IOWA RACING AND GAMING COMMISSION 6200 PARK AVENUE, SUITE 100 DES MOINES, IOWA 50321

PETITION BY RIVERSIDE CASINO AND GOLF RESORT, LLC AND WASHINGTON COUNTY RIVERBOAT FOUNDATION, INC.

FOR DECLARATORY ORDER

THAT THE IOWA RACING AND GAMING COMMISSION LACKS AUTHORITY TO ISSUE A GAMBLING GAMES LICENSE IN LINN COUNTY UNDER IOWA CODE SECTION 99F.7(11) CEDAR RAPIDS DEVELOPMENT GROUP, LLC AND LINN COUNTY GAMING ASSOCIATION, INC.'S RESISTANCE TO RIVERSIDE CASINO AND GOLF RESORT, LLC AND WASHINGTON COUNTY RIVERBOAT FOUNDATION, INC.'S MOTIONS FOR STAY

Cedar Rapids Development Group, LLC ("CRDG") and Linn County Gaming
Association, Inc. ("LCGA"), hereby submit their Resistance to Riverside Casino and Golf
Resort, LLC ("Riverside") and Washington County Riverboat Foundation, Inc. ("WCRF")'s
Motions for Stay filed with the Iowa Racing and Gaming Commission ("IRGC").

- 1. On February 6, 2025 (prior to the submission of Motions for Stay), the IRGC properly exercised its statutory authority under Iowa Code § 99F by granting LCGA's application to conduct gambling games and CRDG's application to operate a gambling structure in Linn County.
- 2. Now, after the IRGC's lawful action at its February 6, 2025 meeting, Riverside and WCRF ask the IRGC to stay their "issuance" of a gambling games license in Linn County. Riverside and WCRF's requests for a stay are untimely, unfounded, and merely rehash the same arguments the IRGC has already considered and rejected. For the same reasons the IRGC granted the applications, it should reject Riverside and WCRF's belated request for a stay.

- 3. For example, Riverside and WCRF have already argued that the IRGC was required to issue a declaratory order in response to their Petition. But the IRGC denied that request after careful consideration, and that was well within the discretionary authority of the IRGC. *See* IAC 491–2.28(1).
- 4. After the completion of briefing and oral argument on the Petition, the IRGC voted 4-1 to refuse to issue a declaratory order based on three criteria provided in IAC 491–2.28(1), namely rules 491–2.28(1)(2), 491–2.28(1)(4), and 491–2.28(1)(8).
- 5. In fact, IRGC Chairman Daryl Olsen stated at the hearing on January 23, 2025, that the Petition fit squarely within subsection (8) of the grounds for refusal.
 - I mean, number 8, you know, the petition is
 - 6 not based upon facts calculated to aid in the planning
 - 7 of future contact, but is instead based solely upon
 - 8 prior conduct in an effort to establish the effect of
 - 9 that contact or to challenge the commission decision
- 10 already made. And that's just -- man, that just hits
- 11 it right in the bullseye for me, and I'm a bow owner.
- 12 That's right in the bullseye.

Iowa Racing and Gaming Commission, January 23, 2025 Transcript, p. 80.

- 6. The IRGC's thorough and reasoned refusal to issue a declaratory order was within its purview under IAC 491–2.28(1). Other than arguments they already raised and the IRGC already considered and rejected, Riverside and WCRF offer no basis to challenge that decision.
 - 7. Riverside and WCRF also rehash their argument that Public Measure G is invalid.

¹ In its written Refusal to Issue Declaratory Order of January 27, 2025, the IRGC further set out its reasoning for relying on IAC rules 491–2.28(1)(2), 491–2.28(1)(4), and 491–2.28(1)(8).

But the IRGC explicitly rejected that argument on February 6, 2025, when the IRGC exercised its statutory authority under Iowa Code § 99F.7 to grant a casino license in Linn County.

- 8. The Linn County electorate voted to approve gambling games in Linn County on two consecutive occasions. In 2013, a public measure to approve gambling games in Linn County was submitted to the voters and approved. Eight years later, pursuant to Iowa Code § 99F.7(11)(e), a second referendum titled Public Measure G was submitted for vote. Again, the Linn County electorate voted to approve gambling games in Linn County. It is undisputed by any party that the Linn County electorate voted to approve Public Measure G in 2021. The passage of Public Measure G was certified on November 9, 2021, and complied with all of the necessary elements of Iowa Code § 99F.7(11).
- 9. Recognizing this compliance with Iowa Code § 99F.7(11), the IRGC properly concluded that it had authority to issue a license for a casino in Linn County. Indeed, IRGC Chairman Olsen confirmed at the meeting of February 6, 2025 that, after deliberation with legal counsel, the IRGC had authority to grant a casino license in Linn County.
 - 13 CHAIRMAN OLSEN: That's right. I will
 - 14 start here and say we are aware of the argument that
 - 15 the commission doesn't have authority to grant a
 - 16 license because of the wording of the 2021 referendum
 - 17 in Linn County. But just to address that up front,
 - 18 after consulting with our legal counsel and
 - 19 representative from the AG, a majority of the
 - 20 commissioners are satisfied that we have the authority
 - 21 to move forward to make this decision.

Iowa Racing and Gaming Commission, February 6, 2025 Transcript, p. 16.

- analysis supporting their votes on February 6, 2025. This included discussion of their analysis of the facts and data presented to them and confirmation that their votes were made in reliance on the objective evidence in the record. Also included as part of their analyses was the economic effect on other casinos. Despite this careful consideration, Riverside and WCRF state that the IRGC failed to "meaningfully consider" and "properly weigh" the economic impact of the Linn County Casino on other casinos, including Riverside, in violation of IAC 491–1.7 and Iowa Code § 17A.19(10). This assertion by Riverside and WCRF is not only false, but disparages the work and detailed analysis provided by each Commissioner in reaching their respective conclusions.
- 11. Pursuant to its authority, the IRGC extensively evaluated the application submitted by CRDG and LCGA, and subsequently voted 4-1 to issue a license for a new casino in Linn County. Again, other than arguments they already raised and the IRGC already considered and rejected, Riverside and WCRF offer no basis to challenge that decision.
- 12. Riverside and WCRF now seek to have the IRGC stay the "formal issuance" of the license already granted. But they are too late. Riverside and WCRF could have filed these Motions for Stay <u>before</u> the issuance of the casino license on February 6, 2025, but they chose not to. There is no "issuance" for the IRGC to stay. Riverside and WCRF do not seek to "preserve the status quo," but to effectively reverse the IRGC's decision. The license has been granted and CRDG and LCGA have already proceeded in the construction of a casino based upon the IRGC's decision.
- 13. Not only is there no support for a stay, granting one would substantially harm CRDG, LCGA, and the residents of Linn County. In fact, since the granting of the casino license,

CRDG has expended \$4 million in fees to move forward with its approved plans. This is in addition to the \$19,453,653 CRDG has spent over the last several years. The project is subject to a construction schedule and competition timelines that includes significant penalties for delay. Linn County residents eagerly await the project, which will generate millions of dollars in local taxes, and millions of dollars to support local philanthropic needs, including in the areas of education, assistance for at-risk youth, human services, affordable housing and healthcare, community development, and more. The project has been authorized and must proceed.

- 14. Iowa Code § 17A.19(5)(a), instructs that the agency "may grant a stay" during the pendency of judicial review. Again, the IRGC is granted discretionary authority to deny a request for a stay of its actions during a judicial review proceeding.
- 15. Contrary to Riverside and WCRF's argument, the balancing factors of \$17A.19(5)(c) are set out for consideration only by a court, not the agency, and are not to be considered <u>unless</u> the agency refuses to grant the application for stay. Riverside and WCRF's request is not only an incorrect assertion of the law, but it is premature. The IRGC should ignore the arguments asserted by Riverside and WCRF with respect to any factors set out in Iowa Code \$ 17A.19(5)(c).
- order. Then, the IRGC properly determined that it had authority to grant a new casino license under Iowa Code § 99F. These actions were the result of comprehensive and careful consideration, and are not subject to belated critiques by Riverside and WCRF for their own financial interests. IRGC has already considered and rejected these arguments. There is no basis for the IRGC to grant a stay of its own lawful action, and the IRGC should deny the Motions for Stay pursuant to the IRGC's discretionary authority.

For the reasons set forth herein, Cedar Rapids Development Group, LLC and Linn
County Gaming Association, Inc. respectfully request the Iowa Racing and Gaming Commission
deny the Motions for Stay filed by Riverside Casino and Golf Resort, LLC and Washington
County Riverboat Foundation, Inc.

Date: February 10, 2025

Respectfully submitted,

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