

**IOWA RACING AND GAMING COMMISSION
MINUTES
MARCH 2, 2023**

The Iowa Racing and Gaming Commission (IRGC) met on Thursday, March 2, 2023 at Prairie Meadows Racetrack and Casino (PMRC) in Altoona, Iowa. Commission members present were Daryl Olsen, Vice Chair; and members Amy Burkhart, Mark Campbell and Lance Horbach. Commissioner Julie Andres was absent.

APPROVE AGENDA: Vice Chair Olsen called the meeting to order at 8:30 AM, noting that it would be a long meeting. He stated the Commissioners enjoy this meeting as it provides an opportunity for them to ask questions of the operators and qualified sponsoring organizations. He requested a motion to approve the agenda. Commissioner Burkhart so moved. Commissioner Campbell seconded the motion, which carried unanimously.

APPROVE MINUTES: Vice Chair Olsen requested a motion regarding the minutes from the January 26, 2023 Commission meeting. Commissioner Campbell moved to approve the minutes as submitted. Commissioner Burkart seconded the motion, which carried unanimously.

WELCOME: Gary Palmer, General Manager of PMRC, introduced Michelle Wilke, Senior Vice President and Chief Administrative Officer. He advised the Commission would be seeing more of her due to the retirement of Ann Atkins.

Mr. Palmer welcomed the Commission, fellow colleagues and qualified sponsoring organization representatives to PMRC. He stated March 1st was the start of PMRC's 34th year in business; the opened on March 1, 1989 as the first horse track in Iowa, and had a grand re-opening on April 1, 1995 as the first racino in the nation providing horse racing with casino-style gaming. Mr. Palmer stated PMRC has not looked back and it has been a great experience. He thanked PMRC's patrons and employees for the success.

Mr. Palmer stated since 1996 PMRC has paid out \$2.2 billion to charitable organizations and in gaming taxes. In 2022, PMRC had over 2.2 million visitors, and the facility continues to be Iowa's number one tourist attraction since the 1990's. He stated they are constantly remodeling and refreshing the facility; they are currently remodeling the hotel which will be completed in June, and is a \$13 million investment. Additional projects include replacing all of the escalators at a cost of just over \$1 million, and repainting the exterior of the building. Prior to winter setting in, the roof was repainted. He stated PMRC averages between \$8 – 10 million per year on capital improvements. He stated that figure does not include the hotel renovation, escalators or the painting.

Mr. Palmer stated 2022 was the most successful revenue year of any year with \$235 million in gaming revenue; including ancillary income, revenue was just over \$270 million. He stated their Iowa economic impact report shows they purchased 97.44% of their purchases with Iowa vendors, or \$180.1 million spent for Iowa goods and services.

ANNOUNCEMENTS: Brian Ohorilko, Administrator of IRGC, advised the next Commission meeting would be on April 20th at Ameristar Casino in Council Bluffs. Submissions for that meeting are due in the Commission's Des Moines office by April 6th. He stated there is no meeting in May, with the next Commission meeting to be held at IOC Black Hawk County in Waterloo. Mr. Ohorilko stated the Commission would announce meeting dates for Fiscal Year 2024 at the April meeting.

SCE PARTNERS, LLC AND CHURCHILL DOWNS INCORPORATED: Lorraine May, legal counsel, was present to address the following agenda items:

Request for Approval of Financing pursuant to 491 IAC 5.4(8): She advised the final number came down to \$500 million.

Hearing no comments or questions, Vice Chair Olsen requested a motion. Commissioner Campbell moved to approve the financing request as submitted under Agenda Item 5A. Commissioner Horbach seconded the motion, which carried unanimously.

Request for Approval of Application for Shelf Approval of Debt Transactions pursuant to 491 IAC 5.4(20): Ms. May requested approval of the shelf financing as presented.

Hearing no comments or questions, Vice Chair Olsen requested a motion. Commissioner Horbach moved to approve the application for shelf financing as presented by SCE Partners, LLC and Churchill Downs Incorporated. Commissioner Burkhart seconded the motion, which carried unanimously.

DIAMOND JO WORTH, LLC: Scott Smith, General Manager, requested approval for the remodeling of the buffet space into a Gastropub eatery at an approximate cost of \$3 million. He stated they are excited to start the project the first week of April. The restaurant will seat 146 and be open to all ages as there is full access off the gaming floor.

Hearing no comments or questions, Vice Chair Olsen requested a motion. Commissioner Burkhart moved to approve the remodeling request as submitted. Commissioner Horbach seconded the motion, which carried unanimously.

NATIONAL PROBLEM GAMBLING AWARENESS MONTH: Katrina Bee, CPS, Project Manager for the Office of Problem Gambling in the Iowa Department of Health and Human Services (Iowa HHS), presented a brief PowerPoint covering gambling behaviors, awareness of the State's program to provide treatment for gambling problems, and the prevention and treatment services available across the State. She advised the Center for Social and Behavioral Research at the University of Northern Iowa conducted a Use of Substances and Gambling Survey in 2021 with over 4,000 Iowans participating. The primary purpose of the survey was to collect data from adult Iowans who were 18 years old or older to assess their health and wellbeing, substance use and gambling behaviors, mental health and risk of suicide. Ms. Bee stated the data collected helps identify trends and helps in their decisions in determining what strategies to implement throughout the state. She covered the Your Life Iowa Resource Center. In SFY22, there were 1,569 contacts

(phone, text, or chat) to Your Life Iowa on problem gambling, and there were 1,241 referrals for assistance (804 in state and 437 out of state). In SFY22, over 100,000 were provided problem gambling prevention services, 319 received problem gambling crisis intervention treatment, and/or recovery support services and 15 hours of collaborative training opportunities were provided to the network of providers.

Ms. Bee stated they typically see an increase in the number of individuals seeking assistance in March which is likely due to increased media exposure and public speaking engagements.

Commissioner Horbach commented on the fact that one-third of calls coming into 1-800-Bets-Off are from out of state, and noted that Missouri's number is 1-888-Bets-Off. He asked if there was any correlation. Ms. Bee stated she would be happy to follow up and provide the requested information.

Commissioner Burkhardt noted the national number is 1-800-Gambler, and wondered if those calls make their way to the Iowa program. Ms. Bee answered in the affirmative.

Vice Chair Olsen asked how many people worked with this program. Ms. Bee advised it just her with the help of a temporary employee. He complimented her on her work

Commissioner Campbell also complimented her on her outstanding job and getting the resources/information out to the facilities and public.

IOWA GAMING ASSOCIATION: Wes Ehrecke, President, distributed the 2021 – 2022 report on the County Endowment Program Fund and grants by the casino non-profit organizations. He commented on the Legislature's visionary efforts in 2004 to provide every non-casino county a portion of the gaming tax revenue, which is unique in the casino industry. It started out at one-half of one percent, but is now eight-tenths of one percent. In 2022, each non-casino county received just over \$160,000. The Community Foundations in those counties are required to put 25% in a permanent endowment and the balance can be distributed in grants in any manner they choose. Each foundation has a separate board of directors to make those decisions. Beginning on page 51, there is a brief summary of the grants distributed by the casinos. Mr. Ehrecke stated the report provides the Legislature, Commission, media and public of the impact of this fund. In 2021 – 2022, the non-casino counties awarded \$10.7 million to 1,838 grant recipients. Since the inception of the program, 2,558 applications have been submitted seeking funding of \$21.2 million for various programs and projects.

EXCURSION GAMBLING BOAT AND GAMBLING STRUCTURE LICENSE RENEWALS (OSV = OUT OF STATE VENDOR; RP = RELATED PARTY): Vice Chair Olsen stated that during the license renewal process the Commission has the opportunity to ask questions of both the licensee and the non-profit organization. He stated if the questions make the licensees and non-profit organizations uncomfortable, the Commission is just trying to make things better as that is what they are appointed to do and to make sure that any deficiencies are addressed.

Iowa West Racing Association/Ameristar Casino Council Bluffs, LLC: Paul Czak, General Manager, introduced Brenda Mainwaring, President of the Iowa West Racing Association.

Mr. Czak stated 2022 was another good year for the property, it was the second best revenue year in a row and non-gaming revenues increased approximately 20%, which is a good indication the property is working its way back to full operations pre-pandemic. He stated they increased the number of team members by 60 from 455 to 513, and payroll increased by \$4.37 million. He noted 36 team members were promoted to management positions at other casinos throughout the company. All team members received a service bonus for all four quarters for is the third year in a row. Ms. Czak stated Ameristar's economic impact show over \$50 million spent with Iowa vendors for the first time.

Commissioner Campbell asked about the facility's long term goals with Nebraska gaming facilities starting operations.

Mr. Czak stated there is some uncertainty with long term planning until they have a better understanding of what the market will look like after the full casinos are open, not just the temporary facilities. He noted the current facility is nearing the end of life, the boat is 27 years old; the company will be focusing on the next solution – what does it look like, where does it sit, and what is the scope. Mr. Czak stated they are already in discussions with Iowa West Racing Association (IWRA). He stated that is their #1 long-term challenge, but reiterated it is hard to commit to anything without a better understanding of what the market will look like.

Commissioner Horbach noted Ameristar is one of five casinos that had more admissions than the previous year. He asked Mr. Czak why he feels they had more admissions even though they are fighting Nebraska for customers. Commissioner Horbach stated admissions were 732,000, equal to the populations of Linn and Polk counties combined. He wondered if it is due to amenities, staffing, etc.

Mr. Czak stated their sports wagering facility is not located on the boat, so numbers would be higher than that. He stated that since re-opening there has been a drop off in patrons age 51 and up, but they have seen an incredible growth in patrons age 45 and under, mostly related to the sportsbook. He credited the sportsbook with helping to offset the decline and providing a new base going forward.

Commissioner Burkhart noted the facility has had increased calls to local law enforcement for two years in a row, and asked what the facility is doing from a security standpoint to curb that.

Mr. Czak advised for 10-12 years prior to the pandemic the facility had local Council Bluffs police officers on site Friday and Saturday nights who were able to handle the emergency calls; since the pandemic, the police department has not been able to provide those officers. Mr. Czak stated he anticipates the officers will return in the second half of this year. He stated there really hasn't been an increase in issues; now the facility has to call someone where there was a police presence on-site during the weekend previously.

Brenda Mainwaring, Chief Executive Officer of the IWRA, requested approval of the renewal of the operating license for Ameristar Casino Council Bluffs, LLC. She stated Ameristar is a great partner and IWRA is appreciative of the long-standing relationship between the entities. She stated Council Bluffs is fortunate to have Ameristar in the community. Ms. Mainwaring noted the Commission had asked the qualified sponsoring organizations (QSOs) to address funding for the past licensing year, funding initiatives for the next licensing year and the strategy for the distribution of gaming funds in the community or region.

Ms. Mainwaring stated in 2022 IWRA granted just over \$13 million to approximately 70 southwest Iowa and eastern Nebraska organizations that specifically serve the interests of southwest Iowa, an additional \$7 million in support of their general missions and expect to have similar allocations in 2023. She stated IWRA supports organizations and projects that contribute to communities where families love to live and businesses thrive. Grants are made at the direction of community advisors, board members and gaming representatives. Grants are focused on place making, education, healthy families, and economic development. Last year, IWRA conducted a year long strategic exercise with a lot of community input, Ms. Mainwaring stated she is looking forward to sharing the information and how IWRA will be shifting its focus to more of a community outcome process at the April Commission meeting. She stated their mission will be the same – to support communities in southwest Iowa.

Last year in place making, IWRA distributed \$6.1 million in grants, which included ski hills in Crescent in partnership with Pottawattamie County. Funds were also distributed to Little Sioux Camp, and the First Avenue Trail in Council Bluffs, which was recently mentioned in National Geographic as an important part of the Great American River Trail. In healthy families, IWRA contributed \$3.3 million in grants. They also do operating grants in this area that provides funds to non-profit organizations that allows them to do their work. Funds were provided to a permanent food pantry, expanded Early Head Start, and for the 15th year, gave more than \$1 million to the Area Education Association to make sure all 4-year olds in the county had access to all-day pre-school. A new focus starting last year and going forward is on housing. This area is not new to any of the QSOs nor is it news to anyone in the State that housing is huge issue. She noted grant organizations have focused on emergency services and homelessness, however, that doesn't solve the problem. Ms. Mainwaring stated IWRA is starting to focus on housing and how they can be present at all levels to make sure the root causes of homelessness are being addressed. In education, IWRA distributed \$2.9 million that included the Council Bluffs school district's Early Learning Center, which upon opening, will make Council Bluffs the first Iowa city to have universal pre-kindergarten; and completed the project with the Council Bluffs school districts for city-wide Wi-Fi access, and will move on to the Lewis Central school district this year. IWRA continued their scholarship support for first generation and non-traditional students. Going forward, IWRA will change their focus to career readiness, and have converted the scholarships to a portfolio of support programs developed in partnership with the school districts in Pottawattamie County, taking into account that the needs and interests of rural and urban school districts are different. In planning and economic development, \$500,000 was distributed which included entrepreneurial development. There is a program called "Kitchen Council", an incubator where food startups start, and supported Workforce Development through the Council Bluffs Chamber.

Ms. Mainwaring stated their grants will look similar in 2023, but IWRA will be working closely with their partners – the City, County, school districts, and non-profits to make sure IWRA is achieving their vision, not IWRA's. She stated all of their work is only possible through the support of their gaming partners and again requested approval of the gaming license.

Commissioner Campbell expressed his appreciation for all of the information. He noted the meeting with the QSO organizations the night before was amazing and provided an opportunity to learn about the diverse funding by the different organizations.

Vice Chair Olsen thanked Ms. Mainwaring for organizing the QSO event. He advised the Commission would be reading the motions regarding the license renewals due to the complexity of some of the motions.

Hearing no further comments or questions, Vice Chair Olsen requested a motion. Commissioner Campbell moved to renew the license to conduct gambling games to Iowa West Racing Association, renew the license to operate Ameristar Casino Council Bluffs, LLC as an excursion boat that will not cruise, renew the license to conduct sports wagering to Ameristar Casino Council Bluffs, LLC, and approve the facility's revised security plan included in the application. Commissioner Horbach seconded the motion, which carried unanimously.

Contract: Mr. Czak presented a contract with Penn Sports Interactive (PSI), which is an inter-company allocation change related to retail sports wagering revenue. (OSV) (RP)

Hearing no comments or questions, Vice Chair Olsen requested a motion. Commissioner Horbach moved to approve the contract as submitted by Ameristar Casino Council Bluffs, LLC. Commissioner Burkhart seconded the motion, which carried unanimously.

Washington County Riverboat Foundation, Inc./Riverside Casino & Golf Resort, LLC: Damon John, General Manager, introduced Stephanie Sexton, the new president of the Washington County Riverboat Foundation, Inc. (WCRF).

Mr. John advised 2022 was the start of their 16th year of operations as “The Place to Live It Up” in eastern Iowa, and count themselves fortunate and privileged to hold a license. Riverside employs 650 dedicated employees, many of whom give back to their communities via the property's “Winning Hands” volunteer program, which just won “The Iowa Giving Back Challenge” for the fifth year. Operationally, Mr. John stated 2022 was a solid year for the property as overall operations remained steady to the prior year. Over the last five years, Riverside has reinvested over \$20 million in renovations and new technology to keep the property as modern and well-maintained as the day it opened in 2006 to drive tourism in the area. Beginning with the major remodel in 2018 and with the recently completed renovation of the Event Center, the efforts continue to impress the guests. Riverside's goal is to continue to focus on offering first class amenities and guest service and promote community pride and spirit. He stated as an Iowa-owned company, the property continues to follow the standards of excellence established by the founders, and not only reinvest in Iowa and the communities in which they operate, but also to help grow and support the local communities in which they operate. Mr. John stated new partnerships were

established with the University of Northern Iowa and University of Iowa to encourage students to continue their education with the goal of graduating and continuing their careers in Iowa.

In 2023, Mr. John stated the property is beginning preparations for their hotel remodel, which will update all of the hotel rooms over the next few years. The scope of the project includes new flooring, fixtures, technology and more. He noted the current hotel rooms are nice, however, the property has a high standard of quality and strives for excellence. The goal is to start the project in late fall or early winter. Riverside will continue to refresh the gaming floor by bringing the newest games on the market to the property. With regard to staffing, Mr. John stated 2023 is off to a great start, noting employment has stabilized over the prior year. He is encouraged by the length of employment of team members; 90 employees have been with the company since day one.

Mr. John noted one of the questions posed to the operators was what level or type of capital investment is important on a routine basis to maintain a competitive facility. Mr. John stated they will continue to focus and maintain a clean, well-maintained property by reinvesting in the property as well as reinvesting in the success of their employees and local community.

Ms. Sexton thanked the Commission for their support of the WCRF, which allows them to support so many inspired non-profits. She stated when WCRF considers grants, the Board is guided by, and committed to being the final piece in a project. She stated 2022 was very successful; WCRF was able to award 31 competitive individual grants totaling almost \$5 million, and an additional \$3 million in municipal grants to the eight cities in Washington County. Ms. Sexton stated Riverside, and especially the rural communities, are thriving and continue to grow because of the funds WCRF is able to provide. Ms. Sexton advised WCRF gave \$3 million to the second phase of the Washington County YMCA, and will receive naming rights. Additionally, \$630,000 was given to the expansion project for the Wellman Library, and over \$500,000 each to public service departments and school systems. Since inception, WCRF has distributed approximately \$35 million, and just over \$140,000 for building upgrades throughout Washington and Johnson counties, \$100,000 for the Eastern Iowa Red Cross Emergency Response vehicle, and \$10,000 for Golf for Injured Veterans Everywhere organization. To date, this organization has received approximately \$100,000. Ms. Sexton requested approval of the license renewal for Riverside Casino & Golf Resort, LLC so they can continue their partnership that has been so successful and uplifting for the communities throughout eastern Iowa and Washington County. The funds provided by WCRF are life changing and transforming, providing hope for the future.

Commissioner Burkhart asked Mr. John what challenges the property is facing. Mr. John stated they are still seeing supply chain issues, and the increasing cost of goods. He also noted the staffing challenges, which all of the properties are experiencing. Mr. John stated they have increased team wages and started offering new hires PTO, and have seen some success.

Commissioner Burkhart noted there was a significant decrease in incidents taking place at the property due to improved security. She asked Mr. John to address what steps were taken to obtain that result. Mr. John stated there were 117 incidents in 2021. They re-emphasized training with staff and made a concerted effort to make sure individuals who habitually showed up in incident

reports were removed from the property or had bans placed on them. Additionally, as staffing has stabilized, security officers are better equipped to deal with situations which also helped minimize calls to the Sheriff's Office.

Commissioner Burkhart complimented Mr. John on their cap ex for the previous year, and noted they were one of the properties where admissions were up and asked how that was achieved when the majority of properties saw a decline. Mr. John attributed the increase to the fact that all of their amenities are open; valet is open on the weekends. He also credited the Draft Day Sports Lounge.

Commissioner Horbach noted Riverside was one of three properties with higher revenue and admissions for 2022. He stated he is a firm believer that amenities play a role in those areas. He asked for a summary of what is open and what is not pre- and post-pandemic. Mr. John reiterated that all of their amenities are open that were open pre-pandemic. The buffet still has reduced hours; it is open Thursday through Sunday, and holiday Mondays. They do not envision that changing as there is no demand during the week.

Vice Chair Olsen commended Mr. John for Riverside's proactive approach, and the facility is seeing the rewards.

Hearing no further comments or questions, Vice Chair Olsen requested a motion. Commissioner Burkhart moved to renew the license to conduct gambling games to Washington County Riverboat Foundation, Inc., renew the license to operate Riverside Casino & Golf Resort, LLC as a gambling structure, renew the license to conduct sports wagering to Riverside Casino & Golf Resort, LLC, and approve the facility's revised security plan included in the application. Commissioner Campbell seconded the motion, which carried unanimously.

Contracts: Mr. John presented the following contracts for Commission approval:

- 7G Distributing Co. – Beverage Purchases
- Casey's – Gift Card Purchases for Marketing Promotions
- Edward Don & Company – Disposables, Smallwares Purchases
- Fortune Wisconsin, LLC – Specialty Food Purchases (OSV)
- The Home Depot Pro HD Supply – Environmental Service Supplies
- Iowa Alcoholic Beverages Division – Alcoholic Beverage Purchases
- King Food Service – Food Purchases
- Loffredo Fresh Produce Co., Inc. – Food and Produce Purchases
- Myers-Cox Company – Purchase of Cigarettes, Sundries, Candy and Chips
- Prairie Farms Dairy – Dairy and Food Purchases
- Sysco Food Services of Iowa – Food Purchases
- University of Iowa Hospitals and Clinics – Health Plan Medical Costs
- U.S. Foods – Food Purchases

Hearing no comments or questions, Vice Chair Olsen requested a motion. Commissioner Campbell moved to approve the contracts as submitted by Riverside Casino & Golf Resort, LLC. Commissioner Burkhart seconded the motion, which carried unanimously.

Regional Development Authority/Rhythm City Casino, LLC: Mo Hyder, General Manager, introduced Matt Mendenhall, President and Chief Executive Officer of Regional Development Authority (RDA) and Steve Geifman, incoming Chair.

Mr. Hyder expressed his appreciation for the work RDA does in the community. From an operational standpoint and performance, Mr. Hyder noted 2021 was a record year as was 2022; however, gaming revenues were flat with the relaxation of Covid mitigation protocols in Illinois. He advised Rhythm City experienced good increases in non-gaming revenues, were successful in maintaining the largest share of the market in the Quad Cities area. Mr. Hyder attributed their success to their company values, passion to provide great customer service, commitment to the employees, great food and entertainment. He also stated reinvestment in the property is also critical, as is giving back to the community. He stated the property continues to experience procurement challenges, supply chain pressures, and low unemployment rates in the area. He indicated challenges will be mitigated or are resolving themselves, and advised the property is in a much better position than last year. For 2023, the goal is to continue to build on the successes from 2022 by continuing to grow the market and preserve their market share in the Quad Cities area. Mr. Hyder stated Rhythm City has projected an investment of \$1 million annually for 2024 through 2027 with an additional \$2 million for hotel renovations. He advised the hotel is six years old and is in good condition, but they feel it is necessary to renovate the hotel to maintain their position in the market. Mr. Hyder stated committed to growing the market and building a destination resort when they took over operations in the Davenport area in 2014, and feels they have succeeded. He stated in 2014, the market share was about 22%, and is now approximately 50%. Mr. Hyder noted there is some proposed gaming expansion in Illinois; however, the parent company, Elite Casino Resorts, has committed to spending \$50 million to expand the property. The expansion includes an expanded gaming floor which will hold an additional 150 slot machines, 140 hotel rooms, almost double the size of the event center, and create a state-of-the art sportsbook.

Mr. Mendenhall stated RDA distributed just over \$5 million in grants to 150 non-profits in the community, and another \$2.2 million to the City of Davenport and the Downtown Partnership for a total impact of \$7.2 million. He stated RDA is proud of their partnership with Rhythm City Casino and recognizes their significant impact on the local community, including contributions to local charities beyond the contract amounting to over \$460,000. Mr. Mendenhall stated Rhythm City is a great corporate citizen in the Quad Cities area. He noted the QSO arrangement in Iowa and their partnership with Rhythm City gives RDA the flexibility and capacity to support a wide range of community development efforts. For 2022, ten of RDA's capital project grants included public libraries, a new science center, a new human services campus, a new Junior Student Achievement facility, food bank expansions, wetlands restoration, affordable housing capacities, and a public park honoring Dr. Martin Luther King. Mr. Mendenhall advised RDA made commitments to their first \$1 million grants to the Figge Art Museum to help leverage Destination Iowa funds and the other to the City of Bettendorf and YMCA partnership. Funding initiatives for next year will be guided by community priorities identified by the RDA board, including

affordable housing, mental health, child care and life skills. These will not be the only areas funded, but RDA will explore how to make a bigger impact in those areas. Mr. Mendenhall stated RDA recently recorded eight panel discussions with experts in the affordable housing field and provided those recordings to other fundraisers in the area to increase awareness on this issue. He stated RDA provided over \$600,000 to fund affordable housing efforts in Scott County, which leveraged additional funds from outside Scott County. Mr. Mendenhall stated that during the pandemic, RDA took a leading role in Scott County to help prevent evictions resulting in a partnership with Iowa Legal Aid to help divert homelessness for 917 Scott County families. Mr. Mendenhall requested approval of the license renewal for Rhythm City Casino, LLC.

Commissioner Campbell noted the number of calls to law enforcement decreased in 2022 after a sharp increase in 2021. He asked what steps the facility took to make that happen.

Mr. Hyder stated the property has been fortunate to hire individuals for the Director of Security position who worked have worked in law enforcement, noting their previous Director of Security worked in the Davenport Police Department for about 34 years, and their most recent hire was the Chief of Police from the Davenport Police Department. He has brought a different perspective to the position, and is reviewing how the Security Department is operated and managed. They also increased the presence of law enforcement during key events when there are a significant number of people on property. He noted they do have law enforcement on site Friday and Saturday nights during the late hours, which helps to mitigate some issues.

Commissioner Horbach noted admissions at Rhythm City Casino were down almost 80,000 from the previous year, and expected to see a significant decline in revenues, but was surprised to see it was less than 1%. He asked Mr. Hyder to share what the facility did to attract the visitors they did.

Mr. Hyder stated it is a matter of strategy and how the property is operated in terms of leveraging the various amenities, and the quality of the customer that comes to the property. He noted the Covid policies were very restrictive in Illinois compared to Iowa, and as a result, Rhythm City Casino was able to capture a significant share of Illinois' decrease in business, and they have been able to retain some of that. They have also focused on continuing to capture business from the outer markets and focusing on the quality of the customer.

Hearing no further comments or questions, Vice Chair Olsen requested a motion. Commissioner Horbach moved to renew the license to conduct gambling games to Regional Development Authority, renew the license to operate Rhythm City Casino, LLC as a gambling structure, renew the license to conduct sports wagering to Rhythm City Casino, LLC, and approve the facility's revised security plan included in the application. Commissioner Burkhart seconded the motion, which carried unanimously.

Worth County Development Authority/Diamond Jo Worth, LLC d/b/a Diamond Jo Worth: Mr. Smith stated 2022 was another great year for Diamond Jo Worth (DJW). He pointed out there is no real population base close to the facility; however, the property achieved over \$100 million in gaming revenue. Had the area not experienced some weather issues in November and December,

he feels revenues could have exceeded 2021 revenues. Mr. Smith stated the property was successful in reducing their turnover rate and increased the number of staff, adding 75 new team members. DJW was able to execute their capital plans, which included their slot capital investment in order to make sure the gaming floor is relevant, fresh and the right mix of games the patrons want to play. He noted over 90% of their revenue comes from slot play. Mr. Smith advised the burger restaurant that opened last year has been well received by the guests as have other capital improvements. He stated weather and staffing are always a challenge for the property, but team members are dedicated to providing exceptional guest service, which keeps guests returning to the property. Team members received a couple of bonuses in 2022 in recognition of their hard work. Mr. Smith stated the facility faces challenges and uncertainties with the potential for competition from Minnesota with regard to sports wagering, noting the availability of sports wagering has been a driving force in attracting guests from Minnesota to the property. For 2023, Mr. Smith stated the facility will remodel the buffet space and refresh the gaming floor along with some other floor improvements as well. He stated there are ongoing discussions regarding the exterior of the building, which was designed to fit the area when it first opened but believes it would look much different if the original owners would have had any idea how successful the property would be. Mr. Smith stated Boyd Gaming is committed to making the property more attractive to draw guests to the property and to continue being a leader in Iowa gaming.

Mr. Smith introduced Deb Hanson, Chief Financial Officer for Worth County Development Authority (WCDA). Ms. Hanson stated the 5.7% of gaming revenue income paid to WCDA has allowed them to do some tremendous things in the areas of educational and organizational grants. She thanked the Commission for coming to Northwood in January for their meeting, and noted she talked about the educational grants provided by WCDA. For their organizational grants, WCDA's focus is on culture, arts and recreation, community development, emergency services, health and human services and tourism. One of their community development projects is a new housing addition that will be completed in early fall. She advised WCDA partnered with one of their communities to help with the infrastructure costs to create a parcel of land that had 16 shovel-ready lots ready for purchase to build new homes in Northwood. She noted the last new housing addition in Northwood was in 1987. Another project is an art venue, which is in the beginning stages, but it will promote tourism as well as culture, and arts and recreation. There will be four focus areas in the venue: an art gallery, space for exhibitions, seminars and events, an outdoor area for music performances, a ceramics classroom and work space, and a glass blowing classroom and work space. She noted it will take a while for the project to come to fruition, but they are excited to have something like this available in the area. Ms. Hanson noted the annual grant packets that were distributed show all of the educational and organizational grants that were allocated in 2022. She stated WCDA's educational grants are still a high priority and their best tool to attract and train a quality workforce for the area. She stated the individual schools, and school districts, work together to make the funds go as far as possible. Last May, 90 graduating students received a \$10,363.21 scholarship to the college of their choice; Ms. Hanson advised the majority of those funds stayed in Iowa. She requested approval of the license renewal.

Commissioner Campbell noted the cap ex projected for 2022 was \$2.9 million, but the final number was \$1,529,000. He asked if the remainder of the projected cap ex for 2022 was going to be carried over into 2023 on top of the projected \$3.9 for 2023.

Mr. Smith stated DJW had hoped to execute more of the cap ex from 2022, but were unable to do so. He could not say if all of it would be added to what is planned for 2023, but indicated if they are able to execute some of the 2022 cap ex plans they will do so. In some cases, the expenditures are being reassessed and may be included in a larger project. Mr. Smith stated the renovation of Woodfire Grille has been paused due to the renovation of the buffet space into a gastropub.

Commissioner Campbell asked about floor improvements. Mr. Smith stated they have redone the gaming floor to make it more comfortable for the guests by reducing the number of slot machines and slot banks located on the floor. He stated Covid provided operators the opportunity to look at their gaming floors and better understand their customer base. Mr. Smith stated they have smaller slot banks; and the floor is not linear, providing more room for aisles. He stated patrons don't like to play the middle machines so they created circular or semi-round banks. Mr. Smith advised that moving the sportsbook to a larger area allowed DJW to handle the larger crowds coming to the facility to participate in that activity. He stated DJW has table games and the sportsbook that the Minnesota casinos are not able to offer. He stated people come to DJW because they feel safe, it's comfortable, and they don't get lost. Commissioner Campbell expressed his appreciation for DJW and the other operators focusing on quality versus quantity.

Commissioner Burkhart asked about the resumption of 24-hour operations noting that he had expressed hope that DJW would be able to resume that but are still closed for approximately 5 hours each day Sunday through Thursday from 3 AM to 8 AM. She asked Mr. Smith if they are still planning to resume 24-hour operations or if the current schedule is the new normal.

Mr. Smith stated they want to resume 24/7 operations; staffing in the first half of 2022 was not stable enough to do so but started to stabilize in the last half; however, when they do return to 24/7 operations, he wants to be sure they can be successful. He is hopeful he can come before the Commission in a couple of months and ask for approval to operate on a 24/7 basis. He noted that while staffing is up, there is some instability as there is still some non-loyalty among the team members resulting in call-ins. The facility needs to know they will be able to meet the staffing needs of the facility when it is open 24/7. He is confident that will occur in 2023.

Commissioner Horbach noted DJW lost 176,000 admissions in one year but the decline in revenue was less than 1%. He asked Mr. Smith who was not coming to the facility as most casinos are measured by their revenue numbers. He stated he sees a systemic long-term problem if the facilities are unable to draw customers back to the gaming floor.

Mr. Smith stated DJW did not see the low-end playing customers return as 2022 progressed. He indicated they did not change their marketing strategy from 2021 to 2022. He stated the focus is on guests that have the discretionary funds to continue to play. Mr. Smith indicated it is not necessarily one area over another. He concurred that a majority of their guests do come from Minnesota, but they are seeing the same thing with the Iowa guests as well.

Hearing no further comments or questions, Vice Chair Olsen requested a motion. Commissioner Campbell moved to renew the license to conduct gambling games to Worth County Development Authority, renew the license to operate Diamond Jo Worth, LLC as a gambling structure, renew

the license to conduct sports wagering to Diamond Jo Worth, LLC, and approve the facility's revised security plan included in the application. Commissioner Burkhart seconded the motion, which carried unanimously.

Black Hawk County Gaming Association/IOC Black Hawk County, Inc.: Chad Moine, General Manager, introduced Emily Hanson, Executive Director of the Black Hawk County Gaming Association (BHCGA).

Mr. Moine stated 2022 was a good year for Isle Waterloo, but did have challenges with staffing, supply chain issues, and road construction in front of the facility for the entire year. He noted there is a new amusement park opened near the facility, which faced the same issues. The amusement park did not have the opening they wanted, which also cut into some of the expected business at Isle Waterloo. Mr. Moine stated they had their second best year on record. Going forward, he stated the future looks bright due to the two theme parks located near the facility, and they are doing a more robust marketing strategy. He is hopeful the facility will overcome the staffing and supply chain issues and will see increased business this summer. Mr. Moine stated a new pizza restaurant opened on property, expanded the arcade room and put in a birthday party room in anticipation of younger families and more transient traffic coming to the facility; outdoor seating will also be available at Brew Brothers this year. The facility will begin their hotel remodel this year. Mr. Moine stated one other challenge was with security, advising some incidents occurred this year the facility is working to address. Isle Waterloo staff is working closely with Commission staff to make Isle Waterloo a more secure location and more family friendly so the property can become a resort destination. Mr. Moine stated over the next three to five years, the parks will continue to grow, the Isle Waterloo will continue to grow as a casino and the land around them will continue to be developed, which will bring in more out-of-state and transient traffic, which help to grow their revenue.

Ms. Hanson stated BHCGA has an exceptional partnership with the Isle Waterloo, and hopes to continue that partnership. In 2022, BHCGA distributed \$11,693,712 to 35 different non-profit and government entities in the seven counties they serve, which represents their largest year of grant distributions to date. Grants mainly fall into two categories: large scale capital improvements in the Cedar Valley region and operating support to human service agencies that address community issues. Grants in the capital improvements area include \$350,000 toward a new community behavioral health clinic, \$300,000 for a new child care facility, \$500,000 to fund a new facility at Hawkeye Community College to start smart automation certification, and a \$6.5 million multi-year gift to support renovations in Gates & Byrnes Parks in Waterloo, which will include a six-lane pool, skating rink, amphitheater, inclusive park, and community trail. In the second area, funds were distributed to a diverse group of organizations to support new and innovative approaches to meet the needs of the most vulnerable in the community. Ms. Hanson stated that since July 2007, BHCGA has awarded in excess of \$70 million to 653 projects. She noted that 90% of funds stay within Black Hawk County, and 10% is set aside to support the surrounding counties of Bremer, Buchanan, Butler, Chickasaw, Grundy and Tama. Ms. Hanson advised funds awarded represent just under one-third of the total project costs; their \$70 million in grants has been leveraged to acquire an additional \$140 million in the community. Ms. Hanson stated the

promises made 15 years ago have been fulfilled, and BHC GA is committed to changing the face of the Cedar Valley one project at a time.

Mr. Moine requested approval of license renewal with the exception of the security plan.

Commissioner Burkhart noted during the license renewal last year, Isle Waterloo projected \$12 million in cap ex, but ended up in the \$2 million range. She asked what transpired to cause the significant reduction.

Mr. Moine stated it was due to the hotel remodel being pushed back. When the Request for Proposals for the project were sent out, most in-state construction companies contacted were not able to bid on the project due to the labor shortage or they already had other projects lined up and could not complete the project in the stated time frame. The one out-of-state vendor that submitted a bid was more than double the projected budget. Mr. Moine stated they are planning to complete the hotel remodel this year, but have scaled the project back to include carpet and paint; he advised most of the case goods (beds, mattresses, etc.) are in great condition.

Commissioner Burkhart noted there have been a couple of significant incidents that occurred on property. She asked Mr. Moine to explain the changes being made in this area and what the plans are going forward. She stated the Commission members have significant concerns about the deterioration of public safety at the facility.

Mr. Moine concurred there have been some recent incidents with more aggressive and hostile guests. He stated they have been working closely with the Waterloo Police Department to identify the guests and have issued approximately 100 permanent barments from the facility to remove the undesirable guests from the facility. As part of Caesars Entertainment, Isle Waterloo recently became aware of a robust training program and academy in Las Vegas. Mr. Moine stated they have started some of the training, and are bringing the corporate trainers to the property this month to train the entire security staff on de-escalation techniques and better observation skills. The security manager and shift managers will be attending the academy in Las Vegas to become fully certified; they will be able to bring additional training techniques back with them. Mr. Moine stated the training would be ongoing throughout the year as time permits. He stated they are working to get staffing up to speed; the property held a job fair yesterday and was able to bring an additional 25 team members on board in all areas of the operation. He advised staffing issues are mostly alleviated in all areas, and feels their aggressive approach with retention bonuses will enable them to reach full staffing in security as well. Mr. Moine stated they are working with local law enforcement to get officers stationed on property, especially during pivotal hours.

Commissioner Campbell asked if they have met with the Waterloo Police Department since their last meeting in March 2022. Mr. Moine advised they had a formal meeting in March 2022, but the security and surveillance managers have ongoing meetings with the Waterloo Police Department; the most recent being last Monday.

Commissioner Campbell asked about the timeframe for the new security plan. Mr. Moine stated they hope to have the new plan before the Commission at the April meeting; there are still some

areas of discussion with Commission staff. He advised the on-site training would be completed on March 17th, but reiterated the training taking place in Las Vegas at the academy would occur throughout the year but will be completed by the end of the year. He advised the Waterloo Police Department will start patrols at the facility this coming weekend and hope to expand that.

Vice Chair Olsen asked if the training through Caesars has always been available to them, and if so, have they utilized it. Mr. Moine stated they just recently became aware of the training program.

Commissioner Horbach noted he was recently on an airplane and a passenger stated he had a gun and explosives in his luggage. The plane immediately taxied back to the gate where police officers and a dog boarded the plane. The pilot came over the intercom system and stated the airline industry does not tolerate guns and threats of that nature. He stated he feels there is a disconnect between what the Commission will not tolerate related to employee and guest public safety. He feels a sense of urgency from the Commissioners and a “We will get there” from the facility, and doesn’t feel the two sides connect. He asked Mr. Moine if the two sides were connecting and that the situation is very urgent. Mr. Moine answered in the affirmative.

Hearing no further comments or questions, Vice Chair Olsen requested a motion. Commissioner Burkhart moved to renew the license to conduct gambling games to Black Hawk County Gaming Association, renew the license to operate IOC Black Hawk County, Inc. as a gambling structure, and renew the license to conduct sports wagering to IOC Black Hawk County, Inc. The license renewal is conditioned upon IOC Black Hawk County, Inc. submitting a new security plan, subject to Commission approval, for the April Commission meeting that includes dedicated staffing of certified peace officers. Commissioner Horbach seconded the motion, which carried unanimously.

Contracts: Mr. Moine presented the following contracts for Commission approval:

- United Beverage – Beer Vendor
- Failor Hurley – General Contractor
- Hockenbergs – Restaurant Supplies
- Sysco Foodservice of Iowa, Inc. – Food Vendor
- Paulson Electric Company – Electrical Contractor

Hearing no comments or questions, Vice Chair Olsen requested a motion. Commissioner Burkhart moved to approve the contracts as submitted by IOC Black Hawk County, Inc. Commissioner Horbach seconded the motion, which carried unanimously.

Missouri River Historical Development, Inc./SCE Partners, LLC d/b/a Hard Rock Hotel & Casino Sioux City: Doug Fisher, General Manager advised 2022 was a good year for Hard Rock from a financial standpoint, the property and team members won several awards, and Hard Rock continues to be a solid partner in the Sioux City community. He stated they were able to complete the installation of the Everi Marketing kiosks and the Sonifi system, which will be utilized by guests checking in to the hotel. These projects were originally scheduled for completion in 2021. Mr. Fisher noted that Hard Rock was purchased by Churchill Downs in November, and that he may be the only general manager to have a property sold twice in two years. He stated 2022 was

not without its challenges, and at the top of the list was trying to entice new hires to join the team. Another challenge was supply chain issues, which has continued into 2023. Many projects were pushed back: the Point of Sale replacement system was just installed two weeks ago; the new phone system will be installed in April, and a \$75 million floor to ceiling hotel renovation will commence. Additional cap ex includes another \$3 million in new slot product, items to improve guest experiences such as new slider doors, dining room chairs for Main & Abby, a \$200,000 upgrade to the sound system, and the HVAC filtering system. Mr. Fisher stated are working with Hard Rock International to replace the memorabilia; the memorabilia is the #1 driver of visitors at the property and feels new memorabilia will draw new visitors. Mr. Fisher stated the property has spent approximately \$35 million in cap ex since opening. Going forward, the strategy is to continue property improvements and creating great experiences. Mr. Fisher stated the Sioux City property was rated #1 out of all the Hard Rock facilities world-wide. They will continue to be one of the sponsors for Saturday in the Park, and being a good corporate partner. The Main & Abby gastropub is open Tuesday through Saturday, and Fuel is open every day. He stated the buffet has not reopened since the pandemic, but the space has been utilized for Christmas parties, and VIP and team member events, which has led to conversations about converting the buffet space into a banquet event space. Mr. Fisher stated nothing has been finalized; however, there is a consensus the space needs to be utilized. He stated the property continues to have a strong collaborative relationship with Missouri River Historical Development, Inc. (MRHD), and he attend their monthly meetings to provide updates on property initiatives. He introduced Steve Huisenga and Katie Colling, President and Executive Director respectively. He stated Ms. Colling will be retiring soon.

Mr. Huisenga stated MRHD enjoys working with the group at Hard Rock, and have had an opportunity to meet with representatives from Churchill Downs; who have been invited to attend a board meeting. He stated they were asked about the potential for renovating the buffet space, and they are on board. MRHD's mission statement is to improve all lives in Woodbury County, and since 2014 with Hard Rock, MRHD has distributed approximately \$30 million into the community. Since MRHD's inception in 1989, they have distributed almost \$50 million. In 2022, they distributed \$3,335,664 in the areas of education and economic development; there was a \$1 million grant to the community of Elkhart to help with healthcare in rural communities. There are no changes planned for the 2023 grant cycle as it appears to be working, but they did add a quick reaction grant process so if a need arises between grant cycles they have the ability to act quickly. Mr. Huisenga stated MRHD has become more conscious of providing funds to surrounding counties. He noted 14% of the revenue at Hard Rock comes from the surrounding counties, and 20% of grants are awarded to counties other than Woodbury County. Mr. Huisenga stated three other qualified sponsoring organizations (QSOs) came to Sioux City in 2022; everyone found it beneficial to learn about the various processes utilized by each organization. He requested approval of the license renewal.

Commissioner Horbach stated he was intrigued by the retreat for the QSOs. He noted the Commission has very little interaction with the QSOs, and doesn't understand all that they do. He asked if the QSOs know if things are going well at their respective properties, or if they just focus on the grant distributions. He stated Hard Rock had a decline in admissions of 151,000, but the revenue loss was less than one-half of a percent. Mr. Huisenga stated MRHD was probably aware

of the decline, but are more aware of the revenues. Commissioner Horbach asked what is behind the decline in admissions; he feels it is not just Nebraska coming on board with gaming.

Mr. Fisher stated Mr. Smith was correct in that the lower end gambler has stopped coming. He suggested revenues might be up because they are utilizing the buffet space for VIP events. He noted they had difficulty booking acts at Anthem last year, but have seven shows in March, and believes a change in the memorabilia on property will increase their attendance.

Hearing no further comments or questions, Vice Chair Olsen requested a motion. Commissioner Horbach moved to renew the license to conduct gambling games to Missouri River Historical Development, Inc., renew the license to operate SCE Partners, LLC as a gambling structure, renew the license to conduct sports wagering to SCE Partners, LLC, and approve the facility's revised security plan included in the application. Commissioner Campbell seconded the motion, which carried unanimously.

Lyon County Riverboat Foundation, Inc./Grand Falls Casino Resort, LLC: Sharon Haselhoff, General Manger, introduced Randy Waagmeester, President of the Lyon County Riverboat Foundation (LCRF). She requested approval of the license renewal.

Ms. Haselhoff stated 2022 was another successful year in gaming and non-gaming operations, but the facility faced challenges with staffing and supply chain issues, which are gradually resolving. She advised total revenue was up 8% over 2021; it was a record setting year in gaming, hotel, food and beverage and the golf course. The additional 66 hotel rooms added in 2020 continue to be an exceptional investment to the bottom line. Ms. Haselhoff stated they continue to maintain their destination resort so that it is just as clean and luxurious as the day the facility opened which continues to drive tourism dollars to Iowa year-over-year. Over the past few years, \$15 million has been invested in the facility for remodeling and growing the property, and they are committed to continuing to reinvest in the property. Ms. Haselhoff stated that as an Iowa-owned company, their focus will be to continue to give back to the local community and championing the company's "Winning Hands" employee volunteer program. In 2023, they will continue work on the back-of-house flooring in the kitchens, continue to invest in new slot product, maintaining the property by updating the pool flooring and coating, and extensive concrete work in the loading area and golf course for guest and employee safety. Ms. Haselhoff stated the operational goals for the coming year and long-term are simple: continue with the core principles of the founders by providing first class amenities in facilities that are clean and comfortable, provide first-class guest service, provide a fun environment for guests and employees, give back to the community through the "Winning Hands" employee program, and continue to invest in the development of their employees. She stated by continuing do those things, they will be able to keep and expand their market share. She stated the challenges will be similar to those experienced in 2022, particularly finding a workforce willing to work nights and weekends. She noted they will also have a road project which will affect how employees and guests travel to Grand Falls; but the long term benefits will provide a safer environment for their guests and employees by going from a two-lane road to a four-lane road, which will also help drive tourism in Iowa. Ms. Haselhoff stated all areas of operation have returned except for coat check, and valet parking is only open in the summer. She noted it is difficult to find year-round employees for valet as the insurance company requires them to be 21

years old. Ms. Haselhoff stated they will always maintain the property, and capital spend will vary based on need.

Mr. Waagmeester advised WCRF had a retreat with MRHD shortly after the March 2022 meeting. He stated it was a valuable experience as the QSOs discussed their individual procedures and learned they each have different processes due to the different demographics. He stated WCRF board members picked up some new ideas.

Mr. Waagmeester stated Midwest Honor Flight submitted an application to WCRF during the competitive grant process a couple years ago. The request was for funds to charter a commercial flight from Sioux Falls to Washington, DC to take veterans for a day-long experience to see the historical sites and memorials. The proposal included taking up to six of WCRF's board members along with each board member serving as a sponsor for an individual veteran. He stated he was skeptical when the proposal was first presented; however, other board members liked the idea and the grant was approved. He noted the actual flight was delayed due to the Covid pandemic, but finally took place. He noted the board members on the original flight talked about the special and moving experiences they had interacting with the veterans. During the most recent grant cycle, Midwest Honor Flight submitted another application for a flight to take place on May 16, 2023. It will be an all-expenses-paid flight for 84 World War II, Korean and Viet Nam War veterans and their sponsors; nine WCRF Board members are going as sponsors. The grant was for \$87,500 and will be known as Lyon County Riverboat Foundation Mission 14. Mr. Waagmeester stated the honor flights have provided wonderful publicity for LCRF and Grand Falls Casino.

Mr. Waagmeester stated since inception, fifty percent of the funds received by LCRF are distributed to the cities and school districts in Lyon County, as well as the county. In 2022, LCRF paid \$356,890 to each of the three school districts, over \$150,000 to Lyon County, and over \$100,000 to each of the four cities in the county. As revenues were up in 2022, LCRF did a special one-time project which provided \$22,500 to each fire department and EMS agency to enhance fire protection and public health and safety. This amounted to over \$350,000. He stated LCRF also has a mini-grant program, which accepts applications for grants up to \$2,000. Traditionally, they fund approximately 40 mini-grants each year. In 2022, they received 83 applications, and they approved all 83 mini-grants of \$2,000 each, or over \$165,000. These grants go to agencies in the tri-state area that surround Grand Falls Casino, which includes southeast South Dakota, southwest Minnesota, and northwest Iowa. He stated these grants also generate good publicity and good will, and are well received by the public. For LCRF's competitive grant cycle, the board approved 20 applications for a total of \$988,000, with the largest being a \$250,000 grant to the City of Doon for demolition of their current Community Center and work on building a new one. They expect to receive additional requests for funds in the future. Mr. Waagmeester stated LCRF keeps the funds received from sports wagering in a separate account and have decided to use those funds for special projects. In 2022, they distributed \$2,000 each to the American Legion and VFW Posts and their respective auxiliary organizations. He requested approval for the renewal of their gaming license.

Commissioner Campbell asked Ms. Haselhoff about future plans for capital expenditures. She stated there is a lot of upkeep to the property, but indicated the next big project would be the renovation of the Event Center.

Commissioner Horbach noted Grand Falls Casino saw a significant percentage increase in revenue, almost double from the next closest casino. He stated revenue is important, and that it would be impossible to see the revenue increase they did without providing a great experience for the guests. He congratulated Ms. Haselhoff on the achievement. Ms. Haselhoff noted the population base around them continues to grow which is beneficial.

Hearing no further comments or questions, Vice Chair Olsen requested a motion. Commissioner Campbell moved to renew the license to conduct gambling games to Lyon County Riverboat Foundation, Inc., renew the license to operate Grand Falls Casino Resort, LLC as a gambling structure, renew the license to conduct sports wagering to Grand Falls Casino Resort, LLC, and approve the facility's revised security plan included in the application. Commissioner Burkhart seconded the motion, which carried unanimously.

Contract: Ms. Haselhoff presented a contract with Dieters Trucking, LLC for snow removal services, the first ever in twelve years.

Hearing no comments or questions, Vice Chair Olsen requested a motion. Commissioner Campbell moved to approve the contract as submitted by Grand Falls Casino Resort, LLC. Commissioner Horbach seconded the motion, which carried unanimously.

Dubuque Racing Association, LTD/Diamond Jo, LLC d/b/a Diamond Jo Casino: Wendy Runde, General Manager, stated 2022 was a great year at the property; admissions were up slightly over 2021, and revenue was an all-time top two finish for the property. Sports wagering volume exploded, and the property saw a 75% increase in handle from 2021, and net receipts increased by 109% over 2021. Ms. Runde stated sports wagering volume at her property is driven by online betting, which makes up approximately 98.5% of total handle. She noted the property celebrated many other successes including a rebound in banquet business, and removing the licensing requirement for non-gaming team members helped level the playing field in getting individuals hired more timely and with less obstacles. Team member bonuses were paid in January, as well as a holiday bonus in December; the minimum wage for non-tipped team members was increased to \$15.00 per hour, and benefit costs to team members were reduced. She stated there were no Moon Bar show cancellations due to Covid for the first time in two years. Ms. Runde advised that Boyd Gaming was the only gaming company nationally to receive a 5-star perfect rating for America's Greatest Work Places for diversity, which is an annual rating published by Newsweek and compiled through an anonymous employee survey. She also stated that Boyd Gaming was the highest rated gaming company in Newsweek's listing for America's Greatest Work Places for Women.

Ms. Runde noted that while there was a lot to celebrate in 2022, the year also had its fair share of challenges. Most revolved around staffing, and continually increasing wages did not necessarily translate to stabilization in turnover, increased gas prices and inflation created uncertainty, and

procurement issues continued. She noted they are still waiting on some items that have been on order for over a year. Surveillance equipment took much longer to source than expected, but advised they are in the final days of the system conversion from partially analog to 100% digital. Looking ahead from an operational standpoint, Ms. Runde stated reducing turnover and stabilizing staffing remain at the top of the list; she noted there appear to be some promising signs in this area and it feels like some progress is being made. She stated Diamond Jo takes pride in providing a fun and safe environment for the team, and are focused on finding new ways to improve the experience for the team. Increasing diversity spend is a focus, as are green initiatives; reducing the impact of competitive expansion is an important goal, and continuing to deliver a great guest experience is key in protecting market share. Ms. Runde stated long-range goals for the property include continuing to grow revenue, drive traffic to the property and staying relevant and fresh while providing a clean, safe and fun environment for the team and guests. Capital investment is critical in keeping the property top-notch, and that strategy will remain consistent; technology will be embraced to relieve pressure and improve service. Ms. Runde noted there are plans to transform the former buffet space. She stated Diamond Jo is known for providing a great experience, and continuing to do so is important. Challenges for the upcoming year include inflation, increasing interest rates and a possible recession all create economic uncertainties. The opening of Hard Rock's permanent casino in Rockford will also be a challenge; Diamond Jo's strategy to protect their position includes a constant evaluation of programming in addition to creating great guest and team experiences along with continued investment in the property to keep it fresh. Routine capital expenditures include slot machine replacement and associated technology; additional capital expenditures include facility maintenance – HVAC, air purification, restrooms, etc. The property is also focused on environment-friendly initiatives, including LED technology opportunities, and other green initiatives. Ms. Runde noted Diamond Jo has some unique amenities. Restaurants include a Subway, a casual dining option, and fine dining at Woodfire Grille. The second floor of the property includes a 32-lane state-of-the-art bowling center, a private 4-lane party area, an arcade, and a pro shop. Mississippi Moon Bar can host up to 1,000 individuals standing, and 400 for a seated event. Ms. Runde stated the FanDuel sportsbook compliments the floor, and brings excitement to the south side of the casino. She advised shuttle rides and valet parking, as well as coat check, have not returned since Covid; they are working with a new vendor to provide shuttle services, and expects that to resume in the near future. Ms. Runde stated retail sports wagering has introduced a new customer to the facility, the majority of whom are not playing traditional casino games; however, they do frequent the facility and visit the restaurants and are exposed to other amenities on site. Ms. Runde stated online betting with FanDuel in the Dubuque market is exceptional due to brand awareness. Since inception, Diamond Jo has paid just under \$200,000 in sports wagering taxes for the retail portion of their business and just over \$5 million in taxes for the online portion. The Dubuque Racing Association (DRA) received an additional \$578,000 through the end of the year.

Ms. Runde introduced Kathy Buhr, Director of Strategic Philanthropy and Schmitt Island Development, and Alex Dixon, President of DRA. She noted both have worked to make some much needed changes to the grant process. Ms. Buhr advised Mr. Dixon had to leave for another engagement.

Ms. Buhr stated the DRA was founded in 1984 by a group of local citizens at a time when Dubuque was struggling economically and the unemployment rate for the area was the highest in the nation. They made an investment of \$7.8 million into a greyhound racing facility, which resulted in over \$1 billion of economic activity over the last 37 years. She noted greyhound racing ceased in 2022, and DRA knew they needed to assure the community they weren't going anywhere. Ms. Buhr advised they worked with a local creative firm to help them rebrand the DRA. She stated the name will officially remain the Dubuque Racing Association, but the new brand will focus on what the community has called them since inception – the DRA. New logos have been created, the website has launched, a social strategy was put in place and a new focus was placed on their partnerships with the community. The grant program was also revamped in 2022 to place a focus on people attraction, including population growth and retention and tourism, which aligns with the mission of the DRA and other organizations in the community. DRA also focused on grants with capacity building in addition to material purchases. No current partners were excluded, but they did need to shift their thinking when requesting funds. The grant process was simplified; the application was reviewed and modified, the matching fund requirement was eliminated but is still encouraged, and grant awards are now funded upfront instead of requiring the submission of receipts for reimbursement. The scoring process was also revamped to remove some of the subjectivity. Grants were launched in two separate programs: Core grants include requests up to \$50,000, and the mission grant program accepts requests up to \$500,000 that can be multi-year and include capital campaign projects. Mr. Buhr stated DRA distributed \$1.5 million to 66 organizations in the core grant program, or an average of \$20,000. In previous years, these grants were approximately \$9,000. DRA also distributed \$1.9 million in mission grant awards and \$1.2 million to the endowment fund. Ms. Buhr stated the Dubuque Dream Center serves at-risk youth in the community, and works closely with the Dubuque community schools on their curriculum and after-school programming, focusing on math, reading and recreation. In 2022, the organization received a mission grant for \$200,000 allowing them to purchase an unoccupied school from the Dubuque Community School district. The building was acquired last fall and will allow them to expand their programming and increase the number of students they are serving. DRA also received a collaborative application from Dubuque's three colleges for the Dubuque Promise Program, a scholarship program focusing on students from the tri-state area who have completed 55 credits and have a financial need in order to graduate. The program offers a forgivable loan up to \$5,000 for two years for students committing to work in the tri-state area for two years post-graduation. While enrolled, the students will be part of the Dubuque Mentorship program, which will launch this fall, that helps connect college students with young professionals living and working in Dubuque. Ms. Buhr stated one of the biggest successes of 2022 was building their partnership with the Diamond Jo Casino. DRA is working with Diamond Jo to plan volunteer activities within the community for team DRA, a collaboration of employees from Diamond Jo and Q Casino. Ms. Buhr requested approval of the license renewal

Commissioner Campbell asked Ms. Runde about long term plans with the opening of the Hard Rock facility in Rockford, Illinois. Ms. Runde stated long term would be continuing to provide a great guest experience. She noted a number of guests visiting the casino have casinos in their area. With winter and inflation, those are the first guests that tend to stay closer to home. She stated they work hard at keeping the property fresh and have some unique amenities.

Commissioner Burkhart noted she had a number of questions for Ms. Buhr, but she addressed a number of them during her presentation. She questioned the term limits on DRA board members, and the movement between committees with no break in service, which appears to be violation of staff initiatives on term limits for qsos. She noted these are recent changes, and asked that DRA work with staff to make sure they are operationally in line with those requirements. Ms. Buhr stated they have been in contact with Commission staff on the issue to get into compliance.

Hearing no further comments or questions, Vice Chair Olsen requested a motion. Commissioner Burkhart moved to renew the license to conduct gambling games to Dubuque Racing Association, Ltd., renew the license to operate Diamond Jo, LLC as a gambling structure, renew the license to conduct sports wagering to Diamond Jo, LLC, and approve the facility's revised security plan included in the application. Commissioner Campbell seconded the motion, which carried unanimously.

Scott County Regional Authority/Isle of Capri Bettendorf, L.C.: Nancy Ballenger introduced Kirk Anderson, President of the Scott County Regional Authority (SCRA). Mr. Anderson stated SCRA distributed over \$3.3 million in two grant cycles in 2022 to 115 organizations, which represented 64% of the grant requests. One of the grants was awarded to a joint application from the City of Bettendorf and the Iowa Mississippi Valley YMCA for \$4 million over 12 years for the development of a community water park/ice rink. Applicants must serve the needs of the residents of Scott County. Mr. Anderson stated each application is reviewed by 12 grant committee members and 12 community members. He advised that grant recipients pay for the project upfront and submit receipts for reimbursement from SCRA, which they feel is a control feature for them.

Ms. Ballenger stated the property has two hotel towers with a total of 509 rooms, making it the largest hotel in the state, providing the opportunity to host many corporate meetings, many coming from out-of-state. Casino closures and Covid restrictions in Illinois helped increase revenue by 22%. As the property is now part of Caesars Entertainment, they are part of the Caesars reward program, which allows individuals to redeem their awards at all Caesars properties. Ms. Ballenger stated the property faces some uncertainties due to proposals in Illinois and elsewhere. Revenues increased due to hosting an increased number of meetings and conventions. She noted they are constantly upgrading the meeting facilities. Ms. Ballenger stated they plan to spend about \$1.2 million this coming year to replace carpet, light fixtures and purchase new chairs. She stated they are always focused on providing a great guest experience. Ms. Ballenger stated staff wages were increased in all categories, but still have staffing challenges for the late night and weekend shifts. Valet services have not returned post-Covid, but the property has a 750-space parking garage; there are no plans to bring valet back at this time, but will continue to evaluate the need to do so. The buffet space was partially used to expand the gaming floor and house the sportsbook. Ms. Ballenger stated SCRA has received almost \$100 million from Isle Bettendorf since inception.

Commissioner Campbell asked about a hotel remodel, noting the north tower was done in 2007. Ms. Ballenger stated they have refinished some side-chairs, and replaced appliances and some furniture. She stated they have replaced the mattresses and are closing the gap in other areas.

Hearing no further comments or questions, Vice Chair Olsen requested a motion. Commissioner Horbach moved to renew the license to conduct gambling games to Scott County Regional Authority, renew the license to operate Isle of Capri Bettendorf, L.C. as a gambling structure, renew the license to conduct sports wagering to Isle of Capri Bettendorf, L.C., and approve the facility's revised security plan included in the application. Commissioner Burkhart seconded the motion, which carried unanimously.

Iowa West Racing Association/Harveys Iowa Management Company LLC: Thomas Roberts, General Manager, stated 2022 was the best gross gaming revenue in property history; Stir Cove had three sold out shows, and they completed some major cap ex projects as well as many smaller projects. He stated base wages were increased and employees received a 2% cost of living increase in January. The property is doing whatever they can to attract and keep employees, but is going into the summer months with 115 open positions. The unemployment rate in the area is 2.3%. Mr. Roberts stated they are utilizing improved technology to help in some areas, such as hotel check-in kiosks. He stated the hotel remodel and new Guy Fieri restaurant will help them maintain their customer base. Improvements in 2023 will be dedicated to improvements guests can see and hear. Mr. Roberts stated the 400+ employees are dedicated to providing great service and creating a fun and safe environment for the guests.

Ms. Mainwaring requested approval of the license renewal. She stated the announcement of the Guy Fieri restaurant generated a lot of excitement in the area. She thanked the Commission for taking the time to ask questions of the QSOs.

Commissioner Campbell asked about the increased number of calls to law enforcement. Mr. Roberts stated the property has implemented the I-track system which reported every call as a call for law enforcement but calls could also have been for medical assistance. He contributed some of that to human errors due to employees clicking on certain areas just to get through the system; they are training personnel to make them aware of this issue. Mr. Roberts stated the I-track system is available corporate-wide.

Commissioner Campbell stated he appreciated the cap ex spend for next year, and thanked him for the investment in the property.

Commissioner Horbach questioned whether the parent company and the Commission are on the same page as to what the Commission is expecting. Mr. Roberts stated he feels they are; demolition has started and they are doing what they can to get ahead of supply chain issues.

Hearing no further comments or questions, Vice Chair Olsen requested a motion. Commissioner Campbell moved to renew the license to conduct gambling games to Iowa West Racing Association, renew the license to operate Harveys Iowa Management Company LLC as a gambling structure, and renew the license to conduct sports wagering to Harveys Iowa Management Company LLC, and approve the facility's revised security plan included in the application. Commissioner Horbach seconded the motion, which carried unanimously.

Contract: Mr. Roberts presented a contract with Sure Sound & Lighting, Inc. for a stage project purchase (OSV). He stated this is to purchase the stage utilized in Stir Cove, which they have been renting and was custom built for the venue.

Hearing no comments or questions, Vice Chair Olsen requested a motion. Commissioner Campbell moved to approve the contract as submitted by Harveys Iowa Management Company LLC. Commissioner Horbach seconded the motion, which carried unanimously.

Dubuque Racing Association, LTD: Brian Rakestraw, Chief Operating and Financial Officer, stated DRA is somewhat unique as they serve as both a QSO and an operator. Q Casino started out as a racetrack, Dubuque Greyhound Park, then became a racino, and now operates as a land-based casino. He noted 2022 was a year of change; they honored their past with the end of racing, but are embracing the future. Mr. Rakestraw stated the DRA Board recently approved a \$75 million expansion/remodel for the property. He noted Q Casino sits on Schmitt Island, which they feel has been forgotten. Schmitt Island Development Corp. was recently formed and will work with the City of Dubuque on island amenities and development. This organization will also manage the Dubuque Ice Arena. Mr. Rakestraw stated one-third of DRA's annual distributions go toward work on Schmitt Island, one-third goes toward grants and the City receives the remaining third. The funds for Schmitt Island will help generate economic growth on the island. DRA partnered with the City of Dubuque to apply for a Destination Iowa grant, which would be utilized to demolish the greyhound racetrack/compound and build an amphitheater overlooking the Mississippi River. Mr. Rakestraw stated they have started working on the temporary casino, and hopes to come before the Commission in June to seek approval for Phases 2 and 3, which encompass the remodeling of the temporary casino into a family entertainment zone with restaurants, arcade games and banquet facilities. The last phase of the project will be a new hotel tower with a rooftop restaurant. Mr. Rakestraw stated gaming revenues were down slightly in 2022, but other revenues offset the decline. Attendance was also down with the end of racing in May. The arcade area will bring family entertainment back to the facility.

Ms. Buhr stated DRA continues to partner with the city, and the \$11.5 million the city received from DRA helps to keep property taxes low. Schmitt Island is a top priority for DRA. DRA will continue to place focus on people attractions through their grant and charitable distributions. She requested approval of the license renewal.

Commissioner Campbell asked about DRA's projected cap ex for 2023. Mr. Rakestraw stated the majority is part of the \$75 million project. He stated they are working with the City to get the legal description of the land for the greyhound racetrack, and cannot start that work until they obtain authorization.

Hearing no further comments or questions, Vice Chair Olsen requested a motion. Commissioner Burkhart moved to renew the license to conduct gambling games to Dubuque Racing Association, Ltd., renew the license to operate Dubuque Racing Association, Ltd. as a gambling structure, renew the license to conduct sports wagering to Dubuque Racing Association, Ltd., and approve the facility's revised security plan included in the application. Commissioner Campbell seconded the motion, which carried unanimously.

Contract: Mr. Rakestraw presented a contract with Midwest One Bank for an ATM agreement with amendments.

Hearing no comments or questions, Vice Chair Olsen requested a motion. Commissioner Horbach moved to approve the contract as presented by Dubuque Racing Association, LTD. Commissioner Burkhart seconded the motion, which carried unanimously.

Clarke County Development Corporation/HGI-Lakeside, LLC: David Monroe, General Manager, stated 2022 was another successful but challenging year, noting that both gaming revenue and admissions were down. He stated they completed Phase 1 of the renovation, converting the sportsbook from William Hill to DRF, at a cost of \$2.2 million. Mr. Monroe advised staffing was a challenge in 2022 as the labor pool in Osceola and Clarke County is thin. While they were able to add 17 employees in January, he believes the staffing challenges will continue in 2023. Phase 2 of the renovation project is set to begin and will take five months. The table game area will be expanded, and the restaurants and menus will be revamped. Mr. Monroe stated they also are working on entertainment, and hope to grow their group/convention business. He stated that in 2-3 years, the hotel, convention center and exterior of the building will be renovated/updated. Mr. Monroe stated there are discussions about going land-based in their long term plans.

Bill Trickey, Executive Director, requested approval of the license renewal. He stated the Clarke County Development Corporation (CCDC) has let the community drive the strategy for the grants this past year. Grant requests are reviewed at each CCDC meeting, which allows the board to respond quickly to needs within the community. He stated they have distributed approximately \$20 million since inception; the funds received from the casino have enabled the community to do projects they wouldn't have been able to do otherwise. Mr. Trickey stated they are purchasing 140 new housing units, which will hopefully help with staffing issues in the community. CCDC is building a training center like the one IWRA did in Council Bluffs.

Commissioner Burkhart asked Mr. Monroe if he felt the 9% decline in admissions was due to the lack of special events or entertainment to help attract patrons to the facility. Mr. Monroe answered in the negative, indicating some of the decline was due to the implementation of sports wagering in Kansas, as well as a decline in the number of visits per trip.

Commissioner Horbach asked about the discussions to take the facility land-based. Mr. Monroe stated the goal in 2017 was to work toward being land-based by 2019; they were just starting to be able to justify the move when the pandemic hit. They have just started looking at the feasibility of doing so again.

Hearing no further comments or questions, Vice Chair Olsen requested a motion. Commissioner Horbach moved to renew the license to conduct gambling games to Clarke County Development Corporation, renew the license to operate HGI-Lakeside, LLC as a moored barge, renew the license to conduct sports wagering to HGI-Lakeside, LLC, and approve the facility's revised security plan included in the application. Commissioner Campbell seconded the motion, which carried unanimously.

Southeast Iowa Regional Riverboat Commission/Catfish Bend Casinos II, LLC (CBC): Rob Higgins, General Manager, introduced Dave Schwarz and Justin Pieper, President and Vice President respectively of Southeast Iowa Regional Riverboat Commission (SIRRC). Mr. Higgins prefaced his comments by stating a billion dollar fertilizer plant was built in the area in 2015, which increased their admissions and revenue, making 2015 their best year to that point. Post-Covid, 2021 was their best year on record. In 2022, even though revenues were down, it was the second-best year for them. Revenues were just over \$39 million in 2019, \$46 million in 2021, and \$44 million in 2022. He stated their promotions are going well. Mr. Higgins stated they also have staffing issues, but are starting a new host program to help build the customer base. They are in the process of re-purposing the Edgewater Grill space to re-open that as a restaurant, not a buffet. Mr. Higgins stated the Courtside project is under construction, which will have three college-level basketball courts, and five pickleball courts; CBC partnered with Southeastern Community College and sports organizations in Burlington for this project. The Softplay area located on property is being renovated to add a swimming pool and Ninja course. Mr. Higgins stated this project has been ongoing for a year or so; the building is now under roof and they are anxious to get it open, but will need to find staff. They are also opening a snack bar for individuals to utilize between games, and it will also be accessible from the water park. Mr. Higgins advised the property raised their starting wages, and grandfathered in current staff. He also indicated not having to license the Class "O" employees has also been a positive for them. Additional challenges are increasing costs for goods and services. With regard to hours of operation, Mr. Higgins stated that upon reopening after Covid, they were open from 10:00 AM to midnight, then transitioned to 10:00 AM to 2:00 AM seven days a week. These hours work well for them from a customer and staffing standpoint. He stated they are open 24 hours per day for about 3-4 day each for Christmas and New Year's. Mr. Higgins stated the resort hotel was renovated a couple years ago and opened 95 hotel rooms as part of the Fun City project. The additional renovations are now complete and they are hoping to open up another 39 hotel rooms. He stated there are three hotels located on the property – Catfish Bend Inn & Spa with 40 rooms, Hampton Inn & Suites with 69 rooms, and the Fun City Resort will have 134 rooms.

Mr. Pieper stated SIRRC has made some changes to their distribution strategy. He advised the organization has enjoyed a long history of community cooperation between Burlington, Ft. Madison and Keokuk, with each community receiving one-third of the revenues. The recent adjustment will be partially implemented in 2024, and fully implemented in 2025. The Des Moines County Charitable Foundation will receive a distribution equal to the prior year's distribution to non-casino counties; the remaining funds will then be distributed under the current system. Mr. Peiper highlighted how the communities are using their funds. Burlington has a program called "Bridges out of Poverty" to help those in a lower socioeconomic situation to be trained in various areas to help them find their way out of their financial challenges. Funds were also provided to the sports complex mentioned by Mr. Higgins. He stated Ft. Madison distributed their funds to the tri-state rodeo for facility upgrades and the Montrose community for upgrades to their Little League facilities. Keokuk used their funds to build a splash pad and install playground equipment.

Mr. Higgins stated CBC has a great relationship with SIRRC.

Commissioner Campbell moved to renew the license to conduct gambling games to Southeast Iowa Regional Riverboat Commission, renew the license to operate Catfish Bend Casinos II, LLC as a gambling structure, renew the license to conduct sports wagering to Catfish Bend Casinos II, LLC, and approve the facility's revised security plan included in the application. Commissioner Burkhart seconded the motion.

Commissioner Horbach noted Commission members met independently with SIRRC members regarding issues on the distribution of funds, and expressed the Commission's appreciation for resolving the matter.

Commissioner Burkhart commented on term limits for SIRRC board members. She stated she is aware the matter was part of the discussions with Commission staff, and that changes are being made. Mr. Pieper expressed appreciation for the leadership provided by the Commission.

Hearing no further comments, Vice Chair Olsen called for the vote on the motion. The motion carried unanimously.

Contracts: Mr. Higgins presented the following contracts for Commission approval:

- Casino Air, Inc. – Replacement of Ozone Smoke Eating System (OSV)
- Entec – Mechanical Repairs and Maintenance to Existing RTUs (OSV)
- Brockway Mechanical & Roofing – Fabric Duct Replacement in Casino

Hearing no comments or questions, Vice Chair Olsen requested a motion. Commissioner Campbell moved to approve the contracts as submitted by Catfish Bend Casinos II, LLC. Commissioner Burkhart seconded the motion, which carried unanimously.

Grow Greene County Gaming Corporation/Wild Rose Jefferson, L.L.C.: Travis Dvorak, General Manager, stated the property is celebrating its 8th year of operation. He stated 2022 was the second best year, just slightly behind 2021 due to some weather issues. He attributed the record year to an increased investment in gaming product for the floor, increased hours for amenities, and a more focused marketing program with continued dedication to the patrons. He also attributed the increase to the strength of the local economy in farming, commodities and wage increases in the manufacturing sector. Mr. Dvorak advised staffing is an issue for them, but have seen incremental gains over the last year; they still a number of open positions and feels it will take another year or more to reach pre-Covid staffing levels. He attributed this to the fact they are located in a small community, and all businesses are competing for the same people. Mr. Dvorak stated the property is working with the community and Greene County Development Corporation to try and attract more people to the community, but the program will take 5-10 years to come to fruition. Coaches Restaurant is closed Tuesday and Wednesday, but is open from 11:00 AM to 10:00 PM the other days. Valet has not returned, but will try to offer in the summer if they have sufficient staff to do so. He also does not have the same number of table games available as they did pre-Covid. Mr. Dvorak stated long term goals for the property include working in the community and county to be a good corporate partner, helping to grow the community and county, and having management and team members involved in community functions and hold leadership positions in the various

organizations throughout Greene County. He stated the property is located far enough from the state's borders they aren't impacted much by what is happening in other jurisdictions, but the property always tries to maximize revenue and market share. Moving forward, the property is going to increase their focus on off-track betting and retail sports betting offerings. They will continue to increase the number of hours amenities are open as staffing issues improve. He noted the sportsbook and off-track betting are located in the Coaches Restaurant; there is an option for sports wagering on the casino floor, but the actual counter is in Coaches Restaurant. Mr. Dvorak stated all amenities are open in some form except valet. With regard to capital expenditures, these are done on a yearly basis on a 2-3 year forward-looking window. As the property is relatively new, there is not a significant need for remodeling at this time, but are starting to refresh their signage, carpeting, and add some additional outbuildings. He noted the capital investment amount changes each year and is based on annual growth.

Mr. Dvorak introduced Craig Marquardt, Vice President of Grow Greene County Gaming Corporation (GGCGC). He stated they are grateful for the dedicated group who continue to make positive and lasting impacts on Greene County and the contiguous counties. He stated GGCGC took the lead to help build a new wing on the hospital, a new high school and now an Early Learning center.

Mr. Marquardt noted the original gaming referendum passed in 2013 by 75.1%, a state record. The license was granted in 2014, and the facility opened in 2015. He stated funds for many projects in Greene County prior to the casino came from taxes, funds from the Community Foundation as a non-gaming county, estates, donations and fundraisers. Many projects were delayed or abandoned. In April, GGCGC will host their 8th Annual Awards Banquet where they will distribute \$1.7 million. During the first seven grant cycles, GGCGC has distributed over \$12 million to projects; \$1.6 million or 13% has been given to the community foundations located in the six contiguous counties to Greene County. Following the 2023 distribution, the amount will increase to approximately \$2 million. Mr. Marquardt advised approximately \$1 million, or 8%, has been provided to the community foundation in Greene County, which has their own grant cycle for applications for \$35,000 or less; GGCGC takes grant requests for \$35,000 and up. The municipalities of Greene County have received just under \$1 million; the distribution is calculated on a per capita basis with a cap of \$50,000 to any one community. The school districts in Greene County have received over \$5 million, or 41% of grants; approximately \$3.6 million, or 29%, has been divided between public safety, economic development, arts and culture, parks and recreation, human and housing welfare. Major contributions have been \$4.5 million to Greene County schools to assist with the construction of the auditorium and gymnasium as part of the school bond issue, \$500,000 toward the construction of the early learning center; over \$200,000 for the Greene County Animal Shelter, and \$100,000 to the Greene County Medical Center. Mr. Marquardt stated GGCGC holds a special grant cycle at the end of the year called "Give Back Awards" to non-profit organizations that have an impact on the entire county; this past year, \$5,000 was given to six local non-profits. Mr. Marquardt requested approval of the license renewal.

Commissioner Burkhart asked Mr. Dvorak what he felt was a reasonable time frame to consider a hotel refresh from opening. Mr. Dvorak stated Wild Rose Jefferson does not own or operate the hotel located on property; it is owned and operated by Cobblestone and a management company

called Diamond Hospitality. The roof was torn off during the derecho in 2020; all but six rooms of the hotel were remodeled at that time, as well as the lobby. He stated he did not know their long term plans.

Commissioner Campbell asked Mr. Dvorak about long range goals for food options at the facility and any other amenities that might be coming. Mr. Dvorak stated Coaches Restaurant/Bar is open except for Tuesday and Wednesday due to staffing. He stated they are focusing staff on the weekends when they generate more revenue. He noted they have J-town Café, which can be utilized; advising it was built as they have always had staffing issues, even pre-Covid, for Coaches. J-town is used as a pre-function for entertainment but is also used when Coaches can't open due to staffing issues. Mr. Dvorak stated if he had sufficient staff, he would have both open 7 days/week to offer two separate food options. He noted there are some food options available on the casino floor. With regard to other amenities, Mr. Dvorak stated they are focusing on the retail sportsbook and off-track betting this year. They have found that the sportsbook and off-track betting have increased the revenue received from Coaches and the gaming floor.

Hearing no further comments or questions, Vice Chair Olsen requested a motion. Commissioner Burkhart moved to renew the license to conduct gambling games to Grow Greene County Gaming Corporation, renew the license to operate Wild Rose Jefferson, L.L.C. as a gambling structure, renew the license to conduct sports wagering to Wild Rose Jefferson, L.L.C, and approve the facility's revised security plan included in the application. Commissioner Horbach seconded the motion, which carried unanimously.

Clinton County Development Association/Wild Rose Clinton, L.L.C.: Rick Gilson, Vice President of Operations for Wild Rose Entertainment; Leah Garcia, Assistant General Manager, and David Sivright, President of Clinton County Development Association (CCDA) were present to address the license renewal. Mr. Gilson stated Wild Rose Clinton (WRC) had a very successful year. He turned the floor over to Mr. Sivright.

Mr. Sivright stated CCDA has three types of grants and issues scholarships to each senior in the high school. Competitive grants, which are reimbursable grants, are distributed in 2 cycles; grants with a \$75,000 maximum and grants for significant projects of \$100,000 or more. Grants for emergency situations are for amounts up to \$35,000. In 2022, total grants in all categories totaled almost \$3 million, and allowed CCDA to correct an imbalance between funding and grant distributions which occurred due to the pandemic. When the casino had to close, CCDA canceled the fall grant cycle for 2020. Mr. Sivright advised CCDA had the opportunity to provide funds for some larger projects: the City of Clinton contracted with a communications company to install fiber optic high speed internet cable, CCDA provided \$500,000; and the City of Wheatland received \$177,000 to repair the lighting at the ballfield, which was damaged by the derecho. Competitive grants are awarded in the following categories: economic development, education, recreation and fine arts, health and human services, and safety. Mr. Sivright stated CCDA is looking forward to continuing to provide similar grants, and noted there are some large projects pending. He stated they are also looking at the issue of ancillary counties; he indicated they are struggling with the definition of "significant contributions" and putting a number to that. He stated neither Jackson or Cedar County provide more than 2% in gaming revenues to the facility;

therefore, no grants have been awarded in either county. They are going to revisit the matter. He also noted they have not included sports wagering receipts in their award calculations in the past, but will do so this year. Mr. Sivright stated CCDA had their own retreat as there was some controversy among board members as to how the funds were being distributed. Some wanted to provide some funding to every grant application while the majority felt the top scoring grants should be fully funded. He requested approval of the license renewal application.

Mr. Sivright complimented WRC on some recent remodeling. CCDA was having a board meeting at WRC, and there were members who wanted to attend virtually. The meeting room now has the ability to do Zoom meetings.

Hearing no further comments or questions, Vice Chair Olsen requested a motion. Commissioner Horbach moved to renew the license to conduct gambling games to Clinton County Development Association, renew the license to operate Wild Rose Clinton, L.L.C. as a gambling structure, renew the license to conduct sports wagering to Wild Rose Clinton, L.L.C, and approve the facility's revised security plan included in the application. Commissioner Burkhardt seconded the motion, which carried unanimously.

Palo Alto County Gaming Development Corporation/Wild Rose Emmetsburg, L.L.C. (WRE): Steve Cody, General Manager, stated the property had a good year, but also dealt with labor issues. Long range goals include continuing to be a good community partner which includes being a good employer, serving as a tourist attraction and partner in their rural area. Mr. Cody noted an ongoing challenge for them is trying to stand out from the larger properties with larger budgets and more resources available to them.

Mr. Cody introduced Brian Bormann, President of Palo Alto County Gaming Development Corporation (PACGDC). Mr. Bormann stated they have a great working relationship with WRE, and Mr. Cody attends the monthly meetings to update the board on activities occurring at the property, provide revenue figures from the prior month and the revenue forecast. He advised PACGDC would be hosting its 17th annual award ceremony the following evening at WRE, and will be distributing \$676,328 to the cities and county; the five schools will receive a total of \$319,850. Each school receives \$150 per student based on their certified enrollment. A shared school award of \$50,000 divided equally between the five schools and is specifically for security and technology. Additionally, they will be funding 23 competitive grants totaling \$714,759. Full grants are for projects ranging from \$5,001 to \$100,000; recipients are required to have a 25% match with PACGDC providing 75%. Mini grants totaling \$99,037 are being awarded to 25 recipients; these grants fund projects up to \$5,000. Recipients must have a 10% match with PACGDC providing 90% of the funds. PACGDC also offers three non-competitive grant programs that are funded throughout the year. The Septic Improvement Program, administered by the County Supervisors and funded by PACGDC, has \$5,000 available to replace or update a non-compliant system. Another \$5,000 is available for the demolition of a vacant home or business in the city or county with the goal of adding new structures to the tax rolls. Law enforcement has indicated this program helps with public safety as well. Along this same line, an incentive of \$15,000 is available for the construction of a new single family home. Again, the program is administered by the County Supervisors and PACGDC is the funding stream. Mr. Bormann stated

it is PACGDC's plan to continue to fund these programs in the coming year. He advised all 37 cities in the adjoining counties to Palo Alto County will receive \$5,000 each, or \$185,000 total. Mr. Bormann requested approval of the license renewal on behalf of Wild Rose Emmetsburg and PACGDC.

Commissioner Campbell noted when the Commission met at the facility, there was one event scheduled for the year and the pub was not open. He asked what events are scheduled for the current year. Mr. Cody advised the campground would open for the season on April 1st. He stated the pub is still closed due to staffing issues; he has put out the word that the space is available for lease but noted a lessor would more than likely be faced with staffing issues as well. Mr. Cody noted their event center is smaller, but they do have three outdoor concerts planned.

Commissioner Campbell asked about staffing for restaurants. Mr. Cody asked if he was referring to front-of-house/back-of-house. He stated they have seen an increase in employment in that area. He stated Coaches was opening at 3:00 PM and was closed on Tuesday and Wednesday, but is now open 7 days/week and opens at noon on Friday and Saturday. The goal is to have it open 7 days/week for lunch and dinner.

Commissioner Burkhart noted there was a directive to the qualified sponsoring organizations to work with their respective property to try and determine the proportionate share of revenue that is derived from neighboring counties and distribute grants back to those counties. She asked Mr. Bormann what PACGDC's plans were in this regard. Mr. Bormann advised the board approved providing funds to the cities in the adjoining counties. He stated there has always been a perception that only organizations from Palo Alto County could apply for the grants. He noted they have received grant requests from adjoining counties, some just didn't make it through the process.

Hearing no further comments or questions, Vice Chair Olsen requested a motion. Commissioner Campbell moved to renew the license to conduct gambling games to Palo Alto County Gaming Development Corporation, renew the license to operate Wild Rose Emmetsburg, L.L.C. as a gambling structure, renew the license to conduct sports wagering to Wild Rose Emmetsburg, L.L.C. Commissioner Horbach seconded the motion, which carried unanimously.

Upper Mississippi Gaming Corporation/Casino Queen Marquette, Inc.: Sean Bateman, General Manager, stated 2022 was a good year with increased admissions and gaming revenue remaining steady. He stated they are working with the corporate team to determine a marketing strategy. He indicated the first two months of 2023 have been good. Mr. Bateman stated the property also had staffing issues; they ended the summer with 117 but were at 146 employees at the end of the year. Most of the employees were in food and beverage, but they did make a concerted effort to increase the security and surveillance staff. They currently have 24 security officers opposed to 14 at this time last year. Mr. Bateman attributed the staffing increase to sign-on bonuses for key positions, retention bonuses that were paid at the end of the year. Also, all hourly wages were increased, with another 2% increase last July. He stated they also hold special events for staff to help with retention and offer a Jean Day every Friday for charity, picking a different charity each quarter. Mr. Bateman stated 2022 was also a great year as the facility will be going land-based, hopefully by 2024. It is his hope to have additional information to present at the April meeting or June at

the latest. He stated some office space and a mezzanine have been added since the original renderings. Mr. Bateman stated they are meeting with some of the neighboring communities to talk about the forthcoming changes to the property. With regard to the sportsbook operators for the property, Mr. Bateman stated they are disappointed the companies approved are still not fully licensed and operational. He indicated Bet CQ is hopefully in the final stage, and Bet 365 is also close; he feels both will be up and running by June. Operational goals are to increase growth for better players and increased spend per trip. He stated it will be important to maintain their market share once construction starts. Mr. Bateman stated they are still faced with finding quality staff due to the small labor pool in the area. He is hopeful the sign-on bonus will help. Economic fluctuations don't help; they did gas cards for staff last year. Mr. Bateman stated the only amenity not open from pre-Covid to post-Covid is valet, and he doesn't foresee reopening that as the new facility will be on top of the parking. The buffet is open five days per week, it is closed on Monday and Tuesday. The deli is open seven days per week. Capital expenditures in the next 12-18 months will go toward slot machines to refresh the casino floor. He noted the current facility has low ceilings, which prevents them from bringing in the newer games. Mr. Bateman stated the company has had two companies reach out to them about purchasing the vessel. A local business wants to purchase the walkway.

Dan Kuempel, Executive Director of Upper Mississippi Gaming Corporation UMGC, requested renewal of the gaming license. He stated UMGC distributed approximately \$714,000 to 32 non-profit organizations in Clayton County, and indicated the grants are vital to many of the organizations to allow them to operate on a day-to-day basis or move forward with their goals. He stated the grant application will be changing from a paper format to an on-line process. Grant applications are due in the fall, are scored by the UMGC board, and distributed in October. Recipients were asked to attend a reception and provide a brief description of what the funds would be used for.

Commissioner Horbach stated the Commission is excited to see the facility going land-based. It's exciting to see cap ex of \$193,000 for one year, and the next it is \$12.5 million. Mr. Bateman stated he feels the cost of the land-based facility is under-estimated.

Hearing no further comments or questions, Vice Chair Olsen requested a motion. Commissioner Burkhart moved to renew the license to conduct gambling games to Upper Mississippi Gaming Corporation, renew the license to operate Casino Queen Marquette, Inc. as an excursion boat that will not cruise, renew the license to conduct sports wagering to Casino Queen Marquette, Inc., and approve the facility's revised security plan included in the application. Commissioner Campbell seconded the motion, which carried unanimously.

HORSESHOE CASINO: Mr. Roberts presented the following contracts for Commission approval:

- OS Sales d/b/a Omaha Steaks – Meat Supplier
- Premier Midwest Beverage (Bluffs Beverage) – Beverage Provider

Hearing no comments or questions, Vice Chair Olsen requested a motion. Commissioner Horbach moved to approve the contracts as presented by Horseshoe Casino. Commissioner Campbell seconded the motion, which carried unanimously.

PRAIRIE MEADOWS RACETRACK & CASINO, INC. (PMRC): Gary Palmer and Derron Heldt, General Manager and Director of Racing respectively, were present to address the agenda items.

Request for Approval of Racing Contracts: Mr. Heldt presented the signed Agreements Pertaining to Racing at Prairie Meadows for the Thoroughbred Horses and Quarter Horses. The agreements are for three years.

Hearing no comments or questions, Vice Chair Olsen requested a motion. Commissioner Campbell moved to approve both contracts as presented. Commissioner Burkhardt seconded the motion, which carried unanimously.

Tom Lopic, President of the Iowa Quarter Horse Racing Association (IQHRA), advised he spent five days at the American Quarter Horse Convention in Ft. Worth, Texas, and had the chance to speak three different times and meet with the Racing Council as he has been working with PMRC over the last several months to submit an application to host the Bank of America Challenge Championships. Mr. Lopic stated this is his 13th year as the President of the IQHA and PMRC has hosted three times during his tenure, the last time being in 2017. He stated every time PMRC hosts, people comment on how pretty the racetrack is and how well they are treated. He stated PMRC is the only racetrack in the country where individuals can be in a hotel room and walk to the finish line. He stated it is not easy to submit a contract to host as it takes a lot of preparation and there are three days of meetings and banquets. Mr. Lopic advised they would know in the next two weeks if they were successful or not. He thanked PMRC, Jon Moss, President of the Iowa Horsemen's Benevolent and Protective Association, and the Commission for the discussions being held to determine what can be done to promote horse racing at PMRC. He stated he is looking forward to 2023. Mr. Lopic stated he rode in his first race 50 years ago and got involved in the racing industry; 30 years ago, the first race was run at PMRC and he bought his first mare. The first foal was named Iowa Hawkeye, which is now in the PMRC Hall of Fame. He stated the racing industry has been good to his family, and he wants to keep giving back to the industry.

Contracts: Mr. Palmer presented the following contracts for Commission approval:

- Carrier Access IT – Computer Equipment and Maintenance
- Metro Waste Authority – Horse Manure/Bedding Disposal

Hearing no comments or questions, Vice Chair Olsen requested a motion. Commissioner Burkhardt moved to approve the contracts as submitted by PMRC. Commissioner Horbach seconded the motion, which carried unanimously.

PUBLIC COMMENT/ADMINISTRATIVE BUSINESS: As there was no Public Comment, Vice Chair Olsen called on Mr. Ohorilko for Administrative Business.

Review of Year-to-Date Economic Impact Reports: Mr. Ohorilko advised the economic impact reports are not audited, but feel they provide an accurate representation of the spending by Iowa casinos. Iowa Code requires that a substantial amount of all resources and goods used in the operation of the casinos eminent from or are made in Iowa, and that a substantial amount of all services and entertainment are provided by Iowans, which is why the Commission focuses on the utilization of Iowa vendors when they are reviewing the contracts presented for approval. Mr. Ohorilko stated \$1.07 billion was spent in calendar year 2022 with Iowa vendors, or 92% of all spending by the casinos. If items that are not available in Iowa such as slot machines and related products are excluded, the spend with Iowa vendors is 96.8%.

Approval of Iowa Race Horse After Care Fund: Mr. Ohorilko advised there is \$13,677 available for distribution. The fund is funded by fines collected from 99D facilities. He noted there are certain statutory requirements applicants must meet. Mr. Ohorilko stated there was one application for the funds, Hope After Racing Thoroughbreds (HART), which met the requirements and requested approval of the distribution of funds to HART.

Hearing no comments for discussion, Vice Chair Olsen requested a motion. Commissioner Horbach moved to approve the distribution of the Iowa Race Horse After Care Fund to Hope After Racing Thoroughbreds. Commissioner Campbell seconded the motion, which carried unanimously.

Notice of Horse Racing Promotion Fund: Mr. Ohorilko advised there is \$2,174.71 available in the Horse Racing Promotion Fund. Qualified applicants should submit their request for the funds to the Des Moines Commission office by 3:30 PM on April 5, 2023.

Notice of Purse Amounts pursuant to Iowa Code § 99F.6(4)a(3): Mr. Ohorilko advised the purse amounts for the racing industry for 2023 as reported by Prairie Meadows are as follows:

- Thoroughbreds - \$18,458,195.69
- Quarter Horses - \$3,679,553.19
- Standardbreds - \$2,111, 219.05

Any questions regarding the calculations should be directed to the Commission office or Prairie Meadows.

HEARINGS:

Diamond Jo Worth, LLC: Mr. Ohorilko advised Commission staff and Diamond Jo Worth, LLC have agreed to a Stipulated Agreement for a violation of Iowa Code § 99F.9(5), relating to underage gambling. On May 24, 2022, an underage male approached the turnstile with three companions. The security officer posted failed to request identification, which allowed the individual to enter the gaming floor unchallenged. The individual was on the floor for 2 hours and 30 minutes, and did gamble, meeting the qualification for a Commission referral. Mr. Ohorilko stated Diamond Jo Worth has agreed to an administrative penalty of \$20,000.

Mr. Smith advised the facility takes this issue very seriously. Each time they or another facility are before the Commission due to a minor infraction, they go back and review their procedures and best practices to see if improvements can be made to their procedures. In this instance, Mr. Smith stated there were two failures: the security officer did not request identification and the individual had contact with additional staff members who failed to request identification. He advised team members were reminded that just because someone makes it through the turnstile doesn't mean that is the end point of being able to request identification. Following that incident, Mr. Smith stated team members have done a better job trying to identify underage individuals and requesting identification on the gaming floor. He stated their policies and procedures in place today and at the time of the incident should have prevented this incident from occurring. Mr. Smith stated they have put additional signage at the turnstiles advising patrons that those appearing to be under the age of 35 will be asked to show identification and narrowing the point of entry at the turnstiles allowing security to better focus on individuals entering the gaming floor.

Hearing no comments or questions, Vice Chair Olsen requested a motion. Commissioner Campbell moved to approve the Stipulated Agreement with Diamond Jo Worth, LLC with an administrative penalty of \$20,000. Commissioner Horbach seconded the motion, which carried unanimously.

Iowa West Racing Association: Mr. Ohorilko advised Commission staff and Iowa West Racing Association d/b/a Horseshoe Casino have entered into a Stipulated Agreement for a violation of Iowa Code § 99D.7(23) related to the statewide self-exclusion program. On April 25, 2022, an individual that had participated in gambling at Horseshoe Casino approached a security officer and requested to self-exclude. At that time, Horseshoe Security indicated there was no one on property available to assist in the process and advised the individual to go to Harrah's Casino. The individual ended up at Ameristar and was able to complete the self-exclusion paperwork to participate in the program at that time. Mr. Ohorilko stated Horseshoe Casino has agreed to an administrative penalty up to \$20,000.

Mr. Roberts stated team members failed; they should not have sent the patron away. He stated their job is to protect the guest and the integrity of gaming in Iowa. He stated the property would normally have between four and six Responsible Gaming Ambassadors (RGA) on property every shift. These individuals are trained to identify and talk to guests and help them in these situations. On this particular night, there were multiple call-outs. The security officer asked his supervisor for direction, and was advised to call Harrah's to determine if an RGA was available. Upon learning an RGA was available, he directed the patron to go to Harrah's. In discussions with staff, the supervisor meant for the RGA to come to Horseshoe to assist the patron. Since this incident, all supervisors at both properties have been made aware that the RGA is to go to the other property to assist the patron in completing the paperwork and determine if additional services or resources need to be provided. Mr. Roberts stated they have not had this situation occur previously, and feel remedies have been put into place to prevent a recurrence.

Vice Chair Olsen asked how often the facility has someone ask to be self-excluded. Mr. Roberts advised they had two the previous night; it varies – there could be three on a busy Saturday night. He stated the RGAs walk the floor and listen to conversations as they are doing so; if someone

indicates they are no longer having fun, they approach them to see if they can be of assistance. Vice Chair Olsen reinforced the importance of maintaining the integrity of gaming in Iowa.

Hearing no further comments or questions, Vice Chair Olsen requested a motion. Commissioner Horbach moved to approve the Stipulated Agreement with Iowa West Racing Association d/b/a Horseshoe Casino with an administrative penalty of \$20,000. Commissioner Burkhart seconded the motion, which carried unanimously.

Rush Street Interactive IA, LLC: Mr. Ohorilko advised Commission staff and Rush Street Interactive IA, LLC, which operates BetRivers, a duly licensed advance deposit sports wagering operator, have entered into a Stipulated Agreement for a violation of Iowa Code § 99F.9(7) related to use of credit to place a wager. He stated this is the final operator related to a series of incidents that occurred in July 2021 involving companies that used Sightline, a payment processor. In this incident, there were a number of companies that inadvertently permitted customers to use credit cards to deposit funds. BetRivers accepted 42 credit card transactions for a total of \$9,869. Mr. Ohorilko stated Rush Street has acknowledged the facts constitute a violation and have agreed to an administrative penalty up to \$20,000.

Laura McAllister Cox, Chief Compliance Officer, expressed her appreciation to Mr. Ohorilko and Commission staff for their collaboration in this matter. She stated she leads an ever growing team of compliance professionals and the company and compliance team take this situation very seriously. Ms. Cox stated she was pleased to be in Iowa representing the company to make sure the Commission understands their commitment to doing the right thing. She stated they are the final operator to come before the Commission in this matter. Ms. Cox stated Rush Street counts on their vendors for this information and take responsibility for their actions. She noted Andrew Crowe, Senior Vice President of Business at Sightline, was also in attendance to answer any questions the Commission might have.

Ms. Cox stated the main point she wanted to advocate on was the amount of the administrative penalty. She concurred the company had agreed on an amount up to \$20,000. She stated that from their vantage point of seeing the outcome of the prior agreements, she requested the Commission consider an amount less than \$20,000. She noted the one entity that did receive a fine of that amount had 73 instances and over \$15,000 while BetRivers had 42 instances and just under \$10,000. She stated there appears to be some reasoning behind the different amounts being assessed and would appreciate the Commission's consideration of an amount less than \$20,000. She assured the Commission Rush Street/BetRivers are receiving monthly reports from Sightline and WorldPay that the Risk and Payment teams are auditing, and both entities have escalated their procedures to prevent a reoccurrence of this situation.

Vice Chair Olsen noted the Commission had discussed this situation at length during their dinner the previous evening, and expressed the Commission's appreciation for Ms. Cox coming to represent Rush Street at the meeting.

Hearing no further comments or questions, Vice Chair Olsen requested a motion. Commissioner Burkhart moved to approve the Stipulated Agreement with Rush Street Interactive IA, LLC with

an administrative penalty of \$20,000. Commissioner Horbach seconded the motion, which carried unanimously.

ADJOURN: Vice Chair Olsen thanked everyone for attending and providing the requested information. Hearing no further business to come before the Commission, he adjourned the meeting.

MINUTES TAKEN BY:



JULIE D. HERRICK