

**IOWA RACING AND GAMING COMMISSION  
MINUTES  
JULY 8, 2024**

The Iowa Racing and Gaming Commission (IRGC) met on Monday, July 8, 2024 at Prairie Meadows Racetrack & Casino in Altoona, Iowa. Commission members present were Chair; Daryl Olsen, Vice Chair; Mark Campbell, and members Amy Burkhart and Alan Ostergren. Commissioner Julie Andres attended the meeting virtually.

**APPROVE AGENDA:** Chair Olsen called the meeting to order at 1:30 PM and requested a motion to approve the agenda. Commissioner Campbell moved to approve the agenda as presented. Commissioner Burkhart seconded the motion, which carried unanimously.

**APPROVE MINUTES:** Chair Olsen requested a motion to approve the minutes from the June 13, 2024 Commission meeting. Commissioner Ostergren moved to approve the minutes as presented. Commissioner Burkhart seconded the motion, which carried unanimously.

**WELCOME:** Michele Wilkie, Executive Vice President, welcomed the Commission and staff on behalf of the over 1,000 employees at Prairie Meadows. She touched on the different things being remodeled and updated at the facility. She said the carpet project is 90% complete and should be wrapped up at the beginning of September. The deli was remodeled and now opens up to the East side of the club house allowing for more food options. The fountain at the main entrance was changed to a multi-tier planter to match the other one they currently have. Ms. Wilkie also discussed the various celebrations they have had recently. Their Independence Day celebration brought in over 15,000 guests and the Festival of Racing hosted over 19,000 guests. Ms. Wilkie then showed a one-minute highlight reel, using camera shots from their new drone, celebrating Prairie Meadow's 35<sup>th</sup> year. She said they are excited to host the Commission and the industry and invited everyone to stay for live racing.

**ANNOUNCEMENTS:** Tina Eick, Administrator of IRGC, stated the next Commission meeting would be held at Riverside Casio & Golf Resort on August 29, 2024. Submissions for that meeting are due in the Commission's Des Moines office by August 15<sup>th</sup>. There will be no September meeting. The Commission will then meet at the Isle of Capri Bettendorf in Bettendorf, IA on October 3, 2024.

**CASINO QUEEN MARQUETTE, INC.:**

**Remodel Update:** Bill Vandersand, General Counsel, along with Robin Corbeil, General Manager, gave an update on the remodel project of the casino. Mr. Vandersand said since he was here last in April of 2023 they have increased the footprint of the casino. They have eliminated the drive-in structure that was presented last time he was there. He commented on the developments since he was there last which include a budget increase from \$12 million to \$17 million. They have not started the project yet as they had previously expected to start in January of 2024. The City of Marquette issued a building permit in April 2024. They hit a snag with the flood plain review from the Department of Natural Resources (DNR). Originally the message Casino Queen received

was that DNR doesn't regulate 500-year flood plains. However, when Casino Queen received the city building permit they were asked to reach back out to DNR and were told that part of where they want to build is in the 100-year flood plain which DNR regulates. Mr. Vandersand said this has slowed things down and they have asked for it to be expedited. As of now their projection is that DNR will finish its review in August. Casino Queen believes that the design development should pass and plan to move very quickly after the flood plain review is completed. So far, Casino Queen has spent \$800,000 on design architects in preparation of the project. They have also made a deposit on the steel and anticipate 8-9 months once started.

Commissioner Campbell commented that the project has drastically changed and asked if they could get full renderings prior to the August start date. Mr. Vandersand said they will do their best to get that done and make sure to send it over to the Administrator. Commissioner Campbell said he would definitely appreciate that and he would like to set aside some time for them to meet with himself and Chair Olsen after the meeting to discuss further as the project they started with and where they are today are two different projects.

Commissioner Burkhart asked Ms. Eick if we have received any contracts for general contractors for this project. Ms. Eick confirmed that staff have not. Commissioner Burkhart asked if those would be forthcoming as well. Mr. Vandersand said he provided a draft for the proposal of a general contractor agreement to the Administrator about a week ago and there was discussion if that needed to go through the RTA process. Commissioner Ostergren said this is definitely something that needs to be approved before they can move forward. Mr. Vandersand said he understood and would be back in August. Chair Olsen asked if we have always approved contractors for major construction. Ms. Eick said to the best of her knowledge that is accurate.

Commissioner Ostergren said the flood plain issue is something they need to get worked out. He said that he can sympathize with their work with the DNR but the Commission and staff are not in a position to ask the DNR to expedite anything. He said some requests have been made to staff but they will not ask the DNR to expedite their process. Mr. Vandersand said he understood.

#### **CASINO QUEEN MARQUETTE, INC:**

Request for Approval of the First Amendment to Third Amended and Restated Master Lease with GLP Capital, L.P.: Ms. Eick said that part of the terms of the restated lease require a general contractor on-site and work starting as of August 1<sup>st</sup>. She said due to what they are hearing today there is maybe some concern that those terms can be met at this point in time. Mr. Vandersand said in the existing lease there is an August 1<sup>st</sup> outside date for starting the project and with the issue with DNR that will not be met unless DNR is faster than what they are estimating. Mr. Vandersand said he has had discussions with the landlord about moving that date and he has been very amicable about moving dates as the August 1<sup>st</sup> date was set before the issue with DNR came up.

Ms. Eick said that what is before the Commission is a term sheet of proposed terms it's not a signed deal. Mr. Vandersand said that is correct. Ms. Eick said so then the question is if the Commission is comfortable in approving something with those terms not nailed down.

Commissioner Ostergren said it is approving something that they know can't be fulfilled because it calls for commencement of the project starting by August 1<sup>st</sup> and they aren't going to have the permits to do that. His perspective is a no vote or this can be tabled. Commissioner Burkhart agreed and said it specifically names a general contractor and they would be approving a lease before they approve the contractor. Commissioner Campbell also stated he would like to table this.

Chair Olsen requested a motion to table this for now. Commissioner Ostergren so moved. Commissioner Campbell seconded the motion, which carried unanimously.

**CONTRACT APPROVALS (OSV – OUT OF STATE VENDOR; RP – RELATED PARTY):**

Riverside Casino & Golf Resort, LLC: Damon John, General Manager, presented a contract with Kluesner Construction, Inc. for asphalt paving of parking and roadway areas.

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

Dubuque Racing Association, Ltd.: Alex Dixon, President, presented a request for approval of a facilitation agreement with Dubuque Initiatives.

Hearing no comments or questions, Chair Olsen requested a motion. Commissioner Ostergren moved to approve the facilitation agreement as submitted by Dubuque Racing Association, Ltd. Commissioner Burkhart seconded the motion, which carried unanimously.

Mr. Dixon also presented the following contracts for Commission approval:

- Conlon Construction Co. – Contractor for MasterPlan Dev.
- Honkamp, PC – External Independent Auditing Firm and Provider for Fixed Asset Management
- RDG Planning & Design – Schmitt Island Planning & Design
- Sound Talent Group LLC – Entertainment – Artist Booking Agency (OSV)

Hearing no comments or questions, Chair Olsen requested a motion. Commissioner Ostergren moved to approve the contracts as submitted by Dubuque Racing Association, Ltd. Commissioner Campbell seconded the motion, which carried unanimously.

Catfish Bend Casinos II, LLC: Rob Higgins, General Manager, presented a request for approval of a loan modification to their existing credit facility and related documents with First Interstate Bank. He also presented a contract with Pavillion Payments as a vendor who provides credit card cash advances, E-check authorization services and kiosk services (OSV).

Hearing no comments or questions Chair Olsen requested a motion. Commissioner Campbell moved to approve the loan modification and contract as submitted by Catfish Bend Casinos II, LLC. Commissioner Ostergren seconded the motion, which carried unanimously.

Prairie Meadows Racetrack and Casino, Inc.: Ms. Wilkie presented the following contracts for Commission approval:

- Architectural Arts – General Contractor for Interior Remodels
- Canteen (Compass Group USA) – Unattended Vending Services (Revenue Sharing)
- Churchill Downs (United Tote) – Pari-Mutual Totalizator Services and Clearinghouse Bets (OSV)
- Ecolab – Pest Control Services and Dishwasher Rental
- Midwest Ambulance – Ambulance and Emergency Medical Services
- Storey Kenworthy (Workspace) – Office Furniture
- Sysco of Iowa – Food Products
- True North Companies – Insurance Brokerage Services

Hearing no comments or questions, Chair Olsen requested a motion. Commissioner Burkhart moved to approve the contracts as submitted by Prairie Meadows Racetrack and Casino, Inc. Commissioner Ostergren seconded the motion, which carried unanimously.

### **REVIEW OF HORSEMENS ORGANIZATION'S FINANCIAL AUDITS:**

The Iowa HBPA, Inc. and The Iowa HBPA Benevolent Trust: Jon Moss, Executive Director, along with Joe Kelly, 2<sup>nd</sup> Vice President presented the organization's financial audit. Mr. Moss said he is proud to present a clean audit and has enjoyed working with Prairie Meadows for 35 years. He said this is a big year for them and he is happy to be a part of it and looking forward to celebrating later this year.

Mr. Moss said they really try to emphasize the benevolence. He said they have a mobile dental clinic that has come to offer services to the trainers. They are also adding a mobile vision clinic this year as well as adding some mobile health clinics. He said the Horsemen can utilize the Unity Point across the street, but bringing a clinic to the backside would be more accommodating. They are also starting a food pantry this year and working with Caring Hands to bring food and clothing in for the backside workers. He said he is very happy with the results of how this is playing out.

Mr. Moss also touched on a dispute they have had with a neighboring business. Adventureland is wanting to shoot off fireworks 5 weekends in a row and fireworks and horses don't typically go well together. They are working with the city to come up with a solution to this dispute.

Iowa Quarter Horse Racing Enterprises, Inc. d/b/a Iowa Quarter Horse Racing Association; Tom Lepic, President and Troi Mulford, Treasurer, were present to address the financial audit. Mr. Lepic stated he takes a lot of pride in trying to grow quarter horse racing. He said this has been a record-breaking year as they had 65 horses entered from all over the country and was the first time their purse exceeded \$200,000. He said they have 73 horses that are continuing to make payments

and if they continue to do so this year they could be over \$300,000 for charity for the first time ever.

Mr. Lepic said they have shown about a 20% increase in horses that come run here from all across the country. Right now, they are averaging about 7.67 horses per race and they are continually trying to increase this. He said they have also seen a 12% increase in Iowa foals. He said a rule was recently changed that will allow mares until the end of January to get here, get registered and get inspected, which is a great way to grow Iowa breeding.

Mr. Lepic said that last year they were just shy of spending \$12,000 of their money for the year. With that additional money they hired their own independent marketing company to help increase attendance and their handle. He said in 2022 their handle was just under \$5 million. Between 2022 and 2023 they were able to increase that to just under \$7 million, which is a 44% increase.

Iowa Harness Racing Association: Jeff Carey, President, introduced some members of the Iowa Harness Racing Association, Cory Larson, Jim Reese, and Duane Roland. Mr. Carey gave us an overview of their season so far. He advised they are racing at 8 different fair-grounds across the state with 37 races dates. He said they had 259 horses paid in and 240 foals inspected this year. He said they have 230 members in their association. Mr. Carey stated the organization started a YouTube channel two years ago and it has continued to be a success as they had over 1200 hits last year.

### **HEARINGS:**

Prairie Meadows Racetrack and Casino, Inc.: Ms. Eick presented the Stipulated Agreement with Prairie Meadows Racetrack and Casino, Inc for three counts. Count 1 was a violation of Iowa Code § 99F.4(22) (Self-Exclusion) and Counts 2 and 3 were violations of Iowa Code § 99F.9(5) (Minor).

For Count 1, licensees are required to upload and download information to and from the Iowa Racing and Gaming Commission's self-exclusion system at least once every seven calendar days. On March 1, 2023 Prairie Meadows downloaded the updated information as required from the self-exclusion database. The next download should have been on or before March 8, 2023, however it was not completed until March 9, 2023.

For Count 2, on March 4, 2023 a minor was denied entry to the casino floor, exited the facility, returned to a vehicle with two adult companions and changed clothing. The minor then returned to the facility and was again denied entry. The minor once again returned to the vehicle where he waited for his adult companions and once they returned the vehicle left the property. On March 5, 2023 Prairie Meadows conducted a review of their license plate verification system and determined the minor was allowed entrance to the gaming floor unchallenged earlier in the evening on March 4<sup>th</sup>. The minor was on the gaming floor for approximately 50 minutes, was unchallenged at the turnstile and gambled at three slot machines.

For Count 3, on April 15, 2023 a minor gained access to the gaming floor unchallenged. After 33 minutes of being on the gaming floor the minor was approached and asked for identification. The minor and her mother were interviewed and asked to leave the property. The minor was on the gaming floor for 33 minutes, was unchallenged three times at turnstiles and gambled at a slot machine.

Jake Hedgecock, Security Director for Prairie Meadows Racetrack and Casino, Inc said that in regards to Count 1, they have provided more training for the people that have access to the database and they have also put this on a shared calendar so that more people get notifications in case someone is gone.

Mr. Hedgecock stated that in regards to Count 2 and Count 3, the security officers that failed to request identification were counseled on the incidents and received disciplinary action. He said that since the two incidents they have provided over 300 hours of additional training.

Commissioner Campbell asked if they have looked into doing an automatic download in regards to Count 1, as that is what some properties have done. Mr. Hedgecock said that they have discussed it with IT but that their system is not able to do the automatic downloads.

Hearing no further comments or questions, Chair Olsen requested a motion. Commissioner Ostergren moved to approve the Stipulated Agreement with Prairie Meadows Racetrack and Casino, Inc. for Count 1 with an administrative penalty of \$5,000.00, for Count 2 with an administrative penalty of \$20,000 and for Count 3 with an administrative penalty of \$20,000. Commissioner Burkhart seconded the motion, which carried unanimously.

Tipico Iowa, LLC: Ms. Eick presented the Stipulated Agreement with Tipico Iowa, LLC for two counts on violations including Iowa Code § 99F.3 and Iowa Code § 99F.1 (29) (Impermissible Wagers).

For Count 1, on February 14, 2023, Tipico Sportsbook reported to Commission staff that they accepted five wagers on markets involving interceptions by the starting quarterbacks in the Super Bowl LVII football game played on February 12, 2023. This wager was not listed as an approved wager and therefore was not authorized by the Commission. The five wagers totaled \$285 in handle and were all losing bets. After the event, Tipico Sportsbook voided the wagers and returned the money back to the customers.

For Count 2, on March 25, 2024, Tipico Sportsbook offered four individual markets on wagers that involved totals for points, rebounds and 3-point baskets for Iowa woman's basketball player, Caitlin Clark in the Iowa Hawkeyes NCAA tournament game. A total of 6 wagers were placed by four patrons totaling \$375 in handle. Successful wagers were retained by the patron and money was returned to patrons with losing wagers. Tipico Sportsbook reported this to commission staff once it was discovered.

Bryan Schroeder, Senior Vice President, and Sean McGuinness, Outside Counsel, were present to discuss the Stipulated Agreement. Mr. Schroeder stated that after the first incident three remedial

measures were put in place. Access to the back office for sports trading was modified for traders and E-traders. A pop up was created and an alert sent out when a new market was approved. A person making a change would have to acknowledge and check that they saw the pop up. For the second incident, the trader disregarded the pop up so the lead did not see the alert.

Hearing no comments or questions, Chair Olsen requested a motion. Commissioner Campbell moved to approve the Stipulated Agreement with Tipico Iowa, LLC for Count 1 with an administrative penalty of \$5,000 and for Count 2 with an administrative penalty of \$15,000. Commissioner Ostergren seconded the motion, which carried unanimously.

**PUBLIC COMMENT:**

Doug Gross, Member, Brown-Winick Law, spoke on behalf of the Cedar Rapids Development Group and Linn County Gaming Association to formally announce their intention on filing an application yet this month for a new gaming license in Cedar Rapids/Linn County.

Gary Thelen spoke on some of the history of the referendums in Linn County. He mentioned the voters had first rejected a casino in 2003. He stated that the voters missed their chance at a casino by initially voting no, and felt that granting a new casino license in Linn County at this time would be unfair to those casinos that were granted licenses in nearby counties.

**ADMINISTRATIVE BUSINESS:**

Approval of Amended DCI Fees for FY 2025: Ms. Eick presented the amended DCI fees for the fiscal year 2025. It was discovered that there was an error in the timing with the previously presented DCI reg fees, specifically the first payment did not coincide with the current fiscal year. The schedule was revised to fix this issue. The over all amount remains the same.

Hearing no comments or questions, Chair Olsen requested a motion. Commissioner Ostergren moved to approve the amended DCI fees for fiscal year 2025. Commissioner Andres seconded the motion, which carried unanimously.

Discussion on Expiration of Moratorium on New Gaming Licenses: Chair Olsen said that it is important to understand, now that the moratorium is expired and they have been notified that there is an application that is going to be submitted, what the responsibility of the Commission is and how they are going to move forward.

Ms. Eick said that as a prerequisite for starting the license process the voters of a county must indicate that they want a casino. Iowa law requires that prior to the Commission issuing a license in any county in Iowa for a casino, the voters of that county must approve a referendum to allow gambling games in that county. Ms. Eick said if a majority of the county voters do not favor a casino then the Commission shall not issue a license. If a majority of the county voters approve a referendum then the Commission may issue a license but it is not required to do so. Further under Iowa law a referendum vote is required every eight years to continue gambling operations unless a county has successfully passed two consecutive referendum votes no less than eight years apart.

She said beyond that the Commission is tasked with deciding the number, location and type of casino. Iowa law does not specifically spell out when and how the Commission is to accept any new applications. However, if an application is received then the Commission would be obligated to act in some way, shape or form on that application.

Chair Olsen said this gives them a better idea of how to move forward.

Commissioner Burkhart said that they have talked about these in the past when it was brought before them prior to the moratorium, but she is curious as to how many referendums there have been in Linn County and of those how many passed or failed. Ms. Eick stated she is going off of memory, but believes the original one was in 2003 and it failed. Subsequent to that there were two more, one in 2013 and one in 2021, and those both passed.

Commissioner Burkhart then asked in the past when additional licenses have been considered by the Commission, what was the approximate timeline of when an application is received to when a decision is made. Ms. Eick responded that that process is typically a 6-9 month range.

Commissioner Ostergren said that the licensing process is not a scoring rubric in the administrative code. They are not going to assign points to different categories or anything like that. He said it's a very holistic review. Commissioner Ostergren said they will gather as much information as they can from the applicant and community. They will listen to the stakeholders and look at the application overall for what is in the best interest of the gaming industry, the community, and the state.

Chair Olsen agreed with Commissioner Ostergren. He said they need to stay focused and deliberate and keep everything on a timeline. They do not want to rush things but they also do not want to drag things out.

Chair Olsen said that understanding that under the agenda item we have discussion of the expiration of the moratorium, it really didn't state their plans to develop a timeline. Due to this he feels it would be unfair to set a timeline without directing staff to look at what would be an appropriate timeline. Chair Olsen said he does think it is appropriate to direct staff to prepare an RFP for a market study because that is something that they will have to do. He said they will look specifically at Linn County and state-wide effects because as of today that is the only location where an application will be forthcoming the Commission is aware of.

Hearing no further comments or questions, Chair Olsen requested a motion to direct staff to prepare an RFP on market share and finalize a timeline on the process for a Linn County application and decision. He also proposed that the Commission schedule a virtual meeting later this week, Friday, July 12, 2024 at 8:30 AM to look at and approve the timeline so the industry understands what that timeline is. Commissioner Ostergren so moved. Commissioner Burkhart seconded the motion, which carried unanimously.



**ELECTION OF CHAIR AND VICE CHAIR:** Commissioner Campbell nominated Daryl Olsen to serve as Chair for the upcoming year. Commissioner Burkhart seconded the motion, which carried unanimously.

Commissioner Ostergren nominated Mark Campbell to serve as Vice Chair for the upcoming year. Commissioner Burkhart seconded the motion, which carried unanimously.

**ADJOURN:** Hearing no further business to come before the Commission, Chair Olsen adjourned the meeting at 2:31 PM.

MINUTES TAKEN BY:

  
CHANTELLE ARMINTROUT