

IOWA RACING AND GAMING COMMISSION

MINUTES

AUGUST 29, 2024

The Iowa Racing and Gaming Commission (IRGC) met on Thursday, August 29, 2024 at Riverside Casino and Golf Resort in Riverside, Iowa. Commission members present were Daryl Olsen, Chair; and members Julie Andres, Mark Campbell and Amy Burkhart. Commissioner Alan Ostergren participated telephonically.

APPROVE AGENDA: Chair Olsen called the meeting to order at 8:30 AM, and requested a motion to approve the agenda. Commissioner Campbell moved to approve the agenda as submitted. Commissioner Andres seconded the motion, which carried unanimously.

APPROVE MINUTES: Chair Olsen requested a motion to approve the minutes from the July 8, 2024 Commission meeting. Commissioner Burkhart moved to approve the minutes as printed. Commissioner Campbell seconded the motion, which carried unanimously.

Chair Olsen requested a motion to approve the minutes from the July 12, 2024 Commission meeting. Commissioner Andres moved to approve the minutes as printed. Commissioner Burkhart seconded the motion, which carried unanimously.

WELCOME: Damon John, General Manager, welcomed everyone back to Riverside, Iowa. He said the 750 employees are very proud of the work they do at Riverside Casino to make a memorable experience for each and every one of their guests. They consider it a privilege to operate in the state of Iowa and they strive to set the bar high and define what the gaming experience should be like here in the state. He said details matter and quality matters. They keep their property clean and well maintained, provide great customer service, make sure each food item that leaves the kitchen is worthy of a 5 star Google review, and book the very best entertainment they can. He said they do all of this because of their employees which are their greatest asset. He said they are not only a great asset to them but also to the state of Iowa and the region. He then presented a video that was produced as part of Drake University's Character Counts awards. They recently accepted the coveted partner of the year award at a ceremony in Des Moines. They were given this award to celebrate their commitment to fostering ethical leadership, integrity and community involvement.

After the presentation video, Mr. John discussed a few other awards that Riverside has been awarded this year. One of those awards was the Give Back Iowa Challenge, which is an event that lasts eight weeks in April and May where employers go against each other and are challenged to volunteer in their community. The award goes to the employer that has the most volunteer hours by employee. This is the 7th straight year they have won that award. He then recognized some of the committee members that help put together the events for this challenge and thanked them for all they do. He then said Iowa is a great place to live, not just to grow up, but to stay and raise a family. Mr. John then introduced Stephanie Sexton, President of the Washington County Riverboat Foundation (WCRF).

Ms. Sexton welcomed everyone on behalf of WCRF and Riverside Casino. She congratulated Mr. John and his staff for being recipients of the Character Counts award. She announced that the foundation has been blessed to be able to gift nearly \$65 million. With the completed 2024 grants in the spring cycle, that total is over 3.6 million for that cycle alone, bringing the 2024 total to \$70 million since the start of the foundation. She said they are excited to see what the current fall grant applications will inspire. Ms. Sexton said they are looking to further their partnership with Riverside Casino, to grow, uplift and transform Eastern Iowa and specifically rural Iowa. She said the growth of tourism has been extremely impactful to their region and has been a driving factor in growing their region and helping their rural communities over the past 18 years. Since 2004 they have been awarding grants to the communities in the area. She said their communities have grown because of their ability to provide to the nonprofits and their foundations. She said they are fortunate to have a community focused partner and leader such as Riverside Casino and Golf Resort and again she congratulated them on their awards. She ended by inviting everyone to a ribbon cutting for the Eastern Iowa Red Cross Emergency Response Vehicle.

ANNOUNCEMENTS: Tina Eick, Administrator of IRGC, recognized Commission Gaming Representatives, Scott Ditch and Tori Aplara for their hard work on behalf of the Commission.

Ms. Eick then advised there is no Commission meeting in September. She stated that new facility applications for Linn County are due September 16, 2024. The Commission will next meet on October 3, 2024 at Isle of Capri Bettendorf in Bettendorf, IA; all submissions are due ten days prior to the meeting on September 19, 2024. On November 20, 2024 the Commission will conduct site visits in Linn County and hold a public comment meeting at The Hotel at Kirkwood in Cedar Rapids, IA. The next day, November 21, 2024 there will be a regularly scheduled Commission meeting at Catfish Bend Casino in Burlington.

PRESENTATION OF HORSERACING STUDY COMPLETED BY RG&E LLC: Doug Reed, Principal of Racing, Gaming and Entertainment LLC (RG&E) presented the Horseracing study that their company completed. He said there is a lot of opportunity in Iowa. The benchmarks are below par, but there is room for significant improvement. He listed three words that he believes are key to making improvements: Cooperation, Change and Flexibility. He said things are constantly changing and the industry needs to be flexible. He mentioned the environment is one of the things that does and will change.

Mr. Reed said that for the past three decades the gaming industry has changed dramatically. He said that focusing on the pari-mutuel side of supply and demand, there are four big entities that hold almost 70% of the market share when it comes to the handle for pari-mutuel. He said that leaves only about 100 tracks competing for that 20-30% left over. He said that account wagering has grown tremendously, particularly due to Covid. He said that most tracks today, 70-80% of the handle is through an app. He also mentioned that on the supply side, there has been a significant decline in the number of races.

Mr. Reed then went on to the analysis. He said they looked at Iowa alone and compared to other states. He said two of the most important benchmarks they look at are handle and field size and

in Iowa they are underperforming for thoroughbreds and quarter horses. Despite this, the earnings for the horsemen look good. They used the earnings for the past three years and thoroughbreds are meeting or even exceeding most other tracks, and the quarter horses are meeting or just below. However, overall, the Iowa thoroughbred industry has not kept up with the national trend, and said they have decreased at a higher rate than the national rate. He then showed multiple slides depicting how Iowa is doing compared to the benchmarks, and he said Iowa is not benchmarking well. He said in every study he has seen there is a huge correlation between field size and handle. He mentioned that Iowa is the only state in the nation where stakeholders are not held accountable. He quoted his study which found a large and steady stream of purse money that assures revenues for the industry and comes with no requirements or expectations is an ideal situation for average and below average producers in the industry and overall industry will likely resist any change to the situation. He said this is a huge area that could be improved and feels that all stakeholders should have a stake in the profit. Mr. Reed said to make an analogy if you had a salary, a really good salary and you weren't required to do anything for it, that's a bad situation. It creates mediocre performance and you don't want to change.

Mr. Reed then touched on the Iowa-breds and said they are competitive. During the study process they spoke to many different horsemen and asked them how Iowa-breds are competing in other states and the universal answer was they are very competitive. They also looked at migration maps. It shows where horses migrate before and after Prairie Meadows and this helped them determine which states to use in their comparisons to Iowa. He said Indiana was mentioned to them as a great model. Mr. Reed agrees, but says there are two things that separate Iowa from Indiana, resources and location.

Mr. Reed said there are a number of uncertainties in the market. He said they had to look at the whole system when making recommendations. He said they were given 19 questions from the IRGC, and it was very helpful in making recommendations. Mr. Reed touched on a few of the recommendations from their study. One is to race on Tuesday versus Sunday if they race the same time of year. He also said that post time management is really important. He said they should tie the handle to the purses and separate meets will enhance the potential for greater field size and opportunity. He said the focus should be on field size first and then from a breeding point of view if opportunities increase, value will increase. If both of those are done, there will be more revenue from pari-mutuel and more opportunities which will lead to more value. Mr. Reed showed a slide of their main recommendations: content management, changing the racing revenue model, repositioning the daily live on-track racing product, continuing and enhancing the live racing signature days, marketing important handle will also be an important source of revenue for racing. If the new revenue model is adopted and stakeholders agree on other key strategies/recommendations, there will need to be law/rule changes. In summary, other ideas were, creating a circuit of race meets with other jurisdictions, changing aspects of the Iowa Breeders Programs. Agreed upon transparent metrics will need to be monitored and used moving forward to measure success, allocate resources and modify racing parameters.

Mr. Reed summarized their main recommendations as follows: content management for exporting the live racing product; changing the racing revenue model to tie all pari-mutuel wager to purses; repositioning the daily live on-track racing product; continuing and enhancing the live racing

signature days; marketing import handle; creating a circuit for a race meet with other jurisdictions; and changing aspects of the Iowa Breeders' Program to add opportunities and value. Implementing the recommendations would require getting stakeholders to agree to key strategies/recommendations. Some of the recommendations, such as new revenue/purse structure would also require rule or law changes. Finally, he noted that the stakeholders needed agreed upon transparent metrics that could be monitored and used moving forward to measure success, allocate resources and modify racing parameters.

Mr. Reed ended by saying he believes there is a big opportunity in Iowa. He said the state of the industry requires change. He said the environment is going to continue to change, requiring constant monitoring and measuring to continue to adapt, changed and allocate resources. He provided the following closing statement, "Iowa was a leader in innovation in 1995 when they re-opened as one of the first racinos. Iowa has an opportunity to again be a leader, creating cooperative racing and breeding programs with one or more jurisdictions similarly situated".

Commissioner Burkhart asked if there were any states in particular that he feels are right to creating the circuit. Mr. Reed said they did look at some states in their study. He mentioned Oklahoma and Arizona as being potential starting points, but said they would definitely need to sit down with them and discuss it.

Chair Olsen mentioned the barn space and said the study shows Prairie Meadows has good barn space. Mr. Reed said they do, but if they make some of these changes they might need to review that again. Chair Olsen then said he appreciated them looking at turf and the cost associated with that. Mr. Reed said he would love to recommend turf, but there is not enough handle and not enough races. He said there didn't seem to be a payback, but that field size was critical.

Commissioner Andres said she had a question about foot traffic. She said the study didn't really talk about more amenities, making it more fun, and that was really shocking to her. She also said moving the race day can't be the easy answer. Mr. Reed said that they need to make the overall experience better. He said if the product matters, people will care more about the product. He went back to the small field size and said if they don't change that and the revenue model they should market the casino because that would drive the purse amounts.

Commissioner Campbell said that they want to stay on top of this. He suggested getting the horsemen and casino together in the next month or so to work together. He said it won't be overnight but they need to get this moving.

Chair Olsen wrapped things up by saying he appreciated the study very much and all the work their team did. He let everyone know this was a study that IRGC had asked for because they were concerned with what was happening with horse racing. He said 30 years ago horse racing was all there was when it came to gambling, but today there are infinite ways to spend your gambling money. He then read a quote directly from the study. "We do not see the market changing soon. As discussed elsewhere, other sports have had to make changes and racing must do likewise. The most important opportunity is to seek change as the status quo is not a good option given the market described. To continue this path, we cannot foresee a dramatic change for the breeding or

racing in Iowa. The current product at Prairie Meadows is clearly demonstrated in this report as not competitive and not of high interest to the public.” He ended by saying now it is up to the stakeholders. He said they can give them the study and say there is concern but that is all they can do. He requested that they listen to what Mr. Reed said. Cooperate, change and be flexible. He said they have the information and if they do nothing with it, it would make him very sad. He said take the report, start talking and see what they can do with it.

CATFISH BEND CASINOS II, LLC: Gary Hoyer, CEO, presented the initial phase of a remodel project for the casino including a high limit slot room and various improvements to the casino floor and entrance area. He said they are still working on a final design that they will seek approval of at a future meeting. They are wanting to get some of the longer term items that have been selected ordered so they are asking permission to get that started.

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

CASINO QUEEN MARQUETTE, INC.:

Remodel Discussion: Robin Cobeil, General Manager, presented an update on their remodel. She said that they have received their DNR permit and they are ready to go. She said they did incorporate an entrance so minors can go to the food venues, and they are ready to get started as soon as approved.

Commissioner Campbell thanked them for taking the time to meet to discuss the concerns that they had. He acknowledged that it wasn't simple to add the entrance, but they are greatly appreciative of that.

Commissioner Burkhart asked what the difference was in square footage from the existing facility to the new facility. Ms. Corbeil said she believes it is about 1,000 sq ft.

Contract Approval: Hearing no other questions, Chair Olsen requested a motion. Commissioner Campbell moved to approve the contract as presented by Casino Queen Marquette, Inc. Commissioner Andres seconded the motion, which carried unanimously.

Request for approval of the First Amendment to Third Amendment and Restated Master Lease with GLP Capital, L.P.: Bill Vandersand, General Counsel, presented a request seeking approval of the First Amendment to Third Amendment and Restated Master Lease. He said this provides for terms and conditions to make draws to finance the construction project. Additionally, it adds the property to the master lease. He stated it addresses an issue that was at the last meeting which extends the expected start date to October 1st. Commissioner Burkhart asked if the expected completion date was still August and he confirmed that yes, it is.

Hearing no further comments or questions, Chair Olsen requested a motion. Commissioner Burkhart moved to approve the First Amendment to Third Amendment and Restated Master Lease

as presented by Casino Queen Marquette, Inc. Commissioner Campbell seconded the motion, which carried unanimously.

PRAIRIE MEADOWS RACETRACK AND CASINO, INC.:

Request for approval of Second Amendment to Operating Lease Agreement with American Wagering, Inc. d/b/a William Hill Sportsbook (Caesars Sportsbook): Derron Heldt, Vice President of Racing, presented a request for Commission approval to enter into an extension agreement with American Wagering. He stated this would be a 3-year extension to 2027 and the terms would remain the same.

Hearing no comments or questions, Chair Olsen requested a motion. Commissioner Andres moved to approve the Second Amendment to Operating Lease Agreement as presented by Prairie Meadows Racetrack and Casino, Inc. Commissioner Burkhart seconded the motion, which carried unanimously.

Request for approval of Amended and Restated Service Agreement with ODS Technologies, L.P. d/b/a TVG and FanDuel Racing: Mr. Heldt presented a request to enter into a service agreement with their advanced deposit wagering operator, TVG. He stated this is a 4-year extension that runs through December 31, 2028.

Hearing no comments or questions, Commissioner Andres moved to approve the Amended and Restated Service Agreement as presented by Prairie Meadows Racetrack and Casino, Inc. Commissioner Burkhart seconded the motion.

Commissioner Campbell then stated he did have one question. He asked if this agreement ties our hands in regards to any changes or recommendations as discussed in the horseracing study. Mr. Heldt said this broadens their appeal on some sports betting apps.

Hearing no further comments or questions, the motion carried unanimously.

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

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

- Bailey Roofing – Roofing Contractor
- Electronic Engineering – Electronic Hotel Room Door Locks
- Plumb Supply – Plumbing Supplies
- RJ Kool Company – Ironer/Folder/Stacker System for Hotel Laundry (OSV)
- Sys-Kool LLC – Water Cooling Tower Services (OSV)

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

Catfish Bend Casinos II, LLC: Rob Higgins, presented the following contracts for Commission approval:

- Core Mark, d/b/a Farner-Bocken Company – Purchase of Cigarettes
- Dave Bessine Electric – Electrical Work for Casino Remodel
- Gasser Chair Company – Gaming Chairs (OSV)
- Keokuk Wine & Spirits – Purchase of Alcohol
- Within by Conceptual Designs – Carpet Tiles, Fixtures, and Murals for Casino Remodel

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

Harveys Iowa Management Company, LLC: Thomas Roberts, General Manager, presented the following contracts for Commission approval:

- In-Law Fencing – Vinyl and Wood Fencing Vendor
- Nebraska Furniture Mart – Furniture and Carpet Vendor

Hearing no comments or questions, Chair Olsen requested a motion. Commissioner Andres moved to approve the contracts as submitted by Harvey's Iowa Management Co., Inc. Commissioner Burkhart seconded the motion, which carried unanimously.

Iowa West Racing Association d/b/a Horseshoe Casino Council Bluffs: Mr. Roberts presented the following contracts for Commission approval:

- Alpha Video and Audio, Inc. – Provider for LUCI, a Video Distribution System (OSV)
- In-Law Fencing – Wood and Vinyl Fencing Vendor

Hearing no comments or questions, Chair Olsen requested a motion. Commissioner Burkhart moved to approve the contracts as submitted by Iowa West Racing Association d/b/a Horseshoe Casino Council Bluffs. Commissioner Andres seconded the motion, which carried unanimously.

Isle of Capri Bettendorf, L.C.: Nancy Ballenger, General Manager, presented the following contracts for Commission approval:

- Johnson Controls – Five Year Maintenance Contract for Fire and Life Safety System at the Convention Center
- Summit Fire National Consulting, LLC – Five Year Maintenance Contract for Fire Panel in the Fire and Life Safety System

- Vendigard Fire Equipment – Five Year Maintenance Contract for Ansul System in the Fire and Life Safety System

Hearing no comments or questions, Chair Olsen requested a motion. Commissioner Andres moved to approve the contract as submitted by Isle of Capri Bettendorf, L.C. Commissioner Campbell seconded the motion, which carried unanimously.

Wild Rose Clinton, L.L.C.: Leah Garcia, Assistant General Manager, presented a contract with Johnson Controls Fire Protection LP for a Fire Alarm Panel Monitoring Agreement for Commission approval.

Hearing no comments or questions, Chair Olsen requested a motion. Commissioner Burkhart moved to approve the contract as submitted by Wild Rose Clinton, L.L.C. Commissioner Andres seconded the motion, which carried unanimously.

Grand Falls Casino Resort, LLC: Mr. John, on behalf of Sharon Haselhoff, General Manager, presented a contract with The Printer Inc for Direct Mail Marketing, Printing and Postage for Commission approval.

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

Riverside Casino and Golf Resort, LLC: Mr. John presented the following contracts for Commission approval:

- 1st Choice Specialty Services – Gift Card Purchases for Marketing Promotions (OSV)
- Aramark Refreshment Services, LLC – Vending Machine for Hotel and a Micro Market
- Carrier Access I.T. – Hardware/Software and Support
- D&K Products – Turf Management Supplies
- Iowa Beverage Company – Beverage Purchases
- Lee Enterprises Inc – Digital Internet Advertising
- Menards – Gift Card Purchases for Marketing Promotions
- The Printer Inc. – TPI Central – Marketing Mailers

Hearing no comments or questions, Chair Olsen requested a motion. Commissioner Campbell moved to approve the contracts as presented by Riverside Casino and Golf Resort, LLC. Commissioner Andres then said she did have one question. She wanted to know if the contract with The Printer, was for actual old fashioned direct mail. Mr. John stated it was. Commissioner Burkhart seconded the motion, which carried unanimously.

SCE Partners, LLC: Doug Fisher, General Manager, presented the following contracts for Commission approval:

- Agilysys NV, LLC – Property Hotel Management System (OSV)
- Everi – Purchase Everi Loyalty Kiosks & Associated Annual Costs (OSV)

Hearing no comments or questions, Chair Olsen requested a motion. Commissioner Burkhart moved to approve the contracts as submitted by SCE Partners, LLC. Commissioner Andres seconded the motion, which carried unanimously.

IOC Black Hawk County, Inc.: Chad Moine, General Manager, presented the following contracts for Commission approval:

- Blackhawk Automated Sprinklers – Test and Inspection of Fire and Life Safety System
- Paulson Electric Company – Electrical Contractor
- Protex Central, Inc. – Test and Inspection of Fire and Life Safety System
- Young Plumbing and Heating Co. – Plumbing & Heating

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

Dubuque Racing Association, Ltd.: Alex Dixon, President and CEO, presented a contract with Disturbed Touring Inc for an Entertainment Artist for Commission approval.

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

Ameristar Casino Council Bluffs, LLC: Paul Czak, General Manager, presented the following contracts for Commission approval:

- Crane Payment Innovations – Credit Card Reader for Cigarette Vending Machine Service Agreement
- Cintas – Uniforms for Casino Staff
- Lamar Texas LLP/The Lamar Company – Billboards
- Liberty Fruit Co. – Fruit Supplier

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

Rhythm City Casino, LLC: Mo Hyder, General Manager, presented the following contracts for Commission approval:

- GroupGifting.com – Home Depot Gift Cards for Marketing Promotion
- Kwik Trip, Inc – Kwik Trip Gift Cards for Marketing

- Lee Enterprises – Digital & Print Advertising
- Universal Attractions Agency – Booking Agency for Entertainers (OSV)
- William Morris Endeavor Entertainment, LLC – Booking Agency for Entertainers (OSV)

Hearing no comments or questions, Chair Olsen requested a motion. Commissioner Andres moved to approve the contracts as presented by Rhythm City Casino, LLC. Commissioner Burkhart seconded the motion, which carried unanimously.

HGI-Lakeside, LLC: David Monroe, General Manager, presented the following contracts for Commission approval:

- DSI Systems, Inc. (Direct TV) – Direct TV for Entire Property Including Installation
- MidWest Sealcoating of Iowa LLC – Parking Lot Asphalt Maintenance and Repair
- Van-Wall Equipment – Maintenance Equipment

Hearing no comments or questions, Chair Olsen requested a motion. Commissioner Campbell moved to approve the contract as submitted by HGI-Lakeside, LLC. Commissioner Burkhart seconded the motion, which carried unanimously.

Diamond Jo, LLC: Wendy Runde, General Manager, presented the following contracts for Commission approval:

- Conlon Construction – VIP Lounge Refresh
- ANZ Solutions Iowa, LLC – Boyd Tier Gift Program
- Mid Iowa Refrigeration Inc – Repair and Preventative Maintenance on F&B Equipment
- Portzen Construction – Restroom Refresh (1 of 3)

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

HEARINGS:

Sports Information Group, LLC: Ms. Eick presented the Stipulated Agreement with Sports Information Group, LLC for a violation of Iowa Code § 99F.9(7) (Credit). Sports Information Group, LLC does business as DRF Sportsbook. Pursuant to Iowa law a licensee should not accept a credit card or other forms of credit to be wagered on gambling games. On July 30, 2023, DRF Sportsbook, through one of its third-party payment processors (World Pay), accepted a \$100 credit card transaction to fund a sports wagering account. On November 2, 2023, DRF Sportsbook did a quarterly audit where they discovered the transaction and immediately reported it to the Commission.

Erin Barnett, General Counsel, said this payment was accepted as the result of an error. She said there was a momentary downtime in the World-Pay software, specifically a portion of the software

that would prevent credit card payments. She said she believes they have the right process in place to avoid such issues and they have a practice to conduct a quarterly audit to detect any system errors. She respectfully requested the Commission to consider a fine on the lower end of the range.

Commissioner Campbell asked staff if World-Pay was one of the vendors they had trouble with in the past. Ms. Eick confirmed that yes it was.

Chair Olsen asked if they plan to hold World-Pay responsible for any fine they get. Ms. Barnett said they will certainly try to hold them responsible but they have not committed to pay any fine that they receive.

Commissioner Burkhart asked staff if this fell in the same time frame of when other licensees were having problems with World-Pay. Ms. Eick said this falls outside of that and is kind of a second wave as DRF was not operating at the time the others were having issues.

Hearing no further comments or questions, Chair Olsen requested a motion. Commissioner Andres moved to approve the Stipulated Agreement as presented with an administrative penalty of \$10,000. Commissioner Burkhart seconded the motion, which carried unanimously.

Next Three Hearings: Chair Olsen announced that we would be presenting the next three hearings together and then the Commission would take a motion on each item separately. Ms. Eick said all three of the next items involve Caesar's properties and stemmed from the same core incident. Specifically, the incidents arose out of the one time migration of the company wide database for player accounts.

Specific to Harrah's that resulted in failure to deactivate 10 self-excluded individuals. On four different occasions two self-excluded individuals used their player's club cards while gambling at Harrah's and Harrah's also gave one of the self-excluded individuals \$50 in promotional play when those accounts should have been restricted.

In addition, from January 27, 2023 to June 1, 2023, Harrah's sent four self-excluded individuals a total of 19 mailers and multiple promotional contacts from multiple Caesar's facilities.

Mr. Roberts apologized to the Commission and to his fellow general manager, Ms. Ballenger. He said there is no excuse for what happened he can only provide the circumstances surrounding it and the actions they have taken to make sure it doesn't happen again. He stated that when this mistake happened in 2022 the lead compliance officer was out with Covid. There was another compliance officer that worked for her that was not fully trained so instead of delegating the work to her, she took it home and she missed two days. They did self-report immediately when this was caught. He stated this employee is a 20-year employee in compliance and does not have one issue on her record at all and has won multiple awards with their company for the work she does. This was the only blemish on her account. He said they need to be more diligent and since then they appointed a lead that does the downloads and the compliance officer checks. Since they have made this change in June 2023 they haven't seen another issue.

Harveys Iowa Management Company LLC: Hearing no further comments or questions, Chair Olsen requested a motion. Commissioner Campbell moved to approve the Stipulated Agreement with an administrative penalty of \$10,000. Commissioner Burkhart seconded the motion, which carried unanimously.

Iowa West Racing Association d/b/a Horseshoe Casino Council Bluffs: Ms. Eick presented information specific to Horseshoe. Horseshoe failed to deactivate the players club accounts on 10 self-excluded individuals on two separate occasions. Two self-excluded individuals used their players club cards while gambling and one self-excluded individual received \$15 in promotional play when they should have been restricted.

In addition, from February 16, 2023 to June 5, 2023, Horseshoe sent four self-excluded individuals a total of 22 promotional contacts as well as many other contacts for out of state Caesars locations.

Commissioner Burkhart said that although the incidents are the same, one difference is that with this property, in the last 24 months they have had one incident that resulted in a penalty of \$20,000 for a self-excluded incident.

Hearing no further comments or questions, Chair Olsen requested a motion. Commissioner Burkhart moved to approve the Stipulated Agreement with an administrative penalty of \$20,000. Commissioner Andres seconded the motion, which carried unanimously.

Isle of Capri Bettendorf, L.C.: Ms. Eick presented information specific to Isle of Capri Bettendorf, L.C. This incident involved just one individual who the Players Club account became active resulting in the self-excluded individual receiving a promotional mailing. There was no record of this individual ever gambling at the facility.

Ms. Ballenger addressed the hearing for Isle of Capri Bettendorf, L.C. She stated this was a very unfortunate situation. Prior to this incident they had a separate database and due to the timing of the conversion it led to this incident. She said the good news is that since they converted they have a lot more access to Caesars assets and links to marketing which has been able to help them bring people into the state and grow their revenues that way.

Hearing no further comments or questions, Chair Olsen requested a motion. Commissioner Andres moved to approve the Stipulated Agreement with an administrative penalty of \$5,000. Commissioner Burkhart seconded the motion, which carried unanimously.

Chair Olsen then announced we would be taking a 10 minute break.

GAMING MARKET STUDY:

The Innovation Group: Alex Goldstein, Manager, introduced himself and said it was a pleasure to be there. He mentioned he is a native of Bettendorf and has many ties with the state. He said The Innovation Group has been around since the early 90's, the beginning of the gaming boom in the country. He said their specialization is in the gaming industry and their work has led to over \$100

billion dollars in investment decisions. Mr. Goldstein said their accuracy and reliability is unmatched across the industry with actual results coming within 5% of their projections. He then showed slides of the team that would be working on this study, and said himself and Tom Zitt, Executive Vice President, would be leading the team. Mr. Goldstein reviewed five market studies they have done in Iowa where the results came back with 5% accuracy or less, including a study they did for Prairie Meadows in 2001 with 2.6% accuracy. Mr. Goldstein said that since this would be an update to a report they did for the Commission three years ago, they would be in the position to provide the report in a very timely manner. He ended by showing testimonials from previous clients.

Commissioner Burkhart asked how they define who the stakeholders are and how they would go about getting their input. Mr. Goldstein said the stakeholders would be everyone from the local communities, other competitors, and the non-profits. He said getting perspective from both sides would be very important in their analysis. Commissioner Burkhart asked what their methodology would be in collecting that data. Mr. Goldstein said outreach, focus groups, surveys, and even direct calling.

Commissioner Campbell asked how they would reach out to the non-casino and non-profits to gauge the impact it would have on non-casino businesses and non-profits. Mr. Goldstein said that in his experience the non-profits have always been very cooperative because it is really important to them. Commissioner Campbell then asked if there is anything they would do differently based on their experience. Mr. Goldstein said that the last time they did this study was in the middle of a pandemic and there were lots of uncertainties. He said casino visits were doing down but spend was going up. He said gaming is starting to level off to the pre-pandemic levels and is in a more normalized time almost similar to before Covid.

Chair Olsen said that we need to make sure the data is accurate and unbiased, and wanted to know if they have done any work with a licensee or parent company that we should be aware of. Mr. Goldstein said they pride themselves on being independent and being a totally neutral party. Commissioner Andres asked if they have done any work for any specific Iowa licensees in the past year. Mr. Goldstein said no.

Chair Olsen asked what specifically they would need from staff. Mr. Goldstein said updated databases will be the most important for accurate work. He said they are able to use the databases from 2021 but those are during the pandemic. He said general financials of the properties as well as charitable contributions would also be requested.

Commissioner Burkhart said their report broke out how their time would be spent and she asked if they weighed them equally in terms of effort and research. Mr. Goldstein said that since they haven't worked in Iowa in over a year, their initial time would be spent researching what is new in Iowa, and if there is anything they missed in the past year. He said in terms of time it's roughly 20% initial research and then 80% graphic modeling and economic development.

Marquette Advisors: Louis Frillman, President, introduced himself and thanked everyone for having them. He said they have interviewed for a similar RFP three other times and were awarded

it all three times. They are the only company presenting that is located in the Midwest and they have been in the gaming consultant business since 1989. They are not a large company and do the work themselves. They are very proud of their history and their outcomes.

Brent Wittenberg, Senior Vice President, also spoke and said they have allocated a lot of time for questions. He said they have 30 plus years of experience in Casino markets and are hopeful they will be awarded a contract for a fourth time. He said that one of the main questions is efficiency and you only get that by hard work. They plan to spend considerable time in each market, visiting each facility and meeting with the general managers and staff to gather as much information as possible. He said their hard work demonstrates efficiency.

Commissioner Burkhart asked what spending time in each market looked like. Mr. Wittenberg said that initially they would work with the staff, which is what takes the most time. They hope to get out to the markets and spend a considerable amount of time at each one. Mr. Frillman said that they have visited each property at least three times, probably more, and they will visit each one again because things change. He said that nothing can substitute seeing it in person and traveling to each property to meet with the managers and stakeholders.

Commissioner Campbell asked how they will reach out to the non-profits and small businesses not related to the casino and asked if he could elaborate a little on how Lynn County has changed. Mr. Wittenberg said they first need to get a good understanding of how each of the current facilities are impacting the non-profits and how that works. He said Lynn County has changed in terms of demographics and nationally gamers are younger and they need to see if this holds true for Iowa.

Commissioner Andres asked if they have done any work for any specific Iowa licensees in the past year. Mr. Wittenberg said no and probably not for 10 years or more. Chair Olsen said they did the study in 2017 and he is curious why that would be an advantage or disadvantage. Mr. Wittenberg said they have familiarity, but the facilities and markets have changed. He said there are advantages with their familiarity, proximity, their ability to spend a lot of time in the market and experience. Mr. Frillman said their advantage is they have been there from the beginning. He said they have support staff but they do not have a large pyramid structure where a lot of people are involved.

Chair Olsen asked what they would require from staff. Mr. Wittenberg said facilitating the flow of information between the facilities and them. Mr. Frillman said they are really good at data organization, but delivering the data in a way that will be easily understood will take a lot of time.

Spectrum Gaming Group: Matthew Roob introduced himself and said it was an honor to be invited back and at a different casino. He said they had been hired before and they appreciate that. He stated his background is in operations and they have done work with a licensee in the past 12 months in Iowa. Mr. Roob said they have extensive background in all aspects of gaming. He said they are independent, unbiased and comprehensive. He said they will look at case studies in states where new casinos entered the market and look at their gross gaming revenue estimates. He said they do a lot of research on a zip code basis. He mentioned that people like to shop around and play different games at different places for the experience. Mr. Roob said they will assist us in

making this decision. He said they will give the pros and cons of each scenario and help with the very difficult decision. He said the team would consist of five people with over 135 years of gaming-related experience.

Commissioner Burkhart asked if they planned to look at other stakeholders outside of the facilities and non-profits. Mr. Roob said absolutely as it will impact others as well. He said it is important to understand that if they lose 200 jobs, what happens to the volunteer base at the non-profits. Commissioner Burkhart then asked what that looks like in terms of methodology and how they will reach out to them. Mr. Roob responded that they will sit down with staff and casino operators to understand who the non-profits are and work with the non-profits to see where their volunteers come from. Commissioner Burkhart asked if by saying sit down he means in person meetings. Mr. Roob said either in person or on the phone, depending on availability of all parties.

Commissioner Andres asked him about the accuracy of their work. Mr. Roob said a lot of their work is forward facing and it is very difficult to look at it in terms of accuracy because there are so many different variables. Commissioner Andres said the scorecard has a spot for accuracy so would there be anything else he would like to add. Mr. Roob said not particularly, just that they keep getting hired back by customers.

Chair Olsen asked if they have done any work with Iowa operators in the past 12 months. Mr. Roob said they have and that work is finished up. Chair Olsen then asked what they would need from staff. Mr. Roob said mostly just outreach. He said a lot of the operators might be comfortable sharing stuff with staff and might not be willing to share with them so being that middle person.

GGHM: Richard Baldwin, Managing Principal in Las Vegas, introduced himself and thanked everyone for the opportunity to present. Mr. Baldwin said there are four partners in the firm and they are a leading global gaming industry advisor. He said they do work primarily in North America and take a selective approach to the work they take on, occasionally turning down work so that there are no bad experiences for either party. He stated that they take a very detailed analytical approach to everything they do. He said there is a lot of conversation around accuracy and they don't publish or promote how accurate they are as it's a very difficult thing to do and they don't feel it makes sense for them to do so. He said the nature of the work is very subjective and their job is to determine the market and the demand, they are not responsible for execution. Mr. Baldwin did say 90% of their business is repeat customers and their clients wouldn't call them back if they didn't find benefit in their work. He said they will get in the market as much as they can and listen as listening is an important part of it, but they will remain unbiased and subjective. Mr. Baldwin said his firm knows how to ask the right questions and they aren't afraid of telling their clients they don't agree if that is the case. He said in 2013 he was with a different firm that was awarded this study and it was a memorable experience that he hopes to repeat again if awarded the opportunity.

Commissioner Campbell asked if by taking a holistic approach, would they really be able to give them the tools they need to make this decision. Mr. Baldwin said they will share as much detail as the client wants to see. He said they are equipped to take on whatever the situation calls for and believes everything is zip code, distance and drive time based.

Commissioner Burkhart noted that gaming was number four on their list of markets they work with. She was interested in what data is readily available to them and what they would need from the staff. Mr. Baldwin said gaming is their bread and butter. He said they will use whatever information is publicly available. They will also perform thorough Google searches and will sit down and talk to people. He said as far as what they will need from the Commission, not much, mostly just facilitate introductions.

Commissioner Andres asked if a drive time analysis is included because it states it's optional. Mr. Baldwin said that yes, every market study they do includes drive time analysis. Chair Olsen asked if they have done any work with any Iowa licensees in the past 12 months and Mr. Baldwin said they have not.

Commissioner Campbell moved to eliminate the 5th company that was supposed to present as they did not show up and therefore did not complete the mandatory requirement, and to only review and consider the four that did present. Commissioner Burkhart seconded the motion, which carried unanimously.

EXECUTIVE SESSION: Chair Olsen requested a motion to go into Executive Session. Commissioner Burkhart moved to go into closed session pursuant to Iowa Code Section 21.5(1)(a) for consideration of applications for gaming market study including cost proposals and trade secret information which is confidential pursuant to Iowa law and Iowa Code Section 21.5(1)(d&f) for review and deliberation on whether to initiate licensee disciplinary investigations or proceedings. The Commission would include conflict counsel, John Lundquist, assigned by the Attorney General's Office. Commissioner Campbell seconded the motion, which carried unanimously on a voice roll call.

At 12:33pm Chair Olsen requested a motion to leave Executive Session. Commissioner Campbell so moved. Commissioner Burkhart seconded the motion, which carried unanimously.

After a short break, at 12:36pm, Commissioner Campbell moved to reconvene the public meeting. Commissioner Burkhart seconded the motion, which carried unanimously.

MARKET STUDY - VOTE TO ISSUE NOTICE OR NOTICES OF INTENT TO AWARD: Commissioner Campbell moved to issue a Notice of Intent to Award to both The Innovation Group and Marquette Advisors. Commissioner Burkhart seconded the motion, which carried unanimously.

VOTE ON WHETHER TO INITIATE LICENSEE DISCIPLINARY INVESTIGATIONS OR PROCEEDINGS: Commissioner Andres moved to issue a Notice of Hearing and Statement of Charges in Case No. 24-01, 24-02, 24-03, and 24-04. Commissioner Campbell seconded the motion, which carried unanimously.

PUBLIC COMMENT: None

ADMINISTRATIVE BUSINESS: None.

ADJOURN: Hearing no further business to come before the Commission, Chair Olsen adjourned the meeting at 12:39.

MINUTES TAKEN BY:


CHANTELLE S. ARMINTROUT