for questions and answers.

(BREAK)

MR. KLINEMAN: Before we get started with the rest of the meeting, I again want to reiterate how much this Commission appreciates the hospitality that's been shown to us while we were down here. The people in Harrison County, Crawford County have been wonderful to us and certainly we've enjoyed the

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caliber of presentations that have been made to us. They have been most informative and we appreciate all the time, effort and money that went into the presentations. So it's gonna be another one of these difficult decisions. We have, however, and I will at this time announce that we have decided to take up the question of licensing in Harrison County on May 20th in Indianapolis, the time will probably be either 11:00 or 12:00 depending on how things work out. I can't tell you where it will be because we have just settled on the date and we have to find a place in Indianapolis to do this. But it will be open to the public and, as usual, we will discuss the matter in front of everyone, and everyone will get to hear what we say and hear our decision. So May 20th, which is a Monday is the

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date that we have chosen to conclude this matter hopefully. So, with that, we'll move into the question and answer. And I guess you be the traffic director, so call who ever needs to come up, if you'd make those arrangements and if the people who are going to speak will please identify themselves for the record so that -- and it gets to be burdensome because you really supposed to identify yourself every time you speak or it gets a little confusing.

ANN BOCHNOWSKI: Can I go ahead?

MR. KLINEMAN: Go ahead.

ANN BOCHNOWSKI: Speaking of traffic, my biggest question, or my original question is from when we were driving and looking at the site is this highway that you're going to be going over. Are there, there's a bend, it looks like

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there were some safety problems there, kind of a blind curve. What kind of things do you intend to do? Are you going to straighten out the road? Are you going to widen it? How are you going to make your facility work with the people who have to travel that every day and your patrons?

PETER BOYNTON: Yes. I think I would just like to make a blanket statement. I will answer your question specifically, but one of the things that I forgot to mention in my speech was that we are adopting a net zero sum approach with the county so that any impacts that we create by virtue of our being here, should we be awarded a license, we will mitigate or correct at our expense. There will be no expense to the County. And I think that's important because I think that



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really goes into a lot of areas that you have questions on earlier. And to speak to that issue directly, I would like to introduce David Mitchell.

DAVID MITCHELL: I'm Vice President of the Development for Caesars World. Today we have with us David McAllen. He is the President of Geiger LeMars. Dave is involved with our traffic engineering aesthetic and we'd like for him to respond to the question.

DAVID MC ALLEN: My name is Dave McAllen with Geiger LeMars. I think the answer to that is we have done a very detailed traffic study with Presnell Associates from Louisville. They have met with the Indiana Department of Transportation and presented their plan, and frankly the plan is in the development agreement is the one that mirrors our traffic study.

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In front of our site we'll go to four lanes. We will make improvements all along I-11 with shoulder improvements and some places guard rail improvements. There will have to be realignments made several places along the road. One of the major concerns of the Indiana Department of Transportation was site distance and we fully believe that in talking to them in Louisville that we can comply with all their site . . . that they're concerned about.

ANN BOCHNOWSKI: Okay. Having that walkway over the road, is there any additional permitting you need to go over a highway like that?

DAVID MCALLEN: Well, no, it's just part of the permit process from the Indiana Department of Transportation, and as I said, we have met with them and we have normal highway clear-

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ances is about sixteen and a half feet from where we're required. We're about eighteen feet clear.

ANN BOCHNOWSKI: So any truck traffic would be able to travel?

MR. MCALLEN: Oh, yes ma'am. Absolutely. Now there is a line site issue that Walt Lamb from the Department of Transportation cautioned us that he wanted to talk about. He talked about a three hundred foot line of site from where we cross where the current bridge crosses Knob Creek.

ANN BOCHNOWSKI: He did mention that as we were going through there.

MR. MCALLEN: Okay. Good. Well, we're about five hundred and fifty feet. He didn't go where our bridge was currently, horizontally on the site. We're about five hundred and fifty feet currently and if that's a problem, he

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wants longer than that. He mentioned three. We're about five fifty. We can move it farther. That's not an issue. We've got plenty of distance back towards New Albany to move the bridge farther where the site is line of site.

MR. VOWELS: What about the gondola. What about.....permit?

MR. MCALLEN: I'm not the gondola expert here but I will talk to it as best in the last six months that we've been involved. And, Mr. Vowels, there are some additional agencies on the Kentucky side that will be involved in the permitting required for the gondola. Particularly, we will have generally the same state agencies in Kentucky that we have to deal with in Indiana, so it will be Natural Resources and it will be a transportation issue.

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What we're gonna have over there is a parking garage, a structured garage, and we'll have some structures some will be land based and some will be in the water, so the coast guard will get extremely interested in the structures that will be built into the water. Especially with the gondola. We have met with them and we have a couple of different options how to deal with that but they're probably less involved in our normal process, they'll be very involved in the gondola because of the structures that will be in the water. I categorize that as the kind of distinction of the difference in the .... process.

ANN BOCHNOWSKI: You have a height situation there too then with the barges going through?

MR. MCALLEN: Sure. And we've

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addressed that. We have a very detailed gondola plan. We utilize Pulman lift which is, uh, I don't know if any of you have been to Roosevelt Island, the lift that goes from New York City to Roosevelt Island, that's the pulman lift. They're the world's largest company that's involved in gondolas like this. They did the study and in conjunction with Presnell and one of the absolute particular issues is the clearance from the water at all levels to the gondolas. We will have, at our minimum clearance, about fifty-five feet at the time of flood stage. So, and that's the critical issue for us. When it gets to that point we won't be able to, we won't want to operate the gondolas safely any longer.

MR. SWAN: Are you going to be able to do it year round?

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MR. MITCHELL: Well, I can't imagine why not. I mean, you mean because of ice?

MR. SWAN: You won't be closing in winter or...?

MR. MITCHELL: No, we absolutely intend to use it, to utilize it year round.

MR. SWAN: The estimate that we had here was an eight million dollar cost. Is that a realistic cost?

MR. MITCHELL: Well, that was a budget given to us by Homer Lifts. So we went right to the manufacturers.

MR. SWAN: And it's to be fifteen hundred passengers per hour?

MR. MITCHELL: Yes. Twelve to fifteen hundred is just the range of how many passengers.

MR. SWAN: How many cars will be on it?

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MR. MITCHELL: About twenty-five.

MR. SUNDWICK: You know, I guess what we're really asking is this a realistic part of this process, or is it one of these deals that's just to put the lipstick and rouge on it? You know, we ought to look great. Just throw a gondola across the River..

MR. MITCHELL: We certainly were very sensitive that the Commission would probably be asking some questions about the gondola because it differentiates ourselves from the other applicants. One of the -- the reasons why we as a management group support this particular aspect of our project it creates an entertainment attraction; it will be a fun and enjoyable ride across the River. It increases our customer convenience; it makes it easier for them to get to our site at all times



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of the year. It's an alternative transportation system that will reduce some of the congestion that perhaps might exist on Road 111, and it also gives us much better access to our primary market. We have done an engineering study which is in the fat book in front of you which is appendix number 17. It was previously provided to the investigating team as well. We're absolutely, we want to build this gondola. Our engineers studies, the feasibility studied, prepared with Presnell and Associates, gives us no reason to believe that we will not be able to include this in our project as with any other component of our project.

MR. SUNDWICK: Have you talked to anybody from Kentucky, any governmental agencies regarding this yet?

MR. MITCHELL: David Presnell is behind the development.

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DAVID PRESNELL: I'm David Presnell Presnell Associates. We have included in our meetings with the Corps of Engineers discussions and preliminary review of the gondola system with them, and we have had preliminary meetings with Jefferson County as well. And it was included in discussions with the Coast Guard.

MR. SUNDWICK: So as far as you are concerned this is a project that won't be a problem?

MR. PRESNELL: No. However, with all river crossings, albeit a bridge or a gondola, there are a series of permits to be obtained and extensive design. The pulma people have built more gondolas in the last ten years than all other competitors that they have, and they're extremely well qualified in the field and we work very closely with their staff in this regard.

1 MR. SUNDWICK: Well, then you  
2 won't have a problem with Kentucky?  
3 I mean we can't get on their side of  
4 the river; I'm surprised they'd let us  
5 put a gondola on their side of the  
6 river.

7 MR. PRESNELL: Well, really it's  
8 the crossing of the river is with the  
9 Corps of Engineer and Coast Guard  
10 question, and then we have the respon-  
11 sibility of having a receiving site on  
12 the Kentucky side.

13 ANN BOCHNOWSKI: Would you be  
14 charging people to take the gondola  
15 ride, or how would you operate that?

16 PETER MITCHELL: No ma'am, it is  
17 our intent at this point in time to  
18 make it a convenience, something to  
19 enhance our visitation. We have had  
20 our market expert do an analysis of what  
21 impact this might have on our projects'

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revenues. They believe that it could have a very substantial impact in increasing the revenues that we have actually currently projected. We did not take that into consideration in the projections that we provided, but they believe because it will increase the number of visitations that our customer will make during the courses of the week that it will actually substantially increase our gaming revenues.

ANN BOCHNOWSKI: Of course, there is one little problem with having people coming over on the gondola, that means they really don't go anywhere in Harrison County except for your facility and I don't know how you feel about that, but part of it is to have the spill over effect in Harrison County.

MR. MITCHELL: If they didn't come over you would get nothing, so we kind

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of think that this is an attraction that's gonna bring a lot of people over. Your point is well taken, but we think it's additive, we think it's, you know, it will make it more convenient and therefore we will get more bodies.

MR. MITCHELL: Ms. Bochnowski, also the trolley is -- is it Corydon Trolley -- it was our intent to run a trolley in from out site to Corydon as well which is not a big deal but..

MR. SWAN: Where do you actually see the gondola docking on your side, the Indiana side?

DAVID MITCHELL: Our intent and I may get the architect and the engineer, is to build a terminal on the top of the parking garage on this side and then the gondola will attach to a parking garage on the Kentucky side as well. The patron will be able to pull into

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the garage on the Kentucky side, ride the gondola across, get out in the parking garage on this side, walk across into the pavilion and walk to the boat.

ANN BOCHNOWSKI: So not only will it be going over the River but it's also going over the road as well?

MR. MITCHELL: Yes ma'am.

MR. MILCAREK: I would like to address your temporary vessel. It seems like your project is very large and grand. The thing I see lacking is the size of the gaming positions on the temporary vessel. What gives there?

MR. MITCHELL: Temporary vessels are pre-existing. They exist now in the market place and they are, obviously, the only things that are available are available to us, it's simply a matter of what size and what vessel is available.

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MR. VOWELS: My understanding from what we had read, I don't know if this is correct or not, but it's possibly going to be lady luck on the .....?

MR. MITCHELL: Commissioner Vowels, Mike Kluge, President of Service Marine, is behind me here. Mike has a vessel that we're in the process of negotiating with to use as a temporary vessel. As Mr. Boynton mentioned, there's probably eight vessels that would fit the criteria that we're looking for, but Mike is the individual who will ultimately be controlling what is referred to by you as the Lady Luck Vessel.

MR. VOWELS: That boat was specs on it were two hundred and fifty-four feet by seventy-eight feet. When you say these **eight different** vessels, are they all about that size?

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MR. MITCHELL: They're, yes sir, our criteria was something that had fifteen hundred gaming positions.

MR. VOWELS: And also it showed that the temporary boat would be ready nine months after the certificate of suitability would be received, is that right?

MR. MITCHELL: Well, within the nine month which is the period of time which we think we can complete the parking garage and the rest of the land based and marine facilities to allow the temporary vessel to be pulled up. I think Mike would confirm it's probably closer to about six months to the completion of that particular vessel.

MR. KLINEMAN: Well, is this all based on the time of the commitment...?

MR. MITCHELL: No, six months from



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the date of the issuance of the certificate of suitability, the temporary boat will be completed.

MR. KLINEMAN: Well, but with the Corps permitting?

MR. MITCHELL: Yes sir, that's why I said when Commissioner said nine months, right, we're subject. Let me back up. Six months of Corps permitting is all applicants believe to be the minimum amount of time. Three months after Corps permitting we believe that temporary facilities will be completed to allow the temporary vessel to be put in use.

MR. KLINEMAN: But you can't do anything until you get Corps permit.

MR. MITCHELL: That's absolutely correct.

MR. KLINEMAN: And then you have three months to.. precast and..?

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MR. MITCHELL: Yes sir. Can I allow David McAllen to respond?

MR. KLINEMAN: Yes.

DAVID MC ALLEN: I'm Dave McAllen with Geiger Lemars. We say that there is three speeds of construction; there is normal construction, and there's fast track like we did Circle Center Mall and then there's casino construction. And it's hyper speed. Really, money is not the issue when you're trying to construct a facility like this. It's getting it ready to produce revenue. So everything that we would design in the project would be set up for speedy construction. So, for instance, we would have a precast garage in that six month period that we're getting the Corps of Engineers permit, would be constructed, would be held off site, held in the supplier's yard. As soon

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as we got the permit, we'd start casons,  
for instance, we wouldn't use footings  
on this particular site. While footings  
are at the right time of the year would  
be much more economical, we'd use  
casons because we can do them a lot  
faster. We can work double shifts.  
And we can put multiple pieces of equip-  
ment on the job. We erect precast at  
night, we can easily go to two shifts.  
The same thing with the bridge across  
the road. We prefabricate that. It  
will be a steel structure. It would  
be ready to come to the site in pieces  
and we'd erect it. I would anticipate  
we'd need two or three hundred workmen  
at the end of the first month in order  
to make this particular three months  
schedule. The other tricky piece of  
the three month schedule is actually the  
marine work and that's frankly the one

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we're gonna be least able to control because we're not gonna know where the water level is gonna be and there's a safety consideration for construction on the work in the water. That's the only concern at all. If we were to hit the high water peak like we did this year, you know, we'd have the period of where we wouldn't be able to work in a week, it's not big in an issue like this, we'd just continue to work Saturdays and Sundays. So you've got to plan for three months construction. You ultimately get about five months of real construction by working the double shifts and prefabricate at night.

ANN BOCHNOWSKI: By going that quickly do you give up quality?

MR. MC ALLEN: No, no ma'am. I don't know if you've been to the new parking garage at the Circle Center Mall in Indianapolis?

ANN BOCHNOWSKI: From last fall I drove there and it was there.

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ANN BOCHNOWSKI: I've seen it. I never have time to go there.

MR. MCALLEN: Well, we own a piece of that and you need to go and spend some money for us. Okay. The above grade garage called the World Garage which is on the southwest corner of Washington Street and the other street, I don't know the street, it's a precast garage. They're precast T's, double T's, precast with your top. That garage and we were not working any special overtime when we put that garage up in about three months. If you look at the garage, it has a very nice facade on it, brick that matches the facade on Circle Center Mall. The key here will be we'll probably work on the facade of this garage after we get it up because it does have some gingerbread on it that Caesars wants it to match the

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balance of the project. That's not the key. The key is to get the garage up and get it functioning. And we can do that in three months of construction without reducing the quality.

MR. KLINEMAN: Before we leave the temporary boat, you have told us that I guess due to the Kentucky water line problem and the Kentucky line problem, the permanent boat will be able to move up and back down. What about the temporary boat, is that gonna be able to maneuver in that fashion too?

DAVID MITCHELL: Yes sir, and we have got New Orleans Steamboat Company here which will verify that this boat will have the capability to be able to cruise up and down with a safe passage, our cruise route two miles up, two miles back to our site.

MR. KLINEMAN: But no turn around?

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MR. MITCHELL: No sir. The boat will be again like the main vessel be designed to move up the bank and back down the bank.

MR. MILCAREK: What length of time would you estimate that you would be using a temporary vessel?

MR. MITCHELL: Actually, it's gonna be, based upon our projected time frame, about three months. The permanent -- again we're talking from date, uh, we will start construction of the permanent vessel the date the certificate of suitability is issued, and it will take approximately twelve - thirteen months to complete the permanent vessel which would allow the temporary boat to be in operation for approximately three months.

MR. SWAN: You had mentioned on this cruise path that, I think you

1 said something about doing some dredging  
2 along the way there, or something about  
3 silt removal or something like that.

4 MR. MITCHELL: Correct.

5 MR. SWAN: Can you tell me more  
6 about that? And also I want to know  
7 why is it that you're able to cruise  
8 so far and your neighbor right next  
9 door wasn't able to go that far?

10 MR. MITCHELL: I'd like to answer  
11 the latter first. We don't know why  
12 they don't think they can move up the  
13 county line. So I don't have a response  
14 to that one.

15 MR. SWAN: You've already done  
16 your investigation as far as the Kentucky  
17 line is there you've got plenty of width  
18 there to deal with? Also, I'd like to  
19 know how much width you really do see  
20 and that you're dealing with there?

21 MR. MITCHELL: I'd like to allow



1 Captain Bill Wilson of New Orleans  
2 Shipbuilding to respond to that ques-  
3 tion.

4 BILL WILSON: I'm Bill Wilson,  
5 New Orleans Steamboat Company. We've  
6 looked at the state line position along  
7 the shore line there in comparison to  
8 the low water mark. We've also looked  
9 at the hydraulic surveys from the Army  
10 Corps of Engineers so we'd know where  
11 we have good water. And we think that  
12 we have plenty of room to run the full  
13 permanent vessel which has being over  
14 a hundred and four feet. The  
15 temporary vessel would be smaller than  
16 that and of course it would easily fit  
17 in that space. The average space to  
18 operate is approximately two hundred  
19 feet in width for safe water for the  
20 vessel. It's a little bit out of the  
21 regular navigation channel. With the

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Army Corps guarantees nine feet plus.  
This vessel will be outside of the ...  
Mr. Swan, also on the silt question,  
I'd like to allow Henry Sewell who is  
President of Thompson Engineering.

HENRY SEWELL: In the video I believe that there was a reference made to certain pockets of silt. Actually, I think the reference was being made to the actual Army Corps of Engineers stated in their documents, portions of around the buoy basin itself. We have quite a bit of excavation in the buoy basin where the rafts will be buoyed prior to its exit out, transit down the river and back. That was the reference there. As the gentleman mentioned that there's approximately two hundre feet of clean up and down the river with that being the average.

MR. KLINEMAN: Thank you. Where

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are we on the permitting process vis  
a vie no surprises and do you think you  
have made an investigation sufficient  
to...

DAVID MC ALLEN: This is a, uh,  
this chart shows the tasks that we've  
undertaken and you can see that all of  
those are complete. I can tell you,  
very frankly, we did submit our applica-  
tion to the Corps of Engineers. We  
did receive a letter back from them last  
Wednesday, a week ago today, which is  
incomplete and there was ten issues.  
And we responded to that last Friday.  
And then met with the Corps Monday of  
this week to review those items. I'm  
certain we won't get any response from  
them until after you all make your  
decision. That's what they told us.  
Now, whether they'll judge as complete  
or not. We have several other things

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to do though and I think probably, I'm  
sure the question is gonna come here,  
concerning what the Players talked a-  
bout with the construction in a flood  
way issue. We have not submitted our  
construction in the flood way permit  
request yet because it requires a pub-  
lic notice period. It has been prepared,  
we have met with IDNR about it. We  
have not submitted it until this, these  
proceedings are over. We have, however,  
done all of the modeling. We've done  
all of the hecht II model and I think  
the real key here and I can tell you  
a little bit of personal experience  
from a year ago. We were with one of  
the applicants on the west side of  
Lawrenceburg and got into this particular  
question and quite a bit of detail.  
But the question concerns construction  
of an abode. That's the actual term

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that's used in the law, in a flood way,  
you're not allowed to do that in a hotel.  
It has to be specifically in abode.  
Without special consideration. How  
you get around that is precisely how  
we're gonna get around it in Lawrenceburg  
and how exactly this project is designed  
and that is that you elevate all of  
your floors above the one hundred year  
flood plain. Then the flood way is  
always -- the line in the flood way is  
always less than the line on the flood  
plain. So I think we said in our video  
and it's been our plans all along, we  
are eighteen feet above the current  
road elevation which puts us one foot  
above the one hundred year flood plain  
for the lowest level of any of the  
occupied floors of this facility. So  
construction of an abode if you under-  
standing gets to be less of an issue.

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We actually go to the grandfather issue and that is construct above the plain, and the flood way then will be, hopefully will be a non issue. That's what we're trying to watch.

MR. KLINEMAN: Well, we have the picture with the, that shows the site flooded.

DAVID MC ALLEN: Yes, oh yes sir. I saw it with my eyes.

MR. KLINEMAN: And I presume that Mr. Townsend and Mr. Feinburg can tell us how often the water stands there.

DAVID MC ALLEN: Yes sir, they sure can. We've got a slide there.

DAVID MITCHELL: It always seems like no matter how you prepare, Mother Nature or someone sneaks up on you. This particular graph that you see here is from data that was obtained from the Corps of Engineers. It shows the level

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of our site at four hundred and twenty-nine feet which is the last level of the river in which we can continue to board. If you look at ten years' worth of data from the Corps, less than three days in that particular ten year period was the water above that level which would preclude our ability to board passengers on the vessel. So, in ten years it was three days. Now, fortunately during 1996, it was a big flood and there were a couple of days in 1996. So this is somewhat distortive but for that ten year period there were only three days, based upon the data provided by the Corps of Engineers in which it was above that level.

MR. KLINEMAN: Well, not being an engineer of any sort, you build things and then water will come, and then you won't suffer any damage; is that I mean

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are some of your surface areas -- I understand the principal that you won't have any sleeping flood period.. What about the rest of the things you've built then, aren't you...?

DAVID MCALLEN: What we have here is parts, a hundred and eighty, all of the .....the pavilion that you see with the dome group, all of that has a single level parking and this is very common construction where you're in a flood plain. So what happens is flood water, obviously gets into that level and it gets back to about, observing the site, actually you could drive State Road 111 all the way across the site but you'd have to drive through water, so it's not so deep that you couldn't drive through it. But water would, if we had a similar flood, get up into and if you had a very shallow



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level over about a half of our first floor of the casino. When it subsided we'd clean it out, the parking area, and we'd go right back to work. You know, the days that the water was in there, obviously, we wouldn't sail. Dave says we can't load it at four twenty-nine. The road in front of us is .....the level, all different levels, depending on what level the water is when it's level. ....at all different levels, we have moved up the limits of the right-of-way for protection of in set .....during normal mooring.. Actually we've got around four to five feet from the right-of-way..... the outside of the patron loading area which has escalators and (further comments inaudible)

MR. THAR: Do you have to move,

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dig in that way because of the size of the boat in order to be able to maneuver it in and out of the docking facility and still stay out of Kentucky water?

DAVE MCALLEN: Not so much the Kentucky waters as it might be, any reasonable beam on it has also .... greater than eighty feet for this particular..... Another ten or fifteen feet really did not impact that, it's more for safety issue to allow the mooring dock to be up stream, flow condition and size.....

MR. THAR: I think the Commission has received some information which would indicate that due to the size of your permanent vessels you would not be able to pull it out of the docking facility without entering Kentucky waters.

DAVE MCALLEN: We disagree with that.

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We have submitted documents that pur-  
ports ...to the contrary and I think  
that John ..... our project manager  
would be more appropriate to answer  
that.

MR. THAR: No, I just want to come  
to this point. I don't need a long  
explanation on that. If you are awarded  
a certificate of suitability and your  
statement that you disagree with that  
proves to be untrue, would you be  
willing to give that certificate back?  
Because you would be unable to ....?

DAVE MCALLEN: The answer is of  
course. If we can't comply with the  
law, we can't comply with the law.

MR. THAR: We, I spoke with some  
representatives of the County during  
the break between the presentation and  
the question-answer session, at which  
they indicated to me that of the four

1 applicants for Harrison County, you  
2 have been the least responsive to  
3 their overtures to participate in cer-  
4 tain discussions. Would you respond  
5 to that?

6 ROBERTO : I'm Senior Vice  
7 President and General Counsel of Caesars  
8 World. I couldn't take more issue with  
9 that statement. If I thought about it  
10 any longer. I will submit to you that  
11 we have received drafts of documents  
12 from the representatives from the County,  
13 counsel for the County, we've requested  
14 the opportunity for us to meet and dis-  
15 cuss the issues, principal to principal,  
16 that opportunity was denied us. We then  
17 discussed it with counsel. We raised  
18 our issues with them. They then sent  
19 us copies of work. They again sent us  
20 drafts. Many of the issues that we  
21 have raised with them were not addressed.

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Many of the issues we have raised with them were not addressed. We had the second set of conversations with them over the phone with regard to those same issues. We then telecopied to them all of our proposed exhibits to that agreement. That was done on Friday. We have received no response to any of the proposals that were three, except for another draft of the agreement, And, again, was not fully responsive. There was telecopy to my office on Saturday. On Sunday, I telephoned counsel. There was no one to answer the phone. I would not have expected them to be there, but I wanted to make sure that at least we were on record. And that a response had been put in. I called their offices, I left a message, and only until today did not have an opportunity to speak with them, and I

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was told prior to their discussing with you at lunch time, about cooperative and non-cooperativeness and Mr. Van Buskirk and I would sit down and try to resolve. I discussed with Mr. Mitchell who really has been in charge with getting this development through, when he could come back to Indiana and sit down with counsel and get the matter resolved. So, quite frankly, sir, I don't know where that statement comes from.

MR. THAR: I didn't say you weren't responsive; I said you were least responsive. But maybe that proves the point what you have to say. I don't know if in Harrison County they require that things have to be done quite as formally as your outline. Maybe the dominance of your project and the size of your company has been intimidating

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for them. Maybe that's a fact that we should take into consideration, if they're not gonna be able to work because you're too structured.

This is entirely, the agreement is the same whether....

MR. THAR: I'm not talking about, I'm talking about overall. Let's take the development agreement and throw it away. Let's just talk about general responsiveness to County.

ROBERTO.....: Well, if I could respond to it at least from a legal point of view of what we requested from them is the same thing we would have requested from anyone from anywhere else that we would have built it, which was the opportunity for a principal, Mr. Mitchell, to discuss the issues that he had with the principal. That, we were told was not available to us at the time. It was made available

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to us later, but by that point we had reduced .....issues, at points where could sit down and work them out. It is not a question of having dominance of size. Mr. Thar, we appear in any number of jurisdictions. I have twenty years of experience, almost twenty years of experience.... It is not unusual for me to talk to all people of all sorts of life. It is not a question of arrogance. Maybe, I don't, I don't know what happened here, and I frankly cannot explain it. I don't think there's been any bad faith. Well, let me put it this way: I know there has been no bad faith at least on our side. And maybe it was a miscommunication. People got off on the wrong foot starting out. It was my understanding after talking to Mr. Van Buskirk earlier today that that issue had been resolved, and I am quite



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frankly surprised that that issue arises in this context. I am really quite sorry that it does come to that point. My understanding from my conversations with Mr. Van Buskirk today before he had his conversation with you at lunch time was that that issue had been resolved. He and I would get through and get done what needed to get done.

MR. THAR: I've heard your answer. Is ITT Sheraton Caesars still pursuing New Orleans as their gaming .....?

ROBERTO.....: I'm not sure that I know the exact status of that, Mr. Thar. Maybe somebody else.....

MARK THOMAS: I'm Mark Thomas, Vice President of Development for ITT. Yes, we are.

MR. THAR: Without disclosing anything that might be confidential, do you have significant capital expenditures

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and commitments, continue to pursue that project?

MARK THOMAS: Yes, we do.

MR. THAR: How does that affect the capital and expenditures of....

MARK THOMAS: No effect.

MR. THAR: No effect.

MARK THOMAS: Our company has the resources to do this project, the New Orleans project, and many other projects.

MR. THAR: Is there any chance that if this project here in Harrison County is extremely successful and the one in New Orleans is not being very successful, that the Indiana project would end up helping subsidize the New Orleans project?

MARK THOMAS: We think both projects will be successful. That's not what.....

MR. THAR: Is there the potential that the Indiana project would subsidize

a less successful project?

MARK THOMAS: I would say the answer to that is no.

MR. THAR: Are you still agreeing to the hundred million dollar minimum guarantee to the City of New Orleans for.....?

MARK THOMAS: Yes.

MR. THAR: Would you make that same guarantee to the State of Indiana?

MARK THOMAS: If it was, what would you say?

MARK THOMAS: I don't have the facts to answer that question right now.

MR. THAR: But you will make that guarantee to the City of New Orleans?

MARK THOMAS: The structure that is there in Louisiana is a different structure and the legislation that the state has passed is different and the way that legislation works is it's really

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1 a percentage of revenue.

2 MR. THAR: Is it a guarantee  
3 against tax revenue?

4 MARK THOMAS: That's exactly what  
5 it is.

6 MR. THAR: Well, would you post  
7 that same guarantee against tax revenues  
8 on this project?

9 MARK THOMAS: Well, we'll do what  
10 the law requires. The law of Indiana  
11 requires that a statute that was passed  
12 in Indiana says that that was a  
13 requirement, we could do that in Louisiana  
14 because that is what is required by the  
15 State of Louisiana.

16 MR. THAR: Thank you. I don't  
17 have anything else.

18 MR. KLINEMAN: Anybody have any-  
19 thing else?

20 MARK THOMAS: Chairman Klineman,  
21 I was corrected.. Our Chief Financial  
Officer Ann Reese.

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ANN REESE: Could I just return to the issue of the rooms rate because that was of concern? The one ten rate that was stated before is for twenty-five suites that would be part of the property. And for the four hundred and fifty standard rooms, the rate that was in here did not in the presentation include the seventy dollars a night.

MR. VOWELS: I'd like to address the cruising issue just one more time. The River on the Indiana side, I assume that you're going to cruise in that because Kentucky doesn't want gambling in their waters. How does this affect other users of the River that might want to stay in Indiana waters but...

BILL WILSON: New Orleans Steamboat Company. We have done a maritime site risk analysis which basically says that there is no traffic that uses the por-

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tion of the River that we will use for our cruise. Down bound traffic stays out closer to the center than in the area where we'd be cruising and the up bound traffic stays farther to the Kentucky side than..... So we will not be impacting the routine traffic passing through the area.

MR. VOWELS: But you would basically be using all of Indiana waters pretty much, other people would be forced to go into Kentucky waters, is that true?

BILL WILSON: The fact is right now no one uses the area of the water that's on the Indiana side. There's only a couple hundred feet of it. The down bound heavy tows are looking for deeper water than what's available over there, and they simply do not get over there close to the bank.

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MR. VOWELS: The dividing line there, is that the county line?

DAVID MITCHELL: Yes sir, that is correct.

MR. VOWELS: So is part of that parking lot in Floyd County?

DAVID MITCHELL: Yes sir, it is. We have asked the Commission that question. Manly Feinburg.

MANLY FEINBURG: Yes, we raised that issue a good while ago with the Commission and were advised that don't see any problem with it. But just doing parking in another county. But it's just a little bity corner. If it was any problem it would come out in a hurry.

MR. VOWELS: There's no gambling in that corner?

MANLY FEINBURG: Absolutely not. No.

MR. KLINEMAN: But none that they intend to sanction.....

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ANN BOCHNOWSKI: Now, does that become a problem with your cruising into port in a different county, or you aren't in county lines? I don't know how that works.

MANLY FEINBURG: I also got an informal opinion from Kay Fleming that there is absolutely no provision for cruising in either county.

MR. MILCAREK: You should hear some of the advice she gives to me!

MANLY FEINBURG: I will call you next time.

MR. KLINEMAN: I will defend our .....

MANLY FEINBURG: And I will say this, if there is any problem with cruising up the river that far we will just simply change our cruise route and that's something we can do with the Commission. We'll just have to shorten it. We want to make it as long as possible.



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MR. SWAN: If that's on the county line you might not be able to get on your docks.

MANLY FEINBURG: We can get out of our docks. It's close.

MR. KLINEMAN: If no one else has anything else, we're gonna take a break now. But before we do, I'm gonna ask you to take down your model. It's beautiful but we're gonna get into another phase and how long do you think it will take to do that? Probably more than fifteen minutes.

MANLY FEINBURG: I think we can do it within fifteen minutes.

(CONCLUSION OF CAESARS QUESTION AND ANSWER SESSION)

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MR. KLINEMAN: Okay. We're ready for our the next part of our phase. And we appreciate the fact that we have a friend in the bureaucracy, and as most of you gentlemen know, and so we've asked Walter to give us a little report. And you may proceed. And if anyone has a question for Walter or if you have anything to tell us, Bob. Inaudible. They took the mike away. (Laughter)

MR. WALTER LAND: Thank you. Mr. Chairman, ladies and gentlemen, Commission. We have had before traffic studies of the developments for Harrison County, and we are the district construction engineer Todd Listerman and I did visit the sites and we visit the sites..... But at this stage of the game some of these traffic studies are, do not, in fact make the total commitment as INDOT is looking for. There are general statements concerned that says we'd be able to participate and coordinate and work with the Indiana Department of Transportation.

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That's all well and good, but it leads to a lot of misunderstandings, and we, as you know, Mr. Chairman, have had some misunderstandings in the past with some of the developers, and, therefore, we want to avoid this as much as we can. We looked at this job -- first, let's look at the Bridgeport sites -- well, let me just say in general: Most of the highways in all of these sites is under the jurisdiction of Indiana Department of Transportation.

I know that the County has agreements, and it's nice that they've done this. They have Wolpert Consulting Engineers with them and they did a very good job from the information that they had and that I had. And they have been conscientious. They have been very conscientious in sharing that with me. However, I cannot reach definitive commitments by everybody in this. The way we work is that the developer, the successful developers, and his engineers submit the appro-

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priate plans for highway improvements. And then the Department of Transportation would let the contract.

Many times the developers think that we will get bogged down in bureaucracy and not meet their schedule. On the contrary, it's usually the other people waiting on us. Right now we are accommodating the Hyatt Corporation at Rising Sun, who had a change in plan for their riverboat and we are working with their consulting engineer and we're going to contract on the first phase on June the 18th letting and be complete on the first phase by August the 15th, to help them.

We are very flexible and we will work with the developers but we expect in turn that they work with us.

There are certain requirements and certain standards and we do not compromise those.

And our interests are for the specific purpose

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to provide safe access and transportation facilities for the traveling public. The first three sites on 111 is a good driving surface but virtually no shoulders at all. We think that there should be an eight (8') shoulder all the way from the beginning in New Albany and coming to each of the individual sites on each side. The line on 111 is good, particularly at the Caesars and Players sites. There is some consideration for the vertical and horizontal alignment on the Players, minor. Carnival developer must look at some alignment sites there. I didn't get to hear any of the presentations here except the end of Caesars today. I did come down and listen to the County presentations and so I have the gist of it, but we have not any idea where any of these sites are located. One of the things that Mr. Listerman and I looked at at the Caesars site was since they have an overpass going directly to the riverboat, they have a, uh, to the south there, there is a bridge on the ..... And we

1 wonder about the site distance there and now know-  
2 ing where the facility was to be exactly placed,  
3 so that is a concern. On the Mauckport site  
4 there is virtually no improvements to do in 135.  
5 Our concern though is once they leave the interstate  
6 here and go south down by Wal-Mart and such, we  
7 think that there should be some future improve-  
8 ments there. And we could stay, we could delay  
9 that phase of it, and take actual traffic down  
10 say at six months or a year after that they were  
11 in operation and determine then what improvements  
12 had to be done.

13 Our purpose is that the developer would, we have  
14 to determine what is necessary to provide that  
15 safe access. Whether that is the responsibility  
16 of the developer or the local governmental unit  
17 to furnish all the plannings.

18 Indiana does not have necessary funds to do any  
19 more development and we don't need to get the  
20 ....out of construction. So, with that, Mr.  
21 Chairman, if you want to ask us a question.

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CHAIRMAN KLINEMAN: Let me get back to 111 as you come off the New Albany bridge, I think the people over there at Bridgeport have already acknowledged that some work needs to be done on the off ramps and the access through New Albany and have been discussing some things with New Albany, and one statement was made a little while ago that there are one or more intersections with New Albany, there is one that is signalized and that based upon the State Highway criteria they didn't demand that they get to the level that requires it. My question to you is: If these people are willing to put the signalization in, and assuming it doesn't conflict with two signals being too close together, and I just that concept of it, that even though it would not reach the level that would require the State to expend money, these people are willing to spend the money to signalize that. Is that something we know at New Albany, do you think that would be approved by the State Highway?

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MR. LAND: No, I can't answer that, Mr. Chairman, because right now like the people at Rising Sun won't let them..... And it won't be easy like that, the traffic projections and even going back again with new projections, it still does not warrant it. We are going ahead and wire the intersection and have it ready to go should we move later once it's in operation. Can be done instantly. But there east of Lawrence, and to give the traffic signal, but many times a traffic signal will hinder traffic and make it more unsafe than if it weren't there.

MR. KLINEMAN: Okay. You are familiar that they are upgrading some things in New Albany itself?

MR. LAND: Yes. Not necessarily..

MR. KLINEMAN: Addressing to the, to the 111 shoulder problem?

MR. LAND: I heard the last part of Caesars presentation where Mr. Presnell... I think this is something that any developer, any



1 of these three developers must address. As you  
2 know, we to have a total private package, so that  
3 may, some of this may not be in our jurisdiction.  
4 We want those included as well. And so we would  
5 expect that is part of our agreement.

6 MR. KLINEMAN: Okay. And I think  
7 you pointed out when we were taking our tour  
8 that actually the bridges on 111 have already been  
9 widened so that that's where the shoulders are  
10 down, there is no ..... Does anyone else have  
11 any questions?

12 MR. THAR: Have you arrived at any  
13 estimates to what it might take to get State  
14 Road 111 from New Albany to any of the three  
15 gaming sites, propose what it's gonna cost to  
16 bring it up to where you think it needs to be?

17 MR. LAND: No, Jack, I haven't run  
18 any estimates because I just took the existing  
19 reports and what things that we think need to be  
20 done. And we wouldn't take, go with the developer  
21 to see how our engineering people as well as our  
design.

1 MR. THAR: Based on your vast exper-  
2 tise in the area, how does two point five million  
3 sound?

4 MR. LAND: I don't think that's  
5 enough.

6 MR. THAR: So your guess would be  
7 that it would certainly be that much, if not  
8 more?

9 MR. LAND: Well, it would, I  
10 would think it would be more. A resurfacing con-  
11 tract will either run three hundred or four  
12 hundred thousand dollars a mile. We're not talk-  
13 ing about resurfacing though 'cause we're talk-  
14 ing about widening. It could be that when we  
15 get to define the actual improvements there,  
16 actually the driving surface is pretty good most  
17 of the way.

18 MR. THAR: Do you need to acquire  
19 more land to put in eight foot shoulders on both  
20 sides?

21 MR. LAND: No.

1 MR. THAR: Did you happen to see  
2 the Caesars model?

3 MR. LAND: Yes. This is the first  
4 time I was concerned with giving Todd and my  
5 worrying about the alignment of the bridge....  
6 the bridge.

7 MR. THAR: Does the sites of the  
8 buildings and the amount of -- from my perspective  
9 it's an impressive, maybe almost too impressive  
10 or too big project. Is that any concern to the  
11 DOT that could dominate the highway for a thou-  
12 sand feet.?

13 MR. LAND: I don't think I worry  
14 about the domination so much, particularly since  
15 there are gonna be four lanes there, which is  
16 the first I heard about talking about. My con-  
17 cern is the alignment and when Todd and I said,  
18 and we said well there's no problem there be-  
19 cause we just move it and straighten it out or  
20 move it to the other where all of their buildings  
21 and development are right up there against it, so

1 it doesn't have to be addressed someway if, if  
2 that is a problem site, we want to know.

3 MR. THAR: What's the set off for  
4 the -- is there a minimum set off because the  
5 buildings have to be a distance away from the  
6 highway?

7 MR. LAND: No.

8 MR. LAND: I think we'd have to look  
9 at the architecture of that bridge and make an  
10 adjustment, since we've never have got to see  
11 the bottom.. It's something we want to consider.  
12 I don't think the length or the magnitude of the  
13 structure would be as disconcerting as the...  
14 since it's four lanes and it's ....

15 MR. THAR: For us uneducated people,  
16 what do you mean when you say: the alignment?

17 MR. LAND: Well, I'm speaking of  
18 the bridge to the south comes in and curves and  
19 all of a sudden that light of looking at a bridge  
20 overpass, and you don't know what magnitude is,  
21 is that gonna be the disconcerting in ~~where~~.....

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MR. KLINEMAN: But you could make some studies at the site there?

MR. LAND: Oh, yeah, we could..

MR. KLINEMAN: Because one of the points I think that Caesars did make is that they are somewhat flexible in moving that bridge and they think that five hundred feet from the overpass now rather than three hundred as somebody had suggested?

MR. LAND: I think that's what we want to look at, Mr. Chairman.

MR. KLINEMAN: Okay. But we all want to be sure that whatever is done is safe.

MR. LAND: Right.

MR. THAR: You said there would be no need for improvements virtually, no need for improvements at the Mauckport site. You're not gonna be able to put construction on that bridge it's gonna deplete it?

MR. LAND: I don't know. Should make it longer..

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MR. THAR: And is it scheduled to be completed by the end of the summer? Or the end of this construction?

MR. LAND: I would think by the end of this season it will be completed.

MR. MILCAREK: ...the Matthew Welsh Bridge that they're working on, are they going to develop both lanes all the way across?

MR. LAND: Yes sir. Yes sir.

MRS. BOCHNOWSKI: What should the developers, how do you suggest to them that they proceed at this point? Should they contact them immediately, should they wait until they get a certificate of suitability or what would you since you have all these different plans and..?

MR. LAND: Well, what I have asked the Commission to do was to do was to ..... request the Commission require the successful gaming to submit a detailed scope of ..... and improvements, with the estimated costs, and a letter of commitment to the INDOT. And these

1 would be included in the certificate of suitability.

2 I think in all fairness to all four developers,

3 they should probably meet before and discuss

4 the social climates and have an understanding

5 so they will know what expenditures. I think

6 most of these consultants have been hired know

7 what's expected, what we should be planning so

8 there are no surprises. We don't want to get

9 into negotiating as we have done in the past.

10 Everybody has got their best foot forward at the

11 market here, but once this happens and business

12 people come forward, the accountants and every-

13 body starts screwing things down and we start

14 negotiating, we're just not -- we can negotiate --

15 we just want to build your road and get you on

16 with your business.

17 MR. KLINEMAN: Do all these lambs

18 have their clothes on?

19 (Laughter.)

20 MR. THAR: Walter, the next meeting

21 may be May 20th. Do you have time to negotiate

1 with four developers between now and May 20th?

2 I don't mean negotiate. Meet and

3 WALTER LAND: May the 20th is the  
4 next meeting.

5 MR. THAR: A mere twelve days.

6 WALTER LAND: Well, we'll have  
7 to do it all tomorrow, I guess, Jack.

8 MR. THAR: Can we just stay over?

9 WALTER LAND : I was looking  
10 at my, my schedule is such that I could be in  
11 the office this week, I was at your Rising Sun  
12 in Lawrenceburg this morning, here this afternoon,  
13 tomorrow I'll be in and try to catch up. I do  
14 the contracts for the Hyatt people and Friday  
15 I'm in Gary and Chicago. Next Thursday I'll be  
16 in Atlanta, Georgia and Friday I'll be on a  
17 field check for fifty-six, the one I alluded to  
18 for the Hyatt. So you can call me, meet with  
19 people on the weekends or tomorrow or at night.  
20 But my days are pretty full.

21 MR. KLINEMAN: Well, one of the



1 things I think we would do and maybe try to  
2 work with you the best we can. We would just  
3 make it subject, as we did in Lawrenceburg,  
4 subject to your crew and the traffic, the highway  
5 crew. I think that seems to afford, uh, maybe  
6 be a little bit of a blind check that the deve-  
7 lopers have to write but I think you're a fair  
8 man and I don't think you'll take advantage of  
9 it.

10 WALTER LAND : No, we don't want  
11 to, and we, that's the reason we want to do a  
12 staged study on some of these things. We don't  
13 want to spend anybody's money; not our own and  
14 certainly not theirs, for improvements that we  
15 find that are not necessary in six months to a  
16 year.

17 MR. KLINEMAN: One of the things  
18 however I would want is that there needs to be  
19 substantial work done that that work be completed  
20 before the casino opened, before the boat opened.

21 WALTER LAND : Sure.

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MR. KLINEMAN: I don't want to put the people at risk even on a temporary quota for ....

WALTER LAND : No, it would happen. I would suggest, sir, that maybe I'm in the office tomorrow. I would have the, the developers have their engineers contact you.

MR. KLINEMAN: I think that's fine.

MRS. BOCHNOWSKI: We ask you not to leave.....

WALTER LAND : If you need my telephone number it's 317-233-3699.

MRS. BOCHNOWSKI: Okay. I just want to say you are great to work with. I mean you really are.

WALTER LAND : Thank you.

MRS. BOCHNOWSKI: You've spent one day in the office and going to be here...

MR. KLINEMAN: Yeah, you make me proud to be a taxpayer..

MR..... Well, let's not

1 stretch it.

2 WALTER LAND : Go ahead and  
3 stretch it. Thank you.

4 MR. KLINEMAN: Thank you. All right.  
5 Now, we're going into Round Robin Program. Is  
6 Corps of Engineers here? Do they wish to say  
7 anything? We sure don't want to ignore them.  
8 Welcome again.

9 DOUG SHELTON: Yes sir. Doug Shelton  
10 from the Corps of Engineers. You have me in a  
11 very uncomfortable position. (Laughter)  
12 I will admit one avenue of escape here. With  
13 this many applicants, consultants and agencies  
14 together makes it a little nervous here for the  
15 players. I guess I better get my chart out.  
16 The hand out that has been just given out is a  
17 very similar analysis that we did back in June  
18 with the previous agents. As you can see we have  
19 listed the applicants, we have listed the status  
20 of their application with us, and we've done a  
21 site resource analysis particularly as it per-

1 tains to wetlands and cultural resources. We can  
2 go over this chart but as you can see at a glance  
3 that there's really not much difference from one  
4 site to another. I have a very brief analysis.  
5 To go over some of the specifics, because we  
6 didn't have copies of the applicants and the  
7 agents, we have shown all of the applications as  
8 incomplete at this time. I don't see any dif-  
9 ficulties in getting these applications complete  
10 relatively quickly. I think we need to look  
11 at some drawings and make some changes and we have  
12 some specific additions on construction techniques.  
13 So I don't see that as a big problem. When we  
14 look at wetland resources we see that Horseshoe  
15 we listed down as medium and the other three as  
16 low. That simply means that we anticipate a low  
17 potential for wetlands extending the process at  
18 times, but that's not the case with cultural  
19 resources. As you can see we've listed all of  
20 those as high. And so we think that each project  
21 will require a section 106 to address cultural

1 resources but I think the important issue is that  
2 there is, we would not, do not distinguish any  
3 significant different in the process of times  
4 for these four applicants. That's somewhat dif-  
5 ferent from what we had last June because the  
6 other applicants, if you recall we had resources  
7 all over the board from -- and we had different  
8 combinations -- low low to permits to high high  
9 and if you recall we talked about sites with low  
10 low and with high as to resources, process time  
11 is about six months, whereas the high high would  
12 take approximately twelve months. And so with  
13 these applicants here we really can't distinguish  
14 any significant difference in the processing  
15 times for their applications. And we estimate it  
16 to be about eight months. I've provided some ad-  
17 ditional information on the two pending applica-  
18 tions just by way of information. The Rising Sun  
19 process which has proceeded quite well in the 106  
20 process, we completed some major tasks associated  
21 with the 106. I would estimate now that we will

1 have a permanent decision possibly as early as  
2 September, maybe sooner. On the Lawrenceburg  
3 facilities, unfortunately, it's still on the  
4 suspension of the process of their application.  
5 However, we have been consulting with the staff  
6 archeologist. We hope that a decision to lift  
7 that suspension will be forthcoming soon, and if  
8 that is the case, we may have a permanent deci-  
9 sion by early December. That's essentially our  
10 analysis and we see no significant differences  
11 between these applicants. I'd like to answer  
12 your questions.

13 MRS. BOCHNOWSKI: I realize that  
14 their applications are incomplete. You've heard  
15 from all of these applicants?

16 MR. SHELTON: Yes ma'am.

17 MRS. BOCHNOWSKI: Talked to all of  
18 them?

19 MR. SHELTON: Yes ma'am.

20 MRS. BOCHNOWSKI: They're doing what  
21 they need to be doing?

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MR. SHELTON: Yes, they're all very cooperative, very responsive, and again, I don't think it will take very long to do each of these applications.

MR. MILCAREK: For example, what is the cultural resource impact, or what are you referring to? I don't understand the wetlands, or the impact.

MR. SHELTON: Cultural resources would include historic properties as well as archeological sites. So we're talking about sites that are significant from a historical standpoint.....as well as archeological status.

MR. MULCAREK: Is there evidence of that or is that just basically what you've seen up and down the Ohio River as far as any significant materials and that sort of thing.....

MR. SHELTON: Well, actually both. We have some sites with specific information that we have and then also the fact that these areas are very prominent with these types of sites.

1 MR. THAR: Regard to a couple of  
2 the applicants who have indicated that part or  
3 all of their site may have received an Army Corps  
4 of Engineer permit for some activity out in the  
5 past. Does that fact -- let's say also that what  
6 they received a permit for is not what the work  
7 is gonna be done on; for instance, in the one  
8 instance it was for a marina. Another instance  
9 I don't know what it was for, just that it was  
10 there.

11 MR. SHELTON: Barge company.

12 MR. THAR: Barge company. Does the  
13 fact that the Corps has looked at a piece of  
14 property before, in any way speed up the process?

15 MR. SHELTON: No sir, I don't  
16 believe so. I think that we're talking about  
17 significant differences between the beginning  
18 .....on a barge ..... or a recreational built  
19 marina as opposed to a casino with a couple of  
20 thousand passengers on it. I think the process  
21 will be very similar but different enough that any



1 decisions made prior to the process of the casino  
2 application may not be binding upon that particular  
3 application. So, once I -- yes, there is a permit  
4 for a fleeting of barges and that  
5 permit is valid and indeed they do put barges  
6 in that area, but when we begin the process of the  
7 process with the casino for that site I believe it  
8 will have no bearing on the process of the casino  
9 application.

10 MR. THAR: What about the site that  
11 is then near Mauckport that had been approved for  
12 a pleasure craft marina?

13 MR. SHELTON: Yes sir.

14 MR. THAR: They may modify that and  
15 run a temporary operation out of that? A temporary  
16 casino operation on modification of the existing  
17 Corps permit?

18 MR. SHELTON: They have a valid permit  
19 to construct a recreational craft marina. They  
20 submitted a modification to us to consider some minor  
21 modification, downsize primarily the size of that.

1 If we were to process that through the modifica-  
2 tion, they could construct a recreational craft  
3 marina and run it as a recreational craft marina.  
4 For a casino to operate from that facility, the  
5 casino would need its own permit to operate at  
6 nights and at a temporary site and also the  
7 permit site.

8 MR. THAR: So to the extent they  
9 might be able to get some marina construction  
10 done, that could be a benefit to that applicant  
11 in the long run?

12 MR. SHELTON: Yes, I believe so, sir.

13 MR. THAR: If all of the applicants  
14 have talked to you, have the people from Caesars  
15 talked to you about the gondolas, for lack of a  
16 better term. going across the Ohio River from  
17 Kentucky to Indiana?

18 MR. SHELTON: Yes sir.

19 MR. THAR: Does that in any way com-  
20 plicate the Corps permitting process in this re-  
21 gard: Does the addition of the gondolas add

1 issues that would not be present if you didn't have  
2 them?

3 MR. SHELTON: Yes, it would. Speci-  
4 fically, we would now be coordinating with two  
5 different sets of state agencies because at least  
6 part of that facility would be in Kentucky. And  
7 also, there is, there may be resources that we  
8 would have to analyze on the Kentucky side.

9 MRS. BOCHNOWSKI: So are you saying  
10 it's two separate stages then? Or would that be  
11 the ...like a casino would run ... the gondola?

12 MR. SHELTON: That's a good question.  
13 Our preference, I think would be to process one  
14 application for all of the features. But it's  
15 possible that if we were processing the applica-  
16 tion and we saw an element maybe not completely  
17 critical to that facility, we might consider  
18 dropping that element and using at a later date.

19 MR. THAR: Has that option been  
20 explored with Caesars? Have they asked?

21 MR. SHELTON: I don't believe they

1 asked that...

2 MR. THAR: Is that something that  
3 the Corps readily does, or is that rarely done  
4 thing?

5 MR. SHELTON: Inaudible.

6 MR. THAR: If they were to ask, if  
7 they were to get the certificate of suitability  
8 and they would ask if it was gonna slow us too  
9 much could we drop the second phase, is that some-  
10 thing that the Corps might readily agree with or  
11 is that something that the Corps rarely agrees  
12 with?

13 MR. SHELTON: Generally, we readily  
14 agree with that. The regulatory process is  
15 fairly complicated and we feel that it's our  
16 responsibility to assist the applicants as much  
17 as we can. And if we see conditions like this  
18 arising, we'll try to give it some advice. And  
19 that would be the potential option that they would  
20 have.

21 MR. THAR: If that could not go,

1 obviously it's nothing anybody can hold you to,  
2 how much time should that add to the Corps per-  
3 mitting process just extending something over  
4 the river and doing that, does that alone add any-  
5 thing, the fact it's going to cross the river?

6 MR. SHELTON: It may not. It may be  
7 an issue that we can resolve more quickly than  
8 we could the archeological or historical issue.  
9 In our analysis with, we've indicated that because  
10 it's a high potential for cultural resource impact,  
11 that that may well be the longest time line for  
12 any process which we may have to undertake.

13 MR. THAR: The engineering work, for  
14 instance, on your gondolas are something may not  
15 be that difficult once it is all laid out?

16 MR. SHELTON: Yes, that's correct.

17 MR. KLINEMAN: Anything else? Does  
18 anybody have anything further?

19 NO RESPONSE.

20 MR. KLINEMAN: Well, thank you very  
21 much for coming in. It's good to see you again.

1 MR. DOUG SHELTON: Okay.

2 MR. KLINEMAN: And thank you for your  
3 report. All right. Anybody else have anything?  
4 Anybody have any question? All right. I guess we  
5 can move on to the next phase then. that's the  
6 phase of the Round Robin. We will see if there  
7 are any items that the Commissioners feel need to  
8 be cleaned up in listening to the whole group.  
9 Anybody want to pose a question? Generically, I  
10 think in order to keep things in my mind set any-  
11 way Carnival will be called Carnival, if that's  
12 all right; Caesars will be called Caesars;  
13 Players will be Players and Horseshoe will be  
14 Horseshoe so that we don't get into the RDI's and  
15 so forth. All right. It has just been suggested  
16 by Mr. Swan that maybe we would start with Caesars  
17 and go this way and then back and across and see  
18 if there is anything that you gentlemen, after  
19 having made your own presentation and after having  
20 heard the others, wish to clear up or wish to tell  
21 us, in a very short time.

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CAESARS REPRESENTATIVE: Just a quick comment. We recognize that the gondola may present some problems. And we understand. We are very willing to hold that out if that is the case, because we don't want to of course jeopardize the projects. We would still want to do it, we are very willing to do it, but if it's insurmountable or it looks like it's gonna be a big time problem, then it's a.....

MR. KLINEMAN: You mean pull it out and separate it, or just pull out and throw it away?

CAESARS: Inaudible.

The other thing I want to address is the issues raised early about Harrison County. First of all, I apologize for the way that occurred, and second of all, we will and I will personally commit to work with the County and make sure that the Counties' issues are resolved. Again, I apologize on behalf of ITT, Caesars and ITT Sheraton.

1                   Also, in a subsequent discussion  
2 after the session, I learned that we are back on  
3 track and probably don't have any issue, so I  
4 think we are back where we should be.

5                   MR. KLINEMAN: And we want to bring  
6 items like that up because it's very important  
7 that the developer that we choose does work com-  
8 patibly with the, uh, with their neighbors and  
9 with the governmental operations that they'll be  
10 working with because, you know, we defeat it if  
11 people get at loggerheads over things like that.  
12 It will defeat the process completely.

13                   CAESARS: Most assuredly. Thank you.

14                   MR. THAR: Well, if you pull the  
15 gondola, and you have X amount of dollars, I think  
16 you said eight million dollars committed to that,  
17 will you use that money for some other type of  
18 drawing attraction, or will you just lower your  
19 project?

20                   CAESARS: We'll use it to enhance  
21 the project in some fashion, I haven't really



1 thought about it. But it will be additive to  
2 the project.

3 MR. THAR: So your overall project  
4 commitment will not be lowered because one is  
5 pulled?

6 CAESARS: That's correct, absolutely.

7 MR. THAR: Thank you.

8 MR. KLINEMAN: And I briefly ask the  
9 question if you ran into what looked like a time  
10 problem on your permit, because of the gondolas,  
11 if you pull the gondola but you resubmit it as a  
12 separate item in order to get, you know, bifurcate  
13 your application..

14 CAESARS: If that -- excuse me, Mr.  
15 Chairman. If that's procedurally permissible, of  
16 course, we would like to pull it and defer it as  
17 for additional consideration.

18 MR. KLINEMAN: Okay. Rather than just  
19 throw it away. Players have anything to add?

20 Answer inaudible.

21 MR. KLINEMAN: Carnival have any-

1 thing they wish to add? You don't have to.

2 CARNIVAL: No, like all of our fellow  
3 applicants, I'm sure we could all go on for hours  
4 talking about how excited we are about our project  
5 but I think we've been certainly given a fair  
6 opportunity to present what we had to say. We may  
7 make some minor submissions on some clarifications  
8 on some details, but nothing to take the time  
9 of the Commission right now.

10 MR. KLINEMAN: Okay. Horseshoe?

11 HORSESHOE: We'd just like to say  
12 that we've been aware of this issue, that Mr.  
13 Lanning has brought up with regard to possible  
14 widening of the road along 135. We've talked  
15 about it with the community through the Task Force  
16 and we'll make it easy for them; we're prepared  
17 to commit to that right now in terms of the widen-  
18 ing of that road, if that is indeed what it is  
19 that he's going to recommend. So we will meet  
20 with him, we're prepared, we've looked at that  
21 issue, we've identified it. That's near Wal-Mart.

1 MR. KLINEMAN: Yes. We're aware of  
2 the area that he was talking about. Okay.

3 MR. TOM MULCAREK: Out of the four  
4 applicants, in any of your operations that you  
5 now have going in other parts of the country, do  
6 any of you have a successful daycare center in  
7 operation right now? Anyone? I take that as a  
8 no, there are no daycare centers. Okay. The  
9 other thing for Horseshoe: Would you once again  
10 restate the length of your cruise path?

11 MR. CLIFF KORMAN: Hi, my name is  
12 Cliff Korman. I'm the director of development.  
13 I'd like to pass that question on to Captain John  
14 Waggoner.

15 MR. JOHN WAGGONER: Yes, good after-  
16 noon, Captain John Waggoner, Hornblower Marine  
17 Services. Yes, our cruise route -- and if you'd  
18 like we can bring back up our chart -- but our  
19 total cruise route we can depart our sites and go  
20 up river approximately two point five miles and  
21 all the way down river another five miles and then

1           come back for a berth another three and a half  
2           miles, a total cruise route that we feel is the  
3           optimal cruise route, roundtrip is eleven miles  
4           again. We have a cruise able water of a little  
5           bit over twelve and a half miles but the optimal  
6           cruise route because again as we pointed out  
7           yesterday we believe the widest margin between  
8           the bank and the Indiana-Kentucky border on the  
9           up river side we have approximately four hundred  
10          feet where we can turn around, on the down river  
11          side the line goes almost to the middle of the  
12          river. We have approximately nine hundred feet  
13          there where we can come about and yet around, so  
14          yes, we do get to make a complete loop turnaround  
15          on both sides.

16                   MR. MULCAREK: Thank you. Is your  
17                   boat gonna have any windows? You talk about the  
18                   cruising, but you are gonna be able to see out?

19                   MR. WAGGONER: Yes, yes, it does.

20                   MR. MULCAREK: The boat I have seen  
21                   at Evansville, the walls are lined with slot

1 machines and to look outside you've gotta go to  
2 the emergency exits.

3 MR. WAGGONER: There are windows on  
4 all three decks. They do not run the entire  
5 length of the vessel but there are windows on  
6 all three decks.

7 MR. MULCAREK: At ends?

8 MR. WAGGONER: At the forwardmost  
9 part of the vessel.

10 MR. MULCAREK: So if you were at  
11 the slot machines playing you're not gonna be  
12 able to see out the sides then?

13 MR. WAGGONER: That is correct.

14 MRS. BUCHNOWSKI: Well, I guess this  
15 may be redundant because everybody has pretty  
16 much said it, but I just want everybody -- I want  
17 it on the record that everybody is nodding, that  
18 you are committed to providing whatever it is  
19 that is needed as far as emergency response and  
20 the health safety of your passengers. That's all  
21 for now. And if you need to spend more than you

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are planning you intend to do that?

MR. WAGGONER: Yes.

MR. KLINEMAN: And not take it out of participatory payments, that it would be an out front project statement?

MR. WAGGONER: Yes.

MR. MULCAREK: Is the nodding getting in the record, you think?

MR. KLINEMAN: We haven't ....

MRS. BOCHNOWSKI: They are nodding.

MR. WAGGONER: We are nodding.

MR. MULCAREK: It's not easy to do it, but we will accept it that there are nods from each of the tables.

MR. KLINEMAN: Well, I guess we've heard everything we need to hear, and we certainly appreciate you gentlemen for presentations that were very, very enlightening and we will be back. We now have a set the time. It's gonna be 1:30 in Indianapolis on May the 20th, and we will be in the Auditorium where our usual home in the State

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Office Complex is, the State Office Building  
Complex. The Auditorium there. Thank you all  
and let's all go home.

(CONCLUSION OF FOLLOW-UP QUESTIONS OF APPLICANTS  
AND/OR GOVERNMENT OFFICIALS)

4:45 ADJOURN

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INDIANA GAMING COMMISSION  
STATE OF INDIANA

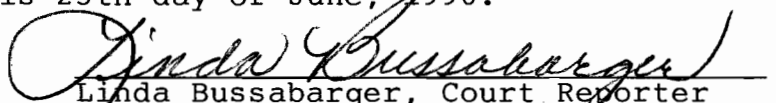
IN THE MATTER OF  
RIVERBOAT GAMING  
HARRISON COUNTY, INDIANA

I, Linda Bussabarger, Reporter of the Circuit Court, Harrison County, State of Indiana, do hereby certify that I am the Official Court Reporter of said Court, duly appointed and sworn to report the evidence of causes tried therein.

That upon the request of Indiana Gaming Commission, I took down, by machine recording, all statements made during the hearings of the Commission, by all parties, beginning on May 6, 1996 and ending on May 8, 1996.

I further certify that the foregoing transcript, as prepared, is full, true, correct and complete.

IN WITNESS THEREOF; I have hereunto set my hand and Official Seal, this 25th day of June, 1996.

  
Linda Bussabarger, Court Reporter  
Circuit Court of Harrison County, IN