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BEFORE THE INDIANA GAMING COMMISSION
BUSINESS MEETING AND PUBLIC HEARING

TRANSCRIPT OF PROCEEDINGS

ORIGINAL

DATE: September 14, 1998
PLACE: Indiana Government Center Auditorium
302 West Washington Street
Indianapolis, Indiana
REPORTED BY: Deanne S. Hutson, Notary Public

MEMBERS OF THE COMMISSION

Donald Vowels, Chairman
Ann Bochnowski, Vice-Chairperson
Thomas Milcarek, Secretary
Robert Swan
Richard Darko
Robert Sundwick

RECEIVED
JAN 19 1999
INDIANA GAMING COMMISSION

ALSO PRESENT

John J. Thar, Executive Director
Kay Fleming, Counsel
Floyd Hannon, Deputy Director
and other members of the staff

* * * * *

BAYNES & SHIREY REPORTING SERVICE
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1 CHAIRMAN VOWELS: It's 10:40 a.m.
2 Indianapolis time. All Commissioners are
3 present. We may begin the meeting. I'm sorry.
4 Dr. Ross is not here. All Commissioners present
5 with the exception of Dr. Ross who will not be
6 with us today. We'll call the meeting to order.
7 In reference to the minutes, we all received
8 copies of the minutes from the August 14, 1998,
9 meeting, had an opportunity to review those.
10 Does anyone have a motion in reference to the
11 minutes?

12 COMMISSIONER BOCHNOWSKI: Accept the
13 minutes.

14 CHAIRMAN VOWELS: Any second?

15 UNIDENTIFIED SPEAKER: I'll second.

16 CHAIRMAN VOWELS: Any discussion? All
17 those in favor of adopting the minutes say aye.
18 The next matter on the agenda is the report of
19 the Executive Director. Mr. Thar.

20 MR. THAR: Thank you, Mr. Chairman,
21 Members of the Commission. Under general items
22 we have had an extremely difficult time
23 attempting to hire a legal secretary. We've
24 interviewed on five separate occasions. We've
25 had three accept the position only to decline,

1 the latest being the lady who was going to start
2 this week who got a raise at her present job and
3 called us up to say she wouldn't be making the
4 move. I don't know if that says anything about
5 our legal department or not.

6 With regard to the lake Michigan riverboats,
7 Empress has announced that an agreement has been
8 reached for the sale of the Empress properties in
9 Joliet and Hammond to Jack Bing of Horseshoe
10 Casino. The price is reported to be \$600 million
11 which includes the assumption of \$180 million
12 approximately of debt.

13 Showboat experienced a computer problem in its
14 slot tracking system during the end of last week.
15 As a result, staff through the Audit Division
16 ordered one hundred percent drops of the boat
17 each gaming day so that the taxes would be based
18 on the actual count rather than some of the
19 estimates that we allow when they are not doing a
20 hundred percent drop. That problem was
21 corrected. As of Friday an audit is still
22 warranted to be sure the numbers we are getting
23 from the computer system up there are accurate.

24 There is nothing new with regard to Trump or
25 Majestic Star beyond what was told last time.

1 Trump is planning to open up the first phase of
2 his hotel this month.

3 Blue Chip last week agreed to require 7.55
4 million dollars aggregate principle amount of
5 outstanding notes. If you remember, they had
6 some discounted notes that they issued that were
7 due the year 2002 with an interest rate at 18
8 percent. They are going to use their existing
9 line of credit at Bank of America to purchase the
10 notes and that interest rate from Bank of America
11 seven percent. So the interest savings to them
12 will be substantial.

13 With regard to the Ohio riverboats, things are
14 going normally at Aztar, Grand Victoria and
15 Argosy. With regard to Caesar's, Caesar's is
16 targetting a mid-November opening date. Our
17 assessment as staff is that date is strongly
18 possible, but it could slide a couple of weeks
19 based on some items which continue to require
20 Army Corps of Engineer approval or other action
21 by the Corps of Engineers. Caesar's vessel,
22 Glory of Rome, left Mount Vernon and docked at a
23 barge site area known as McBride's last week and
24 it is scheduled to move to its permanent dock at
25 Caesar's location in Bridgeport this week.

1 With regard to the fifth Ohio River license
2 which is a separate agenda item on its own, I
3 simply advise the Commission that staff has not
4 received any information from Crawford County or
5 anyone else. Crawford County as we speak has
6 asked for anyone discussing to be an applicant
7 with them at this time. On that note I would
8 conclude my report. Are there any questions?

9 CHAIRMAN VOWELS: Any questions of Mr.
10 Thar? Anything further, Mr Thar?

11 MR. THAR: No, sir.

12 CHAIRMAN VOWELS: Then we will move into
13 the area of occupational license matters.

14 MICHELLE MARSDEN: Resolution 1998-23
15 granting permanent occupational licenses to
16 employees at Casino Aztar in Evansville.
17 Background investigations conducted by the
18 Indiana State Police Gaming Division have
19 indicated that the individuals set forth on the
20 attached list meets the criteria set forth in
21 IC 4-33-8 and 68 IAC 2-3 for licensure, and as of
22 September 1st of 1998 we have a total of 853
23 employees at Aztar.

24 CHAIRMAN VOWELS: Anyone have any
25 questions for Miss Marsden?

1 COMMISSION SWAN: Move to approve.

2 CHAIRMAN VOWELS: We have Resolution
3 1998-23 in front of us and Commissioner Swan has
4 moved to approve. Is there a second?

5 COMMISSIONER DARKO: Second.

6 CHAIRMAN VOWELS: Any further discussion?
7 All those in favor say aye. Show Resolution
8 1998-23 approved. Thank you, Miss Marsden.

9 The next item on the agenda then is supplier's
10 license issues with Mr. Hannon.

11 FLOYD HANNON: We only have one for
12 permanent license, Video Lottery Consultants,
13 Inc. It's a wholly owned subsidiary of
14 Powerhouse Technology, Inc., a publicly traded
15 company based in Atlanta, Georgia. The licensee
16 designs, manufactures and sells touch screen
17 video gaming devices and (inaudible) systems
18 software. (inaudible) awarded a temporary
19 license on May 20th of 1996. Permanent
20 investigation included suitability investigation
21 of all the key employees and site inspection of
22 the companies in Boseman, Montana, and Las Vegas
23 locations. The company holds licenses in 24
24 separate gaming jurisdictions. Nothing was
25 developed which would prevent the company from

1 being awarded a permanent supplier's license upon
2 payment of the cost of the investigation of the
3 supplier's license.

4 CHAIRMAN VOWELS: Any questions for Mr.
5 Hannon? We have in front of us Resolution
6 1998-24 which is a resolution granting permanent
7 supplier's license to Video Lottery Consultants,
8 Inc. Is there a motion to approve that?

9 COMMISSIONER DARKO: Motion to approve.

10 CHAIRMAN VOWELS: Any second? Approved
11 motion and second. Any further suggestion? All
12 in favor of Resolution 1998-24 say aye. Show it
13 is approved.

14 Next on the agenda is in reference to rules
15 and Miss Fleming.

16 KAY FLEMING: Pursuant to Resolution
17 1998-25 we will be adopting as final rules the
18 majority of the rules that were published in the
19 Indiana Register on June 1, 1998. Two of those
20 rules that were published we are still working
21 with. Since they were published in separate
22 documents we are able to proceed with those
23 listed in 1998-25. A public hearing and written
24 comment has been considered. After these are
25 adopted they will be forwarded to the Attorney

1 General's office for review and then to the
2 governor's office for signature. Are there any
3 questions?

4 CHAIRMAN VOWELS: Any questions for Miss
5 Fleming? In front of us then we have Resolution
6 1998-25 adopting these as final rules.

7 COMMISSIONER DARKO: Move to adopt the
8 resolution.

9 COMMISSIONER SWAN: Second.

10 CHAIRMAN VOWELS: Any further
11 discussion? All in favor of Resolution 1998-25
12 say aye. Approved. Miss Fleming, is that all
13 with reference to the rules?

14 KAY FLEMING: Yes.

15 CHAIRMAN VOWELS: Next on the agenda is
16 bond reductions.

17 KAY FLEMING: The first one before the
18 Commission is a reduction on the bond posted by
19 Grand Victoria Casino & Resort. Grand Victoria
20 made a payment to the Redevelopment Plan in the
21 amount of \$731,742, a payment to the Park
22 Obligation in the amount of \$250,247 and to the
23 Treatment Plant in the amount of \$94,956, for a
24 total of \$1,076,945. We have reviewed the bond.
25 All of these obligations were set forth in there

1 as being able to be reduced as the payments were
2 made and the action would authorize that
3 reduction.

4 CHAIRMAN VOWELS: Any questions of Miss
5 Fleming? In reference to this action on request
6 to reduce the surety bond posted by Grand
7 Victoria, is there a motion?

8 COMMISSIONER BOCHNOWSKI: I would so
9 move.

10 CHAIRMAN VOWELS: Is there a second?

11 COMMISSIONER DARKO: Second.

12 CHAIRMAN VOWELS: Any further discussion?
13 All in favor say aye. Show this approved. Miss
14 Fleming.

15 KAY FLEMING: The next bond to be
16 reduced was that posted by Trump Indiana. As of
17 March 31, 1998, Trump has expended \$4,410,674
18 with respect to its commitment to provide a total
19 expenditure of \$21 million for Municipal Economic
20 Development and Infrastructure Projects. The
21 city has verified receipt of that money.
22 Therefore, this action form will allow Trump's
23 surety bond to be reduced in the amount of
24 \$4,410,674.

25 CHAIRMAN VOWELS: Any questions? We have

1 in front us of an action on request to reduce
2 surety bond posted by Trump Indiana, Inc. Is
3 there a motion?

4 COMMISSIONER MILCAREK: Motion to adopt.

5 COMMISSIONER BOCHNOWSKI: Second.

6 CHAIRMAN VOWELS: Any further discussion?

7 All those in favor say aye. Show the surety bond
8 is reduced. Miss Fleming.

9 KAY FLEMING: Finally the reduction of
10 the letters of credit posted by Casino Aztar. On
11 June 10th, on July 7th, August 13th and September
12 4th of 1998 Aztar made identical payments to the
13 Downtown Revitalization fund in the amount of
14 \$83,333.33, payment to the Economic Development
15 fund in the amount of \$16,666.67 and to the
16 Pigeon Creek Greenway fund in the amount of
17 \$4,166,67. Their total payments were
18 \$416,666.68, and this action form would allow the
19 letters of credit to be reduced in that amount.

20 CHAIRMAN VOWELS: Any questions for Miss
21 Fleming? This action on request to reduce letter
22 of credit for Casino Aztar, is there a motion?

23 COMMISSIONER SWAN: Move to approve.

24 COMMISSIONER SUNDWICK: Second.

25 CHAIRMAN VOWELS: Any further discussion?

1 All those in favor say. Show it is granted. And
2 Miss Fleming, that takes care of you, correct?

3 KAY FLEMING: For now.

4 CHAIRMAN VOWELS: Next on the agenda is
5 the Rising Sun Riverboat Casino & Resort
6 ownership reorganization.

7 MR. THAR: A couple of requests came in
8 at the same time from Grand Victoria Casino &
9 Resort which will be put together in one overall
10 large change. What the Grand Victoria Casino &
11 Resort desired was first change their ownership
12 structure of the applicant licensee itself from a
13 limited liability company to a limited
14 partnership. The limited partnership would be
15 made up of the same percentage of the legal
16 entities, that is, 80 percent ownership interest
17 would be by Indiana RBG, LP which is generally
18 considered to be the Hyatt Group. The remaining
19 20 percent ownership is held by -- ultimately by
20 the same individuals presently holding the 20
21 percent interest RSR, LLC. That was, however,
22 the second part of the change. That is, that the
23 RSR, LLC shareholders requested that instead of
24 holding the shares individually, they be allowed
25 to hold them in corporate or through corporations

1 which they would ultimately own. So Patrick f.
2 Daly from Chicago wishes to have his shares held
3 by the Daly Group, LLC. Paul R. Partridge and
4 James A. Everatt are Canadian citizens. They
5 wish to have their shares moved from them to an
6 American corporation which will then be owned
7 solely by a Canadian corporation which would be
8 owned solely by them.

9 This then allows Item No. 3 to occur. It's
10 the Coast Guard who would not allow the riverboat
11 to be held by the licensee because it had
12 Canadian ownership. Now that the Canadian
13 ownership was put into a U.S. corporation they
14 wish move the riverboat into licensee which will
15 be Grand Victoria Casino & Resort, LP. At the
16 same time due to health of certain individuals,
17 certain aspects of the RBG, LP or the Hyatt Group
18 will be changed.

19 The Jay Arthur Trust did own at one point
20 21.064 percent of Indiana RBG, LP. They're
21 requesting that that ownership be divided between
22 three new trusts, Hoinfad Trust No. 1, Hoinfad
23 Trust No. 2 and Hoinfad Trust No. 3.

24 In addition, Mr. Nicholas Pritzker, who has
25 appeared before this Commission on numerous

1 times, has now been requested to and has accepted
2 a position on the management committee on the
3 limited partnership and will then be an officer
4 of the general partner Indiana RBG, LP.

5 What all this means is that the Indiana State
6 Police working through the investigative section
7 re-investigated Grand Victoria Resort LLC and Mr.
8 Pritzker and the trusts, re-looked at Mr. Daly,
9 Mr. Partridge, Mr. Everatt and also looked at the
10 structures going into and found no issues of
11 suitability that would prevent the Commission
12 from voting on this.

13 What in essence it allows, what it all comes
14 down to is a more concise management and the
15 riverboat be placed in the licensee, which from
16 the staff's perspective is a benefit to the
17 Commission in terms of assets and licensee rather
18 than of a corporation. Some of this, as noted in
19 the reports filed with you, is also for estate
20 tax planning purposes. Are there any questions?

21 CHAIRMAN VOWELS: Any questions of Mr.
22 Thar?

23 CHAIRMAN VOWELS: No. Then we have in
24 front of us Resolution 1998-26 which concerns a
25 request for Grand Victoria Casino & Resort, LLC

1 to amend its ownership structure to the new
2 entity Grand Victoria Resort, LP. You can see on
3 the second page down at the bottom there are five
4 aspects that would be involved in this
5 resolution. Is there any motion to either grant
6 or deny this resolution?

7 COMMISSIONER SUNDWICK: I'll so move.

8 COMMISSIONER BOCHNOWSKI: I'll second
9 it.

10 CHAIRMAN VOWELS: Any further discussion?
11 We have a motion to grant this resolution. All
12 those in favor say aye. Motion is granted.

13 The next matter on the agenda is the
14 RDI/Caesar's bond approval and back to Miss
15 Fleming for that.

16 KAY FLEMING: Commission staff and
17 outside counsel have reviewed the information
18 commitments made by RDI/Caesar's to Harrison
19 County and we've also dealt with Harrison County.
20 The end result is that we have recommended and
21 Miss McCarty also agrees the bond in the amount
22 of \$35 million should be posted by Caesar's in
23 order to fulfill its commitment under Indiana
24 Code 4-33-6-9. The resolution will approve that
25 amount and allow us to have final approval over

1 the language, but there were a couple of
2 typographical errors in the latest draft and we
3 are awaiting a signed copy with the new language.
4 So Resolution 1998-27 will approve the \$35
5 million bond to be posted by Caesar's.

6 CHAIRMAN VOWELS: Any questions of Miss
7 Fleming? We have in front of us Resolution
8 1998-27. Is there a motion in reference to this
9 resolution?

10 COMMISSIONER SWAN: Move to approve.

11 CHAIRMAN VOWELS: Any second?

12 COMMISSIONER DARKO: Second.

13 CHAIRMAN VOWELS: Any further discussion?
14 All those in favor of approving Resolution
15 1998-27 say aye. Show that it is approved.
16 Mr. Thar, any other business at this time?

17 MR. THAR: There's no other business with
18 regard to the business meeting that the staff is
19 aware.

20 CHAIRMAN VOWELS: This is agenda number
21 one we are talking about. Has there been any
22 discussion about the next meeting time?

23 MR. THAR: There was a discussion with a
24 few commission members before the meeting.

25 CHAIRMAN VOWELS: Which didn't include

1 Commissioner Swan and myself. So what did we
2 discuss?

3 MR. THAR: One of the things we batted
4 around was the next meeting will most likely be
5 scheduled at the time of the Caesar's opening
6 which is on or about November 16th, but we'll
7 adjust that meeting date depending upon what
8 happens with zoning. November 16th is a Monday.

9 CHAIRMAN VOWELS: The point at this time
10 is to hear if there's a motion to adjourn this
11 section of the business meeting? And is there a
12 motion?

13 COMMISSIONER MILCAREK: Motion.

14 COMMISSIONER BOCHNOWSKI: Second.

15 CHAIRMAN VOWELS: All those in favor say
16 aye. Meeting is adjourned. Let's take about a
17 five-minute break and give the next section of
18 people an opportunity to (inaudible).

19 (Short break taken.)

20 CHAIRMAN VOWELS: Call the meeting to
21 order now. Second phase of today's hearing.
22 We'll call the meeting to order. Again, all
23 commissioners are present with the exception of
24 Dr. Ross. This is the time for the consideration
25 of the fifth Ohio River license and we'll turn to

1 Mr. Thar.

2 MR. THAR: A few items for housekeeping.
3 First we would like to acknowledge a
4 representative of Cleo Duncan is present.
5 Representative of Duncan indicates that she's
6 here to observe. Does not have anything to
7 address the Commission about. Secondly, there is
8 a memorandum that was prepared by Rhonda Dalton,
9 our administrative secretary, and I want to
10 itemize a few of the things on that for the
11 agenda -- I mean for the record.

12 The Commission has received -- or the staff
13 has received certain items to be distributed to
14 the Commission by the request of people that were
15 the submitters. We received a letter from Phil
16 and Rita VanAtter requesting that those letters
17 be passed on to the Commission. They are in your
18 packet. A letter from Francis L. Osborn
19 requesting the same thing, and they are in your
20 packet. An E-mail from Luann Turner requesting
21 that her E-mail be passed on to the
22 Commissioners. A letter from Walter Schultz also
23 requesting to be passed on to the Commissioners.
24 As well as a letter and a packet from Mark A.
25 Gard, Mayor of the City of Rising Sun. In

1 addition, we have received information from
2 Switzerland County which will be passed on to the
3 Commissioners as well as from the applicant
4 Hollywood Boomtown known as Pinnacle Gaming
5 Corporation. So with an itemization of those
6 items, they have been passed on, as well as
7 Rhonda has prepared a list of all the individuals
8 that signed the petitions that were submitted to
9 the Commission at its last meeting, and those are
10 also, I believe, contained in your packet.

11 So that will take care of those items which I
12 believe need to be covered for the record and the
13 items have been distributed to the Commission
14 beyond the other normal type stuff the staff
15 submits to the Commissioners.

16 CHAIRMAN VOWELS: Any questions of Mr.
17 Thar in regard to that? The next item on the
18 agenda is in reference to the consideration of
19 the fifth Ohio River license. We have on the
20 agenda twenty minutes allotted to Pinnacle Gaming
21 Development Corporation and their presentation,
22 and we can go ahead and begin that now.

23 ROBERT LIST: Good morning, Chairman
24 Vowels and Members of the Commission, Mr. Thar
25 and staff who are here. It's a real pleasure

1 once again to be before you. My name is Robert
2 List. I'm Executive Vice-President and Corporate
3 Counsel of Boomtown. We are pleased to once
4 again be back before you and to have an
5 opportunity today to give you a bit of an update
6 and an executive summary, if you will, of the
7 application and the amendments that have
8 previously been submitted to you. We would like
9 first, however, to thank our friends from
10 Switzerland County. Once again, as you see, a
11 nearly packed house with the supporters and
12 advocates who have appeared here, made the long
13 bus trip once again.

14 I think that each of you probably has before
15 you a book that we submitted. It looks like
16 this. Earlier today or last week you may have
17 received it. If you will, I'm going to simply
18 walk you through that book and point out that
19 each section of it contains a bit of an executive
20 summary of the subject matter that it addresses.

21 The first is ownership. Hollywood Park, you
22 will note, is an old and very well-established
23 company. With the merger that is expected to
24 close this next month with Casino Magic we will
25 have ten gaming properties in five states in the

1 United States, as well as a 50 percent interest
2 in each of two casinos in Argentina. Hollywood
3 Park whose affiliates is also the financier and
4 consultant to the Yakima Indian gaming
5 reservation in Yakima, Washington. So we're a
6 company that's now operating and which will be
7 operating throughout the greater extent
8 throughout the country in a very successful
9 manner.

10 The second section deals with site. The
11 options have all been extended. We have some a
12 hundred ninety acres under option presently which
13 form what we believe is an excellent site. It's
14 flat, relatively flat and level. It's above the
15 flood plain. We think we'll have minimal
16 environmental challenges and the project will
17 have minimal environmental negative impacts.
18 Attached to that written summary is a photograph
19 which shows the site and depicts it in its
20 proximity to the river and shows, of course, the
21 road that runs through the middle of it. The
22 second picture shows the fact that the property
23 was high and dry during the 1997 major flood that
24 swept down through the valley and through that
25 particular area.

1 The next tab deals with the project itself.
2 We have a premier facility. The land-based
3 portion of it will consist of a hotel with 309
4 rooms and suites spread over some twelve floors
5 above the ground floor level. The ground floor
6 will contain about 167,000 square feet of space.
7 In addition to the entry lobby there will be in
8 that vicinity a conierge and VIP services area.
9 There will be a Switzerland County Economic
10 Development Office which we agreed to provide in
11 our original development agreement to the county
12 to promote the retail establishments and the
13 scenery and the visitor opportunities throughout
14 the county and in their community. There will be
15 retail shops as well. There will be three
16 different restaurants, a steak house, a specialty
17 restaurant and a buffet. There will be a bar and
18 an entertainment area encompassing some 12,000
19 square feet. There will be a luxury spa for our
20 hotel guests, a big special events center and
21 conferences and meetings and conventions, about
22 16,000 square feet in total with the public area
23 including the breakout area and the pre-function
24 facility.

25 The parking garage is a four-story 1,100-car

1 facility that, of course, will provide cover in
2 winter and shade during the summer months.

3 Adjacent to the main facility will be a swimming
4 pool, tennis courts. Of course, they will be
5 surrounded by an 18-hole championship golf course
6 that's shown on the site plan here on the left.

7 In addition, there is located away from the main
8 building and up toward the front of the road a
9 structure of about 4,000 square feet that will
10 house an employee daycare center. It is for the
11 children of our employees. It will be secure and
12 safe away from the public and away from the
13 facility, staffed and operated by professional
14 people.

15 All in all, we believe it will be an
16 outstanding resort that is depicted in these
17 photos on either side -- or rather renderings on
18 either side which depict its magnificence and we
19 think its attractiveness that will assure repeat
20 business.

21 The riverboat which will be tied up adjacent
22 to it will be a brand new vessel, 358 feet by 100
23 feet in dimension, replica sidewheeler. We'll
24 have gaming on two decks connected by escalators,
25 very roomy and very spacious and truly state-of-

1 the-art. There will be 1,895 gaming positions,
2 39,000 square feet on this two floors and with a
3 third deck for special events, banquets and
4 onboard parties and activities. The vessel will
5 be capable of carrying 3,000 crew and passengers
6 and is being designed by Rodney Lay, premier
7 architect in Jacksonville, Florida. You have in
8 your book renderings of the facility and of the
9 riverboat as well.

10 I would also note that as a bit of a change
11 perhaps from our original plans we do not
12 anticipate opening a temporary facility. The
13 plan is that we would go with all of these
14 facilities in one phase opening to the public
15 with its complete features already open. Our
16 thinking on that simply is that to open a
17 facility which is less than competitive would be
18 a mistake for ourselves and certainly from the
19 standpoint of the consumer public.

20 A word or two about the market which is the
21 next tab in the book. We have, of course,
22 studied this and watched it and followed it.
23 You have certainly as intentionally as have we,
24 and the basic principle remains the same, that we
25 have within fifty miles some two million people,

1 within a hundred miles nearly seven million
2 people, and the performance of the two existing
3 facilities in the southeast market certainly
4 demonstrate the depth and staying power of a
5 casino in this particular market. The Argosy
6 vessel in the twelve months ending July of '98
7 enjoyed \$204 million in gross revenues. The
8 Hyatt vessel during that time enjoyed about \$164
9 million in revenues. We are projecting under our
10 most likely scenario \$146 million. We believe
11 surely that the market, based upon all the
12 independent analysis that happened, based on the
13 performance that's taken place, will support this
14 facility and assure continued success for others
15 there as well.

16 Turning to the financial tab, the project
17 costs are estimated to be \$148 million. Those
18 are set forth in a recap of the capital budget
19 that's attached following a financial data page.
20 We're projecting under a most likely scenario
21 \$146 million which is approximately \$12 million a
22 month which we believe is quite doable.

23 On the subject of our company's financial
24 capability to pay for it and build it, bring it
25 up and to successfully operate it, I'd like to

1 introduce Mr. Mike Finnegan, Chief Financial
2 Officer, Hollywood Park, also the President of
3 Sports Entertainment.

4 MR. MIKE FINNEGAN: Thank you, Bob,
5 Mr. Chairman, Members of the Commission, I'll be
6 brief. Hollywood Park is known in the industry
7 and on the street as a company that has a strong
8 balance sheet. Unlike a lot of the companies in
9 the merging marketing, we have held land assets
10 for many years. They're valued much in excess of
11 what shows on our balance sheet. This project is
12 \$150 million approximately over about an 18-month
13 period. It will be financed without any project
14 financing. We'll finance it in cash from our
15 line of credit that is headed up by Bank of
16 America, as well as cash flow on a pro forma
17 basis our company following the close of our
18 Magic acquisition which will have annual cash
19 flow of about \$140 million a year, and that is
20 before any proceeds from this project. So it
21 would be financed in cash from a line of credit.

22 MR. ROBERT F. LIST: The next tab deals
23 with financial impacts, and to simply summarize
24 those for you, we would note that, of course,
25 there's first \$150 million in capital

1 construction costs. We estimate that over half
2 of that will be spent here in the State of
3 Indiana creating during the course of the
4 construction work for some seven hundred
5 different individuals. The taxes once its open,
6 of course, are very very substantial. The
7 state -- we anticipate in all these figures are
8 under our most likely revenue scenario. The
9 state will receive about \$28 million in taxes in
10 year one and over a five-year period \$150
11 million. Switzerland County will receive \$7
12 million annually in gaming taxes and over a
13 five-year period some \$40 million. From
14 admission fees, they get two dollars out of the
15 three dollars in admission fees in assistance.
16 The county will realize about \$7 million
17 annually. So there's a total of \$14 million for
18 Switzerland County in year one and on a recurring
19 basis over a five-year period it amounts to some
20 \$65 million. In addition to that, the county
21 will enjoy about a million and a half annually,
22 we estimate, from property taxes directly from
23 the project and some five and a half million
24 dollars will be collected and shared by the state
25 and county in the form of corporate income taxes,

1 employee income taxes on the payroll.

2 Operationally there will be about \$100 million a
3 year pumped into the Indiana economy in the form
4 of payroll and perks. Of course, most of that
5 will be in this region which so desperately needs
6 this shot in the arm. So it's a big boost for
7 southern Indiana and we think the statistics are
8 most impressive and certainly support the
9 issuance of the license.

10 I'd like to turn finally to the subject of
11 community relations. We are especially proud of
12 the relationship we have with the people of
13 Switzerland County and their elective leadership.
14 They've been magnificent people to work with,
15 hospitable, friendly and open and at the same
16 time firm in the relationship insofar as our
17 responsibilities to them.

18 We have two fundamental agreements. The first
19 is the development agreement. That was executed
20 to cover what our responsibilities are on the
21 front end to begin with. We have a \$4.3 million
22 approximate number with respect to our up-front
23 grants. Those will cover infrastructure and
24 costs that we think are legitimately going to be
25 addressed early on by the county. Those will

1 come during the period of construction and prior
2 to opening. The annual amounts that are due
3 under this agreement since it has been enhanced
4 in August amount to \$2.6 million so there's --
5 that's on top of the taxes and on top of the
6 one-time. That's the development. Some of those
7 moneys are split among the school district, the
8 Vevay town board, Patriot town board and their
9 local foundation.

10 The other fundamental agreement is the
11 inter-local agreement that covers revenue sharing
12 with other counties. That's also going to
13 enhanced since it was originally executed.
14 Under that agreement Switzerland County will put
15 ten percent of their revenues from taxes and
16 admissions into a fund. We will put half of one
17 percent of our AGR into that fund and, in
18 addition, since it's been enhanced, both the
19 county and the developer have agreed to put up
20 additional sums in Crawford County. The bottom
21 line is that Crawford County under the most
22 likely revenue picture will receive a little over
23 \$100,100,000 annually on an ongoing basis as long
24 as we're there, as long as we hold a license the
25 original period or any renewal of it.

1 Jefferson County will receive just over a
2 million dollars and Ripley County just over half
3 a million dollars. So there's a total of about
4 two and a half million dollars that will be
5 poured back into the community and into the
6 region on a voluntary basis.

7 We are excited and pleased and honored to be
8 before you today and respectfully ask that you
9 issue the license.

10 I'd like to bring to the microphone the
11 Chairman of the Board of Hollywood Park,
12 Mr. R.D. Hubbard.

13 MR. R.D. HUBBARD: Thank you, Bob. Mr.
14 Chairman, Commissioners, I just wanted to take a
15 minute to tell you that Hollywood Park is looking
16 forward to building what we consider to be the
17 premier facility, our flagship hotel casino that
18 will set the standard for our future development
19 in the company. We have a management team in
20 place that has built and opened several new
21 casinos around the country very successfully, and
22 we are looking forward to receiving the fifth
23 license here on the Ohio River, and we will make
24 the State of Indiana and the citizens of
25 Switzerland and Crawford County proud of us being

1 a corporate citizen here in Indiana. Want to
2 thank you very much for your consideration.

3 CHAIRMAN VOWELS: Anything further from
4 Pinnacle? The next item on the agenda then is
5 the Switzerland County presentation.

6 MR. MICHAEL L. JONES: My name is
7 Michael Jones, President of the Switzerland
8 County Council. Thank you, Chairman Vowels.
9 Members of the Commission, Executive Director
10 Thar and Staff. We come to you again today to
11 discuss needs and hope, cooperation and
12 partnership, present and future. Our needs
13 remain unmet. Our needs for improved public
14 safety facilities and equipment, our needs for
15 medical care, our need to provide the best
16 education possible for our children, our need to
17 replace our condemned county bridges, all those
18 needs remain. We stand before you again today in
19 partnership with Hollywood Park Boomtown. These
20 companies have stood with us throughout this
21 process. Time after time our applicant has
22 stepped up to improve dramatically a magnificent
23 project for our county. They have never wavered
24 in their commitments to the people in Switzerland
25 County in southern Indiana. For example, our

1 gaming partner was once against a major sponsor
2 for our very success wine festival held just a
3 few weeks ago in Vevay.

4 Once again, these companies have increased
5 their commitment to invest in our future. Since
6 we filed our report with the commission in July
7 our gaming partners have pledged to pay
8 Switzerland County an estimated \$1.2 million more
9 a year in grants over and above the gaming tax
10 payments. In addition, new market performance
11 estimates offered by Hollywood Park Boomtown
12 would dramatically increase Switzerland County's
13 gaming tax revenues.

14 As we reported to you in July, the Switzerland
15 County Council and County Commissioners
16 unanimously approved a plan to share an
17 additional and estimated \$400,000 dollars a year
18 with Crawford County. Our gaming partners pledge
19 to match 25 percent our additional payments to
20 Crawford County. We designed a program on
21 percentages rather than fixed dollar amounts so
22 that our neighbors share in all the success in
23 the Hollywood Park Boomtown development.

24 With the new Hollywood Park Boomtown a most
25 likely estimate Crawford County could receive

1 more than \$1.1 million from Switzerland County.
2 Matched with the estimated \$600,000 a year from
3 Harrison County, Crawford County will receive
4 riverboat revenue sharing payments that almost
5 triple its annual county budget. In the past
6 week Switzerland County has submitted inter-
7 local agreements to Crawford County that will
8 legally bind us to this plan. Our additional
9 payments to Crawford County along with our
10 payments of more than \$500,000 a year to Ripley
11 County, a million a year to Jefferson County and
12 our plan to help fund the Region 12 Council on
13 Aging brings Switzerland County's revenue sharing
14 commitment to almost 15 percent of our gaming tax
15 revenues.

16 The new grant to Switzerland County promised
17 by Hollywood Park Boomtown was not a surprise to
18 us because we have learned that these are
19 business people who keep their word and who
20 commit themselves totally to their host
21 communities. While it was not a surprise, it was
22 unexpected. As you know, Switzerland County
23 formed a riverboat revenue task force to review
24 our spending plans this past summer. That task
25 force proposal was filed with the Commission in

1 July following its unanimous acceptance by the
2 Council and Commissioner. Due to vacations and
3 the start of school, the task force was only able
4 to meet once just this past week to discuss how
5 we will allocate the additional dollars. The
6 task force will recommend to the Council and
7 Commissioners that the additional dollars be
8 placed at this time in a contingency fund. We
9 note that this additional grant from Hollywood
10 Park Boomtown will not be paid to Switzerland
11 County until after the first full year of gaming.
12 As we pledged to you in July, Switzerland County
13 will file a contended spending plans annually
14 with the Commission for the Commission's review.

15 We the citizens of Switzerland County stand
16 before you today not just as advocates for
17 ourselves, but as advocates for southern Indiana.
18 This license and this Commission can provide us
19 with the jobs that no one else has helped create,
20 with taxes that no one else is willing to pay,
21 with start-up grants and payments that no one is
22 required to pay. Today is the day that this
23 Commission, that's you, can help us begin to
24 provide the kind of future for our area that we
25 have only been able to dream about. It is a

1 future of improved education, college scholar-
2 ships, a future of medical care within our
3 county, a future of improved infrastructure that
4 will trigger additional economic development. It
5 is a future of improved public safety. We know
6 that a riverboat development is not the only and
7 sole answer to our long-term problems, but we
8 know that a riverboat development opens a door of
9 opportunity for us to help build a strong
10 economic foundation for Switzerland County in
11 southern Indiana. We were among the first
12 counties in the state to approve our referendum.
13 Every vote cast by our county council and county
14 commissioners has been unanimous as we have
15 approved our develop- ment agreements and
16 spending plans.

17 Allow me once and for the last time possibly
18 to outline for you again the benefits that this
19 license will bring to Switzerland County. Long
20 before the Hollywood Park Boomtown development
21 opens we will have a modern state-of-the-art
22 emergency service medical facility. No longer
23 will Switzerland County citizens have to leave
24 their county for medical treatment. Long before
25 the development door opens we will have updated

1 our fire department equipment enabling our
2 volunteer fire departments to improve fire
3 protection for all the citizens of Switzerland
4 County. Long before the doors open we will have
5 improvements in parks and streets. Long before
6 the door opens our partners will have provided us
7 with \$4.3 million in grants that will bring
8 immediate benefit to our county.

9 When this process began more than five years
10 ago we knew that it would take hard work, long
11 hours of preparation and planning and a thorough
12 review of southern Indiana's long-term needs. We
13 have done that and we stand ready. We also knew
14 that winning a license for Switzerland County
15 would be competitive. We have never shied away
16 from competition. In fact, we have always
17 supported and argued for competition.

18 Unfortunately, the licensing process placed us in
19 competition with our friends in Crawford County.
20 We in Switzerland County know firsthand the hard
21 work and emotional rollercoaster experienced by
22 Crawford County. We've kind of shared in that
23 ride. As Indiana's two poorest counties we know
24 the emotional difficulty tough budget decisions
25 forced on us by limited tax basis. Our two

1 counties are more closely linked today than ever
2 before.

3 Today I stand before you as an advocate for
4 Switzerland County, for Crawford County and
5 thousands of Hoosiers throughout southern
6 Indiana. Granting this license today will
7 provide Crawford and Switzerland County
8 additional revenue to meet our needs. At one
9 time this Commission had to choose between two
10 counties. Today you have the real opportunity to
11 help us both. Today is the day to issue this
12 license. Help southern Indiana help itself.
13 Thank you.

14 At this time it is a privilege for me to
15 introduce Harold Gilman, attorney for Crawford
16 County.

17 MR. HAROLD GILMAN: Mr. Chairman,
18 Members of the Commission, Mr. Thar, I'm Harold
19 Gilman, attorney for Crawford County, Indiana.
20 You may have seen me around here for the last
21 three or four years. I was usually back there,
22 but when the rollercoaster came this way, I came
23 here. My purpose in coming here is to let you
24 know that we do appreciate the various oppor-
25 tunities we have had to meet with the Commission

1 for your various considerations over time, but
2 the truth is we do not today have an applicant to
3 present on behalf of Crawford County. As Mike
4 Jones has stated, we have become friends over a
5 long time and I don't think they ever ran from us
6 and we really didn't intend to run from them. We
7 don't feel like we're doing so today.

8 I want to tell you on behalf of our county, as
9 we see it, a continued delay in issuing the
10 license would be a loss of sources of revenues
11 for both Switzerland County and the State of
12 Indiana. Likewise, as you've heard Mr. Jones
13 mention, likewise for Crawford County. So if
14 this is the way our revenue comes, this is the
15 way we want to receive it.

16 Our serious concern is that, yes, we do
17 appreciate all the opportunities we've had to
18 work with you and in the event the law ever
19 changes and expands another licenses, we want you
20 to know we still have the best site in southern
21 Indiana. Thank you very much.

22 CHAIRMAN VOWELS: We'll move to the
23 question-and-answer session at this time. If I
24 could just begin, I have a couple quick
25 questions. Mr. List, you said that the change

1 would be no temporary facility. What time frame
2 would be you looking at if the certificate of
3 suitability would be issued today?

4 MR. LIST: I would estimate following
5 issuance of permits, which is always difficult to
6 forecast, probably twelve to fourteen months for
7 construction and opening.

8 CHAIRMAN VOWELS: Another question that I
9 would have. I was reviewing the land. There was
10 discussion in our materials about the lease
11 agreements. One particular parcel and I just
12 wanted to make sure I understand this. I believe
13 it's Parcel A there was an option agreement which
14 was actually on June 2nd of 1998 and it talks
15 about under the terms of the lease that the fifth
16 anniversary of the license date and shall extend
17 for nine consecutive five-year periods. Is
18 that --

19 MR. LIST: That's accurate.

20 CHAIRMAN VOWELS: Obtained by license
21 from the Indiana Gaming Commission, but the last
22 part of it is what I'm somewhat confused by. It
23 says the landlord does not give the tenant
24 written notice of termination of the original
25 five-year period. Would that mean that if you

1 had all of this built there the particular
2 landlord had given you written notice of
3 termination where would you be?

4 MR. LIST: We don't read it as being a
5 termination right after five years. We think
6 there's a continuing renewal for the whole period
7 when you read the lease in its full context.

8 CHAIRMAN VOWELS: So that's not something
9 we need to concern ourselves with? Basically as
10 I'm reading our materials, I was certainly
11 concerned if that was a fact.

12 MR. LIST: Yes, sir, it certainly would.

13 CHAIRMAN VOWELS: I didn't imagine that
14 the board was going to let that slide by.

15 MR. LIST: I would hope not.

16 CHAIRMAN VOWELS: You'll take another
17 look at that?

18 MR. LIST: Yes, I will.

19 CHAIRMAN VOWELS: Those are all the
20 questions I have right now. If the other
21 Commissioners have some things.

22 COMMISSIONER BOCHNOWSKI: The concern has
23 always been and it's come up in the letters we've
24 received. You're claiming that the market is
25 there. Another aspect and that is employees.

1 Have you identified that you will be able to have
2 enough employees given that Rising Sun is so
3 close?

4 MR. LIST: We have engaged -- we've
5 actually engaged and completed a study some time
6 back done by Stephen (inaudible). Steve is
7 director for M-Plan here in Indianapolis
8 associated with Methodist Hospital, and what he
9 has recommended and what the plan would encompass
10 would be that our 1,400 employees would come
11 first from Switzerland County, second from
12 adjoining Indiana counties, third from non-
13 adjoining Indiana counties, and forth and last
14 from out-of-state locations. We have a total of
15 1,400 employees and we would anticipate
16 potentially setting up a local employment office
17 conducting job fairs and seeking applicants from
18 throughout southern Indiana to the extent we
19 don't fill it locally. So we certainly believe
20 that the workforce is there and that we can
21 readily fill those 1,400 positions.

22 COMMISSIONER DARKO: Let me follow up
23 with the employee question, if I could. At any
24 of your existing facilities are any of your
25 employees represented by labor organizations?

1 MR. LIST: Yes, there are some in
2 California and in -- in California.

3 COMMISSIONER DARKO: Thank you. While
4 I've got the mike let me ask what's the proposed
5 cruise path for the boat?

6 MR. LIST: It would come out of the
7 docking area, pull out into the river and go
8 upstream.

9 COMMISSIONER DARKO: Actually comes out
10 of this little inlet and goes upstream?

11 MR. LIST: Yes, sir.

12 COMMISSIONER DARKO: Do you have any idea
13 how far?

14 MR. LIST: I think we could go as far as
15 thirteen miles.

16 COMMISSIONER DARKO: How far did you say?

17 MR. LIST: Thirteen miles. The Kentucky
18 line, because of the dam in this section of the
19 river, the Kentucky line is -- the river having
20 been raised, it apparently expanded it more on
21 the Indiana side than it did Kentucky, so the
22 line is very close to the state of Kentucky and,
23 in fact, the locks are on the Kentucky side so
24 all the river traffic is across the river from us
25 as well.

1 COMMISSIONER DARKO: You could go
2 upstream as far as thirteen miles?

3 MR. LIST: Yes.

4 COMMISSIONER SUNDWICK: Do you plan to
5 do that? We'd like to go on a real cruise.

6 MR. LIST: We certainly have that
7 capability and we'll in fact have a real cruise.

8 COMMISSIONER DARKO: Are there windows on
9 the outside of the boat?

10 MR. LIST: Yes, there are. We also have
11 present today, and I'll recognize him, John
12 Wagner, Captain John Wagner from the Hornblower
13 Marine Services. He's been our consultant on
14 these issues and is available for any follow-up
15 questions you might have.

16 CHAIRMAN VOWELS: In our materials it
17 makes reference to cruising upstream
18 approximately one to two miles. Is that --

19 MR. LIST: That's our real estimate in
20 terms of the time for cruise is what we would be
21 able to cover.

22 CHAIRMAN VOWELS: Potential cruise
23 distance, are you able to go past those locks
24 realistically?

25 MR. LIST: No, we would not go

1 downstream. The boat will have the capability of
2 coming up through the locks on delivery, but we
3 would not expect to cruise down through the
4 locks.

5 CHAIRMAN VOWELS: Realistically
6 anticipate approximately one to two miles?

7 MR. LIST: Yes, sir.

8 COMMISSIONER SUNDWICK: That would take
9 you past the marina at Patriot.

10 MR. LIST: Just past Florence which is
11 the immediate community right above us but not as
12 far as Patriot.

13 COMMISSIONER BOCHNOWSKI: Do you have any
14 information all through the hearings way back
15 when there was reference to development of roads,
16 et cetera, across the river in Kentucky? Do you
17 have any more information on how that has
18 progressed?

19 MR. LIST: Yes, the latest information is
20 as follows. There's to be, as you may have
21 heard, a new automobile racetrack built directly
22 south of the dam up on Interstate 71 by Mr. Jerry
23 Carroll and his partners and associates. They've
24 already broken ground on that facility. We
25 understand from the Kentucky officials and

1 through Mr. Carroll that the commitment is that a
2 new road will be built from that racetrack
3 directly to the dam which is about six miles in a
4 very straight road, big high-speed capable road
5 and that that will be open at the same time as
6 the track opens in mid 2000. So it ought to
7 dovetail very nicely with our (inaudible).

8 COMMISSIONER MILCAREK: You stated that
9 you would try to provide Indiana with a lot of
10 the purchase materials. Have you given any
11 thought to an Indiana company that builds boats
12 to supply the steel or supply the --

13 MR. LIST: We have and we have had
14 meetings in the past with Jeffboat, that of
15 course being the primary builder in the State of
16 Indiana. They do not have the capabilities of
17 building a boat of this width. The jigs on which
18 they build the boat are very narrow because of
19 their customary fboat business. So the boat will
20 probably be built out of state. It's possible
21 that we could explore purchasing steel and so
22 forth if it is economically feasible.

23 COMMISSIONER MILCAREK: Will you make
24 that exploration?

25 MR. LIST: Yes, I will.

1 COMMISSIONER MILCAREK: (inaudible)

2 MR. LIST: We'll explore it and assuming
3 it's economically competitive, we certainly would
4 have no problem. And we will do that.

5 COMMISSIONER SWAN: As far as the
6 concessions are concerned, will you be providing
7 your own concessions in the hotel, the casino and
8 the golf course, or will you be using another
9 company to do that?

10 MR. LIST: Concessions in terms of the
11 food and beverage?

12 COMMISSIONER SWAN: Yes.

13 MR. LIST: We expect to do that
14 internally.

15 COMMISSIONER SWAN: Your own staff?

16 MR. LIST: Yes, sir.

17 COMMISSIONER SWAN: I still have this
18 major concern about three boats in a confined
19 area, and I'd like for you to talk to me some
20 more about why we want to get into this market
21 now with a third boat instead of waiting until
22 Harrison County comes on and we have a little
23 more experience.

24 MR. LIST: The first point I'm making,
25 Mr. Swan, is that we do not believe that we are

1 going to be competing for a major share of the
2 Louisville market. We readily understand that
3 Caesar's is going to dominate that market.
4 They're good operators. They have a first-class
5 product there. They're going to have a final big
6 vessel. They're very close proximity, and we
7 don't see ourselves as a threat to Caesar's. We
8 see ourselves competing for the bigger broader
9 market consisting of Lexington and northeastern
10 Kentucky, some of the Cincinnati market and up in
11 Ohio. Basically with what the capacity of
12 Argosy and Hyatt, I simply cannot handle. We
13 see ourselves in a different market. And as that
14 to that market, if I may, I'd like to make
15 reference to the latest -- I think the latest
16 independent analysis that's been done on the size
17 of that market. I'm quoting from an article that
18 appeared, I think, on Friday in the Cincinnati
19 Post newspaper. Essentially it reads as follows.
20 If I may quote. "The nation's premier gambling
21 industry investment analyst is recommending that
22 Indiana officials give the green light next week
23 to a \$150 million project that would bring a
24 third riverboat casino to southeastern Indiana.
25 Jason Aider, a senior managing director of New

1 York based (inaudible) & Company, says Thursday
2 he believed a new boat in Switzerland County near
3 Vevay could enlarge the southeastern Indiana
4 gambling market rather than splinter it as some
5 fear with the region's two existing riverboats in
6 Lawrenceburg and Rising Sun." There's a very
7 solid opportunity for growth there. Aider said
8 in an interview after he testified before the
9 National Gambling Panel meeting here as part of
10 the two-year examination of the impact of
11 expansion of legalized gaming. An advisor to six
12 state gaming commissions, Aider is a widely
13 respected national spokesman for the industry and
14 is the nation's number one gaming analyst
15 according to Institutional Investor magazine. He
16 said there's still a supply demand dis-
17 equilibrium in Indiana with the market nowhere
18 near saturation. "I see no reason not to go
19 ahead with another casino license." Just briefly
20 in closing, he said one new casino competitor per
21 market can adversely affect and impact other
22 operators. The southeastern Indiana riverboat
23 market, however, does not yet approach that
24 point. Aider stressed, Lawrenceburg remains one
25 of the best riverboat spots in the country. A

1 new boat is not going to change that. It and
2 Rising Sun may well feel the impact of a new
3 boat, but they're both solid operations. If done
4 right, this actually could end up growing the
5 overall market.

6 CHAIRMAN VOWELS: May I ask a follow-up
7 question? I'll direct this to you, Mike.

8 MR. THAR: You've done an excellent job
9 speaking on behalf of Switzerland County over the
10 last couple of years. My question is simply is
11 Switzerland County willing to accept both the
12 benefits of a successful riverboat and
13 potentially the down side of an unsuccessful
14 boat? The county and people there willing to
15 take chances with regards to various potentials
16 come up with regard to this boat?

17 MR. MIKE JONES: I think I answered that
18 question yes. Switzerland County, the citizens
19 of Switzerland County came in this process almost
20 five years ago passing a referendum with a lot of
21 debate in the county, good people on both sides
22 of this debate, and I would answer that question
23 yes, elected officials we have met, we have done
24 our work and we feel that this will be a great
25 economic boom to our county, and I guess the

1 answer to your question would be yes. We have
2 struggled for years. Our economy has grown in
3 recent times. We have a lot of hard work by a
4 lot of people, but we are up for this challenge
5 and, yes, we will accept it.

6 MR. THAR: Switzerland County has the
7 opportunity and willing to accept the upside and
8 downside risks?

9 MR. JONES: Yes, I would answer both
10 your questions.

11 MR. THAR: One other question while
12 you're there, Mike. Let's assume that the
13 certificate is issued, that a license issues,
14 Hollywood Boomtown gets up and running. At the
15 point where Switzerland County starts to get its
16 own income and starts to disburse that within its
17 county, is it willing to let go of revenue
18 sharing scheduled, for instance, Ohio County?

19 MR. JONES: The answer to that question
20 is yes. We knew that when we entered into
21 agreement with Ohio County that once we started
22 receiving funds from our own that we would become
23 ineligible, and we have used those funds from
24 Ohio County. They have greatly helped our county
25 through the revenue sharing and also through the

1 foundation, but yes, we would because we feel
2 that money could be used in other places and
3 help. We see this as a big regional project
4 that's going to help everybody, and the answer to
5 that question would be yes.

6 COMMISSIONER BOCHNOWSKI: That leads to a
7 question that's kind of popped into my mind since
8 this discussion has progressed. I realize the
9 boats are in competition with one another because
10 of the way businesses in the same field are, but
11 has there been any conversation, assuming you
12 got -- your county got this license, any
13 conversations with the other counties for
14 regional promotion of the area, that money from
15 this could go to that and you could jointly
16 promote the entire area?

17 MR. JONES: Absolutely. It's funny you
18 say that because that has been discussed today.
19 We see a great opportunity again. In fact, the
20 foundation that's been started, there's been
21 discussion that the foundation, the regional
22 foundation in Rising Sun, I can speak for
23 Switzerland County and I think Ohio County and I
24 would hope that maybe even Dearborn County would
25 see fit to join in this and create an economic

1 benefit for everybody, absolutely. We would be
2 very willing participants in that discussion.

3 CHAIRMAN VOWELS: Very fundamental
4 question, but I want to address it to you since
5 you live there. The miles between where this
6 riverboat is going to be and where Rising Sun
7 boat is and then Lawrenceburg's boat is and then
8 in terms of time how long would it take to get
9 from this boat to the other two?

10 MR. JONES: To get from ours to -- well,
11 from our site I drive it all the time. Sometimes
12 I'm in a bigger hurry than others, but I'm
13 guessing twenty, thirty minutes to Rising Sun and
14 then it's -- well, actually from Rising Sun to
15 Lawrenceburg to the boat it's probably fifteen
16 miles. Again, don't hold me to these miles.
17 From ours I think to Rising Sun is around twenty,
18 twenty-two, twenty-three miles.

19 CHAIRMAN VOWELS: How long does it take
20 to get to Cincinnati?

21 MR. JONES: From the sight? Well, of
22 course, we wouldn't go that way. We would go
23 through Kentucky. That's just because it's --
24 the interstate there is much quicker. It would
25 be -- I went to a Red game the other day and it

1 took me around forty minutes, forty-five. Of
2 course, they're doing work on the interstates,
3 but somewhere in that area, to downtown
4 Cincinnati.

5 COMMISSIONER BOCHNOWSKI: We've also
6 gotten some letters from people. Not everybody
7 in your community is a hundred percent behind
8 this project because we've received letters. I
9 understand that's the case in any venture, but
10 you have a beautiful small town and while you're
11 looking to benefit in terms of public safety and
12 health, how do you maintain the flavor and what
13 attracted people who lived there in the first
14 place? How do you maintain that while having
15 this big project?

16 MR. JONES: If I could back up just a
17 moment. First of all, I think when this process
18 started before the referendum when the site not
19 through our research, but the applicant at that
20 time chose not to put it in Vevay, and I think
21 that is a little different from Rising Sun with
22 it being more in the city. I think that, number
23 one, would maybe Vevay would tend to have less
24 direct -- of course, I'm speaking just as a
25 citizen there. And also I think we recognize

1 that -- as I said, I have friends on both sides
2 of the issue and I think maybe looking back from
3 my standpoint, maybe one of the reasons that it
4 has continued there is that we've been in this
5 process much longer, Rising Sun, Lawrenceburg,
6 other counties where they passed a referendum and
7 then in a shorter period of time they received a
8 certificate of suitability, but we do have a
9 beautiful county and I have said to everybody
10 that I, as a leader in the community, as a fifth
11 generation resident of Switzerland County, I very
12 much believe in that. I teach school in the
13 local school system there and I pledge myself and
14 I think I speak for the Commissioners and the
15 Council all the people of Switzerland County that
16 one more task will be to see that our county as
17 much as possible stays that same friendly county,
18 a place to raise a family and to truly live in
19 one of the most beautiful places in the world.
20 I think it's our responsibility as citizens to
21 ensure that that county remains that kind of a
22 place to live, and I know I pledge to spend my
23 time seeing that that continues.

24 COMMISSIONER SUNDWICK: I have to make a
25 comment, being from that part of the state, that

1 the pictures depicted in front of me are a lot
2 more attractive than the steel mills across the
3 river and I'll guarantee nobody would be voting
4 on the steel mills if they wanted to be putting
5 them on the other side of the river. It's an
6 issue, but it is a lot more attractive than the
7 steel mills seen on both sides of the river.

8 MR. JONES: Commissioner Bochnowski,
9 I guess I'll finish by saying we know that change
10 is always going to bring issues such as you say,
11 but I have a lot of confidence and faith in the
12 people of Switzerland County and I believe that
13 we will work to ensure that we will remain that
14 place that you not only like to live, but you
15 enjoy visiting.

16 COMMISSIONER MILCAREK: In Michigan City
17 the riverboat did not impact us in any way. We
18 haven't had the traffic problems that were
19 anticipated. Probably the biggest problem we
20 have today is all the work that's being done with
21 the moneys and tearing the streets up. That's
22 our biggest problem.

23 MR. JONES: I understand that. I guess
24 we need to work so long we'll probably welcome
25 (inaudible). Bridges being repaired, but it

1 is --

2 COMMISSIONER BOCHNOWSKI: If this does go
3 through today I want you -- what was that one
4 bridge you had on that movie? I almost cried.

5 MR. JONES: That bridge is really close
6 to my home and on a much traveled road. It's
7 Turtle Creek actually.

8 CHAIRMAN VOWELS: Mr. Jones, as far as
9 law enforcement support in that area, with the
10 influx of additional traffic I don't know that
11 crime necessarily as far as felonies and that
12 sort of thing would be a major increase, but
13 there will be traffic violations and public
14 intoxications, disorderly conduct, that sort of
15 thing. What is the plan as far as law
16 enforcement there or where that's going to
17 expand?

18 MR. JONES: I can answer that question.
19 I think our sheriff is here somewhere. I'm
20 president of the county council. I'm used to
21 turning to the sheriff. We have pledged to not
22 only from initial grants from the applicant
23 putting in law enforcement, but our county
24 council commission has pledged to put additional
25 moneys into law enforcement, and not only are we

1 going to in recent years and I think a lot of
2 assistane from the sheriff we have greatly
3 improved their ability to do their job now. I
4 think the revenue is there to do more. Sheriff
5 Johnson, would you --

6 SHERIFF JOHNSON: Could you repeat the
7 question?

8 CHAIRMAN VOWELS: Sure. Have you
9 anticipated the influx of traffic problems they
10 may cause with law enforcement and how you would
11 handle that as far as additional staff or just
12 what is your plan?

13 SHERIFF JOHNSON: Obviously we will have
14 to have additional staff. Presently we have one
15 deputy working at a time. Sometimes those shifts
16 overlap. I project that we're going to have to
17 have at least two deputies on duty at a time to
18 help the situation. We have kind of come into an
19 agreement with the applicants that there will be
20 deputized people working at the boat facility.
21 Perhaps not funded by the county. They will be
22 funded by the applicant themselves. So this will
23 take care of some of the immediate problem right
24 around the site.

25 As far as the traffic, we're already

1 experiencing quite an increase with the boat in
2 Rising Sun and we've been able to handle this.
3 We've had additional accidents. In the last
4 three years since I've been sheriff I've hired
5 three new deputies and we have a very efficient
6 reserve program. They're doing a fine job. So
7 we're coping with the situation we have now
8 fairly well, and I feel that in time to come as
9 this gets going, the revenues come into the
10 county, we'll be able to equip and hire
11 additional deputies to handle this problem. I
12 see it as a problem but not a major problem.

13 CHAIRMAN VOWELS: You talk about the
14 deputizing I assume some of the security people
15 with the Pinnacle boat.

16 SHERIFF JOHNSON: Key people in the
17 security would be deputized, not the whole
18 security force, just certain key people, perhaps
19 one per shift. Since this is away from the
20 county seat our response time from Vevay to
21 Florence on a non-emergency basis could be ten to
22 fifteen minutes. I think that we would be able
23 to handle this without any problem at all. These
24 people would be Academy graduates. They would be
25 sent to the Indiana Law Enforcement Academy.

1 They would have the same arrest power as a road
2 deputy. However, they would be employees of the
3 applicant.

4 CHAIRMAN VOWELS: Has there been any
5 discussion about any indemnification given the
6 fact there was a liability as far as through the
7 county? If this person who has been deputized
8 and causes a lawsuit, can the county be brought
9 into the suit?

10 SHERIFF JOHNSON: We've not gotten into
11 that, no, we've not discussed that. I would be
12 very particular about who would be in those
13 positions because it would be my ultimate
14 responsibility. I am the sheriff.

15 CHAIRMAN VOWELS: You talk about that
16 person would have some training that would
17 specify through the Academy. Would there be any
18 difficulty in the person who works security for
19 the boat going through the Academy that you're
20 aware of?

21 SHERIFF JOHNSON: They have opened the
22 Academy up now. As long as there is sponsorship
23 from a department, you can get deputies in.
24 People that would -- people that would -- law
25 enforcement officers. People that would be going

1 to this would be hired and within that first year
2 period, the same as any other police officer,
3 they would have to go to that academy within the
4 first year or they lose their police powers.

5 CHAIRMAN VOWELS: Does Switzerland County
6 share a judge with Ohio County?

7 SHERIFF JOHNSON: Yes.

8 CHAIRMAN VOWELS: Where does the court
9 hearings take place which county?

10 SHERIFF JOHNSON: The judge who lives in
11 Rising Sun three days a week is in Vevay and two
12 days a week he's in Rising Sun. Our prosecuting
13 attorney comes from Jefferson County. We share
14 that circuit with our prosecutor. Our judge is
15 shared with another circuit out of Ohio County,
16 Superior Court.

17 CHAIRMAN VOWELS: I know the Judicial
18 Study Commission has reviewed some places around
19 the state that there's a need for additional
20 judges. Has there been any discussion about your
21 county about having your own judge?

22 SHERIFF JOHNSON: Yes, as a matter of
23 fact, since there are several new police
24 officers, the case load that the courts are
25 bearing, the work that we're doing, there's a

1 real need for a new circuit to be created there,
2 so we could have our own prosecuting attorney and
3 our own judge and perhaps with this coming maybe
4 today, there may be some other people that will
5 work a little harder.

6 CHAIRMAN VOWELS: Do you have any idea of
7 what the amount of felonies filed in Switzerland
8 County and what misdemeanors were in 1997?

9 SHERIFF JOHNSON: No, I wouldn't. I do
10 know that just in my office alone that the case
11 load that we've come up with has probably doubled
12 since I took office in 1995.

13 CHAIRMAN VOWELS: With all of that in
14 mind, do you feel comfortable with this
15 applicant's commitment to the community and
16 particularly in the revenue that will bring that
17 it will be sufficient for you to do your job the
18 way you see fit as it brings more people into
19 your county? Do you feel comfortable with the
20 way things are going to be?

21 SHERIFF JOHNSON: I feel that the
22 applicant will be more than helpful to take care
23 of this situation. Getting it through the county
24 commissioners and the county council, that's a
25 different situation. If they feel like that

1 they -- we need the help, yes, I think the help
2 will be there.

3 MR. THAR: If we could just follow right
4 up and ask Mr. List could you itemize for us what
5 money the applicant has earmarked specifically
6 for public safety, new squad cars, ambulances, if
7 any?

8 MR. LIST: Mr. Jones will give you that.
9 It's their allocation of money.

10 MR. THAR: I want to know what your
11 allocation is.

12 MR. LIST: We simply give them the money.

13 MR. THAR: You haven't earmarked anything
14 specifically?

15 MR. LIST: In our development agreement
16 specifically there is on the front end, in the
17 front grants there is a million one for traffic
18 control and infrastructure. That's primarily
19 streets and roads in the vicinity of the project.
20 There's a million two for emergency services
21 which covers the new clinic would be built in
22 Vevay. There's \$125,000 for an ambulance. There
23 is a total for firefighting equipment \$300,000
24 for Florence and \$45,000 each for a number of
25 other townships, Morfield, Posey, Patriot, Vevay,

1 Jefferson, Craig and East Enterprise. There's
2 \$150,000 for the sheriff directly for --

3 MR. THAR: Is that money that the county
4 has earmarked or money that Hollywood Boomtown
5 has earmarked and saying we'll pay you this for
6 that?

7 MR. LIST: They're the ones really who
8 allocate. We listen to them and what their needs
9 were. If they said we would like to have
10 firefighting equipment. We asked how much, where
11 do you need it, and so we spelled it all out in
12 our agreement. So we were really being
13 responsive to their requests. The money for the
14 sheriff I think is anticipated to cover the lease
15 or purchase of some new vehicles and equipment to
16 enable them to immediately address our opening
17 influx of people and workers, and then the rest
18 of the money is essentially for other
19 infrastructure and other grants.

20 MR. THAR: We just talked about medical
21 and police right now. To the extent that what
22 has presently been allocated could become
23 insufficient due to the size of your project,
24 would Hollywood Boomtown commit today to
25 financing some of that extra cost so it wouldn't

1 have to come out of the counties' revenue
2 sharing?

3 MR. LIST: We, of course, have increased
4 our grant substantially already. One of the
5 needs they have that hasn't been talked about
6 here that I'm sure the sheriff would address is
7 the need for a new jail. As you recall, they're
8 under court order their inmates can be held
9 briefly.

10 MR. THAR: I'm not asking you to build a
11 new jail.

12 MR. LIST: All those needs are provided
13 by their own spending from taxes and the money
14 that we previously committed. Hopefully it's
15 quite adequate.

16 MR. THAR: Is your answer no?

17 MR. LIST: I'm afraid it is, yes, sir.
18 We think we have provided quite enough.

19 MR. THAR: If they needed another police
20 car, you're not going to buy it for them?

21 MR. LIST: I'll give the sheriff a ride.

22 MR. THAR: I hate to twist your arm in
23 public, but I'm gonna. It is the last license in
24 Indiana. For instance, in Harrison County
25 Caesar's is funding an additional eight deputies,

1 eight vehicles, anything necessary so that the
2 county does not have to pay out of their moneys
3 for law enforcement services or public health
4 services that are due solely because of the
5 riverboat gambling operation. I'm asking if
6 you'll commit to the same thing. It may not
7 require any more more than what's already
8 budgeted.

9 MR. LIST: I think, Mr. Thar, we're
10 doing the same thing already. Thankfully this is
11 a county that has a total budget now of a million
12 and a half annually in their general fund. With
13 the money they're now receiving from taxes or
14 will be receiving from taxes and grants, it's
15 between \$15 and \$20 million now. There's going
16 to be a lot of money to pay for a new jail, for
17 new police cars, for staff, and so all of this
18 money really has to come from the project, and
19 most of it's going to flow through in the form of
20 taxes and grants. Collectively we believe that
21 their needs are met. Perhaps Mike can address
22 that further, but we certainly feel we met our
23 obligation and I would also --

24 MR. THAR: Another \$200,000 to that? You
25 would not commitment \$200,000 to that, if needed?

1 MR. HUBBARD: Mr. Thar, R.D. Hubbard.
2 We committed an additional million something over
3 and above what we had projected in our original
4 application just recently to them. We've also
5 increased our grant to Crawford County in
6 addition, and I don't believe that they've
7 allocated all this money to where it's to be
8 used. If you want us to say we'll take two
9 hundred thousand of that and put into the police,
10 we'll be glad to do that, but it will come out of
11 the additional money that we have presently
12 committed to them.

13 MR. THAR: I'm not asking you that, and a
14 lot of money revenues are based on projections.
15 Unfortunately, if they have to hire five new
16 police officers, that's going to occur regardless
17 of whether the amount the county receives is
18 actually as high as projected. I understand the
19 fact you're going to have some base costs. My
20 question is simply are you willing to undertake a
21 few of those base costs to the extent they might
22 exceed what you already pledged?

23 MR. HUBBARD: I would say that if our
24 revenues do not generate the money that we have
25 committed and they have additional needs, we

1 would definitely be willing to undertake those
2 costs, especially for the police and fire. We
3 feel that our revenues are conservative. We're
4 going on the best case or the most likely case
5 scenario. We think their revenues will be
6 greater than what we presently have projected.

7 MR. THAR: So if I understood you
8 correctly, if the revenues don't hit what you
9 expect under most likely scenario and their costs
10 are a little higher, you are willing to
11 consider --

12 MR. HUBBARD: We are willing to step up
13 to that.

14 MR. THAR: Good. Thank you.

15 CHAIRMAN VOWELS: I asked about the
16 indemnification. If they would deputize security
17 for the boat and -- put this nicely. Sometimes
18 there are people to like to be police officers
19 for one reason or another and under the sheriff's
20 proposal there would be some education that
21 hopefully they would rise to maybe criteria.
22 My point is sometimes they get the person they're
23 providing security for because of lack of
24 judgment. Would you be willing to enter into an
25 indemnification clause agreement with the county

1 if in fact the person who was employed by you in
2 a matter of security would cause a lawsuit where
3 the county is brought into it?

4 MR. LIST: I think we can work it out
5 with them. Let me say this. In our company we
6 have a very very high level of professional
7 security officers. Most of them have all had
8 distinguished careers in law enforcement. We
9 hired sheriff's deputies, individuals who left --
10 often times they're required to -- or able to
11 retire at a relatively early age. We have former
12 sheriff deputies, we have former city police
13 officers, we have state highway patrolmen at each
14 of our properties. So there's a vast experience
15 in law enforcement there so we have a high
16 standard to begin with. Secondly, in terms of
17 our relationship, I'm sure that we can work it
18 out and reach a balance of fairness if we're
19 going to assume that responsibility on the part
20 of the county. Obviously the sheriff has
21 indicated a high level of professionalism as
22 well. The ultimate liability on a wrongful
23 arrest I suppose we'll have to sort out, but I'm
24 confident we can do that.

25 CHAIRMAN VOWELS: I mean the people

1 within your organization, they won't be the guys
2 walking around at two in the morning on the boat?
3 You'll have to hire some local people to
4 actually --

5 MR. LIST: That's true, but I think
6 we'll find a good round of applicants coming from
7 law enforcement, even for those graveyard shifts.

8 CHAIRMAN VOWELS: I don't have any other
9 questions in that regard.

10 COMMISSIONER SUNDWICK: I have a comment.
11 I'd like to congratulate the people of
12 Switzerland County for their steadfastness and
13 this procedure we've been putting you through for
14 the last X number of years. Also to Boomtown and
15 Hollywood Park for their effort over the last few
16 years. You've stuck in there. I'm surprised
17 sometimes how well you've done, how long you've
18 stayed. May I commend you for that and all the
19 people in the county.

20 MR. LIST: Thank you, sir. We appreciate
21 the patience and the endurance and we certainly
22 understand the care and consideration of this
23 Commission and your staff has put into exercising
24 your responsibility. I'm glad you've allowed us
25 to stay with you. Mr. Thar proved once again

1 there are two ways to twist an arm, clockwise and
2 counter-clockwise.

3 CHAIRMAN VOWELS: Before I met Mr. Thar I
4 had a case in federal court. He had prosecuted
5 one of the co-defendants so I met him on paper.
6 His cross-examination before I ever met him in
7 real life, and I keep hearing that all the time.
8 Mr. List, if I could just re-visit one thing
9 here. Why it's taking so long and why the
10 questions, this concern about the market being
11 able to bear another riverboat along the Ohio
12 River. Has there been -- are there any
13 contingency plans within the organization you're
14 with or associated with if this applicant if
15 things go bad of selling this off to anybody?

16 MR. LIST: We have no such plans. There
17 hasn't been any consideration of any such
18 scenario. We fully expect to operate it and do
19 so quite successfully.

20 CHAIRMAN VOWELS: You said earlier when
21 I asked you about when you expected the facility
22 to open you said twelve to fourteen months after
23 the permitting process has been completed. Are
24 we talking about everything including the hotel,
25 everything being completed?

1 MR. LIST: Yes, sir.

2 CHAIRMAN VOWELS: Are there any other
3 questions?

4 COMMISSIONER BOCHNOWSKI: So actually
5 you'd probably be able to open the boat prior to
6 that time?

7 MR. LIST: We'd open it all
8 simultaneously. It will take twelve to fourteen
9 months to construct the vessel as well.

10 COMMISSIONER BOCHNOWSKI: So you could be
11 doing the rest while the vessel is being built?

12 MR. LIST: Yes.

13 MR. THAR: I don't want to speak for
14 Governor List, but he has indicated to me that
15 the philosophy that they're using now is about
16 the same as Showboat's was, which is don't go
17 into an established market where people have
18 permanent facilities with a temporary facility.
19 Go in with a permanent facility so the chances of
20 someone having a bad experience at a temporary
21 facility are higher than they are at a permanent.

22 COMMISSIONER BOCHNOWSKI: As we know, you
23 still have to get a permit for the temporary
24 facilities.

25 MR. LIST: That's correct.

1 MR. THAR: When you boil it all down to
2 time, it isn't going to make probably much more
3 than five, six months difference between opening
4 temporarily and opening up fully ready to go.

5 MR. LIST: That's true.

6 MR. THAR: It's obviously an expensive
7 decision on their part because there will be some
8 delay in cash flow, but by the same token, it
9 could be a very wise business decision.

10 MR. LIST: This product with good service
11 that people will appreciate and come back to as
12 opposed to having them come there and having
13 second-class experience and not come back.

14 COMMISSIONER BOCHNOWSKI: particularly
15 since people have certain expectations in that
16 area.

17 MR. LIST: They do. There are two good
18 operators there.

19 COMMISSIONER MILCAREK: You say twelve to
20 fourteen months. Obviously in the back of your
21 mind you have a date. What would you expect that
22 to be?

23 MR. LIST: Yes, I would hope 24 months.

24 CHAIRMAN VOWELS: Twenty-four months
25 from --

1 MR. LIST: From today.

2 CHAIRMAN VOWELS: If granted. Any other
3 questions?

4 COMMISSIONER DARKO: Can you identify the
5 general contractor for the hotel and land-based
6 facilities.

7 MR. LIST: Not yet. We've had
8 discussions with the guys from the (inaudible)
9 firm which is now merger with another firm as
10 well. We will use Indiana general contractors.

11 COMMISSIONER DARKO: I saw Mr. Martin
12 here.

13 MR. LIST: He has an interest. Until we
14 receive a license Mr. Hunter points out there is
15 a sequencing factor here.

16 COMMISSIONER DARKO: You had to give up
17 the car first.

18 MR. LIST: So we will discuss with them
19 and I'm sure there will be others who are
20 interested, but they in particular have been
21 supportive and helpful to us and we'll have
22 further discussions with them.

23 COMMISSIONER DARKO: You do contemplate
24 Indiana base general contractor?

25 MR. LIST: Yes, sir.

1 CHAIRMAN VOWELS: The statute requires
2 that the boat cruise. Is there anything that we
3 need to know about why that boat may not be able
4 to cruise?

5 MR. LIST: We have no concerns whatsoever
6 based on our knowledge of the river. Of course,
7 the design of the vessel, the facility there
8 certainly will accommodate full cruising.

9 COMMISSIONER BOCHNOWSKI: You indicated
10 that most of the barge traffic is on the other
11 side.

12 MR. LIST: Yes, it is. All of it is
13 actually because of the lock passage being on the
14 far side.

15 CHAIRMAN VOWELS: If there aren't any
16 further questions, let's take about a ten-minute
17 break and we will come back and organize and
18 discuss.

19 (Short break taken.)

20 CHAIRMAN VOWELS: We'll be calling the
21 meeting to order. It's 12:40 Indianapolis time.
22 We have all Commissioners present with the
23 exception of Dr. Ross. We've had presentations
24 and a question-and-answer session, and this is
25 the time for discussion amongst the

1 Commissioners. Before we begin that I would just
2 address Mr. Thar as we always have before
3 beginning consideration of the issuance of a
4 license. Mr. Thar, are there any issues that we
5 need to concern ourselves with that prohibit this
6 license from being issued today if in fact we do
7 decide that?

8 MR. THAR: The state police have in fact
9 finished their report. We have received it.
10 I've not received any word back from any
11 Commissioner they had any problems with it. So
12 there is nothing that prevents the issuance of
13 the certificate of suitability today based on
14 suitability as far as the applicant knows all
15 licensees. That is something that can at any
16 time be reviewed.

17 CHAIRMAN VOWELS: Thank you, Mr. Thar.
18 Would anyone like to open the discussion?

19 COMMISSIONER BOCHNOWSKI: Well, I guess
20 the real issue here -- these people have been
21 before us. The real issue is whether to award
22 the license now or to wait as some people come up
23 and have written and said until the governor's
24 commission is done and until we have the impact
25 of Caesar's. The down side of that is that this

1 applicant has hung in there a long time. This
2 county has hung in there a long time and the
3 legislature did allow for this license. The
4 county did vote for a boat in their county, and
5 stringing them out any longer seems quite unfair.
6 It seems to me that despite not having Caesar's
7 in and despite the Governor's commission still
8 being out, as a matter of fairness, we need to
9 decide positively or negatively today.

10 CHAIRMAN VOWELS: I think one of the
11 concerns -- the concern that we've addressed all
12 along is market viability. One thing I'd ask the
13 staff put together we had all received that was
14 projected attendance and projected wins of the
15 two boats that are in the Cincinnati area, along
16 with the actual attendance and the actual wins.
17 When we would have those hearings early on over
18 the last five years I always took projected
19 numbers with some grain of salt because I felt
20 that some of the applicants may feel that the
21 bigger the wins are, the more impressed we would
22 be and the higher some numbers would be, we'd be
23 better than another applicant's. In some cases
24 that was the way it seemed regardless of -- I
25 don't recall how the line-up was between Argossy

1 and its competitors, Grand Victoria and their
2 competitors, but regardless of that, the
3 projected attendance and the actual attendance,
4 the actual attendance far out exceeds -- is far
5 greater than what Argosy had projected along
6 with the annual wins that are greater than what
7 they projected. Same thing with Grand Victoria.
8 So the question is will that market continue to
9 expand and can it handle a third boat and will a
10 fourth boat along the Ohio River cause
11 cannibalism, particularly from a fifth boat or
12 the Caesar's boat comes on. I think that's
13 essentially where we are with this. Shall we
14 wait? Shall we give it? What should we do?
15 That's it in a nutshell isn't, it? Mr. Sundwick.

16 COMMISSIONER SUNDWICK: I just -- I
17 think we talked about eighteen months ago and
18 made the comment we wanted to wait and see, and
19 we waited and we looked at the numbers. I
20 believe sincerely that as we've said eighteen
21 months ago the synergies of these boats will help
22 each other, not hurt each other. Will it be
23 better for the State of Indiana? We probably
24 lost and will lose additional revenues, tax
25 revenues, to the state because of this eighteen

1 months that's passed. I think we've done an
2 appropriate job. I think we've answered
3 everybody's questions and I think the numbers
4 prove it out. I think it's really time to get on
5 with this, and I don't know if it's appropriate,
6 but I certainly would move that we grant the
7 certificate of suitability to Hollywood Park and
8 Boomtown immediately.

9 CHAIRMAN VOWELS: We've heard the
10 discussion. If someone wants to second that.

11 COMMISSIONER MILCAREK: I will second
12 that.

13 CHAIRMAN VOWELS: Additional discussion?

14 COMMISSIONER SWAN: Yes. I don't know.
15 I still feel like we're still too early. There's
16 no sense to risk the whole marketplace for this
17 boat. We are not just talking about this county.
18 This county may be hurt less than some of the
19 other counties that have boats, like Ohio County.
20 They may be the ones that really suffer from
21 awarding a license now. I still feel like we
22 don't need to rush in. So I would be against
23 awarding a license now and would like to wait
24 until Caesar's is up and running for at least six
25 months.

1 CHAIRMAN VOWELS: Any other thoughts on
2 the matter?

3 COMMISSIONER DARKO: I think it's always
4 a balancing act. I think Mr. Swan's comments
5 just expressed are valid and certainly rational
6 and, quite honestly, six months ago I agreed with
7 him completely and I thought it was too early to
8 make a decision. I've been impressed by the
9 numbers at Argossy and at Rising Sun in the last
10 six or eight months. I think they've demonstrated
11 they are mature, that they are expanding and that
12 it's a very deep market, and I think when you
13 weigh it I think you come down on the side of
14 awarding the license.

15 CHAIRMAN VOWELS: Anything else?

16 COMMISSIONER BOCHNOWSKI: I echo what
17 was just said. I was originally against awarding
18 it. Not against awarding it in this location,
19 but against awarding it too soon, but again, I
20 think that we've got some numbers now. We've got
21 some actual factual data, and I just cannot in
22 good conscience string these people in this
23 county along any longer. I just can't do that.
24 I think that it's time to take action.

25 COMMISSIONER MILCAREK: I feel the same.

1 I think the time is right. We don't know what
2 Ohio and Kentucky are going to go. We have an
3 opportunity here. I think we should take
4 advantage of it now.

5 CHAIRMAN VOWELS: Commissioner Swan, as
6 Commissioner Darko said, I was (inaudible) six
7 months ago and I wish we had a crystal ball. I
8 feel less nervous about issuing the license
9 today, a lot less nervous than I did in December
10 of last year. The numbers continue to expand in
11 the Cincinnati market and I hope they continue to
12 expand. It does concern me about the impact this
13 will have on Rising Sun in Ohio County. I hope
14 they've gotten a leg up, which I think they have.
15 I think that Pinnacle will be intelligent as
16 they've told us that it is intelligent that they
17 don't open until everything is in place. It's
18 awfully difficult to compete if you're only half
19 there. I'm in the frame of line with the other
20 new converts. Is there anything else?

21 COMMISSIONER SUNDWICK: We have a motion
22 and we have a second and we're ready to vote.

23 CHAIRMAN VOWELS: Any further discussion?
24 A show of hands. There's been a motion and a
25 second to issue the certificate of suitability to

1 Pinnacle Gaming Development Corporation and that
2 is the official name, is it not, Mr. Thar?

3 MR. THAR: Yes, sir.

4 CHAIRMAN VOWELS: All those in favor of
5 that motion raise their hands.

6 CHAIRMAN VOWELS: All that's left to do
7 is have a motion to adjourn. Is there a motion?

8 COMMISSIONER SWAN: Motion.

9 CHAIRMAN VOWELS: Second?

10 COMMISSIONER DARKO: Second.

11 CHAIRMAN VOWELS: All those in favor say
12 aye.

13 (Whereupon, the meeting was adjourned.)
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