

IOWA RACING AND GAMING COMMISSION MINUTES NOVEMBER 20, 2024

The Iowa Racing and Gaming Commission (IRGC) met on Wednesday, November 20, 2024 at The Hotel at Kirkwood Center in Cedar Rapids, Iowa for the purpose of touring the proposed casino site and receiving public comment. Commission members present were Daryl Olsen, Chair; Mark Campbell, Vice Chair, and members Amy Burkhart and Alan Ostergren. Commissioner Julie Andres participated telephonically.

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

PUBLIC COMMENT: The Commission heard public comments from 105 individuals/groups. Of the 105 speakers, 66 were in favor of a casino in Linn County and 39 were opposed to it.

The following individuals spoke in favor or a casino:

Tiffany O'Donnell	Mayor of Cedar Rapids	Cedar Rapids
Mary Beth O'Neil	Four Oaks	Cedar Rapids
Tristan Harris	Double Tree	Cedar Rapids
Michelle Jensen	Rayser Holdings	Cedar Rapids
Ryan Evens	Local Business Owner	Cedar Rapids
Gregg Leurkens	Amana Society	Amana
Harry Weber	Self	Anamosa
Julie Kraft	Hawkeye Downs	Cedar Rapids
Tom Brown	Self	Cedar Rapids
Al Pierson	Pierson's Flower Shop	Cedar Rapids
Ryan Waller	City of Marion	Cedar Rapids
Chris Kramer	National Czech Museum & Library	Cedar Rapids
Mike Sadler	Cedar Rapids/Iowa City Building Trades	Cedar Rapids
Sami Sheetz	Self	Cedar Rapids
Jeff Cooling	Self	Cedar Rapids
Rick Moyle	Hawkeye Labor Council	Cedar Rapids
Allen Lerch	Self	Cedar Rapids
Ron Corbett	Former Cedar Rapids Mayor	Cedar Rapids
Anne Parmley	Linn County Gaming Association	Cedar Rapids
Greg Neumeyer	Robins Economic Development	Robins
Nate Kaeding	Kingston Yard	Cedar Rapids
Dain Brunscheen	Labors Local 43	Cedar Rapids
Ben Kinseth	Hospitality	Cedar Rapids
Jasmine Almoayged	Kirkwood Community College	Cedar Rapids
Russ Jaeger	Sheet Metal Workers Local 263	Cedar Rapids
Joe Ahmann	Companies	Cedar Rapids
Eric Christiansen	Zack Johnson Foundation	Cedar Rapids
Enzek Skouman	Self	Marion
Seth Gorman	Iron Workers	Cedar Rapids
Todd Bergen	Skogman	Cedar Rapids
Ryan Hanrahan	Mid American Aerospace	Cedar Rapids
Murphy McGrath	Self	Marion

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Lydia Brown	Midwest Equity Investments	Cedar Rapids
Tony McNealy	Local 81	Cedar Rapids
Bob Brown	Self/Modern Companies	Cedar Rapids
John Tursi	Boys & Girls Club	Cedar Rapids
Craig Montz	Miron Construction	Cedar Rapids
Lee Koelker	Self	Cedar Rapids
Allan Thoms	Self	Cedar Rapids
Scott Friouf	Self	Cedar Rapids
Doug Neuman	Cedar Rapids Metro Economic Alliance	Cedar Rapids
Steve Dodson	Mayor of Hiawatha	Hiawatha
Stacie Eastman	Eastern Iowa Health Carrier	Marion
Katie Hallman	Theatre	Cedar Rapids
Sam Nemer	Self	Cedar Rapids
Brian Cosgrove	Roofers 182	Palo
Royce Petersen	Carpenters Union of Eastern Iowa	Marion
Pat Cobb	Self	Cedar Rapids
Kristin Roberts	United Way of East Central Iowa	Cedar Rapids
Kyle Determan	Local 263	Cedar Rapids
Joe Sample	Local Social	Cedar Rapids
Luke Swanson	Local 125	Marion
Jamie Toledo	IA County Community Development	Cedar Rapids
Monica Vernon	Former City Council	Marion
Ann Elise Walsh	JDRF	Cedar Rapids
Jen Welton	City of Palo and LCGA Board	Cedar Rapids
Matt Resor	IBEW Local 405	Cedar Rapids
Keith Rippy	Area Ambulance	Cedar Rapids
Kristen Running Marquardt	Linn County Supervisors	Cedar Rapids
Bill Micheels	Cedar Rapids Economic Development	Cedar Rapids
Tony Zakeres	Local 669	Cedar Rapids
Barry Boyer	Self	Cedar Rapids
Charlie Rohde	Self	Cedar Rapids
London Morehouse	IBEW 405	Cedar Rapids
Heather Armstrong	Lucky's on 16th	Cedar Rapids
Liz Matheis	HEDCO	Hiawatha

The following individuals spoke against a casino:

Wes Ehrecke	IA Gaming Association	Clive
Danny Laudick	Mayor of Cedar Falls	Cedar Falls
Blake Hollis	Black Hawk Co. Farmer	Waterloo
Zachary Harnden	Iowans for Common Sense	Des Moines
Randy Walker	Self	Cedar Rapids
Quentin Hart	City of Waterloo	Waterloo
Eric Bertch	Lost Island Parks	Waterloo
Alex Dixon	DRA/Q Casino	Dubuque
Wendy Runde	Diamond Jo/Boyd	Dubuque
Mike Van Milligan	City of Dubuque	Dubuque
Rick Dickinson	Greater Dubuque Development	Dubuque
Molly Grover	Dubuque Chamber of Commerce	Dubuque
John Sutter	Travel Dubuque	Dubuque
Bobbi Earles	Communion Foundation of Dubuque	Dubuque
Kingsley Botchway	Black Hawk Gaming Association	Waterloo
Chad Manternach	Scott County Regional Authority	Bettendorf
Scott Naumann	Mayor Pro Tem City of Bettendorf	Bettendorf

Mary Audia	Washington Econ Development Group	Washington
Jeff Frost	Self	Gilbertville
Jonathan Sladek	Self	Cedar Rapids
Janice Woerner	Self	Cedar Rapids
Vern Jefferson	Meskwaki Nation	Meskwaki
Scott Sirois	Meskwaki Casino	Marshall
Jon Clough	Meskwaki Bingo Casino Hotel	Rancho Mission Viajoe
Dorothy deSouza Guedes	Self	Cedar Rapids
Katy Susong	Grow Cedar Valley	Waterloo
Stephanie Sexton	Washington County Riverboat Foundation	Ainsworth
Tavis Hall	Experience Waterloo Black Hawk County Supervisors	Waterloo
Jasmine Gaston	Mayor of La Porte City	La Porte City
Mike Matson	Mayor of Davenport	Davenport
Jean Dickson	Scott County Board of Supervisors	Davenport
Matt Mendenhall	Regional Development Authority	Davenport
Mark Lam	Self	Springville
Dave Herrell	Visit Quad Cities	Davenport
Dan Kehl	Elite Casinos	Riverside
Melissa Duffield	Self/Precision One Volleyball	Cedar Rapids
Tim Hurley	Black Hawk County Gaming Association	Waterloo
Jim Hauth	City of Kalona	Kalona
Chad Moine	Isle Waterloo	Waterloo

Following the public comments Chair Olsen called for a ten minute break.

PUBLIC COMMENT BY CEDAR RAPIDS DEVELOPMENT GROUP, LLC: Brent Stevens, Chairman, Peninsula Pacific Entertainment (P2E), said from listening to all the speakers, he concluded that everyone has a great deal of pride of being part of this industry. He said the Commission ensures that the business invests capital in this industry and there is a reasonable expectation of return on that investment. Suffice to say that that has been achieved here in Iowa. Return on investment of existing operators has in fact happened.

Mr. Stevens said competition does exist. It always has existed and it always will, both in the state and neighboring states. Competition doesn't hurt an industry it strengthens the industry and creates innovation. When new projects enter the landscape, such as Cedar Crossing, existing operators are motivated to innovate, invest and improve. When facilities enhance events and entertainment options it increases customer awareness, increases gaming revenue and increases QSO participation. Mr. Stevens gave two examples of this: Grand Falls approved in 2011 and Wild Rose Jefferson approved in 2014. In both of those cases enormous concern about cannibalization existed during the application process. Grand Falls was projected to get 27% of its revenue from existing operators. Wild Rose Jefferson was projected to get 78% of its revenue from existing operators. Yet both projects were approved and competition spurred investment and growth. Neighboring casinos around Grand Falls experienced revenue increases after it opened. Wild Rose Jefferson's primary competitor rebounded from a slight dip to a 10% revenue growth, three years out. Cedar Crossing isn't just about building one property it's about fostering a thriving dynamic gaming industry. Success breeds success. Mr. Stevens thinks Cedar Crossing will elevate the game for everyone.

Mr. Stevens then touched on the Qualified Sponsoring Organizations (QSO). He said they heard the concerns about the QSOs and they don't take that lightly. They believe contributions to those QSOs will dip a little but the overall QSO will grow by about 50% from about \$10,000,000 to over \$15,000,000 when you factor in Cedar Crossing. Nebraska is in the midst of significant growth, so competition exists. To remain competitive Iowa must continue to invest, not just internally but against this outside competition. Competition is good for the State of Iowa.

Mr. Stevens ended by saying Cedar Rapids is the second largest city in the State. They are hoping to invest \$275 million to build a couple dozen table games, several hundred slot machines and an enormous amount of non-gaming amenities. They are looking forward to having the opportunity to move forward with this project, this is their legacy. They believe in what they're saying, they've been at it for over a decade, they thank the Commission for giving them the opportunity to come before them and they look forward to the next steps.

COMMISSION QUESTIONS TO CEDAR RAPIDS DEVELOPMENT GROUP, LLC:

Commissioner Ostergren asked about the STEM Lab. He wanted to know how that would work with unattended minors. He said one person's amenity could be another person's opportunity to drop their ten year old off and go gamble and this could become a daycare for parents. Commissioner Ostergren said walk us through what policies and procedures are going to be in place to alleviate that concern.

Todd Moyer, Chief Marketing Officer for P2E, said they would not allow unattended minors to be in the STEM Lab without parents, guardians or teachers if it was a school event. It's a turn-stile entrance so they don't anticipate this being an issue and there is no way for the minor to get from the STEM Lab to the gaming floor. Commissioner Ostergren responded and said his concern was not that a minor would get to the gaming floor from the STEM Lab but rather a parent would drop a minor off at the STEM Lab to go gamble and he doesn't feel that is what they want happening at one of their facilities. Mr. Moyer responded and said to be clear they would not allow unattended minors to access the STEM Lab without a parent, guardian or teacher.

Commissioner Ostergren mentioned that a Petition for Declaratory Order has been filed and all sorts of processes need to happen for that. He said that their project includes a letter of financing commitment that is dated prior to this claim being made. His concern is that the lender might reconsider the financing. He said they don't need to answer today but he would feel more comfortable having a new letter that says notwithstanding this legal concern they are prepared to move forward with financing recognizing a final decision from the court might not be answered for weeks or months. He wants assurance that the financing will move forward or be committed notwithstanding the existence of this claim. Mr. Stevens said they would be happy to provide that, no problem.

Commissioner Burkhart asked for them to walk us through their decision to orient the land the way that it is with the front door facing the neighborhood rather than facing downtown. Kim Pang, Vice President of Development for P2E, said they worked with the city on their master plan for the city and specifically that area and they wanted something more urban friendly. The decision to put the front door where it is was a joint decision with the city.

Commissioner Burkhart then asked what communication has been like with the neighbors there, particularly where the property would face. Also, what light pollution concerns from them have been considered. Mr. Pang said they haven't had any formal meetings yet with the community other than walking around. They do plan to have more formal meetings coming up as part of the next process. Mr. Pang then said that their project is designed to make sure the lights don't reflect off and keep the lights down.

Commissioner Burkhart then asked about flood mitigation and what parts of the project this affects. Mr. Pang said there is a 78 inch storm water sewer pipe that runs through the property so they have had to work with the city to make sure that's properly located and provide the easement. Commissioner Burkhart asked if that existed regardless of this property. Mr. Pang said the pipe exists currently but they will need to provide the easement and move it if it needs to be moved.

Commissioner Campbell asked who is taking ownership and maintenance of the levies near the river. Mr. Pang said the levy is the city's responsibility. He also said he forgot to mention that they are raising the entire building 6-7 feet out of the flood zone to make sure it complies.

Commissioner Campbell then asked about the decision to not have a hotel. Aaron Gomes, President of P2E, said when they first started this project over a decade ago, they talked to a lot of the stakeholders and a lot of the feedback they got was that they didn't want this to be an island, people come in and not leave. They wanted them to be part of the community. So, they decided they wouldn't do it and they wouldn't do it in the future unless the city or the Commission asked them to do so.

Chair Olsen commented on the traffic in and out of the property. He commented that it wasn't the worst, but not the easiest. He wanted to know what changes there would be during construction and after construction. An engineer with the City of Cedar Rapids, said they just finalized the traffic flow based on a new study. He said the existing traffic will be offset, and there have been some traffic improvements that have been contemplated. Specifics such as round-a-bouts and signaling have not been engineered yet, as there is a lot that needs to be approved by the City.

Chair Olsen then said from an insurance standpoint, being in a flood zone creates some issues. He asked if that mitigates any concerns on insuring it. Dustin Manternach, Chief Financial Officer of P2E, said he if they get it raised out of the flood zone, it won't create any problems for them getting it insured.

ADJOURN: Hearing no further business to come before the Commission, Chair Olsen requested a motion to adjourn. Commissioner Campbell so moved. Commissioner Burkhart seconded the motion, which carried unanimously.

MINUTES TAKEN BY:


CHANTELLE S. ARMINTROUT