

**IOWA RACING AND GAMING COMMISSION MEETING  
MINUTES  
JANUARY 18, 1990**

The Iowa Racing and Gaming Commission met on Thursday, January 18, 1990, at 10:00 a.m. at the Wallace Building, Des Moines. Present were Chairman, Bud Pike; Vice-Chairman, Leo Monaghan; and members Richard Canella, Lorraine May, and Rita Sealock.

The Chair entertained a motion to approve the minutes of the November 28 and December 14, 1989, Commission Meetings. Commissioner Sealock so moved with Commissioner Canella seconding the motion. All in favor.

Chairman Pike then deviated from the agenda and introduced Don Gromer, Executive Secretary for the South Dakota Gaming Commission. Mr. Gromer stated that casino gambling started in Deadwood, South Dakota, November 1, 1989. In November 1988 a statewide ballot was held to ascertain if there was any interest in casino gambling in Deadwood. It was overwhelmingly passed. In April 1989, a local referendum was passed and a Commission was formed. The rules and regulations for gaming in South Dakota are patterned after Nevada because they felt that the geographic and logistics were more like Nevada than New Jersey. Since gambling has been legalized they have encountered some problems which they are now taking to the Legislature in the form of cleanup legislation. Unlike Iowa, South Dakota did not have much time to develop rules and regulations. They had from April to November to get casino gambling up and running.

Revenue from gaming in South Dakota is generated from licensing fees, tax stamp fees and an 8% tax on adjusted gross proceeds. The breakdown of the revenue is as follows: 40% to the general fund; 10% to Lawrence County, the County Deadwood is in; and 50% to the Commission for their operating fund.

All the businesses in Deadwood have an accounting system which was established by the Commission to help keep more accurate records. The Commission consists of five Commissioners and four staff people. There is a \$5 limit per wager; 15 gaming devices per retail license, however it is possible to have two retail licenses per business; and no more than 15 machines in a common area. Right now they have 52 retail licenses and 33 businesses in Deadwood. Slots, poker and black jack are the only games allowed. Five hundred jobs have been generated relating directly to gaming for a town with a population of 2500.

Commissioner Pike asked where they got their professional people to startup gaming, to which Mr. Gromer responded Reno and New Jersey.

Inexperienced help at this early stage is a problem. They are not seeing much crime. Most of their problems are people problems, i.e. parking, drinking, etc. Under age playing seems to be the biggest problem. Iowa will not encounter this problem as they do not allow anyone under 21 in the gambling part of the boat.

They did outline the exact specs for the slots so they all have new-state of the art slot machines. Each slot machine is tested by an independent testing site.

They do not know where gaming is heading in South Dakota as gaming is not a family form of entertainment, however it is off to a great start.

Mick Lura, Administrator for the Racing and Gaming Commission, asked how many slots and tables they had. Mr. Gromer stated that they had 429 slot machines, 33 black jack tables and 10 poker tables.

The one complaint they receive from patrons is that there is not enough places to play even though they do allow 24 hour gaming.

Chairman Pike thanked Mr. Gromer for coming to Iowa and giving the Commission an over site of gaming in South Dakota.

The next item on the agenda was the 1990 season requests by Prairie Meadows (PM) and the Chair called upon Mr. Lura. Mr. Lura said that the only comment he had at this time was that the security plan would have to be discussed during Executive Session due to the nature of its contents. He then asked Carole Baumgarten, Executive Director at PM, to outline their requests.

Ms. Baumgarten stated that they were requesting to run thoroughbred and quarterhorse racing from March 15 through July 30 and harness racing from August 15 through October 8 with the option of coming back to the Commission should harness season take off to request an extension. She then asked Bruce Seymour, Vice President of Administration at PM to go through the officials for the spring meet. Mr. Seymour outlined the officials and gave a brief background on the ones that would be new this season. He then introduced the new Racing Secretary, Peter Scarnata.

Mr. Scarnata stated that they have 1885 stall applications to date and he expected a few stragglers. He will be assigning stalls in the next week to 10 days. The condition book has been sent to publication and hopes to have the books back soon.

Chairman Pike asked if these horses were real or phantom horses like last year. Mr. Seymour stated that the horses will be there to race; there will be competitive races. They are expecting the same class of horses as last year.

Mr. Lura asked about the assistant racing secretary's position. Mr. Seymour stated that they intend to fill the slot, however, they have not be able to find the person that they are looking for.

Mr. Lura stated that the Racing and Gaming Commission office has on file a \$140,000 performance bond for PM.

Ms. Baumgarten said that the minimum purse structure will be as follows: \$2,000 for thoroughbreds, \$1,000 for quarterhorses and \$800 for harness.

The wagering format PM is requesting is win, place and show, and daily double,

quiniela, exacta, trifecta and twin trifecta.

Mr. Lura asked if they would be consistent with the exotic wagers to which Ms. Baumgarten responded yes.

Mr. Lura told the Commission that they have the following contracts before them for approval: thoroughbred and harness contracts, an administrative contract, Ms. Baumgarten's contract and the stakes race contract.

Mr. Lura recommended approval of the racing dates, eliminating the "at least, but not limited to" language for both meets; contracts; officials and department heads subject to background investigations; performance bond; minimum purse; and multiple wagering format. He also wanted them to note that other contracts, mutuel manager and placing judge positions, and Iowa bred purse supplement program information should be presented for February approval. The security plan, if satisfactory, can be approved following Executive Session.

Commissioner Monaghan asked if they were going to run past October 8, if they would come back to the Commission for approval to which Ms. Baumgarten responded yes.

Commissioner Monaghan then asked about the performance bond and the deposits. Mr. Lura stated that we would be doing bi-weekly billings and daily deposit checks.

Commissioner Canella moved to approve the racing dates, eliminating the "at least, but not limited to" language for both meets; contracts; officials and department heads subject to background investigations; performance bond; minimum purse; and multiple wagering format. Commissioner May seconded the motion with all in favor. See Order (90-1).

Ms. Baumgarten stated that she hoped this season would find better communications between the Commission and PM staff.

The Chair then called upon Augie Masciotra, General Manager at Waterloo Greyhound Park for their request for an additional takeout. Mr. Masciotra stated that WGP was requesting a 20% takeout. He felt this would help restructure their debt, plan for a rainy day but would not take them below the \$30 million mark.

Chairman Pike asked what this would mean to Waterloo to which Mr. Masciotra responded about \$200,000. Chairman Pike then asked what percentage of their handle was exotic wagering. Mr. Masciotra stated about 83-85%. Would this takeout be enacted immediately to which Mr. Masciotra responded yes.

Commissioner Canella asked why the change. When it was brought up to increase the takeout before they were totally against it. Mr. Masciotra stated that their sales are not generating like they thought they would and they need to

do something to help repay their debt.

Commissioner Monaghan asked what they need to get their debt paid off. Mr. Masciotra stated \$600,000 and if they waited until next season to do something it would be too late.

Commissioner Pike asked where Iowa was in the ranking for takeout compared to the other states. Mr. Lura responded by saying that Iowa is the second lowest in the country.

Commissioner Monaghan asked if they raise the takeout to help generate funds, what will they do next to which Mr. Masciotra had no response.

Mr. Lura stated that staff was not opposed to raising the takeout at the request of a licensee. It is viewed as a management decision. The projected handle at 20% is very close to the \$30 million mark and so staff takes a neutral opinion on a 20% takeout. However, staff is comfortable with 19%.

Commissioner Sealock asked what the increase in takeout did to Bluffs Run. Mr. Lura stated that there is no way to make a comparison at this point.

Chairman Pike asked Jim Heywang, General Manager at Bluffs Run, what the reaction from the bettors has been. Mr. Heywang stated that it was too early to tell.

Commissioner May stated that raising the takeout does not set a precedent. She then asked how the increase in takeout will effect the purses. Mr. Masciotra said that if the 20% takeout was granted, they would raise the purses to 3.25%.

Commissioner Sealock moved to grant the request of WGP to increase their takeout to 20%. Commissioner May seconded the motion.

Commissioner Monaghan stated that he would like to look at it in the fall as he was not sure that it is in the best interest of racing.

A roll call vote was taken with Commissioners Sealock, May and Pike voting aye and Commissioners Canella and Monaghan voting nay. Motion passed. See Order (90-2).

Mr. Lura stated that WGP will have to come back in the fall and make this request again, so we can see if an increase in takeout makes a difference.

The Chair then recognized Lorenzo Creighton, Deputy Administrator for the Racing and Gaming Commission, for the next agenda item, Motions. Mr. Creighton stated that the Administrator was requesting that the Commission hear the five Administrative Law Judge (ALJ) decisions regarding Wayne Epstein by written brief in lieu of oral arguments, pursuant to 491-4.24. The reasons for this is that the ALJ's hearing was over four hours in duration, the issues

have been clearly framed in the ALJ's decision, the appellant as well as the witnesses are out of state and the appellant is represented by legal counsel. The Administrator is also requesting that the Commission hear the case of Steven Boyd by written brief in lieu of oral arguments, pursuant to 491-4.24 because the issues are clearly framed in the ALJ's decision, proceedings before the Commission are de novo, the Commission has dealt with this same issue numerous times and the ALJ's finding of fact, conclusions of law and decision are all consistent with Iowa law. Mr. Creighton stated that he had verbal commitment from both attorneys to do appeals by written brief.

Commissioner May moved to grant the request of the Administrator to hear the five cases regarding Wayne Epstein and the case regarding Steven Boyd by written briefs in lieu of oral arguments. Commissioner Canella seconded the motion. The vote was unanimous. See Order (90-3).

The Chair then called up the Administrative business and called upon Mr. Lura. Mr. Lura stated that they had inquired as to how often audits were down on the casinos in Nevada and New Jersey and found it to be once a year. If it was agreeable to the Commission he would insert "annual audits" into the Legislative report.

Commissioner Monaghan so moved with Commissioner May seconding the motion. All in favor. See Order (90-4).

Chairman Pike then announced that the hearings on the riverboat license applications would be February 14 in Cedar Rapids and licenses would be granted March 7 and 8.

Mr. Lura informed the Commission that there may be a consultant fee for reviewing the corporate structure of the riverboat applicants. The Commission saw no problem with this.

Commissioner May moved that the Commission go into Executive Session pursuant to Iowa Code Chapter 21.5(1)"a" to discuss PM's security plan and background investigations. Commissioner Monaghan seconded the motion. The vote was unanimous.

Following Executive Session, Commissioner May moved to approve PM's security plan. Commissioner Monaghan seconded the motion with all voting aye. See Order (90-5).

A riverboat working session was then held. Chuck Patton, Director of Riverboat Gambling for the Racing and Gaming Commission, outlined for the Commission what requirements were necessary for the applications and where each applicant was deficient. Mr. Patton informed the Commission that some of the required information was not available at this time.

Mr. Patton then opened the discussion up for any questions the Commissioners may have and to give the staff some guidance on what additional information

Commission Meeting  
January 18, 1990  
Page 6

they might need to help them make a decision on whether or not to grant the applicant a license.

Commissioner Sealock asked that as the Commission receives information that it is immediately forwarded on to the Commission so that their applications stay current. Mr. Patton assured her that all information would be forwarded upon receipt.

Commissioner May moved to adjourn with Commissioner Sealock seconding the motion. All in favor.

MINUTES TAKEN BY

  
KARYL JONES

**IOWA RACING AND GAMING COMMISSION MEETING  
MINUTES  
FEBRUARY 13 - 15, 1990**

The Iowa Racing and Gaming Commission met on Tuesday, February 13, 1990, at 7:00 p.m. at Stouffers Five Season Hotel, Cedar Rapids. Present were Chairman, Bud Pike; Vice-Chairman, Leo Monaghan; and members Richard Canella, Lorraine May, and Rita Sealock.

The Chair called the meeting to order and entertained a motion to go into Executive Session pursuant to Iowa Code Chapter 21.5(1)"a" to discuss background investigations. Commissioner Canella so moved with Commissioner Monaghan seconding the motion. All in favor.

Following Executive Session, the meeting was adjourned until 8:00 a.m., February 14, 1990.

At 8:00 a.m., February 14, the Chairman called the meeting to order and welcomed everyone to Cedar Rapids. He then entertained a motion to approve the minutes of the January 18, 1990, Commission meeting. Commissioner Canella so moved with Commissioner May seconding the motion. The vote was unanimous.

Chairman Pike then announced that Prairie Meadows (PM) would open on March 15 and Dubuque Greyhound Park (DGP) will be opening March 24.

The next item on the agenda was approval of the Iowa bred purse supplement program and racing officials for PM's 1990 season and the Chair recognized Bruce Seymour, Vice President of Administration at PM. Mr. Seymour explained that the supplement for quarterhorses and thoroughbreds would be 50%, subject to change based upon the activity of the breakage fund. The split for quarterhorses would be 90% for overnight events and 10% for Iowa bred stakes. Thoroughbreds would be 80% for overnight and 20% for Iowa bred stakes. The supplement will be paid to the first four finishers.

Mr. Seymour then gave a brief history on the mutuel manager, assistant mutuel manager and placing judge and asked for approval of these officials.

Mick Lura, Administrator for the Racing and Gaming Commission recommended approval of the Iowa bred purse supplement program and the racing officials subject to the completion of background checks.

Commissioner May moved to approve PM's Iowa bred purse supplement program and racing officials subject to background checks for their 1990 season. Commissioner Monaghan seconded the motion with all in favor. See Order (90-6).

Commissioner Canella asked if there would be enough horses to fill the stalls. Mr. Seymour replied that they have already approved more horse than they have stalls for and they are now looking for housing of the horses off grounds. There will be 275 stalls for quarterhorses and applications are coming in from all over. This gives the Racing Secretary a good selection to help get higher

quality horses. There are 300 horses on the grounds at this time.

Larry Bolten, representing the quarterhorse association, stated that they were working very well with PM's staff this year and were very pleased with what is being accomplished.

Commissioner Canella asked about the marketing effort of PM. Mr. Seymour stated that they were very active in their marketing effort this year. Their group sales is very strong and they are out giving video presentations to any group that will listen.

Mr. Lura stated that the cooperation between staff and PM staff has been very good to date.

The Chair then recognized Mr. Lura for the final adoption of amendments to the pari-mutuel rules. Mr. Lura briefly outlined the changes that had been made to the amendments since they were last brought before the Commission and recommended them for final adoption.

Gary Hayward, Counsel for the Racing and Gaming Commission, brought up a change that needed to be made in rule 4.6, which was changing "riverboat" to "gaming establishment" each time it appears in that rule. Mr. Lura concurred.

Commissioner Monaghan stated that himself and Commissioner May felt comfortable with the conviction language in the rules.

Commissioner Canella moved to final adopt the amendments to the pari-mutuel rules incorporating the changes discussed today. Commissioner Monaghan seconded the motion. The vote was unanimous. See Order (90-7).

Chairman Pike then brought up the reappointment of Mr. Lura as Administrator for the Racing and Gaming Commission. Commissioner Sealock moved to reappoint Mr. Lura for a four year term beginning May 1, 1990, and expiring April 30, 1994. Commissioner Canella seconded the motion with all in favor. See Order (90-8).

Chairman Pike then appointed the following committees:

- Dubuque - Commissioners Canella and Pike
- Waterloo - Commissioners Monaghan and Pike
- Prairie Meadows - Commissioners May and Pike
- Bluffs Run - Commissioners Sealock and Pike

Commissioner Canella asked about advertising for the state veterinarians at the tracks. Mr. Lura stated that they are required to go out to bid but the bid would be on qualifications and not the compensation since the Commission has already set that. Dr. Vanderloo will continue at Dubuque with the amendment of the conflict of interest inserted into his contract and Dr.

Prickett's contract in Council Bluffs was extended for three months until it could be sent out for bid. Waterloo will go out to bid next season.

After a brief recess, the Chair brought up the next item on the agenda, riverboat presentations. The Chair stated that each applicant would be given approximately 45 minutes for their presentation followed by a question and answer period.

The following applicants gave presentations: Dubuque Racing Association, Riverbend Regional Authority, Southeast Iowa Regional Riverboat Commission, Riverboat Development Authority and Missouri River Historical Development, Inc. Each applicant gave comments on what having a license would mean to their communities (economic impact and jobs), the cost of the project, the design and access of the boat, shore facilities that would result if a license were to be granted, and history of operator.

Mr. Lura informed each applicant following their presentation that all additional documents needed to complete their applications had to be received in the Racing and Gaming Commission office at the close of business on March 1, 1990, and the staff recommendation would be complete by the close of business March 5, 1990.

Chuck Patton, Director of Riverboat Gambling, and Mr. Lura questioned each applicant followed by questions by the Commissioners.

Chairman Pike asked each applicant if they would have a problem with the Commission looking over their shoulder and being under scrutiny at every turn when they are used to running their business as they want. None of the applicants saw any problem with this and they stated that they wanted to keep the undesirables out as much as the Commission does.

Commissioner's questions by applicant:

#### Dubuque Casino Belle

Commissioner Monaghan asked Robert Kehl, operator for the Dubuque Casino Belle, what his personal investment was and since there was a six member board what would happen in the case of a tie vote. Mr. Kehl stated that Robert's River Rides would invest \$4,760,000 and personally he would invest \$3,000,000. In case of a tie vote, it would be negotiated out and taken back to the full Dubuque Racing Association Board for a vote.

Commissioner Canella asked about their cash flow. Mr. Kehl stated that they are not planning on making all the money on gambling. They can make it on their food service alone.

#### Connelly Group

Commissioners May and Monaghan asked John Connelly, President of the Connelly

Group, who will own the boat "The President", how will ownership be transferred and what the time frame will be. Mr. Connelly stated that the boat will be transferred within 30 to 45 days of the granting of the license but exactly how it will be transferred or who will own it has not been completely established.

Commissioner May asked how the development agreement and leases with the city were coming along to which she was told they are a couple of days away from being final.

Commissioner Sealock asked Mr. Connelly why he was so committed to Iowa. Mr. Connelly congratulated Iowa in finding a way of breaking the monopoly of gaming and whenever there is a chance to bring economic development and jobs into a state, he is all for it.

Commissioner Canella asked why the city council picked the operator instead of the non-profit organization. He was told that the city owns the riverfront and the non-profit group wanted the city to be a part of the project and they needed the city's cooperation. It was a community decision. Commissioner Canella then asked if the non-profit would be autonomous in the future to which he was told yes.

Commissioner Canella asked who would conduct the gambling on the boat to which he was told that the Connelly Company would be in charge.

#### Steamboat Southeast

Commissioner Pike asked what they were doing to replace the Fitzgerald Group as gaming consultant. He was informed that they are seeking applicants and hope to find a consultant soon.

Commissioner May asked about the contract with the train. She was told that the details of the train had not be worked out and they have a few options in how to handle it. If the train does not work out, they will bus the patrons back and forth.

Commissioner Canella asked if the train was an integral part of the application to which he was told no.

Commissioner Monaghan asked what their break even point would be to which the response was told 187,000 gamblers.

Commissioner Pike stated that he was glad to see the regional concept, cities working together.

#### Steamboat Development

Chairman Pike asked how many people the boat could hold. He was told the coast guard would approve up to 1000 passengers.

He then asked why they were having casinos on both the first and third decks. The response was that many people go up on top after dinner to look at the view and they want to have the slot machines available for them to use while they are up there.

Commissioner Monaghan asked about the fact that they were requesting two boats and what would happen if two boats were not granted. He was told that they do not want to operate with one boat, they need two.

Commissioner May asked if the Embassy Suites Hotel would be a second hotel or the only one to which she was told it would be the second and it was presented for information only and not part of the application.

Commissioner May asked how far they have gotten with the train to which she was told that they are in the process of negotiating with the railroad.

Commissioner Canella asked if they were using buses or were working with AMTRAK and was told that they were trying for train service but could always fall back on the buses.

Commissioner Sealock stated that she liked the name "Diamond Lady" and said that she liked the idea of small communities working together for a common cause. She also stated that she was glad to see another Iowa based operator.

#### Missouri River Associates

Commissioner May asked what investments would take place if a license was not granted. She was told that the riverfront development would take place with or without a riverboat gambling license.

Commissioner Monaghan asked what the primary objection was by the investors to the project. He was told that they would like to see the exclusivity clause. No competition from within Iowa for five years on the Missouri River.

Chairman Pike asked if exclusivity was not granted, would that mean no boat to which the replied was that it would be hard to secure the money without it.

Commissioner May asked what the effect of the unregulated casino gambling in Council Bluffs would have to which they replied that they have not studied it thoroughly but the possibility of surviving is good not great.

The meeting was then adjourned until 8:00 a.m., February 15, 1990.

At 8:00 a.m., Thursday, February 15, 1990, the Chair called the meeting to order and entertained a motion to go into Executive Session pursuant to Iowa Code Chapter 21.5(1)"a" to discuss background investigations.

Following Executive Session a workshop on riverboat gambling was held.

Commissioner Monaghan excused himself to attend or funeral. Don Polden, Professor at Drake University in Des Moines, then gave a presentation to the Commission outlining the structural and corporate relationship of each riverboat applicant.

Mr. Polden recommended to the Commission that they make it mandatory to disclose any changes in consideration, in management or decision making, and contracts or arrangements of sale or lease of assets.

Mr. Lura stated that they approve contracts to prevent hidden owners, people not desirable in Iowa.

Mr. Lura then asked the Commission if they had any problems with applicants marketing their product prior to licenses being granted. The Commission had no objection provided the advertisement was clear that it was pending a license and did not give the picture that a license has already been granted.

Mr. Lura stated that they had received an independent appraisal on "The President" that the Connelly Group had on file and was told if the Commission wanted additional information they would be happy to supply it based upon specific concerns of the majority of the Commissioners. Mr. Lura asked the Commissioners if this appraisal was sufficient. After some discussion, the Commission agreed that another appraisal did not need to be done at this time.

Chairman Pike brought up the timing of the staff's licensing recommendation. He wasn't certain that it was needed before March 8. Mr. Lura stated that in fairness to the applicants and Commissioners, they should have a short period to develop a rebuttal if they objected to the recommendation. The other Commissioners agreed that some time was appropriate. Commissioner Sealock felt it was important that the Commissioners receive the recommendation prior to the media. Commissioner May asked for an early recommendation and was not concerned about public disclosure. Commissioner Canella was concerned that early release would create a media debate when under the law it should be a debate among the Commissioners. It was determined by the majority of the Commission that Mr. Lura should only make telephone recommendations on the 5th and provide full written recommendations on the night before the March 8 meeting. No formal vote was taken.

Mr. Lura then asked the Commission if there was any additional information that the Commissioners would need in order to make their decision to which they responded that the information that they are waiting on be forwarded to them as soon as it is received but nothing new was needed at this time.

The meeting was adjourned.

MINUTES TAKEN BY

  
KARYL JONES

IOWA RACING AND GAMING COMMISSION  
TELECONFERENCE MEETING  
MINUTES  
MARCH 1, 1990

On March 1, 1990, the Iowa Racing and Gaming Commission held a conference call pursuant to Iowa Code Section 21.8. The meeting was conducted by telephonic means due to the brevity of the agenda and the urgent nature of the matter to be discussed.

Participating in the call were: Chairman, Bud Pike; Vice-Chairman, Leo Monaghan; Members Lorraine May, Rita Sealock and Dick Canella; Administrator of the Racing and Gaming Commission (IRGC), Mick Lura; Counsel for the IRGC, Gary Hayward; and Special Agent for the Division of Criminal Investigation, John Tinker. Present in the Commission office were Lorenzo Creighton, Deputy Administrator for the IRGC; and Chuck Patton, Director of Riverboat Gambling for the IRGC.

The Chair called the meeting to order and entertained a motion that the Commission go into Executive Session pursuant to Iowa Code Chapter 21.5(1)"a" to receive the DCI report on background investigations. Commissioner Canella so moved with Commissioner May seconding the motion. All in favor.

Following Executive Session, the meeting was adjourned.

MINUTES TAKEN BY

  
KARYL JONES

**IOWA RACING AND GAMING COMMISSION  
MINUTES  
MARCH 7-8, 1990**

The Iowa Racing and Gaming Commission met on Wednesday, March 7, 1990, at 7:30 p.m. at Adventureland Inn, Des Moines. Present were Chairman, Bud Pike; Vice-Chairman, Leo Monaghan; and members Richard Canella, Lorraine May and Rita Sealock.

The Chair called the meeting to order and entertained a motion to go into Executive Session pursuant to Iowa Code Chapter 21.5(1)"a" to discuss background investigations. Commissioner May so moved with Commissioner Canella seconding the motion. All in favor.

Following Executive Session, the meeting was adjourned until 9:00 a.m., March 8, 1990.

At 9:00 a.m., March 8, the Chairman called the meeting to order. The meeting was held in the Wallace Auditorium, Des Moines. The Chair entertained a motion to approve the minutes of the February 13-15 and the telephonic March 1, 1990, Commission meetings. Commissioner May so moved with Commissioner Canella seconding the motion. The vote was unanimous.

The next item on the agenda was the approval of contracts for Prairie Meadows (PM) and the Chair recognized Mick Lura, Administrator for the Iowa Racing and Gaming Commission (IRGC). Mr. Lura stated that there were two contracts before the Commission for approval. One was a physician and ambulance contract and the other a janitorial and maintenance contract. Mr. Lura recommended approval of both contracts.

Commissioner May so moved with Commissioner Monaghan seconding the motion.

Commissioner Canella voiced a concern about the physician contract. He did not feel that it protected PM from a malpractice suit. He felt that the physician should specify the amount of malpractice insurance and have a hold harmless agreement so PM was not involved if a patient decided to sue the physician.

Carole Baumgarten, President of PM, stated that the physician will provide a contract at a later date with the amount of malpractice insurance that he is carrying. Commissioner Canella said that it should not be up to the physician as to the amount of malpractice insurance but PM should tell the physician what amount of malpractice insurance he has to carry.

Commissioner May stated that since the physician is an independent contractor and not an employee of PM that PM would not be liable for any malpractice suit.

Ms. Baumgarten agreed to pursue the physician contract further and bring it back before the Commission at the April meeting.

Mr. Lura stated that the Commission could defer the physician contract until their next meeting.

Commissioner May moved to amend her motion by adding that the physician contract be deferred until the next meeting. Commissioner Monaghan seconded the motion with all in favor. See Order (90-9). The Commission then voted on the original motion as amended. The vote was unanimous. See Order (90-10).

Ms. Baumgarten then gave a brief report on how PM is progressing towards opening day on March 15. She said that staff is on board and very optimistic and excited to get the track going. Of the 420 people hired, only 85 are new employees from last year. This made the search for employees quick and positive. They are ready to open. They will have a dance band on Friday and Saturday nights following the races which they hope will be an additional attraction for their patrons. There are 700 horses on the grounds at this time with 150 horses stabled elsewhere.

Chairman Pike asked how the antique show went that was held at PM. Ms. Baumgarten stated that over 10,000 people came to the show and enjoyed watching the horses workout as they were walking through the show or sitting down and eating lunch. Many had never been to PM before so it introduced many people to the facility. It was a good tune up for their employees.

Chairman Pike then recognized Bruce Wentworth, General Manager at Dubuque Greyhound Park (DGP) for their 1990 season requests. Mr. Wentworth stated that there would be no change in their Iowa bred purse supplement program, performance bond, multiple wagering format or their grading system. All of their racing officials have been licensed before but many will be working in a different capacity than they did last year. Their minimum purse would start out at 3% through June 30 and increase to 3.25% on July 1 because of the Commission mandate.

Commissioner Canella asked how the equi-track was working out. Mr. Wentworth stated that they have started unofficial schooling on the track and equi-track officials have been there working with them but they are still up in the air as to whether they are satisfied with the surface or not.

Mr. Lura recommended approval of the Iowa bred purse supplement program; racing officials, subject to background checks; performance bond; minimum purse; multiple wagering format; and grading system for DGP's 1990 racing season. Commissioner Canella so moved with Commissioner Monaghan seconding the motion. All in favor. See Order (90-11).

The next item on the agenda was administrative rules and the Chair called upon Mr. Lura. Mr. Lura stated that Bluffs Run had requested a wager called the pic-nine which the Commission had no rules for. Rules have been formulated for a pic-nine wager, however, the traditional pic-nine wager is to pick the first place finishers in nine races and Bluffs Run is requesting to pick the fourth place finishers, so the rules were written so that the track could request whatever place finisher they choose as long as they have Commission approval. Mr. Lura stated that the Commission needed to emergency adopt and

implement these rules and also file a notice of intended action. Mr. Lura said that a change was necessary to the rules before emergency adopting and implementing. At this time, the tote machines are not programed to payoff for any finisher but first in the case of a scratch, so under item (5) each time it says "(x) place favorite" it should say "first place finisher". This will give the tote companies the time to reprogram their machines. However, the notice of intended action can be adopted without the amendments because by the time they become final the tote machines will be programmed to accept this wager.

Commissioner May voiced a concern that two rules would then be in place. Mr. Lura stated that when the Commission final adopts these rules, that will rescind the emergency filing.

Commissioner Sealock moved to Emergency adopt and implement the pic-nine rules with the amendments. Commissioner Monaghan seconded the motion with all in favor. See Order (90-12).

Commissioner Sealock moved to adopt the pic-nine rules without the amendments and file a Notice of Intended Action. Commissioner Monaghan seconded the motion. The vote was unanimous. See Order (90-13).

Barry Savage, Iowa West Racing Association, said that they were requesting Commission approval for the pic-nine wage at Bluffs Run. They were requesting the wager to pick the fourth place finishers in each of the designated nine races. He stated that Bluffs Run was trying to find something to help increase the traffic flow to their facility and get the interest growing and they felt that this wager would be the right calling card. It is a guaranteed \$1 million payout and they have the insurance in place to back it.

Chairman Pike asked how the wager was doing at other tracks to which Mr. Savage replied that it is not a very popular wager.

Commissioner May asked if the payoff would be paid out over a term or if someone hit the pot they would get the \$1 million up front. Mr. Savage stated that the pool would be paid out over a term similar to how the lottery pays out and people seem to be comfortable with that. Commissioner May voiced a concern that if they were advertising a \$1 million pool then people would be expecting to win the million dollars immediately and not be getting it over a period of time. She did not want any false advertising or misrepresentation to the patrons.

Mr. Savage stated that they have insurance in place to payout either way.

Commissioner May asked how they would be advertising the pic-nine wager to which Mr. Savage stated that they would advertise the wager as to how the money would be paid out.

Chairman Pike asked if they guaranteed the \$1 million payout even if someone hit the pic-nine on the first day of racing to which Mr. Savage responded yes.

Commissioner May moved to allow Bluffs Run to offer the pic-nine wager using fourth place finishers as long as their marketing of the wager indicated how the pool would be paid out. Commissioner Canella seconded the motion with all in favor. See Order (90-14).

Mr. Lura then stated that there were two contracts that needed to be approved for Bluffs Run. One was the photo finish contract and the other a contract for the programs. Mr. Lura recommended approval of both contracts.

Commissioner Monaghan asked how these contracts compared to other contracts. He stated that he wanted staff to analyze each contract and attach their analysis to the contract before it is sent to the Commission for approval. He asked that these contracts be deferred until next meeting until staff had a chance to make their analysis. Commissioner Canella agreed that an analysis of each contract should be done by the staff.

Commissioner Sealock stated that if these were just renewal contracts there should be no problem with approval, but if they were new she could see it.

Commissioner Monaghan stated that he wanted to make sure that the contracts are an arms length transaction.

Mr. Savage explained to the Commission that there was no connection with employees of Iowa West Racing Association or Bluffs Run with either of the contracts. They knew who they were dealing with and there was no common ownership of companies.

Commissioner Sealock moved to approve the photo finish contract and the program contract for Bluffs Run. Commissioner May seconded the motion.

Commissioner May asked if they felt that the contracts were competitive and in the best interest for Bluffs Run to which Mr. Savage responded yes.

Chairman Pike felt that that was a management decision not a Commission decision.

A roll call vote was taken on the motion with Commissioners Canella, Pike, Sealock and May voting aye and Commissioner Monaghan voting nay. Motion carried. See Order (90-15).

Mr. Lura stated that until the majority of the Commission determined the basis for evaluation, it was impossible for the staff to provide such a document. Mr. Lura asked the Commission for some direction as to what type of analysis of the contracts they were asking for. There are many ways to analyze a contract; legality, financial, conflict of interest, etc. The Commission has the authority to approve contracts under any condition they choose.

Commissioner May stated that it sounds like staff is willing to analyze each contract but they need to know the criteria and direction.

Chairman Pike established a committee of Commissioner May and Monaghan to report to the full Commission with criteria and direction for staff when analyzing contracts.

George Beno, Executive Director of Iowa West Racing Association, then gave a brief report on what has been happening at Bluffs Run this past week. Mr. Beno stated that due to the large jackpot (\$305,950 at close of race day Wednesday), Bluffs Run has been experiencing large crowds and handles. This is the largest pot in history.

Mr. Beno stated that Bluffs Run has been good for the breeding of greyhounds in Iowa. In the three counties surrounding Bluffs Run, there are 21 greyhound kennels and at Bluffs Run they average between 400-425 Iowa-breds. They are proud of the greyhound industry around Bluffs Run.

Chairman Pike then called up the administrative portion of the meeting and called on Lorenzo Creighton, Deputy Administrator for the IRGC. Mr. Creighton asked that the Commission approve motions to hear cases DIARC-23 and DIARC-39 by written briefs instead of oral arguments. A letter was sent out to Mr. Richter, Attorney for the Appellant, but no response was received back from him.

Commissioner May moved to adopt the motions to hear DIARC-23 and DIARC-29 by written briefs instead of oral arguments (see attached). Commissioner Monaghan seconded the motion.

Gary Hayward, Counsel for the IRGC, stated that since staff prepares a proposed order, the attorney should also have that option so that it does not appear one-sided.

Mr. Creighton stated that he always made defendant's attorney aware of that option. Mr. Hayward responded that such notice would be more appropriate directly from the Commission.

Commissioner May amended her motion to include that the motions should also reflect that the parties may submit written orders in addition to briefs. Commissioner Monaghan seconded the motion with all in favor. See Order (90-16). The Commission then voted on the original motion as amended with all in favor. See Order (90-17).

Commissioner May then moved that the pic-nine wager granted to Bluffs Run should be contingent upon the advice from the Attorney General's Office on availability of the wager in the pari-mutuel industry. Commissioner Monaghan seconded the motion. The vote was unanimous. See Order (90-18).

Following a brief recess, Chairman Pike gave opening remarks on the granting of riverboat licenses. He thanked everyone for all their efforts into riverboat gambling and hoped that tourism could flourish with the new industry. He then turned the meeting over to Mr. Lura.

Mr. Lura stated that everyone needs to keep in mind that the Code asked the Commission to consider first the citizens of Iowa, not the government of Iowa in terms of economic advantages and other matters when granting riverboat licenses. Staff has spent a great deal of time trying to analyze the applications to make sure that each application was in compliance and have complied with the letter and spirit of Iowa Code Chapter 99F. Staff, in making their recommendation has put an emphasis upon economic development, revenue to local groups (community and/or non-profit groups), the financial viability and the operators/non-profit groups' character and reputation. There is a huge potential for economic development in Iowa and each of the communities.

Staff is recommending that each of the five applications be approved and granted a license to operate excursion gambling boats. The nature of the issuance of these licenses is meant to be conditional since many of the plans of each operator are subject to future developments in the market place. Mr. Lura then outlined six universal conditions the staff recommends be attached to each license that is granted. He changed his March 5 recommendation regarding scheduling of excursion from October to June.

1. The issuance of a license is conditional on each applicant performing all material commitments made in the applications. Failure to perform as expressed in the application without specific Commission approval will subject the license to immediate revocation.
2. All future contracts signed by the applicant shall be written subject to Commission approval and such approval will be immediately solicited from the IRGC. Failure to submit such contracts promptly will cause the license to be subject to immediate revocation.
3. Future organizational changes and changes to add additional ownership, entities, affiliates, or individuals, shall be reported immediately to the IRGC. Those ownership interests that involve more than 5% of the ownership of any entity involved with the license shall be subject to background investigation before the ownership interest can be finally assumed. In addition, those owners representing less than 5% of the ownership shall be reported to the IRGC delineating the percentage of ownership and the name, date of birth and social security number of the owner. Finally, the financing shall be subject to the same conditions as owners if such debt financing comes from any source other than public or regulated financial institutions. Failure to comply with this reporting requirement will subject the license to immediate revocation.

4. The proposed schedule of excursion times and ports of calls are not approved, due to the constantly changing marketing environment. The Commission will approve time schedules and ports of call in June of 1990. The Commission will review schedules and ports of call on an annual basis.

5. Licenses are granted on the condition that future security requirements shall be willingly complied with.

6. Licenses are granted on the condition that accurate quarterly financial reports are submitted in a format provided by the staff for a period of 18 months beginning July 1, 1990. These reports will be designed to demonstrate the financial ability of the license holder to complete excursion boat start up and all shore developments. Failure to comply with this reporting requirement will subject the license to immediate revocation.

These conditions and any additional specific conditions for individual applicants shall be acknowledged and willingly accepted in writing by the principle of the operator and the non-profit group. Once the IRGC staff receives a written and notarized agreement to conditions and the necessary first year license fee, the physical license shall be issued and be valid. Each license will be issued for an initial period of three years beginning April 1, 1991.

DUBUQUE RACING ASSOCIATION (DRA)/DUBUQUE CASINO BELLE (DCB)

Mr. Lura stated that this was an excellent application. It would service Dubuque County; the name of the boat would be the Dubuque Casino Belle; it would have a capacity of 2,500; gaming equipment would be 520 slot machines, 22 blackjack tables, 2 crap tables, and 2 roulette tables; 1992 projections are total passengers 388,080; average number of passengers of 496; average win per customer is \$23.23; total annual gaming win of \$9 million and annual direct tax revenues of is \$4.2 million.

Staff recommends that the IRGC approve the operator agreement between DRA and DCB and that the IRGC approve the city lease as written. The staff further recommends that DRA/DCB be granted a license to operate an excursion gambling boat in the Dubuque area with the six universal conditions and a special condition that the license be granted based upon the city of Dubuque making final approval of the proposed lease as written. Failure to do so would reopen the licensing decision subject to further Commission approval.

Commissioner Canella asked why they were only using 17% of the boat for gambling when they could use more. Bob Kehl, DCB, stated that they were only using 17% of the boat for gambling because the intent of the legislation was to provide food, entertainment and gambling. If it dictates in the future, they would be willing to expand the gambling area.

Commissioner Canella then asked why the letter back to the IRGC stating that they would be willing to renegotiate the \$5 admission charge should it become

evident that a need for it exists was so iffy. Dave Clemons, DRA, stated that they were not objecting to being able to renegotiate the \$5 admission charge, it was just that by opening up the contract for that aspect of negotiation could open it up for other negotiations that they might not want.

Commissioner Monaghan stated that he felt that it was a viable marriage between the non-profit and the operator. It was a strong contract from both sides and seems to have the flexibility which he felt comfortable with.

Commissioner Sealock wished them much success on their endeavor.

Commissioner May stated that she was impressed with the contract and asked if they had any problems with staff recommendation, to which both the operator and non-profit responded no.

Commissioner Pike stated that this application sounded good for the economy and wished them luck.

Commissioner Canella asked if the license was granted what they would do about Bellevue and if they decided to dock at Bellevue, would they come back to the Commission for approval. Mr. Clemons stated that if the license was granted, they would go back to Bellevue for more negotiation and if they were to dock in Bellevue, they would come back to the Commission for approval.

Commissioner Monaghan moved that the DRA/DCB applicant be granted a license to conduct gambling aboard an excursion boat along an excursion route on the Mississippi River with the following limitations, consideration and conditions:

- That the operation agreement be approved.
- That the lease agreement with the City of Dubuque be approved subject to its approval by the Dubuque City Council after the March 19, 1990 public hearings.
- That the six universal conditions listed in IRGC conditions agreement are followed by the applicant/licensee's.
- That the commission approve or disapprove individuals involved in the excursion gaming operation, subject to background investigations by the DCI.
- That the applicant licensee comply with all federal and state laws municipal ordinances and administrative rules of the Iowa Racing and Gaming Commission. Also, other conditions limitation and approvals that the IRGC deems necessary to regulate excursion boat gambling.

Commissioner May seconded the motion. A roll call vote was taken with all voting aye. See Order (90-19).

SOUTHEAST IOWA REGIONAL RIVERBOAT COMMISSION (SIRRC)/STEAMBOAT SOUTHEAST, INC.  
(SSI)

Mr. Lura stated that this application was straight forward and liked the idea of the three cities working together for a common cause. Each of the three cities involved would have a landing facility. The boat would be a part of the Lady Lines with a possible names of "Diamond Lady" or "Emerald Lady"; it will have a capacity of 1,000; the boat will travel between Burlington, Fort Madison and Keokuk; gaming equipment would be 300 slot machines and 15 table games; projections for 1992 are passengers, 300,360; 263 average passengers per excursion; \$25.00 average win per customer; \$7.5 million total annual gaming win; and \$1.7 million in annual direct tax revenues.

Staff recommends approval of the agreement between the non-profit group and the operator and approval of the following documents: the lease with the city of Burlington; the development agreement with the city of Burlington; the lease/development agreement with the City of Fort Madison; the lease/development agreement with the city of Keokuk. Staff recommends that the IRGC approve the issuance of a license to SIRRC/SSI, for an excursion gambling boat in southeast Iowa subject to the universal conditions with no special conditions attached.

Commissioner Canella stated that it was a very conservative application and felt that it would be a tremendous economic boost for southeast Iowa.

Commissioner Monaghan said that it was nice to see the cities working together for economic growth and for utilizing the Mississippi River in southern Iowa.

Commissioner Sealock was anxious to visit southeast Iowa. She was glad to see the heavy Iowa involvement in this application and thought that the opportunity for a train would be a great asset.

Commissioner May asked if their 501(c) non-profit status had come through yet. Doug Kratz, SSI, said that he was not sure but it had been filed and he would check on it. Commissioner May also asked if they had any concerns with the conditions that would be placed on their license to which Mr. Kratz stated no.

Commissioner Pike stated that he was a strong supporter of the three cities working together and cleaning up along the river. Individually, had they submitted applications, they probably would not have been granted a license but as a group he felt very good about granting a license. He then asked if there would be any problem with being ready to have the boat on the water April 1, 1991, to which Mr. Kratz stated no. They are within a week of beginning construction and did not see any problem with having the boat ready.

Commissioner Sealock moved that the SIRRC/SSI applicant be granted a license to conduct gambling aboard an excursion boat along approved routes on the Mississippi River with the following limitations, considerations and conditions:

- That the operation agreement between the parties be approved as adopted.
- That the lease and the development agreements with the cities of: Burlington, Ft. Madison, and Keokuk, be approved as adopted.
- That the six universal conditions listed in the IRGC conditions agreement be followed by the applicant/licensee's.
- That the IRGC reserves the right to approve or disapprove individuals involved in the excursion gaming operation, subject to background investigations.
- That the applicant/licensee comply with all federal and state laws, municipal ordinances and administrative rules of the IRGC. Also, other conditions, limitations and approval the IRGC deems necessary to regulate excursion boat gambling.

Commissioner Canella seconded the motion. A roll call vote was taken with all voting aye. Motion carried. See order (90-20).

RIVERBEND REGIONAL AUTHORITY (RRA)/STEAMBOAT DEVELOPMENT CORPORATION (SDC)

Mr. Lura stated that this application is for two boats. One of which will be stationed exclusively in the Bettendorf area and the second will service Clinton, Bettendorf and Muscatine. This application has the smallest percentage of "win" profit to the non-profit group among the five applicants. These boats would be part of the Lady Line, with possible names of "Diamond Lady" and "Emerald Lady". Each boat will have a capacity of approximately 1,000 passengers; one boat will travel within Scott County and the second boat will travel between Bettendorf, Clinton and Muscatine; gaming equipment would be 300 slot machines and 15 table games on each boat; 1992 projections are 600,720 passengers; 263 average passengers per excursion; \$25.00 average win per customer; \$15 million total annual gaming win; and annual direct tax revenues of \$3.3 million.

Mr. Lura said that he was not concerned with the over-saturation factor or the fact that Illinois is on the horizon. He estimates that there is only 35,000 total square feet of gambling area (which is equal to one moderate-size Las Vegas casino) for a population of 400,000 people, which is enough to support 65,000 square feet of casino space. Illinois would only add an additional 30,000 square feet for casino space in the Quad Cities area because Illinois law limits the size of its gambling boats.

There is substantial proposed shore development of around \$23 million, and knowing that the community would benefit with the shore facilities saw no reason not to grant the license.

Staff recommends that the IRGC approve the following agreements: the Bettendorf lease; the Bettendorf development agreement; the Clinton lease; the Muscatine lease/development agreement. In addition, the staff recommends the approval of the agreement between the non-profit group and the operator but that approval shall be conditioned upon the operator complying with all aspects of the development agreement and that any future amendments to the development agreement shall reopen for approval the agreement between the operator and the non-profit group. Staff further recommends that a license to operate two excursion boats be issued to RRA/SDC subject to the six universal conditions.

Commissioner Pike asked if they had any problems with the conditions that would be imposed upon their license to which Mr. Kratz replied no.

Commissioner Canella said that he was concerned with the over-saturation but recognized that they did down size their projections to account for that. He asked if there would be a problem with the on shore development if their projections were not meant. Mr. Kratz said that they had some flexibility if projections were not met. They could sell one of the boats and service the communities fewer days but they felt comfortable with their projections and the tourist attractions that they would be building.

Commissioner Monaghan also voiced a concern with the over saturation but understood that the land based development was a business risk and that made him comfortable. Everyone should win and he liked the idea of tying in Muscatine and Clinton to the application.

Commissioner Sealock stated that she liked the competitive spirit by building close to your competitor.

Commissioner May said that there is a risk because of the saturation which will make the break even point lower. There is significant shore development involved and that made her feel comfortable in approving the application.

Mr. Kratz stated that they would not commit to something they couldn't do and after land based development is complete, if profits increased they would be shared with the non-profit.

Commissioner Pike asked about the Welcome Center. Mr. Kratz could not give a definite answer at this point because they did not want people walking through a construction zone and they were not sure which dock the boat would be docked from to start out with. The Welcome Center would be finished by June of 1992 no matter what decision was made.

Mr. Lura stated that since John Connelly, Connelly Group, was not present, he would quote his previous statement. Mr. Connelly has stated that he welcomed the competition in the Davenport area and did not see over saturation as a problem.

Commissioner May moved that the RRA/SDC applicant be granted a license to conduct gambling aboard two excursion boats along an approved excursion route on the Mississippi River, for a initial period of three years beginning April 1, 1991, with the following limitations, considerations and conditions:

- That the lease between RRA/SDC and the City of Bettendorf and the development agreement between the parties be approved. That the lease between RRA/SDC and the City of Clinton be approved. That the lease/development agreement between RRA/SDC and the City of Muscatine be approved.
- That the approval of the aforementioned lease and development agreements shall be conditioned upon the operators compliance with all aspects of the various development agreement provisions that are a part of the application and amendments submitted. That specific performance of the terms of the development agreements within time frames approved by the IRGC is required. Also that any future amendments to the development agreements shall reopen the agreement between the operator and the non-profit group for subsequent approval by the IRGC.
- That the applicants/licensees follow the six universal conditions listed in the IRGC conditions agreement.
- That the IRGC reserves the right to approve or disapprove individuals involved in the excursion gaming operation, subject to background investigations.
- That the applicant/licensee comply with all federal and state laws, municipal ordinances and administrative rules of the IRGC. Also, other conditions limitations and approvals that the IRGC deems necessary to regulate excursion boat gambling.

Commissioner Monaghan seconded the motion. A roll call vote was taken with all voting aye. Motion carried. See Order (90-21).

MISSOURI RIVER HISTORICAL DEVELOPMENT, INC (MRHD)/MISSOURI RIVERBOAT ASSOCIATES, L.P. (MRA)

Mr. Lura stated that this was a straight forward application and the amounts of monies proposed in the agreement between the operator and the non-profit seems to be fair and adequate. This is the only application that does not have a sound existing capital. The name of the boat would be "Iowa Queen"; with a capacity of 1000 passengers; would run south from Sioux City approximately 6 to 7 miles and return; gaming equipment would be 280 slot

machines, 1 crap table, 1 roulette table, and 12 blackjack tables; projections for 1992 are 435,300 passengers; average passengers per excursion boat of 568; average win per customer of \$24.50; total annual gaming win of 10.6 million; and \$2.6 million in projected annual direct tax revenues.

One unique aspect of this application is that the applicant is requesting exclusive rights to operate excursion boat gambling on the Missouri River for a period of five years beginning April 1, 1991. The staff has reviewed this request and agrees with the need for some protection, however, staff feels that three years should be sufficient. The success of this venture depends heavily upon attendance from the Omaha/Council Bluffs market. If another excursion boat were licensed closer to that market, it would effectively prevent Sioux City from developing a customer base. Mr. Lura stated that if the Commission was to grant this exclusivity, it should be done in the form of a resolution.

The staff recommends that the IRGC approve the agreement between the non-profit group and the operator. The staff further recommends approval of the development agreement with the city of Sioux City. The staff recommends that the IRGC issue a license for an excursion gambling boat to MRHD/MRA, subject to the universal conditions and further subject to the condition that the applicant present evidence to the IRGC that \$4.5 million in cash equity is on hand by April 30, 1990. On May 1, 1990, the absence of such evidence shall mean immediate revocation of this license with no further action by the Commission. Finally, the staff recommends that the IRGC adopt a resolution providing for exclusive right to excursion boat gambling on the Missouri River to the MRHD/MRA for a three year period beginning April 1, 1991.

Commissioner Canella asked that if five years is needed to establish a customer base, why do the financial projections already show 568 people per excursion. John Schegan stated that their projections were based upon the five year exclusivity and they would not make it without the exclusivity. Commissioner Canella then stated that if you could not cruise on the Missouri River in April you could also not gamble at the dock. Mr. Schegan stated that that was the chance that they would take. It is very feasible to cruise the amount of time required to be able to dock during the winter months.

Commissioner Pike stated that he was under the impression that the problem of not being able to cruise on the Missouri would only occur one out of ten years.

Commissioner Monaghan asked why they felt that they needed exclusive rights if a license was granted. Mr. Schegan stated that Sioux City has never been developed as a tourist place. This will give people a chance to see Sioux City as a tourist place without competition. They need the Omaha/Council Bluffs market. Commissioner Monaghan stated that he was not comfortable in putting the exclusivity rights in writing for future precedent.

Commissioner Sealock ask what going from five years down to three years would mean to them. Mr. Schegan said that they could live with three years and if after one year they feel they can operate without the exclusivity they would come back to the Commission and have that lifted. At least three years would give them some comfort level.

Commissioner May asked if they had to have the three year exclusivity in writing or having the Commission appreciate their need for exclusivity was enough. Mr. Schegan stated that for financial commitment by investors, they needed the security of having it in writing. Commissioner May asked if they needed a formal three year commitment to get the investors to which Mr. Schegan responded very possible.

Commissioner May stated that the city had a plan in place for the riverfront development with or without the license. Is two years enough? Mr. Schegan stated that it was hard to say because you do not know the market. Frank Fried stated that it would give the financial institution comfort.

Commissioner May asked what level of comfort do they need. Mr. Fried stated that they would accept three but would like five. Sioux City is not a tourist community. It is a viable community, but it is not known as a recreation community.

Commissioner Pike asked if the boat would be ready by April 1, 1991, to which Mr. Schegan replied that they feel very comfortable that it will be ready.

Commissioner Pike asked what type of commitment the operator was making to the community. Mr. Fried stated that they have signed a long-term lease with the community and their commitment is to quality.

Commissioner Monaghan was concerned with the 20 year contract. A lot of changes could occur in the legislation and how would that affect the contract. Betty Strong, MRDA, stated that they had insisted upon the commitment so they would not leave after three years.

Commissioner Monaghan then asked if they thought there would be a problem with the cash equity in the bank by April 30 to which Mr. Schegan replied no.

Commissioner Pike asked if most of the investors would be from outside Iowa. Mr. Fried replied yes but they were not turning anyone down in Iowa that wished to invest.

Commissioner Canella moved that the MRHD/MRA, be granted a license to conduct gambling aboard an excursion boat on approved routes along the Missouri River with the following limitations, considerations and conditions:

- That the operation agreement be approved.
- That the development agreement with the City of Sioux City be approved.

- That the applicant/licensee have cash equity of \$4.5 million provided by outside investors and within the control of the MRHD/MRA, on or before April 30, 1990. The applicant/licensee shall provide acceptable evidence of the cash equity above. In addition, the applicant/licensee shall provide acceptable evidence that a binding boat construction contract has been signed and acceptable evidence shall be provided that debt financing is available to complete the purchase of the boat. Failure to provide such evidence will result in making this license null and void on May 1, 1990.
- That the six universal conditions listed in the IRGC conditions agreement. are followed by the applicant/licensee.
- That the commission reserves the right to approve or disapprove individuals involved in the excursion gaming operation, subject to background investigations.
- That the licensee's comply with all federal and state laws, administrative rules of the IRGC and municipal ordinance. Also, other conditions and limitations and approvals that the IRGC deems necessary to regulate excursion boat gambling.

Commissioner May seconded the motion. A roll call vote was taken with all voting aye. Motion carried. See Order (90-22).

Commissioner Canella then moved that the IRGC refuse to consider any future applications for riverboat gambling upon the Missouri River, if such application provides for excursion boat gambling prior to April 1, 1994. Commissioner Sealock seconded the motion.

Commissioner Monaghan stated that he realized a form of exclusivity was granted in the pari-mutuel industry but felt it was different than riverboat.

A roll call vote was taken on the motion with Commissioners Pike, May and Sealock voting aye and Commissioners Monaghan and Canella voting nay. Motion carried. See Order (90-23).

The meeting was then recessed until 2:00 p.m.

RIVERBOAT DEVELOPMENT AUTHORITY (RDA)/THE CONNELLY GROUP, L.P. (CONNELLY GROUP)

Mr. Lura stated that there was a large amount of shore development in this application. This is the only application which will be using an existing boat. The name of the boat would be "The President"; the capacity will be 3,000; it will operate within Scott County; gaming equipment will include 620 slot machines; 32 blackjack tables; and 2 crap tables; projections for 1992 include 767,000 passengers; 808 average passengers per excursion; an average

win per customer of \$45.00; total annual gaming win of \$37.9 million and annual direct tax revenues of \$7.8 million.

Mr. Lura reiterated his opinion on the over-saturation issue and Mr. Kratz stated that they welcomed the competition and felt everyone could compete.

The staff recommends that the IRGC approve the lease with the city of Davenport. The IRGC should approve the development agreement with the city of Davenport. The staff further recommends that the IRGC approve the agreement between the non-profit group and the operator, but that the approval shall be conditioned upon the operator complying with all aspects of the development agreement and that any future amendments to the development agreement or the invoking of paragraph 20 on page 34 of the development agreement shall reopen for approval the agreement between the operator and the non-profit group. Finally, the staff recommends that a license be granted to the RDA/Connelly Group with the universal conditions.

Commissioner Canella stated that he was pleased with the application but had reservation because of the Illinois legislation and the other application in the same area. He also had reservations about the \$45.00 win per patron.

John Connelly, Connelly Group, stated that his commitments are backed with performance bonds and they are proceeding full steam ahead.

Commissioner Canella stated that he understood that if they were not able to maintain the capacity of 2,250 passengers per day, they would be able to take out "The President" and bring in another boat to which Mr. Connelly agreed.

Commissioner Monaghan stated that the land based development was very strong, but asked why the non-profit was only getting profits off of the number of passengers and not taking a percentage of the gaming receipts?

Mary Ellen Chamberlain, RDA, stated that because of the high taxation rate they felt that it would discourage investors from coming to their community if they did not make it attractive. At the local level they made a decision that wanted the benefit of the employment and the development of the downtown area over profits to the non-profit organization. The money that goes to the non-profit is not pledged. It is totally unencumbered so they can do whatever they chose with the money.

Commissioner Monaghan asked if after three years the legislation changes, what would happen with the non-profit? Ms. Chamberlain stated that if the legislation changes she would hope that the legislators would be considering the non-profits as well as the operators. They are banking that in order for the revenues to increase so must the number of passengers and so the amount of dollars would also increase. They made a decision based upon what would help them locally and hoped to maximize the total contribution.

Commissioner Monaghan asked if legislation changes, would they be willing to sit down and renegotiate. Mr. Connelly stated that he would be willing to sit down with the non-profit and discuss sharing in the profits should it increase. He wants to do what is fair.

Commissioner Sealock stated that she wanted Iowans to succeed and Connelly has shown success in the past and it sounds like the citizens are backing him.

Commissioner May felt that the commitment for the land base facilities was there and saw no problem.

Commissioner Pike asked about the barge traffic, to which Mr. Connelly stated that there would be no problem because the channel is wide enough for everyone. Barge traffic means nothing.

Commissioner Canella asked what the situation was with the new hotel. Ed Ellers with the Connelly Group, stated that if the rural property is available the hotel will be built. Right now they feel it is not a case of if, but when.

Commissioner Canella then asked about the asbestos problem at the Van Mour Building. Mr. Ellers stated that they didn't think it was anything that could not be rectified. If the building can be saved it is their desire to do so.

Chairman Pike then turned the Chair over to Commissioner Monaghan.

Commissioner Pike moved that the RDA/Connelly Group applicant be granted a license to conduct gambling aboard an excursion boat along an approved excursion route on the Mississippi River with the following limitation, considerations and conditions:

- That the operation agreement between the parties shall be approved subject to the conditions specified herein.
- That the lease agreement and the development agreement with the City of Davenport shall be approved.
- That the approval of the aforementioned lease and development agreements shall be conditioned upon operators compliance with all aspects of the various development agreement provisions that are a part of this application and amendments thereto. That specific performance of the terms of the development agreement within time frames approved by the IRGC is required. The IRGC also requires that any future amendments to the development agreement or the invoking of paragraph 20 on page 34 of the development agreement shall reopen the agreement between for subsequent approval by the IRGC.
- That the six universal conditions listed in the IRGC conditions agreement are followed by the applicant/licensee.

- That the IRGC reserve the right to approve or disapprove individuals involved in the excursion gaming operation, subject to background investigations.
- That the applicant/licensee comply with all federal and state laws, municipal ordinances and administrative rules of the IRGC. Also, other conditions limitations and approvals that the IRGC deems necessary to regulate excursion boat gambling.

Commissioner Sealock seconded the motion.

Commissioner May asked if there 501(c) non-profit status had come through yet. Ms. Chamberlain stated that it had not been received yet but it had been filed.

A roll call vote was taken with all voting aye. Motion carried. See Order (90-24).

The Chair was turned back over to Commissioner Pike.

Tom Ruxlow, Special Agent for the Division of Criminal Investigation (DCI), distributed the DCI staffing needs for riverboat gambling to the Commissioners and briefly explained it. He said that now that the licenses are granted, they will move forward to hopefully receive funding for more agents.

Commissioner May moved to approve the following agreements subject to the conditions attached to each agreement in original motion for each license that was approved:

Lease between RRA/SDC and the City of Bettendorf and the development agreement between the parties

Lease between RRA/SDC and the City of Clinton

Lease/development agreement between RRA/SDC and the City of Muscatine

Lease agreement with the City of Dubuque

Operation agreement between SIRRC/SSI

Lease and development agreements with the cities of Burlington, Ft. Madison and Keokuk

Operation agreement between MRHD/MRA

Development agreement with the City of Sioux City

Operation agreement between RDA/Connelly Group

Lease agreement and the development agreement with the City of Davenport

Commissioner May further moved to grant each license for a period of three years beginning April 1, 1991. Commissioner Monaghan seconded the motion with all in favor. See Order (90-25).

It was decided that the next meeting would be at 9:00 a.m. in Dubuque, April 19, 1990.

Commission Meeting Minutes  
March 7 and 8, 1990  
Page 19

The meeting was adjourned.

MINUTES TAKEN BY

*Karyl Jones*  
KARYL JONES

**IOWA RACING COMMISSION MEETING  
MINUTES  
APRIL 19, 1990**

The State Racing Commission met on Thursday, April 19, 1990, at 9:00 a.m. at the Dubuque Greyhound Park (DGP), Dubuque. Present were Chairman, Bud Pike; Vice-Chairman, Leo Monaghan; and members Richard Canella, Lorraine May and Rita Sealock. The Chair called the meeting to order.

Chairman Pike thanked DGP for hosting the April Commission Meeting and complimented them on their beautiful facility.

The Chair then entertained a motion to approve the minutes of the March 7 and 8, 1990, Commission meeting. Commissioner Sealock so moved with Commissioner Monaghan seconding the motion. All in favor.

The next item on the agenda was a report on DGP's current season and the Chair recognized Bruce Wentworth, General Manager at DGP. Mr. Wentworth stated that they were 26 performances into their 1990 season. Their attendance and handle is down from last year but their per capita is a healthy \$134. They have started advance performance wagering and it seems to be making a difference. They are looking at their 1990 season as two seasons; before Wisconsin and after. They are off to a good start and their catch words for this season are "thumbs up".

The Chair recognized Barry Sevedge, Iowa West Racing Association, for the agenda items concerning Bluffs Run. Mr. Sevedge stated that they have hired a new general manager, Walter Pyper, to replace Jim Heywang; and proceeded to give a brief background on Mr. Pyper. They are looking at a long transitional period between Mr. Heywang and Mr. Pyper. Mr. Heywang will be going back to Alabama to work with the food change for all the tracks.

Mr. Sevedge then requested that the Commission approve the pic-nine wager, using fourth place finishers, to be paid out in an annuity at Bluffs Run. The winner will receive equal installments up to \$1 million.

Mick Lura, Administrator for the Racing and Gaming Commission, stated that the pic-nine rules were approved at the March meeting. During that meeting, Bluffs Run was given approval to conduct pic-nine wagering and offer a guaranteed payoff of \$1 million to be paid by a 20 year annuity. The annuity must be well publicized. Subsequent to that decision, Gary Hayward, Counsel for the Commission, issued an advisory opinion questioning the legality of the wager and added payoff. Since that opinion, the offending section of the Iowa Code has been amended to allow for the pic-nine and an additional payout subject to Commission approval. Since last month's action took place prior to the amendment, the Commission is back to square one. The staff objects to the payout by annuity as misleading to fans, however, since that issue was decided in March, the staff recommends Commission approval.

Commissioner May asked if the initial payment could be greater than \$50,000. Mr. Sevedge stated that if there is over \$500,000 (present value) in the pool the day the pic-nine is won, that person would get the amount over the \$500,000 (present value) plus the \$50,000 they would receive for the next 19

years.

Chairman Pike asked why they were departing from the pari-mutuel wagering. Mr. Sevedge stated that they have done marketing studies and they felt that this type of wager would help draw more patrons to their facility.

Commissioner Canella asked if this wager was approved, when would they start. Mr. Sevedge replied the end of the month.

Mr. Lura asked that the motion for approval state that Bluffs Run present their annuity (present value) and marketing plans to staff for approval prior to anything being released to the public.

Commissioner Canella asked if the state would still get 6% of the handle to which Mr. Lura replied yes.

Commissioner May asked if they would be placing the annuity with a "A" rated company to which Mr. Sevedge replied yes. We are insuring ourselves.

Chairman Pike asked Mr. Hayward if the Commission was legal in approving such a wager and payout. Mr. Hayward stated that the Commission is approving the wager which is legal. If the Commission is satisfied with the payout, then he saw no problem.

Commissioner May moved to approve pic-nine wagering, using the fourth place finisher, to be paid as an annuity at Bluffs Run. She further moved that all advertisement (clearly identified as to the payout) and the present value of each annuity be submitted to staff for prior approval. Commissioner Monaghan seconded the motion with all in favor. See Order (90-26).

Chairman Pike then called on Bruce Seymour, Vice President of Administration at Prairie Meadows (PM) for their requests. Mr. Seymour requested approval from the Commission to simulcast five races from Derby Day at Churchill Downs, May 5; the Preakness, May 19; and the Belmont Stakes, June 9.

Commissioner Pike asked if they have received permission from all horsemen groups to which Mr. Seymour stated that they talked to the horsemen on both the local and national level and they had no problem with simulcasting these races.

Mr. Lura recommended approval of the seven simulcast races and the related contracts. Commissioner Monaghan so moved with Commissioner Canella seconding the motion. The vote was unanimous. See Order (90-27).

Carole Baumgarten, President and Chief Executive Officer for PM, then asked for Commission approval of the contract between Bobbie Rhode and PM and the physician contract. Ms. Baumgarten gave a brief background on Bobbie Rhode.

Mr. Lura stated that staff had no problem with the Commission approving these contracts.

Commissioner Canella moved to approve the contract between Bobbie Rhode and PM. Commissioner Sealock seconded the motion with all in favor. See Order (90-28).

Commissioner Sealock moved to approve the physician contract at PM with Commissioner Canella seconding the motion. The vote was unanimous. See Order (90-29).

Mr. Baumgarten then complimented the Commission staff on how professionally and quickly they handled the jockey strike.

Mr. Lura then briefly summarized what transpired during the jockey strike. He stated that the main concern of staff was the disclosure of jockey weights to the public. This was something staff would not compromise on. After meeting with the horsemen and the jockeys, and stating the Commission position, it was decided that the jockeys could be two pounds over their weight but it had to be disclosed to the public so the integrity of racing would be maintained. The jockeys agreed and they were back riding Saturday evening. Mr. Lura stated that the same conclusion would have been arrived at whether the jockeys struck or not.

Commissioner Sealock asked what the outcome of the strike was as far as the jockeys and the public perspective. Both Ms. Baumgarten and Mr. Lura stated that have not felt any negative impact from the strike. Mr. Baumgarten stated that once the public was made aware of the disclosure issue, they understood the Commission's position.

Next on the agenda was the Iowa Greyhound Association's (IGA) request for breakage money. The Chair recognized Don Loughren, Vice President of the IGA. Mr. Loughren requested that the Commission approve the IGA to receive the check-off from the breakage money for FY 1991. He then outlined how the FY 1990 money was used.

Chairman Pike asked if the refund would come directly from the tracks Mr. Loughren replied that the money goes to the state and the state distributes from there.

Mr. Lura stated that the Legislature passed legislation requiring 2% of the breakage money be used for promotion of the greyhound industry. The Legislature gave the promotion money for FY 1990 to the IGA and gave the Commission authority to allocate the money in future years. In FY 1990, the 2% amounted to \$9,247.07. The amount in FY 1991 will be similar. Staff recommends that IGA be approved as the custodian of the greyhound promotion fund for FY 1991 and that the IGA submit a complete financial and activities report at the close of the fiscal year. Commissioner Canella so moved with Commissioner Monaghan seconding the motion. See Order (90-30).

The Chair then called upon Lorenzo Creighton, Deputy Administrator for the Racing and Gaming Commission for the hearings. Mr. Creighton stated that all six cases before the Commission were done by written brief. The opposing counsel and appellants were notified by certified mail but no briefs were filed and no one was present today.

Commissioner May moved to adopt the Findings of Fact and Order for case #89-DIARC-23 by inserting language "affirms decision of ALJ" and also adding language stating that licensee did not appear, and did not submit a written brief stating why the ALJ erred in their decision. (see attached Order). Commissioner Canella seconded the motion with all in favor. See Order (90-31).

Commissioner May moved to adopt the Findings of Fact and Order for cases #89-DIARC-35 and #89-DIARC-39 by inserting language "affirms decision of ALJ" and also adding language stating that licensee did not appear, and did not submit a written brief stating why the ALJ erred in their decision. (see attached Order). Commissioner Monaghan seconded the motion with all in favor. See Order (90-32).

Commissioner May moved to adopt the Findings of Fact and Order for cases #89-DIARC-28, #89-DIARC-30, and #89-DIARC-32 by inserting language "affirms decision of ALJ" and also adding language stating that licensee did not appear, and did not submit a written brief stating why the ALJ erred in their decision. (see attached Order). Commissioner Canella seconded the motion. The vote was unanimous. See Order (90-33).

Chuck Patton, Director of Riverboat for the Racing and Gaming Commission, then outlined the riverboat contracts which need Commission approval. They are: Memorandum Agreement between Bruce Targoff Associates and Steamboat along with a sample master agreement which would be used by Steamboat; agreement for interior design work relative to the proposed three riverboats; naval architect contract between John W. Gilbert Associates, Inc. and Steamboat Development Corporation and Steamboat Southeast, Inc; Environment Study on the river between Steamboat Development Corporation and Stanley Consultants, Inc; Hydraulic Study of the River between Steamboat Development Corporation and Dr. Robert Barkau; Structural Study of Two Existing Buildings between Steamboat Development Corporation and Shive-Hattery Engineers and Architects, Inc; Steamboat Development Corporation and David L. Paltzik; Steamboat Development Corporation and Atlantic Marine, Inc; and Alter Environmental Services, Inc.

Commissioner Canella asked if the Environmental Study and Hydraulic Study would hold up anything. Mr. Patton said the only thing that might change would be the location of the dock. The studies should not slow anything down.

Mr. Patton asked if the Green Bridge Company contracts need to be approved by the Commission. They will be doing the land base development. Mr. Hayward stated that if the contracts do not affect the viability of the applicant then

they do not need to be approved by the Commission.

Mr. Lura stated that staff had no problems with the contracts and recommended lumping the contracts together for approval and stating in the motion that the Green Bridge Company contracts need to be sent to the Commission office but do not need Commission approval.

Commissioner May moved to approve the nine riverboat contracts. Commissioner Sealock seconded the motion with all in favor. See Order (90-34).

Commissioner May moved that the Green Bridge Company contracts need to be sent to the Commission office but do not need Commission approval. Commissioner Sealock seconded the motion. The vote was unanimous. See Order (90-35).

Mr. Lura then brought up the approval for financing and project change. Mr. Lura explained to the Commission that a license to operate a riverboat in Sioux City was granted to Missouri Riverboat Associates, LP with the condition that they show evidence of \$4.5 million in equity and a signed boat construction contract by April 30, 1990. Fried-Schegan and Associates is asking the Commission to amend the condition on the license to reflect a reduction in the equity requirement by \$500,000 and have a corresponding increase in their debt financing. They will provide evidence of such equity and debt availability prior to April 30. At this time, staff has received only the new "pro forma" statements that were distributed to the Commission. Documented evidence of equity and financing would still be required prior to April 30.

The staff is comfortable with the new financing plan in terms of viability of the project. The shift of \$500,000 to debt financing still leaves a reasonable percentage of equity. If the Commission decides to be flexible relative to changing a condition, then the staff recommends approval of the request.

Mr. Patton stated that either way of financing is fine with them as long as the project is approved.

Commissioner May asked how this would change the distribution of money between the boat operator and the non-profit to which Mr. Lura responded that it would not change.

Commissioner Canella moved to shift \$500,000 from equity to debt financing. Commissioner May seconded the motion with all in favor. See Order (90-36).

Commissioner Canella asked if there was going to be a problem with the April 30 deadline on the boat and the equity to which Mr. Patton said no.

Mr. Patton then brought up the adoption of Chapter 22, Manufacturers, Distributors, Vendors and Occupational Licenses and asked for Commission approval. Mr. Patton explained that this is the first round for these rules

Commission Meeting  
April 19, 1990  
Page 6

and a hearing would be held on June 5 for anyone to voice a concern or problem that they saw with the rules. Following everyone's input, the rules would come back before the Commission for final adoption.

Commissioner Monaghan moved to adopt Chapter 22 and File a Notice of Intended Action. Commissioner Canella seconded the motion. The vote was unanimous. See Order (90-37).

Next on the agenda was the administrative business. Chairman Pike recognized Mary Ellen Chamberlain, President of Riverboat Development Authority and Dan Kehl, Roberts River Rides for brief updates on what progress their groups have made.

Mr. Lura stated that he would report on the Waterloo season in writing as he did not have all the numbers he needed.

Commissioner May moved to go into Executive Session pursuant to Iowa Code Chapter 21.5(1)"a" to discuss background investigations. Commissioner Canella seconded the motion. The vote was unanimous.

Following Executive Session, the meeting was adjourned.

MINUTES TAKEN BY

  
KARYL JONES

**IOWA RACING AND GAMING COMMISSION  
TELECONFERENCE MEETING  
MINUTES  
MAY 1, 1990**

On May 1, 1990, the Iowa Racing and Gaming Commission held a conference call pursuant to Iowa Code Section 21.8. The meeting was conducted by telephonic means due to the brevity of the agenda and the urgent nature of the matter to be discussed.

Participating in the call were: Chairman, Bud Pike; Vice-Chairman, Leo Monaghan; Members Lorraine May, Rita Sealock and Dick Canella; Administrator of the Racing and Gaming Commission (IRGC), Mick Lura; Bruce Wentworth, General Manager at Dubuque Greyhound Park (DGP); and Dave Clemons, President of the Dubuque Racing Association. Present in the Commission office were Lorenzo Creighton, Deputy Administrator for the IRGC; and several reporters.

The Chair called the meeting to order and called on Mr. Lura. Mr. Lura stated that Prairie Meadows (PM) was requesting to simulcast 12 regular races a week in conjunction with their live racing. They would be running two simulcast races Wednesday, Friday, Saturday and Sunday and four simulcast races on Thursday. The races would be simulcast in from Garden State, Hollywood Park and Belmont.

Recent legislation was passed allowing the Commission total jurisdiction over simulcasting during live races at each of the racing facilities. No simulcast races can be held if there is no live racing.

Mr. Lura said that this simulcast request would reduce their racing card by one live race a day from their original request to the Commission. PM will be honoring their contracts with the horsemen by having at least seven live races per day. There will be one less quarterhorse race per week to which the horsemen have agreed to. The horsemen have agreed to the simulcasting of these races as it will help increase the purses for them. If PM chooses to simulcast any special events, they will come to the Commission for approval.

Staff recommends approval of the 12 regular simulcast races per week. Staff feels that this was the intent of the legislation to help promote racing. The motion for approval should be conditioned upon PM complying with the contracts with the horsemen's groups.

Commissioner Canella asked if there would be enough live races to offer wagers such as the twin trifecta and the daily double to which Mr. Lura responded yes.

Chairman Pike asked if this would help make bigger fields for the live races. Mr. Lura said it would make a difference.

Chairman Pike asked why four races on Thursday. Mr. Lura stated that PM felt that this was their slowest day and maybe the additional simulcast races would help draw in the patrons. Commissioner Pike then asked if they could cutback on the simulcast races if they have the horses to run live races. Mr. Lura

stated that the Commission could grant PM permission to run a maximum of 12 races per week which would allow PM the flexibility to have less.

Chairman Pike stated that he felt that this would be a learning experience for the Commission and PM as far as an introduction into simulcasting.

Mr. Lura said that there were two things that the Commission needed to take into consideration with this request. One factor is the impact simulcasting would have on live races and the second is the impact it would have on the other licensees. Mr. Lura stated that he had contacted the other licensees concerning PM's request. Waterloo Greyhound Park had no objections, Bluffs Run had concerns about simulcasting in general but had no objections to PM's request, and DGP was included in the call to voice their concerns.

The Chair recognized Mr. Wentworth. Mr. Wentworth stated that DGP was opposed to PM's request and read a document stating the reasons why (see attached).

Mr. Lura stated that he did not feel that simulcast races would affect the attendance. The patrons would already be at the track for the live races and the simulcast races would be an added attraction. The Commission needs to look at the overall benefit to racing in Iowa and not just one track.

Mr. Wentworth stated that they would be losing 45% of their patrons to the east and north and will be looking to the west to help make up for the loss. They estimate that 20-25%, out of their 55% market left, overlaps with PM.

Commissioner Sealock stated that in PM's request they said that they are looking to simulcast to help increase their fan base. Mr. Lura responded that he did not think that these regular simulcast races would be a drawing card, however, it is every tracks goal to increase attendance by trying different things.

Commissioner Monaghan asked Mr. Wentworth when the Wisconsin competition would begin. Mr. Wentworth stated that one track opened last night and the other two will be open by June 1. Commissioner Monaghan stated that he does view this request for simulcasting as an experiment. He feels that this was the intent of the legislation and the Commission needs to look at the industry as a whole.

Mr. Clemons asked what criteria the Commission will use to evaluate the impact simulcasting had on the tracks at the end of July. Mr. Lura stated that he was the one and not PM that feels that the addition of simulcasting will not make that much of an impact on attendance. We will have to develop criteria over the next couple of months as to how to evaluate the impact, however Dubuque and Des Moines have never been considered to be in the same market area.

Commissioner Monaghan asked if PM would have any different marketing plans

with the addition of simulcasting. Mr. Lura asked Carole Baumgarten, President and Chief Executive Officer at PM who was holding on another line, Commissioner Monaghan's question and her response was that they will not change their marketing plans and at this time they do not have a count on what area their patrons are coming from.

Chairman Pike said that fans usually don't cross lines. They are either into horse racing or greyhound racing. Mr. Wentworth stated that they are not concerned with those fans but with the fans that are neither at this time.

Mr. Lura stated again that he did not think that simulcasting these races would increase attendance because the fans would be there for the live races anyway. It would help increase PM per capita.

Chairman Pike stated that he felt that they needed to use simulcasting as a tool to help promote the industry. Chairman Pike then asked if PM will be able to speed up the time between races inserting simulcast race and still give the patrons time to wager. Mr. Lura said that PM feels that they can handle getting the wagers in but that is why this is an experiment. These are all unknowns.

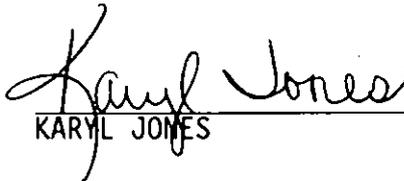
Commissioner Sealock stated that Aksarben contends that simulcasting is what has kept them open.

Commissioner Canella voiced a concern that simulcasting would decrease the amount of live races. Mr. Lura stated that they still have to honor the contracts with the horsemen so he saw no danger of them decreasing the amount of live races. It is their goal to eventually have more live races.

Mr. Lura recommended that the Commission grant PM's request to run up to 12 regular simulcast races a week, subject to contractual agreements with the horsemen through July 30. Commissioner May so moved with Commissioner Monaghan seconding the motion. A roll call vote was taken with all voting aye. See Order (90-38).

The meeting was adjourned.

MINUTES TAKEN BY

  
KARYL JONES

**IOWA RACING AND GAMING COMMISSION MEETING  
MINUTES  
MAY 17, 1990**

The Iowa Racing and Gaming Commission (IRGC) met on Thursday, May 17, 1990, at 9:00 a.m. at the Wallace Auditorium, Des Moines. Present were Chairman, Bud Pike; Vice-Chairman, Leo Monaghan; and members Richard Canella, Lorraine May and Rita Sealock. The Chair called the meeting to order.

The Chair then entertained a motion to approve the minutes of the April 19, 1990, Commission meeting and the May 1, 1990, telephonic Commission meeting. Commissioner Sealock so moved with Commissioner Canella seconding the motion. All in favor.

The Chair recognized Barry Sevedge, Iowa West Racing Association, for the approval of the general manager at Bluffs Run. Mr. Sevedge introduced Walter Pyper who will be replacing Jim Heywang as General Manager at Bluffs Run. Mr. Sevedge publicly thanked Mr. Heywang for his dedication and employee oriented management approach he used at Bluffs Run.

Mr. Pyper then gave the Commission a brief background on himself. Chairman Pike asked when the transitional period between general managers would be up. Mr. Pyper replied after July 4.

Commissioner Sealock moved to approve Walter Pyper as General Manager at Bluffs Run. Commissioner Monaghan seconded the motion with all in favor. See Order (90-39).

The Commission thanked Mr. Heywang for all he had done at Bluffs Run and wished him luck in his new endeavor. They also welcomed Mr. Pyper aboard.

The next item on the agenda was adoption of rules and the Chair called upon Mick Lura, Administrator for the IRGC. Mr. Lura stated that the pic-nine rules were adopted by the Commission at the March meeting and no changes have been made to the rules since. Mr. Lura recommended final adoption of the pic-nine rules.

Commissioner Canella moved to final adopt the pic-nine rules with Commissioner May seconding the motion. The vote was unanimous. See Order (90-40).

Mr. Lura then stated that the amendment to Chapter 10, Thoroughbred Rules, was the result of the jockey walk out. Mr. Lura said that he had made a commitment to the jockeys that a rule change would be made to allow for two additional pounds to the weight limit assigned to the horse for clothing needed during inclement weather. The public will be made aware of the additional weight. Mr. Lura recommended that the Commission emergency adopt and implement this rule as well as file a notice of intended action.

Commissioner May moved to Emergency Adopt and Implement the amendment to Chapter 10 and simultaneously File a Notice of Intended Action to allow for public comment. Commissioner Sealock seconded the motion with all in favor. See Order (90-41).

The Chairman then recognized Ed Ellers, Attorney for the Connelly Group, for riverboat contract approvals. Mr. Ellers outlined the Connelly Group Partnership Agreement with the International Game Technology (IGT). He summarized both the financial and operational points of the contract. Mr. Ellers then introduced Ray Pike, Senior Vice President of IGT, who gave the Commission a brief history on IGT.

Chuck Patton, Riverboat Manager for the IRGC, recommended approval of the contract subject to background checks. Commissioner Canella so moved with Commissioner Sealock seconding the motion. The vote was unanimous. See Order (90-42).

Doug Kratz, Steamboat Development Corporation, then brought the Commission up-to-date on how their applications are progressing. He told the Commission that there is a lot of enthusiasm and everything seems to be going according to schedule. He then asked for approval of the contract between Barbara Balch, LTD and Steamboat Development Corporation.

Mr. Patton recommended approval of this contract. Commissioner Canella so moved with Commissioner Sealock seconding the motion. All in favor. See Order (90-43).

The next item on the agenda was the Administrator's request for Commission review and the Chair recognized Lorenzo Creighton, Deputy Administrator for the IRGC. Mr. Creighton stated that the matter before the Commission was on the excursion gambling boat license of the Missouri Historical Development, Inc., and Missouri Riverboat Associates, Limited Partnership to determine whether the licensee has performed all material commitments made in the application, whether the licensee has complied with condition #7 (see attached) as amended by commission action on April 19, 1990, and determine whether the licensee is in compliance with the IAC 491-21.10(3) and IAC 491-21.10(18).

Following lengthy testimony (which is available in the Commission office on tape), Commissioner Monaghan moved that the Commission go into Executive Session pursuant to Iowa Code Chapter 21.5(1)"a" to discuss the case. Commissioner Canella seconded the motion. The vote was unanimous.

Following Executive Session and more testimony, Commissioner May moved that the hearing be continued until June 21, 1990, and the Missouri Riverboat Associates submit to Commission staff on or before June 17, 1990, any arrangements they have for long-term financing. Commissioner Monaghan seconded the motion. A roll call vote was taken with all voting aye. See Order (90-44).

Commissioner May then made it clear to all parties that they are to appear June 21 without any further notice.

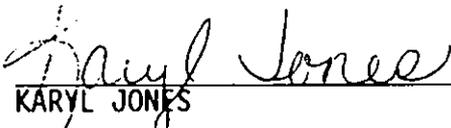
The Chair then brought up the Administrative portion of the meeting. Commissioner Canella stated that the Medication Committee had met with Dr. Walter Hyde, Dr. Sally Prickett, Mr. Lura and Mr. Creighton to review medication and testing procedures. A report will be submitted to the Commission in the next month.

Commissioner Monaghan stated that the Contract Committee has submitted a proposed form on the procedure to review contracts to each Commissioner and staff for their review and comment. Upon receipt of all comments, a final form will be developed and distributed to all licensees.

Commissioner May moved that the Commission go into Executive Session pursuant to Iowa Code section 21.5(1)"a" to discuss background investigations and testing procedures.

Following Executive Session, the meeting was adjourned.

MINUTES TAKEN BY

  
KARYL JONES

IOWA RACING AND GAMING COMMISSION  
MEETING MINUTES  
JUNE 21, 1990

The State Racing and Gaming Commission met on Thursday, June 21, 1990, at 1:00 p.m. at the Wallace Building, Des Moines. Present were Chairman Bud Pike, Vice-Chairman, Leo Monaghan; and members Richard Canella, Lorraine May and Rita Sealock. The Chair called the meeting to order.

The Chair entertained a motion to approve the minutes of the May 17, 1990, Commission meeting. Commissioner Sealock so moved with Commissioner May seconding the motion. All in favor.

Chairman Pike then recognized Commissioner Monaghan for date requests for the 1991 racing seasons. Commissioner Monaghan stated the requested dates are as follows: Dubuque Greyhound Park - April 2, 1991, through November 10, 1991, Bluffs Run - January 4, 1991 through December 31, 1991, with Holiday closing December 12 through December 25, Waterloo Greyhound Park - October 10, 1991 through April 19, 1992, and Prairie Meadows - March 1, 1991 through November 18, 1991.

Commissioner Monaghan advised the Commission that all tracks and the Commission were in agreement with requested dates, particularly overlapping dates.

Commissioner Canella moved for adoption of Dubuque Greyhound Parks requested dates of April 2, 1991 through November 10, 1991.

Commissioner May seconded the motion with all in favor. See Order (90-45).

Commissioner Sealock then moved to adopt requested dates for Bluffs Run of January 4, 1991, through December 31, 1991, with holiday closing of December 12 through December 25. Commissioner Canella seconded the motion. All in favor. See Order (90-46).

A motion was presented by Commissioner Canella to adopt the proposed dates for Waterloo Greyhound Park of October 10, 1991 through April 19, 1992, with Commissioner May seconding the motion, and all in favor. See Order (90-47).

Commissioner May moved for approval of Prairie Meadows requested dates of March 1, 1991, through November 18, 1991. Commissioner Canella seconded the motion. Commissioner May then amended her motion to include a future breakdown of dates which would include quarter horse, harness and thoroughbred racing seasons. Commissioner Canella seconded the amended motion with all voting in favor. See Order (90-48).

The Chair recognized Mick Lura, Administrator for the IRGC for the purpose of taking up a request from Bluffs Run to simulcast "The Greyhound Race of Champions" on July 21, 1990, at 9:30 p.m. Mr. Lura advised the Commission that also to be included was an informal request from Dubuque Greyhound Park to simulcast that same race. Walt Pyper, General Manager of Bluffs Run was also recognized for that request.

Commissioner May expressed concern that Dubuque Greyhound Park's request was not on the agenda. Gary Hayward, Legal Counsel for the IRGC stated that the Commission agenda is not binding and therefore would not be a problem.

Commissioner Sealock then moved that the request by both Dubuque Greyhound Park and Bluffs Run to simulcast "The Greyhound Race of Champions" on July 21, 1990, be granted. Commissioner Monaghan second the motion. All voted in favor of the motion. See Order (90-49).

Chairman Pike then called upon Carole Baumgarten, General Manager of Prairie Meadows, Bruce Seymore, Assistant Manager, and Royal Roland representing the harness horsemen interests in the upcoming harness season at Prairie Meadows. Ms. Baumgarten advised the Commission that they were proposing to race four day weeks to Thursday through Sunday and extend the meet two weeks. She stated that the harness horsemen were in agreement and that they believe it is economically a good move.

Commissioner Canella expressed some concern about advertising the proposed race dates without approval from the Commission. Ms. Baumgarten advised the Commission that no advertising would be done until they have approval.

Mr. Seymore then addressed the Commission with progress in hiring harness racing officials, stating that the Racing Secretary has been hired subject to a background investigation and that most other officials will remain the same. Ron Fairholm, thoroughbred steward has completed classes and is now certified with the USTA to serve as a harness steward. Mr. Seymore stated that they are currently recruiting horses at a somewhat slow pace. Expressing concern that only 343 have applied, and only 183 are currently on hand. He believes 800 horses would be ideal, but they could have a successful meet with only 500.

Mr. Roland stated that he did not believe it would be difficult to get 500 horses. Needed are 360 per week to fill the races.

Commissioner May asked if the decision to race a four day week was due to a lack of horses, to which Mr. Seymore replied yes.

Some discussion was made about simulcasting and its success. Commissioner May asked if live horses are being used as much as possible, to which Mr. Seymore replied yes, stating that simulcasting has been a big plus. They are using every tool possible to make this track a success.

Mr. Roland stated that the standardbred people are in agreement with racing four days a week with the extended season. Ms. Baumgarten advised the Commission that a formal request would be made at the July meeting for those dates.

Chairman Pike then advised the Commission that Jay Spurrier, former President of Racing Commissioners International would be a guest speaker at the July meeting and asked that Prairie Meadows and IRGC staff send out the word that all horsemen are encouraged to attend the meeting.

The Chair recognized Mr. Pyper for a report on the Pic-nine at Bluffs Run. Mr. Pyper stated that approximately 1% of the total handle each day is being bet on the Pic-nine. They are seeing a slight increase in attendance and they feel that the Pic-nine is a positive enhancement to the sport and to Bluffs Run.

Chairman Pike then called upon Lorenzo Creighton, Deputy Administrator for the IRGC for the purpose of taking up the hearing on William Delaney - License Revocation. Mr. Creighton stated that a motion for a continuance of the hearing until the July meeting had been received.

After some discussion Commissioner May moved that the motion be granted. Commissioner Monaghan seconded the motion. All voted aye. See Order (90-50).

The Chair called upon Commissioner Monaghan for a marketing report from Dubuque Greyhound Park. Commissioner Monaghan stated that DGP is staying abreast of competition by running articles about DGP being "The Best Value in the Midwest". The point being that there is greater value when your pari-mutuel dollars are wagered in Iowa. After further discussion the Chair appointed Commissioners Monaghan and Sealock to study changes in the pari-mutuel industry in Iowa now and in the future.

The next item on the agenda was the matter of the continuance of the hearing involving the license of the Missouri Historical Development Inc., and the submission of arrangement for long term financing. The Chair recognized Mr. Creighton who called upon John Schegan for further testimony.

Mr. Schegan advised the Commission that a financial package was being presented this day. Stating that they are working with Omega Resources Limited a bank holding company and a subsidiary of World Wide Financial Corporation and that they now have 16 million dollars in equity.

Commissioner May expressed concern that this was a non-recourse loan and that the original provision was to have 3.5 to 4.5 million in equity, and asked if the original partnership had been restructured. Mr. Schegan replied that the people who have already invested in the project will have their money refunded. The limited partnership will remain the same, however the partners will have no money invested.

Commissioner May stated that the 16 million is coming in the form of a non-recourse loan and not equity.

Commissioner Canella asked where the collateral was coming from. Mr. Schegan replied that the vessel and equipment would be the collateral.

Mr. Creighton recognized R. J. Corsaut, representing World Wide Limited who was then sworn in to give testimony. Mr. Corsaut stated that Commissioner May was correct in her assumption that of the \$16,010,000 invested, only \$10,000 was actually equity. The \$16 million was in fact a non-recourse loan. It was structured that way for tax purposes and return principle. If the project is not successful, they stand to lose as much as 50% of their investment.

Commissioner May asked that a limitation be put on the time period in which a deposit is made into escrow and a limitation for a starting date be set.

Some discussion was made about various changes that need to be made in the agreements before the documents can be filed in final form. Commissioner May asked Mr. Lura to oversee these changes. Mr. Corsaut was then asked if this can be accomplished by the July meeting, to which he replied yes. Stating that once this form of financing has been approved, even though it may be subject to changes they can go ahead with financing and the project should be funded by the end of August. Mr. Corsaut stated that it will take 60 days from the date of approval.

The Chair addressed Mr. Lura for an opinion for the financing structure. Mr. Lura replied that he is not concerned with the fact that the project is being totally financed. He stated that he is satisfied with the structure subject to an investigation into the financial status and backgrounds of the company itself.

Chairman Pike then recognized Betty Strong, president of the non-profit group. Mrs. Strong sworn in to give for testimony. Mrs. Strong advised the Commission that the board members are thrilled to finally be getting to this point and that they do not foresee any problems.

Mr. Lura then stated that the situation is in violation of the current condition on their license and the license is still subject to revocation unless the condition would change. He informed the Commission that they have the option to change the condition which would make revocation a moot point.

After further discussion Commissioner May moved to adopt the following findings of fact and order an amendment to condition No. 7 in the matter of the Missouri Historical Development Incorporated and Missouri Riverboat Associated limited partnership. That on March 8, 1990, an excursion boat license was granted, that on March 8, 1990, certain conditions were placed on the license and on April 19, 1990, the Commission amended what was known as Condition No. 7, to allow a lower amount that required cash equity at the licensees request. That the licensee failed to meet the deadline set forth in the condition of April 30, 1990, that it appears that the licensees have secured a total financial package, although it is well after the deadline set by Commission action, and would move for Commission adoption of the following:

1. That condition No. 7 be rewritten to read as follows: That the applicant licensee provide evidence of 15.5 million in escrow 60 days or less following the approval of the Iowa Queen limited partnership agreement or 60 days after July 15, 1990, whichever comes first. Subject to background investigations by the Racing and Gaming Commission through the DCI. Failure to provide such evidence shall make this license subject to immediate revocation.

2. That the financial package is subject to future Commission approval and subject to full background investigations by the DCI.

3. Based upon the condition as amended, the licensee is no longer in a state of non-compliance and the case is therefore dismissed.

Commissioner Sealock seconded the motion.

Commissioner May then moved to amend her motion to include: "subject to a report of the DCI upon a complete background investigation indicating no grounds for further Commission action". Commissioner Sealock seconded the amended motion with all voting in favor. See Order (90-51).

The Chair called for a vote of the motion as amended, all voted aye. See Order (90-52).

Chairman Pike then brought up for discussion lasix issues being looked at throughout the nation and asked that Commissioners stay informed of those issues and the controversies surrounding its use. He then asked the committee of Commissioner May and Commissioner Canella to work with commission vets and keep all Commissioners aware of issues arising on local and national levels.

The Chair then recognized Chuck Patton, Riverboat Manager, for the IRGC to take up winter docking approvals. Mr. Patton brought up for discussion Dubuque Racing Association/Dubuque Casino Belle request for year round docking at the Ice Harbour in Dubuque, with excursion routes and time schedules to be brought up at the July meeting, and recommended approval.

Commissioner May moved for approval of winter docking December 1 through April 1 at the Ice Harbour. Commissioner Monaghan seconded the motion. The vote was unanimous. See Order (90-53).

Approval of winter docking for Southeast Iowa Regional Riverboat Commission/Steamboat Southeast was brought up. Mr. Patton recommended approval of winter docking in Keokuk and stated that excursion times have been submitted. Commissioner Canella moved Southeast Iowa's excursion dates be approved. Commissioner Monaghan second the motion. All voted in favor of the motion. See Order (90.58)

Commissioner Canella moved for approval of winter docking in Keokuk and Commissioner May seconded the motion. All in favor. See Order (90-54).

The next item brought up for discussion was approval of winter docking for Riverbend Regional Authority/Steamboat Development Corporation. Mr. Patton stated that one boat would be docked in Bettendorf and asked that the decision for the 2nd boat be postponed until the September meeting. Mr. Patton recommended approval of one boat.

The Chair expressed some concern about delaying until September and asked if enough time is being allowed. He then recognized Doug Krafft, Steamboat Development Corporation, who stated that all communities have approved of all arrangements and they were

After further discussion, Commissioner Canella moved to approve winter & summer docking and excursion routes of one boat, to include peak season excursions for both boats. Commissioner May seconded the motion. The vote was unanimous. See Order (90-55).

Mr. Patton then recommended approval of the site previously identified in the application of Riverboat Development Corporation/ The Connolly Group for both summer and winter docking with excursions to be submitted later. Commissioner Monaghan moved for adoption, with Commissioner Sealock seconding the motion, with all in favor. See Order (90-56).

Mr. Patton then advised that Mr. Schegan had submitted a letter advising that they are not prepared to submit for approval of excursion dates but asked that the site visited by Commissioners be approved for winter and summer docking.

After some discussion, Commissioner Sealock moved approval of the site requested. Commissioner May seconded the motion. All voted aye. See Order (90-57).

The Chair then brought up the Administrative portion of the meeting. A work session meeting to discuss possible rule changes was planned for July 19, 1990, following the regular Commission meeting, and a teleconference meeting was tentatively planned for July 2nd at 9:00 a.m .

Chairman Pike then called for a motion to go into Executive Session pursuant to Iowa Code Chapter 21.5(1)"a" for the purpose of discussing background investigations. Commissioner May so moved, with Commission Monaghan seconding the motion and all in favor.

Following Executive Session, Commissioner Monaghan moved that the meeting be adjourned. Commissioner Canella seconded the motion, with all voting aye.

Minutes Taken By  
Jean Cook

**IOWA RACING AND GAMING COMMISSION MEETING  
MINUTES  
JULY 19, 1990**

The Iowa Racing and Gaming Commission (IRGC) met on Thursday, July 19, 1990, at 9:00 a.m. at the Wallace Auditorium, Des Moines. Present were Chairman, Bud Pike; Vice-Chairman, Leo Monaghan; and members Richard Canella, Lorraine May and Rita Sealock. The Chair called the meeting to order.

The Chair then entertained a motion to approve the minutes of the June 21, 1990, Commission meeting. Chairman Pike noted that they had approved the excursion dates for Southeast Iowa. Commissioner Canella moved that the minutes be amended to read Southeast Iowa's excursion dates be approved. Commissioner Monaghan seconded to motion with all in favor. See Order (90-58)

The Chair recognized Carole Baumgarten, President of Prairie Meadows, to discuss the proposals of the Racing Association of Central Iowa. Before Ms. Baumgarten proceeded with the items listed on the agenda she noted that she had sent a request into our office regarding a four versus five day meet for Harness. Mr. Lura replied that we had a schedule of their proposed simulcast request and by approving that they have in effect approved the four day meet. Item "a" on the agenda dealt with the Iowa Bred Purse Supplement. Mr. Lura recommended that "a" through "d" on the agenda be voted on in one block. The percentage is 50% - subject to change/subject to activity of breakage. Item "b" on the agenda dealt with Racing Officials and Department Heads. Ms. Baumgarten stated that all department heads are the same with the exception of adding counsel, Henry Hanes is Director of Sales and Jim Gilcrest is Director of Accounting. Ms. Baumgarten stated they have the same people they have just been shifted around. She stated that Mr. Seymore got approval from the State Stewards for the Harness Racing Staff. Item "c" on the agenda dealt with Minimum Purse. The recommendation for the minimum purse is \$1,000. Item "d" on the agenda addressed Multiple Wagering Format. Tom Timmons addressed the 3 new multiple forms of wagering. One is the quiniela double; second is the superfecta; and third is the tri-superfecta. All of the multiple wagering would be subject to the horse availability. Mr. Lura asked that action be deferred on superfecta wagering until all parameters could be looked at. Superfecta and pic-nine would be discussed at a later date. Commissioner Monaghan moved to adopt items a, b, c and d of the agenda with the exception of the superfecta and officials subject to successful completion of back-ground investigations. Commissioner Canella seconded the motion with all in favor. See Order (90-59)

Chairman Pike acknowledged the winding down of the thoroughbred season and getting ready for the Harness and asked the Commissioners if they had any questions for Ms. Baumgarten at this time. Ms. Baumgarten deferred to Mr. Seymore regarding the number of horses that had applied for and been accepted. He stated that the last time he was before the Commission he had offered them a plan that he had hoped that 800 individual horses apply and out of those 800 that would apply they would be able to pick out 500 competitive horses that he could use in the meet. He further stated that at this point in time he had 469 horses of which he had approved all of them, he had not been selective at all. He estimated that out of 469 horses 75-80% are Iowa owned 138 of the 469 are Iowa Bred; 258 are Iowa owned. He stated that he needs 500 competitive horses that will fit into the conditions. He stated that if it does not work

out he may have to come up with different conditions. Mr. Seymore stated that he has not given up on live harness races. Ms. Baumgarten stated that Royal Roland thought they could do a least 8 live races a day. She stated that they were looking at 32-36 live races per week based on a 4 day meet. Royal Roland said that the harness people are reluctant to leave the tracks they are currently at because of what happened in 1989. They are willing to come here and race on a ship-in basis but they don't want to burn their bridges with the tracks they are currently at. With that he thought there would be more horses available than what is on stall applications.

Carol Baumgarten, stated that they were still on target with all of their figures with the money that is borrowed from Polk County. They are exactly or maybe a little bit ahead of where they said they would be. She commended Prairie Meadows and the Department Heads for the exceptional job they had done regarding controlling and cutting back on spending. She stated that she felt they would fall within 10% of their business plan on both attendance and handle. She explained several marketing techniques that have worked very well for Prairie Meadows.

Ms. Baumgarten proceeded to explain her request regarding simulcasting. She proposes to mix Dog racing with Harness racing on an experimental basis. She believes that there is a need for joint ventures in Pari-Mutuel and that the survival of Pari-Mutuel depends upon all of us working together. Prairie Meadows is requesting everyone be a part of the first experiment in this joint venture in the State of Iowa. She feels it will be a win for the Harness meet and for Dog racing. She also believe that a four day meet will take pressure off of the horses. This is a forty-three day meet and will give everyone some data to look at in the future.

Barry Savage, Aim Inc., was at the meeting on behalf of Bluffs Run. He expressed that they were enthusiastic and pleased to be a part of this experimental plan.

Dave Clemons, President of the Dubuque Racing Association and Arnie Honkamp, 1st Vice President of the Dubuque Racing Association, expressed their opposition to the simulcasting of greyhounds at the Harness meet. They felt very strongly that Dubuque could suffer an approximate 17% loss. They also contested that the legislative intent, regarding simulcasting legislation, was not to mix horses and dogs. They voiced their discontentment in the lack of communication with them concerning simulcast between PM and Bluff Run. They think it is a bail-out for PM not an experiment. They feel that their survival is on the line.

Senator Joe Welsh, spoke on behalf of the Dubuque Greyhound track. He expressed his concern of pitting one track against the other with this proposal. He explained that the simulcasting legislation adopted this year was not done with the intent of combining dog racing and horse racing. He wanted an opportunity to study and look at the Prairie Meadows proposal therefore, at this point he is opposing it because he sees it as having a detrimental effect on the Dubuque Greyhound track.

Bob Hardinson, President and Gloria Sanders, Executive Secretary to the Greyhound Association appeared. Ms. Sanders also represents the National Greyhound Association. She said they are working on a bill like the horseman

currently have concerning purses. She stated that they do support the concept of going with a two month trial basis, if the purses are at "3.25" and are added to the greyhound purses.

Royal Roland, Iowa Harness Association, stated that the Iowa Harness Association supports the request of simulcasting the greyhounds during harness season.

Mary Barnes, Controller of the Waterloo Greyhound Park, stated that Waterloo was in support of this proposal.

Chairman Pike recognized the commissioners for questions and brief comments regarding this issue.

Chairman Pike directed a question to Gary Hayward, Assistant Attorney General, as to the legalities of this proposal reference the current simulcast legislation. Mr. Hayward assured the Commission that it was legal.

Mr. Lura strongly recommended that we accept Prairie Meadows proposal. He stated that since this was an experiment, that greyhound owners would not receive the full 3.25%. He stated, that Dubuque in his opinion, would take a minimal hit. He stated that all the particulars dealing with Prairie Meadows and Bluffs Run simulcasting would be discussed and details handled at a later date and presented to the Commission. Mr. Lura suggested that this is in the best interest of Iowa to see how this proposal will work and strongly recommends approving this as proposed by PM. He agreed with Commissioner Canella regarding a minimum of four live races daily. Commissioner Canella moved that we accept the request for simulcasting dog racing at Prairie Meadows with the stipulation that there be at least four live races taking place on any given night, whenever possible. This proposal will serve as an experiment and all statistical information from the tracks will be made available. Commissioner Sealock seconded the motion. Roll call vote with all Commissioners voting "aye". Motion carried (order 90-60).

Chairman Pike introduced Jay T. Spurrier, Kentucky Harness Commission and Past President of ARCI. Mr. Spurrier was recognized for a presentation to the Commission and audience and delivered a thirty minute talk relative to the pari-mutuel industry nationally.

Mr. Lura was recognized for discussion and recommendation of notice of intended action on live lures. Commissioner May moved the notice of intended action (see attached language) and the rule become effective one year from final adoption. Commissioner Canella seconded the motion with all in favor. See Order (90-61)

Mr. Lura was recognized to take up final adoption of jockey weights rule. Commissioner Monaghan moved that the jockey weights rule be adopted. Commissioner May seconded the motion with all in favor. See Order (90-62)

Commissioner Canella moved that the Commission recess into Executive Session pursuant to Iowa Code Chapter 21.5(1)"a" for purposes of background investigations. Commissioner Monaghan seconded the motion. The vote was unanimous.

Reconvened 1:45 PM

The next order of business taken from the agenda was Riverboat Gambling. Dave Joyce, Vice President of Steamboat Southeast, Inc., was there to discuss Steamboat Docking. Mr. Patton noted that both of the riverboat issues on the agenda had been withdrawn. Steamboat docking was withdrawn yesterday at the request of Steamboat and the Non-Profit, they felt it was premature to consider it at this time. Missouri Riverboat Associates was put on the agenda with the anticipation of being brought current on the application regarding the financial plan. No one from MRA appeared.

Chairman Pike noted that one of the items on the agenda was a work session for review of the rough draft of the gaming rules. He directed Chuck Patton, Director of Riverboat, to reschedule at a later time.

Lorenzo Creighton, Deputy Administrator, stated the next Commission meeting would be scheduled August 16, 1990 at Iowa State University. The purpose of having the meeting in Ames is to visit the racing laboratories.

The next item taken up on the agenda was the election of officers. Commissioner Canella moved to re-elect Bud Pike as Chair and Leo Monaghan as Vice Chair. Commissioner May seconded with all in favor with the exception of Bud Pike abstaining. See Order (90-63)

Next order of business was the Jeff Johnston hearing. Timothy McCarthy, Attorney for Jeff Johnston, stated that they were not going to contest that the violation occurred. Gary Hayward asked if Timothy McCarthy accepted the Stewards decision as an accurate summary of testimony. His reply was yes it was accurate. Mr. McCarthy asked that Ron Banks Manager of the Jockey's Guild, be allowed to speak on behalf of Jeff Johnston. Chairman Pike swore Mr. Banks in. Mr. Banks maintained that Jeff's offense was not as serious as it had been hyped to be. He very much wanted the Commission to think through the penalty that they were about to impose on Mr. Johnston. The Chair swore in Jeff Johnston, his attorney resisted any questions being asked relating to the violation. The Commission asked to recess into Executive Session for the purpose of discussing Jeff Johnston. No objection.

Reconvened Regular Session at 3:00 pm.

Lorraine May moved that the Commission modify the Board of Stewards Ruling #4694 to read: Jockey Jeff Johnston is suspended and denied the privileges of the grounds for a period of one year (June 15, 1990 through June 14, 1991) for possession of an electrical device while astride the winner of the first race on June 10, 1990. The Commission further holds that Jeffery A. Johnston is additionally ineligible for licensing in Iowa for 2 years, until June 15, 1993. Commissioner Canella seconded the motion with all in favor. See Order (90-64) See attached Finding of Fact and Order.

William Delaney was the second contested case hearing. Mr. Greg Owens, Attorney for Mr. Delaney asked for a continuance, stipulating a proposed agreement would be in hand before the next meeting.

Motion to adjourn, the motion was seconded and all present voted "aye".

IOWA RACING AND GAMING COMMISSION  
MEETING MINUTES  
AUGUST 1, 1990

The State Racing and Gaming Commission called a special meeting on Wednesday, August 1, 1990, at 10:00 a.m. at the Wallace Building, Des Moines. Present were Chairman Bud Pike, Vice Chairman, Leo Monaghan; and members Richard Canella, Lorraine May and Rita Sealock. The Chair called the meeting to order.

Chairman Pike explained that the purpose of this meeting was to address the report of matters raised in the Iowa Racing and Gaming Commission investigation report concerning activities of Mick Lura, Administrator.

Mick Lura, Administrator made the following statement:

"I am the Administrator of this Commission 7 days a week 24 hours a day. I receive and make countless calls on evening and weekends. I travel to tracks evenings, occasionally weekends, and even holidays without taking compensatory time off. Over the last two years I have handled the added burden of Prairie Meadows and Riverboat Gambling with the addition of only 2 employees to my central staff. I believe I was investigated by the Department of Personnel as if I was a typical manager in State Government working a normal work week. I very much appreciate the time and trouble Bud, Lorraine and Gary have spent re-investigating this matter. While reserving my right to disagree with small segments of the committee report in the future I would say that I am in general agreement with the findings of the committee and believe it paints a fair picture. Finally I would state that I am aware of the special nature of my position and that I should be held to a higher standard than other state officials or employees."

There was extensive discussion and questioning with Mr. Lura.

Commissioner Monaghan moved for a ten day suspension which would include the cessation of any administration by Mr. Lura of the Rotisserie Baseball League within that office and that in the future no resources, personnel nor equipment be utilized and that any personal participation in that game or any other hobby he might have be in compliance with Chapter 99B of the Iowa Code. The suspension will start August 5 through the 14, 1990. Commissioner Canella seconded the motion. Chairman Pike called for a roll call vote. Commissioner May voted "no" on the motion with the understanding that she would support some other form of punishment but not in the form of the motion. Commissioner Monaghan "yes", Commissioner Canella "yes", Commissioner Sealock "no", Chairman Pike "yes". The vote was three to two in favor of the suspension. (Order 90-65)

Commissioner May stated that by the closeness of the vote she wanted it emphasized the perception of the commissioners is very similar in terms of the rules to be followed and in terms of the goals that we all serve, we are remarkably together in our thinking.

During the period of Mick Lura's suspension Deputy Director, Lorenzo D. Creighton will serve as acting administrator.

Chairman Pike entertained the motion to adjourn, Commissioner May so moved, Commissioner Monaghan seconded. The meeting was adjourned at 11:30 a.m.

Minutes taken by  
Connie Eichhorn

NOTE: A copy of the Report of the Committee submitted July 31, 1990 is attached to the Minutes in the Des Moines office.

The tapes from this hearing are available in the Des Moines office.

**IOWA RACING AND GAMING COMMISSION MEETING  
MINUTES  
AUGUST 16, 1990**

The Iowa Racing and Gaming Commission (IRGC) met on Thursday, August 16, 1990, at 9:30 a.m. in the Alumni Room at the Iowa State University College of Veterinary Medicine, Ames, Iowa. Present were Chairman Bud Pike; Vice-Chairman Leo Monaghan; and members Richard Canella, Lorraine May and Rita Sealock. The Chair called the meeting to order.

Dr. Vaughn Seaton welcomed the Commission to the Veterinary College facilities and announced that there would be a tour of the Racing Chemistry facilities following the meeting.

The Chair recognized Dr. Walter Hyde, the Commission's official chemist, who also welcomed the Commission.

The Chair noted missing items from the agenda under Administrative Business, stating that the Commission would be approving the simulcasting contract, and delegating authority for the research grant to Iowa State University College of Veterinary Medicine, and to set some dates for reviewing the Riverboat Gambling rules.

The Chair next entertained a motion to approve the minutes of the July 19, 1990 and the August 1, 1990 minutes. Commissioner Canella made a motion to approve the minutes which was seconded by Commissioner Sealock. The motion was carried unanimously.

The Chair then recognized Rex Darrah, Attorney for the HBPA who addressed the commission on the subject of Prairie Meadows simulcasting greyhound races during the harness season. Mr. Darrah read a letter from association president Mark Bader, who was unable to attend the commission meeting. (See attached letter). Mr. Darrah then introduced Mr. Fred Schwieger, a member of the board of the HBPA. Discussion then followed between the commission, Mr. Darrah and Mr. Schwieger concerning the lack of communication between the HBPA, the commission and Prairie Meadows management, and what the HBPA ultimately desired. Commissioner Monaghan then read a letter from Mr. Charles Schott, President of the Iowa Thoroughbred Breeders and Owners Association, dated August 12, 1990 regarding the subject of simulcasting of thoroughbred into the harness meeting as opposed to greyhound. (Letter attached.)

The Chair asked Carole Baumgarten, President of Prairie Meadows to answer the charges made by Mark Bader, and Charles Schott regarding the simulcasting of dogs and the goals of Prairie Meadows management.

The Chair closed the discussion by advising that Prairie Meadows, the HBPA and the ITBOA need to solve their communication problems and that the commission staff would be happy to help in drawing all factions together to negotiate their differences. Mr. Pike also advised that the commission would not stop the simulcasting of the greyhounds into the harness season, but that this experiment would be looked at critically to its end.

Commission Meeting

Aug. 16, 1990

Page 2

The Chair recognized Gloria Sanders, representing the Iowa Greyhound Association, who wished Prairie Meadows good luck, and asked that the commission make the dog owners and trainers privy to information if the experiment is carried further.

The Commission then addressed the Settlement Agreement concerning William E. Delaney of the Dubuque Greyhound Racing Association (See attached). Mick Lura, Administrator for the Commission, advised that Mr. Delaney has agreed to an indefinite suspension from Dubuque Greyhound Park, and that while there is no future obligation on the part of the commission or staff to lift that suspension, there is also no prohibition against that occurring. With no further discussion, Commissioner Monaghan then moved that the commission adopt the settlement agreement signed and dated by the Deputy Administrator on August 7, 1990 regarding Mr. Delaney. The motion was seconded by Commissioner Canella. The motion was carried unanimously. (Order 90-65)

The Chair asked Mr. Lura if another motion was needed to dismiss the license revocation/contested case action. Gary Hayward, Counsel for the Commission, advised it was hard to suspend someone and then dismiss the complaint, and that they would have the same effect by saying that the settlement agreement constitutes final agency action and that no further action will be taken by the commission in regards to the complaint. Commissioner May so moved, and Commissioner Monaghan seconded the motion. The motion was carried unanimously. (Order 90-66)

The Chair then addressed the matter of Southeast Iowa Riverboat contract approval and turned the discussion over to Mr. Lura. Mr. Lura advised that there were not formal contracts but more on the order of purchase agreements but as they were in excess of fifty thousand dollars (\$50,000) they needed commission approval. Mr. Lura asked that one be deferred until after executive session, but he would recommend the agreement dealing with the Fetzer Refrigerator Company be approved. The Chair asked if there were any questions, none followed. Commissioner Sealock moved that the commission accept the recommendation, which was seconded by Commissioner Monaghan. The motion carried unanimously. (Order 90-67).

The Chair then asked for updates from the various riverboat groups represented at the meeting. Bruce Wentworth, representing the Dubuque Casino Belle gave a brief update on the shore facilities and boat building for the Dubuque. He advised that the first "spin-off" from the Casino Belle has come about in the form of a 200 room Clarion Hotel being built in Dubuque.

David Joyce, Vice President of Steamboat Southeast then gave an update concerning their two boats and the six locations their organization is involved with.

The commission then addressed administrative business before them. The first item was the simulcast contract between Bluffs Run and Prairie Meadows. Mr. Lura advised approval, noting that the only controversial issue might be the split on the purses. He agreed with Ms. Sanders in that if the simulcasting of greyhounds is pursued in the future, further study should be given to a more appropriate purse level for the greyhound people, but for a twenty-two day experiment and short notice, this was a good way to get the experiment under way. The Chair then asked for a motion to approve the contract between Bluffs Run and Prairie Meadows. The motion was made by Commissioner Canella, and seconded by Commissioner May. The motion was carried unanimously. (Order 90-68)

The next item of Administrative Business dealt with the granting of the Research Grant to Iowa State University Veterinary Diagnostic Laboratories. Mr. Lura recommended that the commission delegate the approval authority to its Medication and Veterinarian subcommittee so that subsequent to this meeting, but prior to August 31, 1990 they can approve which grants they wish to fund. The Chair then asked for a motion of the administrators recommendation, which was so moved by Commissioner Sealock and seconded by Commissioner Monaghan. The Chair then asked for discussion, none followed, and the motion was unanimously approved. (Order 90-69)

The Chair then asked what this money would be used for and Mr. Lura advised there had been seven proposals from which the committee needed to make its selection. Mr. Lura also advised that Iowa is the only state that provides resources for the development of greyhound research at the levels stipulated by the state legislature. The chair then asked that a press release be made when the funding was approved so the public will be aware of the good relationship between the commission and the university.

The chair then asked for dates to review the riverboat rules, asking if it would be possible to meet the day before the regular meeting on the 20th of September. Mr. Lura advised that the work session would have to be public.

The chair then recognized Walt Pyper for an update of Bluffs Run. The joint effort of simulcasting the races to Prairie Meadows was discussed. Commissioner Canella then asked Carole Baumgarten what was happening at Prairie Meadows end, and she advised that a very favorable atmosphere was developing regarding the experiment.

The chair introduced Linda K. Vanderloo as the newest member of the commission staff.

The chair then asked for a motion to go into executive session for the purpose of listening to background investigation reports. The motion was made by Commissioner May, and seconded by Commissioner Monaghan. The motion was carried unanimously.

The commission reconvened following the executive session to listen to an update on the Sioux City excursion boat. David O'Brien, representing Missouri River Historical Development, Inc., then introduced Emanuel Hirsch, President of the Hamilton Financial Corporation, the proposed new financial partner for Missouri Riverboat Associates, Limited Partnership. Mr. Hirsch gave a brief overview of the company, identifying it as the Hamilton Mortgage Company, and introduced his son, Alan D. Hirsch, Vice President and CEO of the firm.

Alan D. Hirsch further explained his company's position with Fried/Schegan, answering questions from Mr. Hayward and DCI Special Agent Joseph Diaz regarding the Hamilton Financial Company's application, business associations and financial statements. John Schegan, General Partner of Missouri Riverboat, L.P. then gave the commission a brief update of the project. Franklin Fried, General Partner of Missouri Riverboat, answered the commission's questions regarding the amount of funds on deposit for the project, and also stated Missouri Riverboat's progress had been greatly hampered until April 10, 1990 because of the possibility of a casino in Council Bluffs. He asked for consideration and empathy from the commission.

The Chair then thanked everyone for their presentation and asked if Mr. Hayward had anything else to close out the meeting. Mr. Hayward advised that there was no action before the commission at this time and that everyone's views and concerns had been adequately expressed. Discussion then followed concerning possible action by the commission in regard to the Hamilton Mortgage contract at this meeting, but as the agenda did not call for any, none could be acted upon. Mr. Schegan and Mr. Fried were asked to keep in close communication with the commission and staff regarding developments between now and the September 20 meeting as they should be prepared for an administrative hearing at that meeting. The chair asked that staff study the proposal thoroughly.

The Chair then asked for a motion to adjourn, which was made by Commissioner Monaghan, seconded by Commissioner Canella and unanimously approved.

Minutes taken by Kathleen F. Quartana

**IOWA RACING AND GAMING COMMISSION MEETING  
MINUTES  
SEPTEMBER 19, 1990**

The Iowa Racing and Gaming Commission (IRGC) met on Wednesday, September 19, 1990, at 8:00 a.m. at Adventureland Inn, Des Moines. Present were Chairman, Bud Pike; Vice-Chairman, Leo Monaghan; and members Richard Canella, and Rita Sealock. The Chair called the meeting to order.

The Chair recognized Augie Masciotra, General Manager at Waterloo Greyhound Park (WGP), for their 1990-91 season requests. Mr. Masciotra outlined for the Commission their requests. He stated that the Iowa bred purse supplement, minimum purse, performance bond, racing officials and department head, and multiple wagering format would remain the same as last season. They are changing their grading system by eliminating the EE grade and adding a senior category for greyhounds five years and older. They are also asking that the takeout on exotic wagering be 19%. Mr. Masciotra also ask for approval for their contacts with United Tote, Pepsi-Cola Company and Eye in the Sky.

Mr. Masciotra stated that eight of their 16 kennels were Iowa based kennels. He felt it was the intent of the legislation to use as many Iowa kennels as possible in order to enhance the industry in Iowa.

Lorenzo Creighton, Deputy Administrator for the IRGC, stated that staff had no problem with their requests and recommended approval.

A riverboat work session was then held. The work session was held to discuss administrative rules Chapter 22, "Manufacturer's, Distributor's, Vendor's and Occupational Licenses;" Chapter 24, "Accounting and Cash Control;" and Chapter 26, "Rules of the Game." Chuck Patton, Director of Riverboat Gambling for the IRGC, outlined proposed changes recommended by staff from the first draft and explained the need for each change. The floor was open for discussion at all times as Mr. Patton outlined the changes. Commissioner May joined the meeting half way through the work session.

Following the work session, the Commissioners broke for lunch.

The Chair reconvened the meeting at 1:00 p.m. and called up the hearing on the riverboat license of the Missouri Historical Development Inc., and Missouri Riverboat Associates, Limited Partnership and the Chair recognized Mr. Creighton.

Mr. Creighton stated that the matter before the Commission was on the excursion gambling boat license of the Missouri Historical Development, Inc., and Missouri Riverboat Associates, Limited Partnership to determine whether the licensee has performed all material commitments made in the application, whether the licensee has complied with rewritten condition #7 as amended by Commission action on June 17, 1990, pertinent language reads as follows:

That the applicant license provide evidence of \$15.5 million in escrow 60 days or less following the approval of the Iowa Queen limited

partnership agreement or 60 days after July 15, 1990, whichever came first, subject to background investigations by the IRGC through the DCI. Failure to provide such evidence shall make this license subject to immediate revocation.

That the financial package is subject to future commission approval and subject to full background investigations by the DCI.

Based upon the condition as amended, the license is no longer in a state of non-compliance and the case is therefore dismissed (Referring to a previous contested case action against the licensee.)

That as of September 15, 1990, which is 60 days from the July 15, 1990, date, the licensee must prove compliance with the condition No. 7 as rewritten by the Commission at it's June 17, 1990, meeting.

That if the licensee cannot prove compliance with the rewritten condition No. 7 as of the September 15, 1990, deadline as set, they must show cause why license revocation proceeding under IAC 491 and the Iowa Administrative Procedures should not commence at the September 19, 1990, Commission meeting.

To determine whether the licensee is in compliance with IAC 491-21.10(3) and IAC-21.10(18).

Following lengthy testimony (which is available in the Commission office on tape), Commissioner Sealock moved that the Commission go into Executive Session pursuant to Iowa Code Chapter 21.5(1)"a" to discuss the case. Commissioner Canella seconded the motion. The vote was unanimous.

Following Executive Session, Commissioner May moved that the Commission adopt the following resolution:

It is the consensus of the Commission that the license of Missouri River Historical Development, Inc. and Missouri Riverboat Associates Limited Partnership be revoked without prejudice to reapply. Upon advice of counsel, it appears that additional time is necessary to prepare formal Findings of Fact, Conclusion of Law and Order. Counsel for the Commission is directed to prepare the proposed document. The proposal will be submitted to the Commission in a telephonic hearing to be held on or about October 1, 1990, at which time the proposal will be reviewed and final agency action will be taken.

Commissioner Canella seconded the motion. A roll call vote was taken with all voting aye. See Order (90-70).

The Chair then entertained a motion to approve the minutes of the August 16, 1990, Commission meeting. Commissioner Monaghan so moved with Commissioner

Canella seconding the motion. All in favor.

The next item was the Iowa Greyhound Association (IGA) request to increase purses and the Chair recognized Don Loughren, President of the IGA. Mr. Loughren stated that the IGA is asking the Commission to increase the minimum purse from 3.25% to 5%. This request comes because of the rising costs of rearing greyhounds. Many comments have been made to IGA members asking why they would race in Iowa when they can go someplace else for a higher purse. They want to remain in Iowa, but if the return on the investment isn't there, they will be forced to leave Iowa.

Chairman Pike told Mr. Loughren that this will not be an action at this meeting but will be taken up at a later date. Chairman Pike then assigned the Greyhound Committee (Commissioners Monaghan and Sealock) to come up with a recommendation for the full Commission on the minimum purse issue.

Gloria Sanders, Executive Secretary for IGA and board member of the National Greyhound Association, told the Commission that the welfare of the greyhound is in trouble because of the lack of money. The quality of greyhounds in Iowa will not remain the same with the low minimum purse. On behalf of the kennel operators, owners and trainers, she was requesting that the Commission raise the minimum purse to 5%.

The Chair then recognized Chuck Patton, Director of Riverboat Gambling for the IRGC, for riverboat contract approvals. Mr. Patton explained to the Commission that there seems to be some confusion among the operators as to what contracts or information from contractors that the Commission needs to see or what needs to be approved. Mr. Patton recognized Ed Ellers representing the Connelly Group.

Mr. Ellers told the Commission that they were not intentionally withholding information from but they were unclear of what the Commission needed. They are in the process of receiving bids at this time and nothing is firm. They prefer not to release any information until it has been finalized.

Commissioner Monaghan explained to Mr. Ellers that they were looking for above board contracts (no shirt tail deals) and that as a result of months of thought a rule has been developed so it is clear to all licensees what the Commission expects where contracts are concerned.

Commissioner May stated that a sheet will be developed that each licensee needs to fill out when requesting Commission approval.

Mr. Patton then briefly outlined the contracts between Dubuque Casino Belle and Brandt Corporation, Green Duck Corporation and Trans Sierra Communications and recommended Commission approval. Commissioner Sealock so moved with Commissioner Canella seconding the motion. The vote was unanimous. See Order (90-71).

Mr. Patton then outlined the contracts between Steamboat Development Corporation and Fetzer Refrigeration, John W. Gilbert Associates, and Ancient Slots and recommended Commission approval. Commissioner Canella so moved with Commissioner Sealock seconding the motion. All in favor. See Order (90-72).

The Chair then recognized Carole Baumgarten, President and Chief Executive Officer for Prairie Meadows (PM), for PM's requests. Ms. Baumgarten stated that PM was requesting approval to supplement their Sunday afternoon harness program by adding simulcast thoroughbred races, but still maintain the four live race requirement and also that they be allowed to simulcast the entire Saturday night greyhound racing card from Bluffs Run.

Chairman Pike asked if any of the other tracks had a problem with this request. Bruce Wentworth, General Manager for Dubuque Greyhound Park (DGP) stated that they are not opposed to simulcasting. They only oppose it when it is affecting others in the industry and the potential for that is there. Since the Commission has already approved PM to simulcast six races what is the rest of the card. The people are already there.

Ms. Baumgarten also ask the Commission for approval to start negotiations with the greyhound tracks to simulcast the Breeder's Cup on October 26, 1990, and share the pool, if the logistics could be worked out. She felt that this would be a big step towards all tracks working together.

Mr. Loughren stated that they had no problem with the proposal as long as when the tracks got together the IGA was included on the meeting and the IGA would get their fair share.

Chuck Schott, President of the Iowa Thoroughbred Association, stated that they had no problem with Ms. Baumgarten's requests as long as everyone agrees and simulcasting does not replace live races.

Walter Pyper, General Manager at Bluffs Run and Mr. Wentworth had no problems with meeting to discuss this as long as the simulcasting did not affect their live racing.

Mick Lura, Administrator for the IRGC, recommended that the Commission approve PM's request to supplement their Sunday card by adding simulcast thoroughbred races but still maintain the four live race requirement, be allowed to simulcast the entire Saturday night greyhound racing card from Bluffs Run and that the Commission intends to favorably act upon the Breeder's Cup being simulcast to the dog tracks with shared pool subject to final approval when the logistics could be worked out. Mr. Lura felt this was a good starting point for making the industry a family. Commissioner Sealock so moved with Commissioner Monaghan seconding the motion. The vote was unanimous. See Order (90-73).

The Chair then called up the approvals for WGP's 1990-91 season. Commissioner Canella moved to approve the Iowa bred purse supplement; grading system;

racing officials, subject to background checks; minimum purse, multiple wagering format, performance bond and the contracts with United Tote, Pepsi-Cola Company and the Eye in the Sky. Commissioner May seconded the motion with all in favor. See Order (90-74).

The next item on the agenda was Administrative Rules. Commissioner Canella moved to final adopt Chapter 22, "Manufacturer's, Distributor's, Vendor's and Occupational Licenses;" and file a notice of intended action for Chapter 24, "Accounting and Cash Control;" and Chapter 26, "Rules of the Game;" incorporating any changes discussed during the work session. Commissioner Sealock seconded the motion.

Commissioner May moved to amend the motion by inserting the following rule in Chapter 24:

24.14(7) Notwithstanding other provisions of the Commission rules requiring submission of contracts, all contracts entered into by an operator must be approved by the IRGC if the contract:

- a. Exceeds the value of \$50,000 in any twelve month period.
- b. Is a contract in which the licensee or any officer or director of the operator has either a direct or indirect economic interest.
- c. If any officer or director of the operator has any economic or beneficial ownership interest in any other party to the contract.

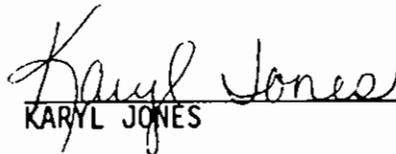
The operator shall submit information concerning the contracts on a form provided by commission staff within 15 calendar days after the end of the month in which the transaction occurred. If in writing, the contract shall be readily available for inspection by commission staff and will be submitted to commission staff upon request.

Commissioner Canella seconded the motion. All were in favor. See Order (90-75). Commissioner Canella then moved to adopt the motion as amended. Commissioner Sealock seconded the motion and all were in favor. See Order (90-76).

The next regular meeting will be held October 18 in Waterloo.

The meeting was adjourned.

MINUTES TAKEN BY

  
KARYL JONES

**IOWA RACING AND GAMING COMMISSION  
TELECONFERENCE MEETING  
MINUTES  
OCTOBER 1, 1990**

On October 1, 1990, the Iowa Racing and Gaming Commission held a conference call pursuant to Iowa Code Section 21.8. The meeting was conducted by telephonic means due to the brevity of the agenda and the urgent nature of the matter to be discussed.

Participating in the call were: Chairman, Bud Pike; Members Lorraine May, and Dick Canella; Administrator of the Racing and Gaming Commission (IRGC), Mick Lura; Dave O'Brien, Attorney for Missouri Historical Development; Frank Fried, Missouri Riverboat Assoc.; and Gary Hayward, Counsel for the IRGC. Present in the Commission office were Vice-Chairman, Leo Monaghan; Commissioner Rita Sealock, Lorenzo Creighton, Deputy Administrator for the IRGC; Chuck Patton, Riverboat Director for the IRGC and several reporters.

The Chair called the meeting to order and stated that this meeting was a continuation of the September 19 hearing of the Missouri Historical Development/Missouri Riverboat Assoc., license. The Chair then turned the meeting over to Mr. Creighton.

Mr. Creighton stated the hearing was continued to allow more time to develop a detailed Order of Findings of Fact and Conclusions of Law. He stated that a copy of the Order was sent to each of the parties concerned.

Mr. Creighton then asked Mr. Fried if he had received a copy of the Order, and if so, did he have any problem with it or anything further to say. Mr. Fried stated that he had received a copy of the Order and had no objections to it.

Mr. Creighton asked Mr. O'Brien the same question. Mr. O'Brien stated that he had received the Order and reiterated what he stated at the hearing on September 19; that the license be subject to bifurcation. That the operator's license be revoked and the non-profit license be suspended to allow enough time to find a new operator without having to reapply for a license.

Mr. Creighton asked Mr. Patton if he had anything further to add to which Mr. Patton replied no.

Mr. Hayward stated that he had prepared the Order, under the direction of the Commission, and it was now up to the Commission if they wanted to make any additions, changes or adopt as is.

Commissioner May moved to adopt the Order as distributed to all parties with the following changes: On page 2, item 9, the "d" on the word "debt" should be capitalized; and on page 3, item 6, the case citing should read McCrea v. Iowa Dept of Transp., 336 N.W.2d 427,428 (Iowa 1983). Commissioner Canella seconded the motion. A roll call vote was taken with all voting aye. See Order (90-77).

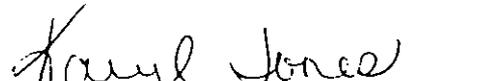
Mr. Hayward then informed the Commission that this was his last meeting and thanked the Commission and staff for all their support over the years.

Chairman Pike thanked Mr. Hayward on behalf of the Commission and staff for all of his legal help and guidance; a job well done. He wished him luck in his future endeavor.

The Chair then thanked Mr. Fried for his contribution to riverboat gambling in Iowa.

The meeting was adjourned.

MINUTES TAKEN BY

  
KARYL JONES

**IOWA RACING AND GAMING COMMISSION MEETING  
MINUTES  
OCTOBER 18, 1990**

The Iowa Racing and Gaming Commission (IRGC) met on Thursday, October 18, 1990, at 8:30 a.m. at Waterloo Greyhound Park (WGP), Waterloo. Present were Chairman, Bud Pike; Vice-Chairman, Leo Monaghan; and members Richard Canella, Lorraine May and Rita Sealock.

The Chair called the meeting to order and entertained a motion to go into Executive Session pursuant to Iowa Code Chapter 21.5(1)"a" to discuss background reports. Commissioner Canella so moved with Commissioner May seconding the motion. All in favor.

Following Executive Session, the Chair recognized Jackie Schmidt from Waterloo, to give a brief overview of her adopt a greyhound program. Ms. Schmidt gave a history of her program and stated that to date they have placed 450 greyhounds with adoptive parents. Many adopt a greyhound programs around the country have been patterned after hers and the program has brought great joy and satisfaction to her life.

Chairman Pike then thanked Augie Masciotra, General Manager at WGP, for hosting the October meeting of the IRGC.

The Chair then entertained a motion to approve the minutes of the September 19, 1990, Commission meeting and the October 1, 1990, telephonic Commission meeting. Commissioner Sealock so moved with Commissioner Monaghan seconding the motion. The vote was unanimous.

The next item on the agenda was administrative rules and the Chair recognized Chuck Patton, Riverboat Manager for the IRGC. Mr. Patton explained that they were amending Chapter 20, "Application Process for Excursion Gambling Boats," and explained the reason for the amendments.

Commissioner May moved that the Commission adopt the amendments to Chapter 20 and file a Notice of Intended Action. Commissioner Monaghan seconded the motion with all in favor. See Order (90-78).

The Chair then recognized Mick Lura, Administrator for the IRGC, for the amendments to Chapter 7. Mr. Lura stated that these amendments were for the prohibition of the use of live lures, and informed the Commission that there were no changes to the amendments since they were first adopted by the Commission. Mr. Lura recommended that the Commission final adopt the amendments to Chapter 7. Commissioner Monaghan so moved with Commissioner Canella seconding the motion. The vote was unanimous. See Order (90-79).

Carole Baumgarten, President and Chief Executive Officer of Prairie Meadows (PM), informed the Commission that a contract between the HBPA and PM has been signed. Ms. Baumgarten publicly thanked Mr. Lura for his help in the negotiation of the contract. It was greatly appreciated by both parties.

Chairman Pike then asked how the pic-nine was doing at Bluffs Run (BR). Walt Pyper, General Manager at BR, stated that it was only bringing in about \$650-\$700 per performance. Most people are not going to bet big money on such long odds. They will probably discontinue the pic-nine after this year and do something different next season. Mr. Pyper told the Commission that simulcasting races to PM has been a great boost for BR and the working relationship with PM has been excellent.

Bruce Wentworth, General Manager at Dubuque Greyhound Park, informed the Commission that with two and one-half weeks left of their season, they are below budget. They are not shocked by what has happened as they were prepared for it knowing that the competition from Wisconsin would begin with this season.

The Chair then asked Mr. Masciotra if WGP was having a problem getting dogs with the season overlap. Mr. Masciotra said no and stated that they were on track with what was planned for.

Chairman Pike then recognized Bob Kehl for an update on the license of the Dubuque Racing Association/Dubuque Casino Belle. Mr. Kehl informed the Commission that everything was on schedule. They are in the process of putting on the second deck and everything has been ordered for the boat and will be installed prior to it leaving the ship yard March 1. The parking lot is in the process of being paved and the welcome center has been gutted and is now being renovated.

Commissioner Canella asked if the casino equipment would be on the boat prior to it leaving the ship yard to which Mr. Kehl responded yes. Commissioner Canella then asked if the boat would be coast guard approved before it leaves the ship yard to which Mr. Kehl also responded yes.

Chairman Pike asked if any hotels were being built. Mr. Kehl said that three hotels will be built, a Heartland Inn, Clarion Inn and Comfort Inn. The Chair then asked what the communities reaction was to the casino activity. Mr. Kehl stated that everything looks positive and about 1500 busloads have been booked. Mr. Kehl does not feel the community realizes the full impact of what casino gambling will do for the community.

Commissioner Canella asked how many people will be employed to which Mr. Kehl replied about 350-400.

Mr. Kehl told the Commission that they will be ready on April 1, 1991.

The Chair then introduced Dave Joyce for an update on the Southeast Iowa Regional Riverboat Commission/Steamboat Southeast, Inc. license. Mr. Joyce informed the Commission that the Emerald Lady was well under way and due to go into the water in January. It should be on its way up the Mississippi on March 1, 1991. He also informed the Commission that the financing for the

boat was in place. All the communities have begun their shore development and the optimism is high. They will be holding a gaming school in Ft. Madison which will be a tuition school and will not guarantee anyone who takes the school a job.

Mr. Joyce told the Commission that originally no one believed that someone would come to southeast Iowa with a boat. Now that ground has been broken for shore development, excitement is building. They are looking at employing 396 hourly people in addition to the salary employees. The nine employees they have hired for the school will become the shift managers when the school is completed.

Commissioner Canella asked how the bookings were coming. Mr. Joyce stated that there is good interest but they would like to see more.

Commissioner Monaghan asked how the excursion train was coming to which Mr. Joyce replied that negotiations have stopped for right now.

Mr. Joyce then gave an update on the Riverbend Regional Authority/Steamboat Development Corp. license. Mr. Joyce stated that the Diamond Lady, completely financed, should go on the water October 26. In Clinton they already have a barge and will begin construction of a pavilion. Clinton's waterfront is in great shape and will not entail a lot of renovation. They have a huge steel building which will be turned into an in-door parking lot. In Bettendorf, they have 50% commitment on the space in their outlet mall. Their recreational park will be in place by April 1, 1991, and their other projects in Bettendorf will be ongoing during the first year. Everything is falling into place in all the cities.

Commissioner Canella asked about their corporate staff. Mr. Joyce stated that their corporate staff is in place. They brought in professionals that knew the business in order to have successful operations. Mr. Joyce then gave a brief background on each.

Commissioner Monaghan stated that in viewing the schedules for the two boats, it appears that you cannot leave Clinton or Muscatine and return there. Mr. Joyce stated that was correct. It is the same scenario in southeast Iowa. It is very hard to do anything away from your port facility. Commissioner Monaghan then asked what the non-profits' reaction was to this schedule. Mr. Joyce said that they wanted dinner cruises and that is why they revised the schedule on the second boat. Mr. Joyce stated that they asked both Clinton and Muscatine what they could provide for winter docking in the way of capital investment. Steamboat choses to winter dock both boats in Bettendorf because they would not have to duplicate costs, that is where the population base is, and neither Clinton nor Muscatine were willing to "up-front" any capitol investment.

Chairman Pike then gave both Muscatine and Clinton a chance to respond to the winter docking schedule. Mick Durham, representing the Muscatine delegation,

gave the Commission a brief overview of what the community had to offer and what renovations the community was doing as a result of casino gambling. Mr. Durham stated that they did receive the additional costs that Steamboat Development would occur if winter docking of the second boat was not in Bettendorf. They are against having to pay for the additional cash counting equipment because if the docking does not work out then the city is stuck with equipment they cannot use.

Commissioner Canella asked if the projects proposed for casino gambling would be shelved if there was no winter docking in Muscatine to which Mr. Durham responded no.

Commissioner Monaghan asked how Steamboat could justify the additional costs. Mr. Durham stated that they were willing to payback Steamboat's costs over a three-year period. Commissioner Monaghan asked, so you are looking at no out-of-pocket money for Steamboat. Bob Miller, a representative from Muscatine, said that they are showing ways to help defray some of the costs.

Mr. Miller stated that Clinton nor Muscatine support the current schedule. They also feel that the lines of communication could be better between the non-profit and the operator.

The Chair then recognized Tom Fullerton, a representative of Clinton, who gave Clinton's arguments of why winter docking should be in their community, what the community has to offer and what they have done to prepare for casino gambling.

Commissioner May stated that no one questions the additional costs to Steamboat for not docking the second boat in Bettendorf, but what is the city of Clinton willing to do to help defray the costs. Mr. Fullerton stated that they are renovating a building and will share utility costs but they have no desire to own coin operating equipment. Commissioner May then stated that if winter docking was not viable after the first year in Clinton or Muscatine, then the operator is stuck with the additional equipment.

Mr. Fullerton stated that this was a three community project and during the winter, under the present scenario, two communities make no money.

Commissioner Sealock asked if they felt that all three communities should be entitled to winter docking to which Mr. Fullerton stated that they would be happy as long as Clinton or Muscatine received winter docking.

Commissioner Canella felt that winter docking was a business decision and as long as the operator was taking the risk, it should be their decision.

Chairman Pike then recognized Mary Ellen Chamberlin for the Riverboat Development Authority/The Connelly Group license. Ms. Chamberlin stated that the President is being renovated at the present time. It will remain in St. Louis until December 1, 1990, and then moved to a ship yard. It will begin

its journey to Davenport on February 1, 1991 (weather permitting) and should arrive around February 15. Final touches will be put on the boat in Davenport. All the equipment has been ordered for the boat and they are encouraged by the advance booking. The financing for the hotel is not there and they are currently negotiating with the city to defer the hotel for one year.

Connelly is committed to riverboat gambling in Davenport and to having the premier riverboat on the river even with the negative financial market.

Commissioner Canella asked if the financing falls through, will the project go under. Ms. Chamberlin stated that IGT is still a part of the project and a new financial package is being put together. The project is going forward as planned except it will be in parts instead of as a whole.

Chairman Pike asked when the agreements would be put together to which Ms. Chamberlin replied hopefully next week.

Commissioner Monaghan asked what interest Connelly had in an Illinois license to which Ms. Chamberlin responded that she was not aware of any.

Commissioner Canella voiced a concern that a representative from the Connelly Group was not present and asked Ms. Chamberlin to send the message back to Connelly that a representative should be present at the Commission meetings.

Commissioner Sealock asked if they were comfortable that the hotel would be built. Ms. Chamberlin stated that they need the hotel and it will be built.

Commissioner Canella then moved that the Commission approve the excursion and winter docking schedule as submitted by Dubuque Casino Belle (see attached). Commissioner Sealock seconded the motion with all voting aye. See Order (90-80).

Commissioner Sealock moved that the Commission approve the excursion and winter docking schedule as submitted by Steamboat Southeast (see attached). Commissioner Monaghan seconded the motion. The vote was unanimous. See Order (90-81).

Mr. Patton stated that the excursion schedule that was submitted by the Connelly Group needed to be amended due to the rule changes that were adopted by the Commission earlier. Mr. Patton said that the Party cruise return to dock time should be amended to read 12:30 a.m. instead of 11:30 p.m.

Commissioner Canella moved that the Commission approve the excursion and winter docking schedule submitted by the Connelly Group as amended (see attached). Commissioner May seconded the motion with all in favor. See Order (90-82).

Commissioner Canella moved that the Commission approve the excursion and

winter docking schedule submitted by Steamboat Development Corporation for boat 1, the Diamond Lady. Commissioner Monaghan seconded the motion.

Commissioner May asked Mr. Joyce if they would winter dock both boats in Bettendorf even if Clinton or Muscatine would pay to duplicate the equipment costs to which he replied yes. That is the location they feel they can make a profit, that is where the population is.

Commissioner Monaghan asked if Keokuk could make money, why not Clinton or Muscatine. Mr. Joyce responded that Clinton and Muscatine was a totally different scenario than Keokuk. Keokuk is away from the Quad Cities and close to the St. Louis population. None of the towns in southeast Iowa are big.

Commissioner May asked when the non-profits were informed of the schedule change to the second boat to which Mr. Joyce replied Wednesday.

Chairman Pike stated that he had a problem with three boats in the Quad-Cities. He did not feel that was the intent of the legislation. They need to spread the location of the boats out.

Commissioner May stated that with the first boat schedule, Clinton and Muscatine have no dinner cruises. Mr. Joyce replied that they did that so Clinton and Muscatine would have the tourists there for a half a day. There is something mystic about the evening cruise but it will do nothing for the cities economically. The tourists need to be in the cities during prime time, when the stores are open, in order to make money.

Don Rinehart from Clinton stated that the two boat schedule does provide for what they wanted, which was evening cruises, however, they are not sure they will see the second boat.

Mr. Joyce said that they are committed to serving the cities in order for the cities to gain economic benefit.

Commissioner Canella withdrew his motion.

Commissioner May moved to approve the two boat in-season excursion schedules as submitted, as of October 17, with the understanding that two boats exist otherwise a new schedule will have to be approved. Commissioner Canella seconded the motion.

Commissioner Monaghan did not feel that the schedule should be acted on today as no time was available to look over the schedule and give it proper evaluation.

Commissioner May said that decisions need to be made around a table, not done the day before without consulting all parties concerned. Commissioner May withdrew her motion.

Commissioner Canella moved to approve the excursion and winter docking schedules as submitted and amended by Steamboat Development Corporation. Commissioner Sealock seconded the motion. A roll call vote was taken with Commissioners May, Monaghan and Pike voting nay, and Commissioners Sealock and Canella voting aye. Motion died. See Order (90-83).

Commissioner May stated that the boats need to be economically viable and she has not seen any city or non-profit willing to put up any money.

Mr. Joyce said that they were told by Mr. Lura and Mr. Patton on August 21, 1990, that the operating schedule was the responsibility of the operator. He said that marketing information is anti-trust and he would not under any circumstances release where they are drawing their people from.

Commissioner Canella felt that some type of a decision on the excursion scheduled needed to be made so that they can market that for the April 1, 1991, launch. Commissioner Canella moved to approve excursion schedules for boats one and two, excluding the winter docking, as submitted today by Steamboat Development Corporation. After much discussion, Commissioner Canella withdrew his motion.

Commissioner Canella then moved to approve the excursion schedule and winter docking for boat 1, the Diamond Lady and that Steamboat Development Corporation be required to come back within 60 days or at the December meeting with the schedule for the second boat. Commissioner May seconded the motion with all voting aye. See Order (90-84).

The next item on the agenda was riverboat contract approvals and the Chair called upon Mr. Patton. Mr. Patton recommended that since the background checks had been completed on IGT, that the contingency placed upon the IGT contract be removed. Commissioner Monaghan so moved with Commissioner May seconding the motion. The vote was unanimous. See Order (90-85).

Mr. Patton recommended approval of the contract between Steamboat Development Corporation and Remanco Systems, Inc., of Danvers, Massachusetts. Commissioner May so moved with Commissioner Monaghan seconding the motion with all in favor. See Order (90-86).

Mr. Patton then recommended approval of the contract between Steamboat Development Corporation and Azalea Fleet. Commissioner Canella so moved with Commissioner Sealock seconding the motion. The vote was unanimous. See Order (90-87).

Mr. Patton recommended approval of the contract between Steamboat Development Corporation and International Electronic Protection Incorporated of Scottsdale, Arizona. Commissioner Monaghan so moved with Commissioner May seconding the motion with all in favor. See Order (90-88).

Commissioner Monaghan then gave a greyhound committee report. Commissioner

Commission Meeting  
October 18, 1990  
Page 8

Monaghan reported that the committee is developing a survey to go to all people associated with greyhound racing in Iowa. He felt that the results of the survey need to be shared with the legislature and the minimum purse should be contingent upon the result of the survey. However, Commissioner Monaghan felt that maybe some type of interim decision could be made in reference to the minimum purse.

Commissioner May felt uncomfortable with making an interim decision that may be wrong.

Commissioner Canella asked that the committee make an interim recommendation on purses for the next meeting. Chairman Pike assigned the greyhound committee the task of coming up with an interim recommendation on minimum purses for the November meeting.

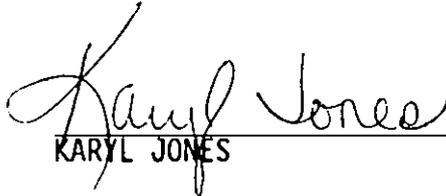
Commissioner Monaghan agreed to this stating that they need to send some type of signal to the greyhound people that they are aware of their concerns.

The next meeting will be November 27, 1990, in Des Moines.

Commissioner Monaghan moved that the Commission go into Executive Session pursuant to Iowa Code Chapter 21.5(1)"a" to discuss backgrounds and personnel. Commissioner Sealock seconded the motion. All in favor.

Following Executive Session, the meeting was adjourned.

MINUTES TAKEN BY

  
KARYL JONES

**IOWA RACING AND GAMING COMMISSION MEETING  
MINUTES  
NOVEMBER 27, 1990**

The Iowa Racing and Gaming Commission (IRGC) met on Tuesday, November 27, 1990, at 9:30 a.m. at the Wallace Auditorium, Des Moines. Present were Chairman, Bud Pike; Vice-Chairman, Leo Monaghan; and members Richard Canella, Lorraine May and Rita Sealock.

The Chair entertained a motion to approve the minutes of the October 18, 1990, Commission meeting. Commissioner Monaghan so moved with Commissioner Canella seconding the motion. All in favor.

Chairman Pike then recognized Chuck Patton, Director of Riverboat, IRGC, for administrative rules. Mr. Patton stated that the changes that were made to Chapters 24 and 26 were outlined on the cover sheet attached to the rules and recommended final adoption of those chapters.

Commissioner Canella moved to final adopt Chapter 24, Accounting and Cash Controls and Chapter 26, Rules of the Game. Commissioner May seconded the motion with all in favor. See Order (90-89).

Mr. Patton then recommended that the Commission adopt Chapter 25, Riverboat Operations and file a notice of intended action. Commissioner Monaghan so moved with Commissioner Canella seconding the motion. The vote was unanimous. See Order (90-90).

Mr. Patton then reviewed each of the following riverboat contracts and recommended approval of each. Mr. Patton stated that the contracts that concern Steamboat include costs for all their boats and not just one and that is why they will appear a lot higher than the others.

- Steamboat Development and Cummins Allison Corporation
- Dubuque Casino Belle, Inc./DRA and Gasset Chair Co., Inc.
- Dubuque Casino Belle, Inc./DRA and Hohnecker's Inc.
- Dubuque Casino Belle, Inc./DRA and Paul-Son Dice & Card
- Dubuque Casino Belle, Inc./DRA and Adamation
- Dubuque Casino Belle, Inc./DRA and Geo. C. Matteson Co., Inc.
- Steamboat Development Corporation and Kilmartin Industries, Inc.
- Dubuque Casino Belle, Inc., and Aaron David Associates
- Dubuque Casino Belle, Inc., and Truckee Precision

Commissioner Sealock moved to approve all contracts, mentioned above, with Commissioner Canella seconding the motion. All in favor. See Order (90-91).

The next item on the agenda was the Sioux City riverboat license application and the Chair recognized Mr. Patton. Mr. Patton started by asking the Commission to rescind their motion which they adopted at the March 8, 1990, Commission meeting to refuse to consider any future applications for riverboat

gambling upon the Missouri River, if such application provides for excursion boat gambling prior to April 1, 1994, so that the Commission could consider the new Sioux City application.

Commissioner Sealock questioned the date that was recommended on the exclusivity of the new application. Mick Lura, Administrator of the IRGC, stated that the date was basically the same time frame that was granted to Fried-Schegan just a year later. Steamboat would really have to hustle to get a boat in operation in November of 1991, but Mr. Kratz could address that later.

Commissioner May so moved to rescind their motion of the March 8, 1990 meeting due to the revocation of the previous Sioux City license. Commissioner Canella seconded the motion with all in favor. See Order (90-92).

Mr. Patton told the Commission that the Missouri River Historical Development, Inc./Steamboat Sioux City, Inc., application was similar to the last application from Sioux City. The application complies with all laws and rules of the state of Iowa. Mr. Patton stated that a staff recommendation was sent to each Commissioner and he recommended issuing the license with the five conditions, which were generic to all licensees, and granting their request for exclusivity.

Commissioner Monaghan asked Mr. Patton to highlight the differences in the two applications. Mr. Patton stated that the projections are lower and briefly noted the differences in the contracts.

Dave O'Brien, attorney for the non-profit, stated that the non-profit organization was very satisfied with the new contracts.

Chairman Pike asked Mr. Lura what he thought of the contracts to which Mr. Lura responded that he felt the contracts were good and maintained the spirit of the original contracts.

The following representatives spoke on behalf of the license:

Stanley Evans - Mr. Evans stated that Sioux City and Woodbury County helped to pass the riverboat legislation and even though the first developer did not produce, that did nothing to deter the optimism of bringing riverboat gambling to the area.

Joanne Grueskin, City Council - Ms. Grueskin told the Commission that the City of Sioux City was pleased with the agreement with Steamboat Sioux City and recommended that the Commission approve and issue a license.

Jim O'Kane, Chairman of the Board of Supervisors - Mr. O'Kane said that the referendum to allow riverboat gambling passed with 55% of the voters in favor and the enthusiasm is very high and asked the Commission to approve the license.

Les L. Horrell Jr., President of the Sioux City Chamber of Commerce - Mr. Horrell informed the Commission of the economic impact that riverboat

gambling would have in the area and stated that the business people of the community whole-heartedly supported the application.

Ron French, Labor Council - Mr. French stated that with riverboat gambling it would increase jobs and hopefully raise the standard of living. They also supported the application.

Dennis Gann, Convention and Tourist Bureau - Mr. Gann told the Commission that riverboat gambling would help bring tourist into their community which would help with the economy. Mr. Gann asked the Commission for their approval of the application.

Larry Jensen, Hospitality Association - Mr. Jensen stated that their group was in 100% support of riverboat gambling coming into their community.

Mr. Evans closed their presentation by introducing the other representatives present and by saying that riverboat gambling would give the pizzazz to the community that it is now lacking.

The Chair then recognized Doug Kratz, President of Steamboat Sioux City. Mr. Kratz stated that they are satisfied with the contracts and stated that the people in Sioux City were very tough negotiators.

Commissioner Canella asked why the projections were so much lower than what was in the first application. Mr. Kratz stated that this was a new industry and they were not sure what to expect so they took the conservative route.

Chairman Pike asked if it would be a 1000 passenger boat to which Mr. Kratz replied that it would be a 1000 passenger Coast Guard approved which would allow 600-700 people to be seated comfortably.

Commissioner Monaghan asked what effect this license would have on the commitments that have been made on the Mississippi. Mr. Kratz explained their different options of financing this boat, which they have to have in place within 60 days because of the agreement of the city, and this license would not affect any commitments that have been made on the Mississippi.

Commissioner Monaghan then asked what their plans were for Illinois to which Mr. Kratz replied that they would be playing more of a management role in Illinois.

Commissioner Monaghan asked about the statement that was made at the last meeting that neither Clinton or Muscatine would have winter docking. Mr. Kratz stated that the statement that was made was not meant the way the minutes reflected. Mr. Kratz said that it was the initial thoughts to have winter docking in one of the two communities but neither community has offered any financial incentives.

Commissioner Monaghan said, "So that statement was not policy." Mr. Kratz replied it was not.

Commissioner Monaghan stated that from the last meeting he got the feeling that there was no cooperation between Steamboat and the three cities. Mr. Kratz said that they have got the message and are going back to the drawing board with the non-profit, however, Mr. Kratz felt that the three cities were not united among themselves like they are in southeast Iowa.

Mr. Patton stated that he had received a phone call from Bob Miller, President of Riverbend Regional Authority, who stated that the non-profit was very encouraged by the developments since the last meeting.

Commissioner Monaghan asked if this application had any effect on the second boat in the Quad Cities to which Mr. Kratz replied no.

Commissioner May asked where the projections were concerned, if they were taking the old figures from the first application and revising them. Mr. Kratz responded no. They conducted an independent study of their own.

Commissioner May they asked when they anticipated the boat to be in the water. Mr. Kratz stated that they are shooting for November 1991 because they feel that Sioux City would have a good winter market but it depended on how soon the river would be shut down for the winter.

Commissioner May then questioned the addendum to the agreement. Mr. Kratz explained the addendum but stated that it would be revised for clarity.

Chairman Pike stated that it was his first reaction to turn the application down because he felt that Steamboat was spreading themselves to thin and they would be controlling the market. However, he has now changed his mind because of the fairness factor to Sioux City in that there are no other potential operators and because of the good relationship between Steamboat and the non-profit.

Mr. Lura stated that Steamboat would try to make the boat available in November of 1991 but are committed to having the boat in the water no later than April of 1992 to which Mr. Kratz replied yes.

Commissioner May moved that the Missouri River Historical Development, Inc./Steamboat Sioux City, be granted a license to conduct gambling aboard an excursion boat on approved routes along the Missouri River, subject to the limitations and conditions numbered one thru five in the staff recommendation (see attached). I further move that the contracts between Steamboat Sioux City and the City of Sioux City and between Steamboat Sioux City and Missouri river Historical Development Inc., be approved subject to the appropriate changes in the Management and Operation agreement with regard to the November date, the exclusivity provision, if any, and the addendum, which shall be presented at the December meeting for approval. Commissioner Canella seconded the motion. A roll call vote was taken with all voting aye. See Order (90-93).

Commissioner May then moved that the IRGC refuse to consider any future applications for riverboat gambling upon the Missouri River, if such application provides for excursion boat gambling prior to April 1, 1995, or three years from the first date of operation, whichever is first. Commissioner Sealock seconded the motion. A roll call vote was taken with Commissioners Pike, May and Sealock voting aye and Commissioners Monaghan and Canella voting nay. See Order (90-94).

The Chair recognized Lorenzo Creighton, Deputy Administrator for the IRGC, for the motions. Mr. Creighton stated that the Administrator was asking the Commission to hear the appeals of the Administrative Law Judge's decisions by written brief instead of oral arguments. A transcript of the hearing in front of the Board of Stewards as well as a transcript of the Administrative Law Judge's hearing would be attached to the written briefs. Mr. Darrah, the attorney for the appellates has filed a Motion of Resistance to the written briefs.

Chairman Pike asked if they would be taking away the rights of the appellates by not giving them the right to appear in person before the Commission. Mr. Creighton responded that they have already had two full-blown hearings and Mr. Darrah will not be presenting any new testimony.

Commissioner May stated that she had no problem with hearing the cases by written brief as long as the transcripts of the other hearings were attached.

Commissioner May moved to grant the request of the Administrator to hear the cases of Bill Nuno, Laurence Brocka and Gary Kelley by written briefs in lieu of oral arguments and Commissioner Pike will enter Orders that state that the briefs must be in the Commission office no later than January 12, 1991. Commissioner Monaghan seconded the motion with all in favor. See Order (90-95).

The Chair then called up the Administrative portion of the meeting. Commissioner Monaghan gave a report on behalf of the Greyhound Committee. Commissioner Monaghan stated that the Greyhound Committee was going to be conducting a confidential survey to serve as the cornerstone of the greyhound study. A draft of this survey will be presented to the full Commission at the December meeting for approval and will be mailed out to all interested parties in the greyhound industry in Iowa immediately following its approval. All responses to the survey should be back in the Commission office no later than December 31, 1990. Sometime in January focus groups, represented by industry people, will sit down with staff and have the opportunity to voice their concerns. The Committee will have a draft of the greyhound study available in February and hopefully in March the study will be passed along to the Legislative Committee to relay the pertinent information to the Legislature. Sometime in May or June at the latest, the Greyhound Committee will have a recommendation on purses.

The main reason for delaying the recommendation on the purses is because of

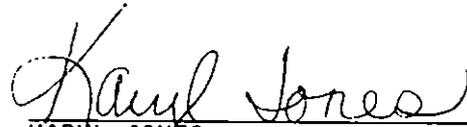
pending legislation on tax restructuring and simulcasting.

At the December meeting, the Greyhound Committee will have a recommendation on takeout.

The Chair entertained a motion to go into Executive Session pursuant to Iowa Code Chapter 21.5(1)"a" to discuss background reports. Commissioner Canella so moved with Commissioner May seconding the motion. All in favor.

Following Executive Session, the meeting was adjourned.

MINUTES TAKEN BY

  
KARYL JONES

**IOWA RACING AND GAMING COMMISSION MEETING  
MINUTES  
DECEMBER 13, 1990**

The Iowa Racing and Gaming Commission (IRGC) met on Thursday, December 13, 1990, at 9:00 a.m. at the Wallace Auditorium, Des Moines. Present were Chairman, Bud Pike; Vice-Chairman, Leo Monaghan; and members Richard Canella, Lorraine May and Rita Sealock.

The Chair entertained a motion to approve the minutes of the November 27, 1990, Commission meeting. Commissioner Monaghan so moved with Commissioner Canella seconding the motion. All in favor.

The Chair then recognized Mick Lura, Administrator for the IRGC. Mr. Lura informed all concerned parties, that all materials pertaining to matters to be brought before the Commission must be received in the Commission office six days prior to the Commission meeting. This is necessary so that the information can be mailed out to the Commissioner prior to the meeting. Any materials received after that will be placed on the agenda for the next meeting.

The next item on the agenda was administrative rules and the Chair called upon Lorenzo Creighton, Deputy Administrator for the IRGC. Mr. Creighton stated that these rules were amendments to the pari-mutuel rules and highlighted the amendments as well as the objections that were voiced by concerned parties.

Chuck Schott, President of the Iowa Thoroughbred Association, stated that two years ago the Administrative Rules Committee objected to the Commission lowering the alcohol level from .10% to .05% and now the Commission is back trying to do the same thing again. Mr. Schott contended that if they are legal to drive at .10% then they should be in good enough shape to see their horses in the backstretch.

Mr. Lura stated that there is no policy change from two years, only cleanup language. It has always been .05% in the backstretch and the Administrative Rules Committee agreed with that.

Mr. Schott then stated that they were objecting to the bleeder's rule. He did not feel that 15 days for first offense bleeders, 30 days for second offense and 90 days for third offense was fair. If a horse is ruled off at Prairie Meadows, then they are ruled off everywhere and not all jurisdictions have such severe rules. This rule forces trainers to keep their horses on medication to make sure their horses won't bleed.

Mr. Creighton said that he had visited with the state veterinarians and they felt that the soundness of the racing animal was most important, but he was willing to delete that amendment and take the time to sit down with the breeder groups and discuss the issue.

Commissioner May moved to adopt the amendments to the pari-mutuel rules as presented minus the last three sentences on rules 9.2(15)f and 10.2(15)f. Commissioner Sealock seconded the motion with all in favor. See Order (90-96).

The Chair then recognized Walt Pyper, General Manager at Bluffs Run (BR), for BR's 1991 season requests. Mr. Pyper stated that 14 of the 16 kennels for their 1991 season are repeats from last season. Five of these kennels are Iowa based and one-third of the greyhounds racing at BR are Iowa bred. They are requesting 452 performances and will be moving their evening post time up from 8:00 p.m. to 7:15 p.m. Mr. Pyper felt that the morale at BR was high. They are in the process of remodeling the grandstand to spruce it up and next year will start a greyhound adoption program. They are looking at a \$82 million dollar handle and a \$4.4 million handle for simulcasting for their 1990 season. They hope to equal this or beat it next season.

Commissioner Canella asked of the handle, how much is exotic wagering to which Mr. Pyper replied 82%.

Commissioner Monaghan asked how they can justify a 20% takeout without any of it going to the greyhound owner. Barry Sevedge, BR, responded by saying that it helps to meet short and long term obligations as well as allow them to give to charitable organizations at the close of the meet. He was unable, at this time, to give Commissioner Monaghan his exact calculation as to how much BR realized with the 20% takeout.

Commissioner Monaghan stated that he felt with a 20% takeout, the patron loses; there is less handle for purses for the greyhound owners; and the state, city and county get less money as well.

Mr. Sevedge said that with a 20% takeout it gives them more cash flow which helps assure payment of the facility so it is around in the future.

Mr. Pyper stated that the contracts submitted for approval were still being negotiated but they are with the same companies as last season. Mr. Lura asked that the contracts be deferred and BR come back to the Commission in January with signed contracts to which Mr. Pyper agreed.

Mr. Creighton stated that staff is recommending approval of all BR 1991 season requests with the exception of the contracts.

Commissioner Monaghan moved to approve the Iowa bred purse supplement, grading system, racing officials and department heads, multiple wagering format, and performance bond for Bluffs Run's 1991 season. Commissioner Canella seconded the motion. The vote was unanimous. See Order (90-97).

Commissioner Canella moved to grant 16% takeout on win, place and show and a 20% takeout on exotic wagers provided 10% go to the purses. After much

discussion, Commission Canella withdrew his motion.

Commissioner Monaghan moved to grant a 16% takeout on win, place and show and a 19% takeout on exotic wagers. Commissioner Canella seconded the motion. A roll call vote was taken with Commissioners Monaghan and Canella voting aye and Commissioners May, Sealock and Pike voting nay. Motion died.

Commissioner May moved to grant 16% takeout on win, place and show and a 20% takeout on exotic wagers with a 3.25 minimum purse for the first six months of Bluffs Run 1991 season. Commissioner Sealock seconded the motion. A roll call vote was taken with Commissioners Sealock, May and Pike voting aye and Commissioners Monaghan and Canella voting nay. Motion carried. See Order (90-98).

The Chair then recognized Dr. Cogely, an Iowa veterinarian licensed to practice at Prairie Meadows (PM). Dr. Cogely outlined for the Commission the problems that veterinarians, as well as vendors, have in the collection of unpaid bills at PM. Dr. Cogely asked the assistance of the Commission in the collection of these bills.

Chairman Pike asked Dr. Cogely to put his request in writing as to what roll he would like to see the Commission play in the collection process and send the request to the Commission office in Des Moines and it would be placed on the February agenda.

The Chairman then called up riverboat contracts and called upon Chuck Patton, Director of Riverboat Gambling for the IRGC. Mr. Patton asked that the Commission approve the amendment to the Management and Operations agreement between the City of Sioux City and Steamboat Sioux City. At the last meeting the Commission asked for some cleanup changes to the agreement and those changes have been made. Commissioner May moved to approve the amendment to the Management and Operations agreement between the City of Sioux City and Steamboat Sioux City. Commissioner Canella seconded the motion with all in favor. See Order (90-99).

Mr. Patton then introduced Ed Ellers, representing the Connelly Group for a brief update. Mr. Ellers stated that they have a new agreement with the City of Davenport and IGT. They broke ground last week on the land based development and they are on schedule for the April 1 opening. The galley barge is in Davenport and their full-time staff is growing. The reservations for next spring are going well.

Mary Ellen Chamberlain, President of Riverboat Development Authority, stated that the project is moving along nicely. The public perception of the project was very low with the problems that have been encountered but it seems to be swinging back to one of anticipation and excitement.

Commissioner Canella asked if they were satisfied with the temporary facility for ticket sales. Ms. Chamberlain responded by saying that the facility will

be pleasing to the public as the operator has a lot riding on public perception.

Commissioner Pike asked about the dealer schools. Ms. Chamberlain stated that they are going well and will be graduating 30 people the end of the month.

Commissioner Canella asked if the financing was in place to which Mr. Ellers responded that 90% is.

Commissioner Monaghan said that the Commission approved the Connelly application with certain commitments from them and the Commission does not want them backing down and putting the Commission in a position of "take it or leave it". Mr. Ellers said that the message has been received loud and clear and they have every intention of doing the project and doing it right.

Commissioner Monaghan then said that when the licenses were granted, Mr. Connelly made the statement, when asked about Illinois, "Competition, we are not afraid of it, we welcome it." Mr. Ellers responded by saying that at that time, Illinois had a \$500 limit and now they have no limit.

Mr. Ellers said they had purchased land for the hotel but let it be known they will sell the land for what they paid for it if another developer can build a hotel first.

Chairman Pike asked if the non-profit was comfortable with what is happening to which Ms. Chamberlain replied yes.

Commissioner Monaghan moved to approve the agreement between the Connelly Group and the City of Davenport and the Connelly Group and IGT. Commissioner May seconded the motion with all in favor. See Order (90-100).

Mr. Patton then reviewed each of the following riverboat contracts and recommended approval of each.

Steamboat Development and Uniforms to You  
The Connelly Group, L.P. and McNamara Communications, Inc.  
The Connelly Group, L.P. and Klehr, Harrison, Harvey, Branzburg & Ellers  
The Connelly Group, L.P. and Sedwick James of PA, Inc.  
The Connelly Group, L.P. and Figgins Construction Group, Inc.  
The Connelly Group, L.P. and Eckland & Associates  
The Connelly Group, L.P. and IBM Credit Corporation  
The Connelly Group, L.P. and L.D. Astorino & Associates, Ltd.  
The Connelly Group, L.P. and Scully Brothers & Foss  
The Connelly Group, L.P. and Mid American Truck Parts, Inc.  
The Connelly Group, L.P. and Industry Powers System, Inc.  
The Connelly Group, L.P. and Sable, Makoroff, Sherman & Gusky  
The Connelly Group, L.P. and Materials Sales Company  
The Connelly Group, L.P. and Terracon Environmental  
The Connelly Group, L.P. and Custom Ship Interiors

The Connelly Group, L.P. and Data Business Equipment  
The Connelly Group, L.P. and Green Duck Corporation  
The Connelly Group, L.P. and Ford Hotel Supply  
The Connelly Group, L.P. and Trans Sierra Communications  
The Connelly Group, L.P. and Directions in Design, Inc.  
The Connelly Group, L.P. and Eagle Marine Equipment  
The Connelly Group, L.P. and George C. Matteson Co., Inc.  
The Connelly Group, L.P. and Dejong & Lebet, Inc.  
The Connelly Group, L.P. and Thompson & Mitchell  
The Connelly Group, L.P. and The Carson Group, Inc.  
The Connelly Group, L.P. and The Reynolds Communication Group  
The Connelly Group, L.P. and Cummins-Allison Corp.  
Dubuque Casino Belle, Inc. and Capco Enterprises  
Steamboat Development Corporation/Steamboat Southeast Inc. and Allen Bros. Inc.

Commissioner Canella asked if the operators were looking for Iowa suppliers first before they went out-of-state. Mr. Patton said they are aware they need to search the Iowa market first and are committed to doing so.

Commissioner Sealock moved to approve the contracts with Commissioner Canella seconding the motion. The vote was unanimous. See Order (90-101).

Mr. Patton then brought up the winter docking and excursion schedule of the Pioneer Gal and recommended approval of Steamboat Developments proposed schedule.

Dave Joyce, Vice President of Steamboat Development, outlined what had been done since the Commission instructed them to go back to the cities and see what could be worked out at the Commissioner's October meeting. Mr. Joyce stated that everything that has transpired since that time, it still makes practical sense to dock the boat in Bettendorf.

Commissioner Canella said that at the October meeting Mr. Joyce stated that Clinton nor Muscatine was offering any financial help; has that changed? Mr. Joyce replied no.

Robert Miller, President of Riverbend Regional Authority, then gave his account of what had transpired since the October meeting (see attached memo).

Commissioner Canella asked if he felt there was a non-profit internal problem to which Mr. Miller responded that they have made every attempt to work with Steamboat.

Commissioner Canella then asked if Riverbend Regional Authority had ever made a proposal to Steamboat. Mr. Miller said no. He wanted some type of proposal before he went to the non-profit board.

Commissioner Sealock asked how solid the board was behind him. Mr. Miller

said that the statement he read was approved by the board and there was no dissension among the group.

Commissioner Monaghan asked if the "no dollars at risk" for riverboat gambling was a fair statement. Mr. Miller said no, not fair at all. The city is making the facility available to Steamboat for \$1 per month and the utilities are paid by the city.

Commissioner May asked if it was still Steamboat's intention of putting the second boat in the water. Mr. Joyce responded that it was still their intention to put the second boat in the water.

Bernie Goldstein, representing Steamboat, introduced Jim McCarthy with Economic Research Associates, who had conducted a study on the market area in the Quad Cities area.

Mr. McCarthy stated that the market area in the Quad Cities looks much worse now than a year ago. With a boat in Dubuque and Southeast Iowa, there was still substantial market area. Assuming gaming in Peoria, Joliet and southern Illinois, that really takes a bit out of the market. You need to go slow with major commitments because if you don't someone will get hurt.

Commissioner Canella asked if there was sufficient market to support three boats to which Mr. McCarthy replied no.

Commissioner Monaghan asked if there was sufficient market to support the second boat. Mr. McCarthy said that depended upon the size of the boat and what the Connelly Group does. If you are assuming a 2500 passenger boat it will absorb most of the market. Commissioner Monaghan stated, "So it is questionable at this time." Mr. McCarthy replied that it depends on the size of the boats.

Commissioner May asked what the plans for the second boat. Mr. Goldstein replied that they have spent money designing the second boat and are getting ready to go out to bid. Mr. Goldstein said they need the second boat to adequately serve the cities. We are looking at a smaller boat than originally planned but will still make it nice. We would like to start all over on the second boat.

Commissioner May asked when they were looking at deciding on the second boat, after the first of the year. Mr. Goldstein said that they would be investigating it sooner than that but they want to be safe in their decision.

Mr. Lura asked what they used as the immediate market area in the study. Mr. McCarthy replied they used a 50 mile radius which involved 565,000 people.

Mr. Lura said that they were looking at the market area in a different way than he was. You need to look at it in terms of square foot of gaming area in conjunction with the population. You cannot compare our riverboat gambling to

the size of a casino. Mr. McCarthy responded by stating that they did not do their analysis under that scenario.

Mr. Patton asked if they had looked at the situation in Deadwood. Mr. McCarthy replied no. Doug Kratz, President of Steamboat Development, stated that he had been to Deadwood and visited with people there. He was told that the operators are not making money, however, the city is doing great.

Robert Kehl, Dubuque Casino Belle, stated that the boats will sell themselves, the gambling is just a bonus. The more boats you have the more people you can accommodate.

Mr. Goldstein said that any land base investment in Bettendorf would stand on its own and they don't see any changes in that. In their original plans they were sure that one boat would be in Clinton or Muscatine but in order to accomplish that, they need to start over with the second boat.

Commissioner Monaghan stated, "So, a smaller boat would be more viable in Clinton or Muscatine," to which Mr. Goldstein replied yes.

Mr. Lura then injected that they were now talking a totally different project than what they were licensed for back in March. If you are looking at a whole new scenario, then they need to come back with a new application.

Mr. Kratz stated that they are not changing the application, only the size of the boat.

Commissioner May said that in Waterloo the Commission got the feeling that there was an urgency of needing to know the schedule of the second boat. If the economics show different, then withdraw your request at this time. Mr. Kratz indicated to Mr. Goldstein that a decision today would be preferable but Mr. Goldstein agreed to withdraw their docking request. Chairman Pike indicated a desire to proceed with a vote and asked for a staff recommendation.

Mr. Patton recommended approval of the excursion schedule and winter docking of the Pioneer Gal as requested by Steamboat Development.

Commissioner Canella moved to approve the excursion schedule of the Pioneer Gal and the winter docking of the boat in Bettendorf (see attached schedule). Commissioner Pike turned the Chair over to Commissioner Monaghan and seconded the motion. After much discussion, a roll call vote was taken with Commissioner Sealock, Canella and Pike voting aye and Commissioners May and Monaghan voting nay. Motion carried. See Order (90-102).

Commissioner Monaghan turned the Chair back over to Commissioner Pike.

Mr. Lura then outlined the Legislative Committees recommendation (see attached) and recommended approval. Commissioner May so moved with

Commission Meeting  
December 13, 1990  
Page 8

Commissioner Monaghan seconding the motion. The vote was unanimous. See Order (90-103).

Commissioner May moved to adjourn the meeting with Commissioner Monaghan seconding the motion with all in favor.

MINUTES TAKEN BY

KARYL JONES

---