

**IOWA RACING AND GAMING COMMISSION  
MINUTES  
FEBRUARY 6, 2025**

The Iowa Racing and Gaming Commission (IRGC) met on Thursday, February 6, 2025 at Prairie Meadows Racetrack & Casino in Altoona, Iowa. Commission members present were Daryl Olsen, Chair; Mark Campbell, Vice Chair; and members Julie Andres, Amy Burkhart and Alan Ostergren.

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

**APPROVE MINUTES:** Chair Olsen requested a motion to approve the minutes from the January 23, 2025 Commission meeting. Commissioner Campbell moved to approve the minutes as printed. Commissioner Burkhart seconded the motion, which carried unanimously.

**WELCOME:** Gary Palmer, General Manager, welcomed everyone and said they enjoy the crowd that came for the meeting and enjoyed the excitement it brought. He said they are celebrating their 36<sup>th</sup> year in the gaming business in Iowa this year and he thinks the future for Prairie Meadows in Iowa is very bright. He said he hopes it is a good meeting and thanked the Commission for choosing Prairie Meadows.

**ANNOUNCEMENTS:** Tina Eick, Administrator, announced that the next Commission meeting is being held on March 6<sup>th</sup> at Prairie Meadows in Altoona, Iowa and the submission deadline for that meeting is February 20<sup>th</sup>. The next meeting after that will be held on April 24<sup>th</sup> at Ameristar in Council Bluffs.

**CASINO QUEEN MARQUETTE, INC.:** Bradley McAllister, Associate with Greenberg Traurig, presented the request for approval of Casino Queen's remodeling plan. He said the Commission requested the floor plan be updated, which this proposal does. He said these changes would not affect the targeted projected completion date of the project, which remains December 2025.

Robin Corbeil, General Manager, discussed some of the changes made to the floor plan. She stated the plan encloses the balcony in order to add additional gaming space as well as spread out the machines and make better use of the floor plan. She said there had been some concerns about construction halting, but that has not happened and construction continues to move along. She said there have been some soil issues but they are working around those and they don't anticipate this changing the completion date.

Commissioner Campbell asked her to verify what the completion date is, and Ms. Corbeil responded, December 5<sup>th</sup>.

Commissioner Burkhart asked her to share with the group what the total square footage is now with enclosing the balcony. Ms. Corbeil said that with enclosing the balcony it added about 2,100 square feet and the total square feet now is 13,038.

Commissioner Andres asked her if they were happy with the changes. Commissioner Andres said she didn't want them to give up their design or function of the space just to hit a certain number. Ms. Corbeil said they are happy with it. She said they will still have the same amenities, same number of slot machines, table games and electronic games, but this is just giving them more room to spread out a little bit.

Hearing no further comments or questions, Chair Olsen requested a motion. Commissioner Burkhart moved to approve the remodel request as presented by Casino Queen Marquette, Inc. Commissioner Campbell seconded the motion, which carried unanimously.

### **CONTRACTS:**

SCE Partners, LLC: Doug Fisher, General Manager, presented a contract with Pepper Entertainment, Inc., an entertainment booking agency (OSV), for Commission approval.

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

Isle of Capri Bettendorf, L.C.: Sally Rogers, Director of Finance, presented a contract with Allied Communications LLC for a five year contract for hardware and software phone and voicemail support (OSV), for Commission approval. Ms. Rogers apologized for the late submission and said she understands the guidelines and this one simply slipped by them. Commission Burkhart thanked her for providing an explanation with their submission.

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

Dubuque Racing Association, Ltd.: Brian Rakestraw, Chief Operating and Financial Officer, presented a contract with the City of Dubuque for Iowa Amphitheater Site Demolition, for Commission approval.

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

Riverside Casino and Golf Resort, LLC: Damon John, General Manager, presented a contract with Mohrfeld Electric for CCTV Wiring, for Commission approval.

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

Diamond Jo Worth, LLC: Scott Smith, General Manager, presented a contract with Gitchi Gaming, Inc. for the purchase of new slot and table chairs, for Commission approval.

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

### **HEARINGS:**

Circa Sports LLC: Ms. Eick presented the Stipulated Agreement for violations of Iowa Code § 99F.3, Iowa Code § 99F.1(29) and 491 IAC 13.2(7)"e". Circa Sports LLC offered two wagering markets that should not have been offered.

Piper Carter, Compliance and Licensing Manager, said they are now manually approving all college proposition wagers for all markets. She believes this has been effective in helping them reduce any future impermissible wagers and hopes the Commissioners find this corrective action has been effective as well.

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

Penn Sports Interactive, LLC: Ms. Eick presented the Stipulated Agreement for two counts for violations of Iowa Code § 99F.4(22), Iowa Code § 99F.1(29), 491 IAC 13.3(1), 491 IAC 13.2 (3) and 491 IAC 13.2(7)"e". For count one, Penn Sports Interactive, LLC sent a promotional email to a self-excluded individual. For count two, Penn Sports Interactive, LLC made markets available on fifteen different basketball games that involved impermissible wagers.

Adam Kates, Senior Director of Compliance, said these events took place in late 2023 or early 2024 and since then their mitigation efforts have been successful and they have not had any other issues. Commissioner Burkhart said she appreciates that and their efforts, but they did have one issue just before these two in late 2023.

Hearing no further comments or questions, Chair Olsen requested a motion. Commissioner Burkhart moved to approve the Stipulated Agreement with Penn Sports Interactive, LLC for Count 1 with an administrative penalty of \$20,000 and for Count 2 with an administrative penalty of \$20,000. Commissioner Ostergren seconded the motion, which carried unanimously.

Grand Falls Casino Resort, LLC: Ms. Eick presented the Stipulated Agreement for two counts for violations of Iowa Code § 99F.9(5). Both counts were for underage individuals gaining access to the gaming floor.

Sharon Haselhoff, General Manager and Vice President, apologized for these incidents. She said in count one, they had an officer that should have checked for identification and they also failed to inform the local authorities. She did acknowledge the efforts of the staff who noticed the underage individual on the gaming floor. She said they continue to look for underage individuals beyond the podium and ask for identification if they look underage. She said they continue to train their team members and they still have quarterly outside training from a former DCI agent on what to look for on an ID.

For count two, Ms. Haselhoff said the individuals illegally gained access but at no time did their team members notice them until they were caught on camera jumping the podium. She said processes were not followed as they should have been while they were on the floor or after. She said they have taken steps to add additional alarms and notifications around the outer walkways and at the closed podiums. She acknowledged that the staff was not paying attention and that these events should not have happened. She said in the future the surveillance room will be notified if someone breaches a closed podium or a nearby wall as alarms are in place now.

Ms. Haselhoff again apologized for these incidents and said it is not something they ever want to happen. She said they have great individuals working for them but accidents do happen. When that happens, they figure out what they did wrong, what they did right and learn from those incidents. She said they take this very seriously.

Commissioner Campbell asked if there have been any incidents like this since then. Ms. Haselhoff said they have had a couple of minors on the floor, but nothing over 30 minutes.

Hearing no further comments or questions, Chair Olsen requested a motion. Commissioner Campbell moved to approve the Stipulated Agreement with Grand Falls Casino Resort, LLC for Count 1 with an administrative penalty of \$20,000 and for Count 2 with an administrative penalty of \$30,000. Commissioner Ostergren seconded the motion, which carried unanimously.

Churchill Downs Technology Initiatives Company: Ms. Eick presented the Stipulated Agreement for a violation of Iowa Code § 99D.7(23). Churchill Downs Technology Initiatives Company allowed self-excluded individuals to open wagering accounts.

Andrew Silver, Corporate Counsel, said they take responsible gaming and self-exclusion very seriously. He said when they discovered this they immediately self-reported it. He said it was a technical error. In their system if an individual was blocked for other reasons, such as too many failed login attempts, they weren't being flagged on the Iowa side for being self-excluded. Mr. Silver said they self-reported this, corrected this issue and haven't had any issues since.

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

Ameristar Casino Council Bluffs, Inc.: Ms. Eick presented the Stipulated Agreement for violations of Iowa Code § 99F.4(22). Ameristar Casino Council Bluffs, Inc. failed to upload two self-exclusions into the self-exclusion system in a timely manner.

Misty Willburn, Deputy Chief Compliance Officer, said they take their commitment to responsible gaming very seriously and they understand the critical importance of timely uploads. She explained that Ameristar had three individuals with access to upload this information but back in August two of the individuals left leaving only one. She said that individual took some time off and Ameristar didn't take into account the fact that she was the only one with this access. She said this was an oversight on the property and when the individual returned to work the forms were waiting and they were immediately uploaded and reported to IRGC. Ms. Willburn said Ameristar now has four individuals with this access and training. She said she is comfortable that this is not something they will see happen again as a result of staffing challenges.

Commissioner Andres asked if the fourth person they added to have this access is in a leadership or management role. Ms. Willburn said yes, they have three people in compliance and one in security, two managers and two others that have this access.

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

IOC Black Hawk County, Inc.: Ms. Eick presented the Stipulated Agreement for a violation of Iowa Code § 99F.4(22). IOC Black Hawk County, Inc. failed to upload a self-exclusion form to the self-exclusion database.

Chad Moine, General Manager, said this happened back in 2018 at a time when their security leadership team struggled to stay in compliance with multiple regulations. He said in late 2019, early 2020, the entire leadership team turned over and with better leadership in place he feels this has been corrected and will not happen again in the future.

Commissioner Burkhardt asked if they had gone back to look to make sure that no additional uploads were missed. Mr. Moine said staff looked and to his knowledge there haven't been any others.

Hearing no further comments or questions, Chair Olsen requested a motion. Commissioner Burkhardt moved to approve the Stipulated Agreement with IOC Black Hawk County, Inc. with an administrative penalty of \$10,000. Commissioner Campbell seconded the motion, which carried unanimously.

**DISPOSITION OF APPLICATION BY CEDAR RAPIDS DEVELOPMENT GROUP, LLC AND LINN COUNTY GAMING ASSOCIATION, INC. TO ESTABLISH A GAMBLING STRUCTURE IN LINN COUNTY:** Chair Olsen said at this point in time they will have the disposition of application by Cedar Rapids Development Group, LLC and Linn County Gaming

Association, Inc. to establish a gambling structure in Linn County. He asked Ms. Eick to please lay out specific criteria for the Commissioners to consider when making their decision.

Ms. Eick said the commission-established criteria for considering a new casino license are detailed in Iowa Administrative Code, specifically commission rule 1.7. She briefly summarized the criteria for compliance, gaming integrity, economic impact and development, efficient and safe operation of the facility, community support, and other factors as they may arise in the circumstances presented by a particular application. She stated the rule also establishes criteria for racing establishment, but that is not a factor in this application.

Chair Olsen said he will ask each Commissioner to give a brief statement on their thoughts when looking at the application. He indicated they will go in alphabetical order, skip over him and he'll go last, and then after that he will request a motion.

Commissioner Andres expressed her gratitude to any individuals who took the time to express their enthusiastic position on the matter before them today. She said all the comments, emails, letters and conversations mattered to her in this decision. She loves the passion they all have on both sides. She said the decision to add a casino in Cedar Rapids in the past for previous Commissions had been a difficult one and this time had proven to be no different. She said there is no way to make everyone happy. Commissioner Andres said Iowa has high standards and the existing casinos show that. She said that makes the concept of cannibalization hard to accept as they balance what they expect out of licensees against how many casinos there are in the market. She does not believe a net gain in total gaming revenue or tax revenue alone is enough to warrant another license in the state of Iowa.

Commissioner Andres said ultimately, she considered the market analysis from Marquette Advisors and Innovation Group as well as the presentations and information provided by both current licensees as well as Cedar Rapids Development Group, the Qualified Sponsoring Organization's (QSO), non-profits and numerous other stakeholders. She also considered the amenities of the existing licenses in the market and what is proposed in the Cedar Crossing project and what the quality of those are and if there is a differentiation between markets. She said the Cedar Crossing project exceeds many of the criteria they are to consider.

Commissioner Andres said the Innovation Group projected gaming revenue at Cedar Crossing in 2028 would be \$116 million and Marquette Advisors projected it to be \$118 million. She said she was impressed at how close those numbers were. She said the financial impact to Cedar Rapids on job growth, grants to non-profits and revitalization of the area were understandable, but at what cost to the other casinos in the area. The studies were also very close on their calculation of cannibalization. She said she understands it's a lot of numbers but in the end both studies demonstrate a net gain in Iowa gaming revenue of \$60-\$64 million and both projected a state wide gaming tax revenue increase of around \$10.5 million.

Commissioner Andres said she doesn't think a project that is desired by a local community, gives that community an opportunity to thrive, meets and even exceeds the standards for quality of design and amenities, provides a unique and differentiated product in the market, and provides

net revenues for our state should be denied. For that reason, Commissioner Andres stated she will vote yes to grant a license to the Cedar Rapids Development Group together with their QSO.

Commissioner Burkhart started with a story of when her son was 4 years old and he said to her “tell me everything you know”, which she said is impossible. She said asking her why she’s going to vote a certain way on this decision is equally as impossible because there are numerous factors that play into this decision. She thanked everyone on both sides that took the time to help her truly understand the impact of her decision and thanked them for opportunities to help her learn and grow. She said in that moment with her son she knew she had to speak quickly and say a few things that mattered most to her and that’s what she is going to do today.

Commissioner Burkhart said she is a marketer and she’s practiced marketing for over 25 years, and every day she consults with clients on issues such as those discussed at this moment: market share, market saturation, product differentiation, growth strategies, and messaging. She said she would not look at this for a client and say that this does not have a good chance to succeed. However, she’s also a Southeast Iowan and this project comes closer to her than any other Commissioner, which has been challenging. She’s been contacted by people she greatly respects and admires in the business community that she lives, works, and plays in, and she understands any decision she makes has an opportunity to impact their lives. At the end of the day she asked herself what is her job and what is her role here. The Commission is not laid out in a way where people are appointed to represent certain geographical areas so she really does have to look at this as an Iowan and not representing a particular area.

Commissioner Burkhart said looking at it, she sees a net gain for the state of Iowa. She sees net gain in terms of tax revenues for the state. She said the studies actually show a decline if Cedar Crossing is not implemented. They show a decline in tax revenue due to competition in the border states which this Commission has no control over. She said the studies also show net gain to non-profits. She said there might be a redistribution of those funds from one QSO to a new QSO, but the net gain to our state is significant, in excess of \$4 million. She also pointed out that this affects all Iowans from multiple counties border to border in the percentage of tax revenue that goes into county endowment funds that is distributed amongst those 84 counties. Commissioner Burkhart said for those reasons she will be voting in favor of Cedar Crossing.

Commissioner Campbell said he would like to express his sincere gratitude for everyone who took the time to meet with him, provide feedback, write letters and answer his questions. He read every letter and deeply appreciates the insights that were shared with him. He said a question he was asked a lot is if this will open Pandora’s box for gaming in Iowa. He assured everyone he does not believe this will be the case. He stated the Commission has worked diligently to evaluate this application and will continue to approach all further applications with the same thoroughness and care.

After conducting a careful review of the studies, Commissioner Campbell said he can confidently say that the market has the ability to support this project. He noted the two studies do indicate there will be market shift but every gaming license issued in the state of Iowa has experienced some degree of cannibalization or market share redistribution, yet the industry

continues to thrive. He said it's a reality that many licensees were aware of when they applied, fully understanding that temporary shifts might occur. He said despite these shifts, Iowa gaming has remained robust and successful.

A key topic raised in discussions Commissioner Campbell had was the distribution of dollars generated from 99F and 99D funds. He said upon review it's true these funds tend to concentrate on a limited number of counties, meanwhile equitable distribution of these funds across the state could provide a wider range of communities with the opportunity to benefit. He fully understands the concern that this new license could reduce funds for current QSOs. However, he said while some funding might shift temporarily, the overall pool of funds will increase with this new license.

Commissioner Campbell said this a completely different project than those considered in previous years. He said the proposed project has met all the necessary licensing requirements and provides an opportunity for social benefits across the state. In conclusion after careful consideration and review, he is confident that issuing this license in Linn County will be a positive step forward for Iowa and he will be voting in support of this license.

Commissioner Ostergren started by echoing the thanks that had been given to Tina and staff for the excellent job they have done in handling the flow of information. He said they have had thousands of pages to review and he really appreciate how detailed the application was and all the people they have heard from. He said in reviewing this he looked at it as a lawyer and his concern was the same as it was two weeks ago. He said the first thing they have to look at in their criteria is whether the applicant is in compliance with the terms and conditions specified in the rules. He commented that the issue of the validity of the referendum discussed two weeks ago has not been resolved to his satisfaction, so he doesn't believe the Commission has the legal authority to issue a license. He said he is one of five votes though and that position is not carrying support so they will see how that plays out.

Commissioner Ostergren said the quality of the application, QSO and operator were exemplary and he feels it would be a very high quality operation. He said he was very impressed with what he saw in the application and the support he saw in Linn county, just as he was in what he saw in Washington county, Waterloo, Dubuque and other places. He commented that the strong connection between gaming and community in our state is remarkable. He said he personally wasn't looking forward to going to a big public forum in Cedar Rapids in November but it turned out to be a positive experience because they heard from people from all over and almost everyone was sincere in their comments and believed in their community. He said it was gratifying to see all the different people that were so involved in all the different non-profits in their communities.

However, he also stated he was very offended by one of the comments. He said the Commissioners were asked to look in the mirror the morning of the vote and ask themselves how they would feel if they approved this license. He said nobody is basing their decision on emotion but rather what they see the facts are. He said although he personally disagrees with the vote his



fellow commissioners are making, he doesn't think they are making their decision based on emotion.

Commissioner Ostergren said he sees, balancing out all these factors, a potential increase in the state general fund of tax revenue of roughly twelve hundredths of a percentage point. He personally would come down on not disrupting the existing operators based on that minimal increase on tax revenue for the state as a whole. He believes the cannibalization will be too much but based on the other Commissioners votes he thinks we will find out and he hopes he is proven wrong. He announced he intends to vote no for those reasons.

Chair Olsen first addressed the argument that the Commission doesn't have the authority to grant a license because of the 2021 referendum in Linn county. He said after consulting with legal counsel and a representative from the Attorney Generals office, the majority of the Commissioners are satisfied that they have the authority to move forward with this decision.

He said each of the Commissioners brings a unique set of skills and perspectives. He is a science based individual and will be much more objective in his decision making. He said from the rules that Ms. Eick read earlier and Iowa Code 99F.7, the Commission shall decide the number, location and type of gambling structures and excursion gambling boats licensed under this chapter, and the Code and rules provide criteria. He said he was appointed to this Commission to look at the rules and follow the rules and to take the emotion out of that.

Chair Olsen said the first criteria is compliance, and he has no concern this facility will be compliant. Next is gaming integrity, and again he has no concerns. Economic impact and development are next and includes revenue to be provided to state and local communities to positively improve quality of life to residents of a community. He said this facility is returning a higher percentage to their QSO and it's hard to argue that isn't a positive. He said there will be a market shift that will have an impact on existing operations and that is the one negative of this project. He said that bothers him, but he can't let one negative stand in the way of all of the positives.

Chair Olsen said when he looks at efficient and safe operations and community support, they are strong. He said the last criteria says other factors and that's for the Commissioners to determine what those other factors are. Chair Olsen said its very important to him that a gaming facility provides more than just gaming. He said if this was just a gaming facility he would be voting no, but this is so much more than that. He said if he looked back to 2014 or 2017 he thinks he would have voted no at that point in time because back then it was just a casino. He said he believes there is only one criteria that is negative and so many positives, that he will be voting yes today.

Chair Olsen said there are a few things he would like to add. He thanked the Iowa legislators for trusting this Commission and for allowing the process to proceed as he believes it was intended to do. He said today they are allowed to regulate and he appreciates that very much.

He said as Commissioner Campbell touched on, there is worry that this will open the flood gates, but he doesn't believe that will be the case. He said the last license was issued over 10 years

ago. He said Linn County makes sense to him whereas other locations don't. He said they have to look at what they have today and what's best for the future.

In closing he said they met with stakeholders and horsemen yesterday at Prairie Meadows and that's something that is near and dear to the Commission. He said Prairie Meadows provides so much but one thing it provides is our ability to have a racetrack and he hopes commissioners in the future will keep that in mind. He believes they need to protect that because without it we wouldn't have horseracing and that would make him very sad. He ended by saying he will be voting yes today.

Commissioner Campbell moved to grant the application by Linn County Gaming Association, Inc. to conduct gambling games and the application by Cedar Rapids Development Group, LLC to operate a gambling structure in Linn County, along with approving all agreements contained in the application, and subject to conditions established by staff.

Ms. Eick said the license is conditioned on the following:

- An initial license period of February 6, 2025 through January 31, 2028.
- Payment of the first installment of the license fee within 30 days.
- Posting of a bond in the amount of \$1 million dollars.
- The completion of necessary IRGC licensing and DCI background for all additional personnel or entities.
- Obtaining all required state and local approvals for construction of the project in the proposed location, in accordance with Iowa Administrative Code rule 491—5.4(18).
- Approval by the Commission and by DCI of an appropriate security, emergency response plan and surveillance plan.
- Approval by Commission staff of all internal controls and regulatory requirements prior to opening.
- A status report on any construction progress and the anticipated construction timeline, to be presented at the June 2025 Commission meeting, including written documentation submitted in accordance with Commission rules.
- Substantial completion of the entire project by April 30, 2027 in essentially the same form as represented to the Commission. The Commission has sole authority to determine whether this condition has been met. The gaming floor may be opened to the public only after substantial completion of the entire project. If the project is not completed by October 31, 2027, a fine of \$61,780.82 per day will be instituted.

Commissioner Andres seconded the motion, which carried on a roll call vote with a 4-1 vote. Commissioner Ostergren dissented.

**PUBLIC COMMENT:** There were no public comments.

**ADMINISTRATIVE BUSINESS:** There was no administrative business.

**ADJOURN:** Chair Olsen adjourned the meeting at 10:16 AM.

MINUTES TAKEN BY:

  
CHANTELLE ARMINTROUT