

IOWA STATE RACING COMMISSION
MINUTES
February 2, 1984

The Iowa State Racing Commission was called to order by Commission Chairman Larry Scalise on February 2, 1984 at 9:50 a.m. The Commission met in the First Floor Conference Room of the Wallace State Office Building. Present were Commissioners Scalise, Pike, Mydland, Prickett and Sovern.

Chairman Scalise asked for a motion of approval of the minutes from the December 2 meeting. Commissioner Mydland moved to approve the minutes and Commissioner Pike seconded the motion. Commissioner Sovern asked the minutes be amended per his letter to Secretary Ketterer. The Commission unanimously approved the amendment and the amended minutes. (The letter has been attached. See Order 84-22).

Chairman Scalise moved to the second item on the agenda, a presentation by Mr. Larry Waller of the Cedar Rapids Chamber of Commerce and by Dr. Norman Crossley, Solon dentist and president of Nikoni Parks, Inc. Mr. Waller spoke briefly in support of Dr. Crossley regarding his efforts in planning a thoroughbred racetrack near Cedar Rapids.

Dr. Crossley presented his plan for a track near Cedar Rapids, as well as his theory that Iowa can support two tracks, one in Des Moines and one in Cedar Rapids, as long as neither area is "over-raced". In response to a question from Chairman Scalise regarding the Delaware North study for Des Moines, Dr. Crossley said that he believed Delaware North "missed the boat" with their study. (Chairman Scalise asked specifically why Delaware North did not use Fonner Park, Grand Island, Nebraska, as an example in the study. Dr. Crossley said he did not know).

Each Commissioner and the Executive Secretary posed questions to Dr. Crossley following his presentation.

At the request of Chairman Scalise, State Representative Jack Woods briefly explained to the Commission that there are companion bills in both houses of the Legislature dealing with the Commission's proposed amendments to the parimutuel legislation passed last year. Right now, both bills are in committee, and the Senate version is slated to be taken up very soon.

In response to a question from Commissioner Sovern, Representative Woods noted that emergency rules could be adopted and implemented if the Commission showed that to do so would confer a benefit to the public. The process otherwise would take 90-120 days.

Chairman Scalise next introduced Sandy Shrader and John Temple from Touche, Ross and Company, a consulting firm from Kansas City which has done studies in other states for racing associations.

Mr. Temple gave a presentation focusing on what their firm has done in other states, and then discussed the commission's need to establish selection criteria for developers who might be interested in making application.

Mr. Temple expressed his opinion that a macrostudy of the state would be "academic", that the Commission would be better served to develop the criteria against which to measure the validity of the feasibility studies conducted by the individual applicants, and the applications themselves.

He stressed the importance of giving the horse and dog people the criteria so that they know early on what the Commission is looking for.

Chairman Scalise next addressed the "Administrative Business" item on the agenda.

Mr. Ketterer stated that the Governor's Office and legislative leadership have been supportive of the Commission's proposed amendments to the legislation, and anticipates that things will go well on that issue.

The Commissioners took up the discussion of how best to proceed in establishing selection criteria.

Commissioner Prickett made the motion to have the Commission staff prepare an informational report to help them establish guidelines in the location and number of tracks, and report to the commission at the next meeting. Commissioner Mydland seconded the motion.

Chairman Scalise asked for discussion of the motion. Commissioner Sovern asked to amend the motion to include consideration of the types of racing Iowa should have first and whether the commission should begin accepting applications of all types simultaneously.

After some further discussion by the commission, the amendment was not taken, but the motion was passed unanimously. (See Order 84-23.)

Chairman Scalise then asked for additional administrative business. Receiving no response, he asked for comments and questions from the general public.

Commissioner Mydland moved to adjourn and Commissioner Pike seconded the motion. The motion passed unanimously, and the commission adjourned at 1:10 p.m.


Debbie White Owen

IOWA STATE RACING COMMISSION
MINUTES
February 24, 1984

The Iowa State Racing Commission was called to order by Commission Chairman Larry Scalise on February 24, 1984 at 1:30 p.m. The Commission met in the Second Floor Conference Room of the Wallace State Office Building. Present were Commissioners Scalise, Pike, Mydland, Prickett and Sovern.

Chairman Scalise asked for a motion of approval of the minutes from the February 2 meeting. Commissioner Mydland moved to approve the minutes and Commissioner Prickett seconded the motion. The motion passed unanimously. (See Order 84-24).

Chairman Scalise took up the second item on the agenda, the discussion and adoption of licensing rules. He called upon the Executive Secretary for comment. Mr. Ketterer made note of the fact that copies of the proposed rules had been sent out to interested persons three weeks prior to the meeting, so that they might have an opportunity to provide input in the rulemaking process. Mr. Ketterer also said that he had heard from several interested parties and had, in fact, incorporated some changes in the rules based on their suggestions.

Mr. Ketterer discussed some changes made in the rules, bringing the Commissioners and other interested persons present up to date.

Mr. Ketterer explained that the rules would be submitted to the Administrative Rules Coordinator both under "Notice of Intended Action", which is the normal rulemaking procedure, and as "Emergency Implemented and Adopted" rules, which would expedite the process and become effective April 1.

He also stated that during a meeting attended by the Administrative Rules Coordinator, Director of the Legislative Rules Committee, the Legal Counsel for the Commission and Commission staff, all agreed that this "double-barrel" procedure should be followed.

Mr. Ketterer stated that emergency rulemaking served to speed up the process, and that by filing rules both ways, he felt that the public would be better served because those wishing to race in 1985 could begin their application process earlier. The normal process could take several more months to complete.

Chairman Scalise asked Gary Hayward, legal counsel to the Commission, whether the Commission should entertain statements or questions from the public with respect to the rules at that moment.

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Mr. Hayward replied that it was not necessary, but that on April 19 the Commission would hear from anyone who wished to comment during a public hearing held in conjunction with a regularly scheduled meeting. The public hearing is part of the normal rules procedure.

Mr. Hayward noted that in using the shortened process, all the steps are followed, including allowing for public reaction, but that the commission could act on applications in the meantime.

Commissioner Sovern asked how the applications would be judged, what the Commission would be looking for. Mr. Ketterer explained that those questions would be answered by another chapter of the rules which would be drafted and mailed to the Commissioners and the interested public, to be taken up at the next Commission meeting.

Commissioner Sovern also asked whether the Division of Criminal Investigation had had the opportunity to provide input into the rules as they were written. The Executive Secretary stated that the DCI had indeed been contacted with respect to the writing of the rules, and that their recommendations had been considered as the rules were being written.

Chairman Scalise asked for comments from the audience regarding the rules, and for final discussion from the Commissioners.

After some further discussion on the part of the Commission, Chairman Scalise asked for a motion. Commissioner Pike moved to adopt the emergency rules and notice of intended action pursuant to 99D.7 and 99D.9 of the Code. The motion was seconded by Commissioner Mydland. The motion passed unanimously. (See Order 84-25).

Chairman Scalise then moved to the third item on the agenda and introduced Mr. Jim Coulter of the Iowa Harness Association, who spoke on behalf of the harness racing associations in Iowa.

Owen Julius, president of Hawkeye Colt Stakes, and Al Westoff, Jones County Fair Association, also spoke to the Commission, their point being that harness racing is an established tradition in Iowa and they would like to see parimutuel racing at Iowa's county fairs, perhaps even this summer.

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Following the presentations, Commissioner Sovern made a motion to determine what type of application would be required for county fair racing. Chairman Scalise seconded the motion.

After some further discussion, including an invitation from the Executive Secretary to the county fair representatives to come in to the office to further discuss their ideas and feasibility of fair racing this year, Chairman Scalise took a vote. The motion passed unanimously. (See Order 84-26).

The Chairman then took up the agenda item involving a discussion by Mr. Ketterer regarding racing in other states where both dog and horse racing are legalized. Mr. Ketterer did a comparative market analysis of six states which have both dog and horse racing. He summarized the analysis which he sent home with the Commissioners.

Chairman Scalise then took up item 6 on the agenda, administrative business.

Mr. Ketterer proposed the possibility of meeting in the auditorium in the Wallace building for future commission meetings. He also reminded the Commissioners of the NASRC meeting in Denver early in April.

Bill Brosnahan, DCI, approached the Commission requesting reimbursement of agent expenses incurred during the preparation of a parimutuel study which involved travel to several states.

The Chairman asked for a motion for payment of the bill. Commissioner Pike moved to approve payment of the bill and the motion was seconded by Commissioner Sovern for discussion. In response to questions from Commissioners Prickett and Sovern, Mr. Brosnahan said that this expense was non-recurring and that in future matters, the Commission would be consulted for prior approval of such expenditures. The Commission then unanimously passed the motion. (See Order 84-27).

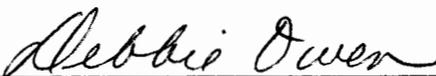
The Commissioners discussed whether to change the date of the March meeting and decided to hold it at the scheduled time, March 23 in Dubuque at 1:30.

Chairman Scalise opened the meeting to the general public.

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Commissioner Mydland moved to adjourn. Commissioner Pike seconded the motion. The motion passed unanimously.

Minutes taken by:



Debbie Owen

IOWA STATE RACING COMMISSION
MINUTES
March 23, 1984

The Iowa State Racing Commission was called to order by Commission Vice-Chairman Bud Pike on March 23, 1984 at 1:30 p.m. in the Symposium meeting room of the Midway Motor Lodge, Dubuque, Iowa. Present were Commissioners Pike, Mydland, Prickett and Sovern. Chairman Scalise was absent.

Vice-Chairman Pike asked for a motion of approval of the minutes from the February 24 meeting. Commissioner Mydland moved to approve the minutes and Commissioner Prickett seconded the motion. The motion passed unanimously. (See Order 84-28).

Vice-Chairman Pike took up the second item on the agenda, the discussion of proposed rules regarding the commission's organization and operation, rulemaking, declaratory rulings and criteria for granting licenses and determining race dates. He called upon the Executive Secretary for comment. Mr. Ketterer explained the contents of each rule.

Commissioner Sovern moved to amend Rule 1.2(2) to read, "The State Racing Commission consists of five members. The membership shall elect a chairman and vice-chairman in July of each year."

Commissioner Prickett seconded the motion, which was unanimously passed. (See Order 84-29).

After some further discussion, there were no other changes to the rules.

The Executive Secretary explained that the rules would be submitted to the Administrative Rules Coordinator as "notice of intended action" only. He then asked the commission to approve the rules, as amended.

Commissioner Sovern made the motion, Commissioner Mydland seconded it. The motion passed unanimously. (See Order 84-29.)

The Vice-Chairman next took up Item 3 on the agenda, the presentation of proposed plans by the Dubuque Racing Association. Terry Harrman made the presentation on behalf of the Association.

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Following his presentation, the commission heard from Mr. John J. "Hank" Waltz, who represents a group of Dubuque citizens who feel they should have more time to study the racing proposal before being asked to vote on a referendum, which is slated for April 24.

Mr. Hugh Field, Chairman of the Waterloo Racing Association, invited the commission to meet in Waterloo.

Vice-Chairman Pike next took up Item 4 on the agenda, which was Administrative Business. The Executive Secretary brought the Commissioners up to date with the status of parimutuel legislation. In the senate, the bill is out of the Ways and Means Committee and should be brought up for debate very soon.

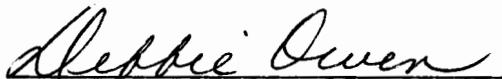
Mr. Ketterer also brought up the business of the project appointment of Mick Lura as Director of Administration to the Commission. He explained that the Office for Planning and Programming and the Governor's Office wished to reconcile the OPP's Table of Organization and put Mick full time on the Racing Commission's payroll. Commissioner Mydland moved to approve the project appointment. Commissioner Sovern seconded the motion. (See Order 84-30).

The Commission next discussed their schedule of future meetings. They decided to hold their next two meetings immediately following the public hearings on the rules which are to be held on Thursday, April 19 and Thursday, May 17 in the Wallace Building Auditorium at 10:00 a.m.

The commissioners also expressed an interest in holding a planning session in conjunction with their next meeting and decided to meet at 1:00 p.m. on April 18 to discuss their goals and objectives, staff organization, visitations by various tracks, etc.

At approximately 3:30 p.m., Commissioner Prickett moved to adjourn. Commissioner Mydland seconded the motion, which was unanimously passed.

Minutes taken by:


Debbie Owen
Recording Secretary

IOWA STATE RACING COMMISSION
MINUTES
WORK SESSION
APRIL 18, 1984

The State Racing Commission met for a work session on April 18 at 1:30 p.m. in the Conference Room of the Iowa Development Commission. Present were: Chairman Larry Scalise, Commissioner Bud Pike, Commissioner Lavonne Mydland, Commissioner Sally Prickett and Commissioner Steve Sovern.

In an informal meeting, the Commissioners discussed various operations of the Commission. No formal action was taken on any of the matters brought up for discussion.

Executive Secretary Jack Ketterer brought the Commission up to date on recent developments in pending racing legislation.

Chairman Scalise brought up the findings of an attorney general's opinion regarding the prohibition of ownership (of a racetrack) by a private investor. It found that the facility could be privately owned and leased to a non-profit corporation. It was the feeling of the Chairman that the Commission should inspect very thoroughly the relationships between the parties involved in making application.

Chairman Scalise also stated that he believed that out-of-state track operators should have local Iowa investors and community support.

Commissioners Pike and Mydland commented on the NASRC Convention in Denver which they attended early in April. They both noted that while the Commission is largely a regulatory body, it also needs to be active in marketing and public relations and that in Iowa, the Commission should work closely with the Iowa Development Commission to promote the industry.

Executive Secretary Ketterer next outlined a potential timetable for licensing applicants. He suggested that the Commission could begin accepting licenses on June 1, to be in a position to grant licenses in mid-July. Chairman Scalise suggested August 1 be the cut-off date for accepting applications. Commissioner Sovern added that the date could be extended if a need was demonstrated.

The Commissioners discussed their feelings about numbers and locations of potential track sites around the state. Executive Secretary Ketterer reiterated his feeling that dogs and horses should not run concurrently in the same geographic market area. Chairman Scalise said he felt that Iowa needed a flagship horse track in either Cedar Rapids or Des Moines and that Delaware North, in an earlier feasibility study for Des Moines, had willfully attempted to kill horse racing in Des Moines because it is primarily interested in dog racing. He also said that there are people interested in having a horse track in Des Moines running a split season so as not to conflict in any way with Ak-Sar-Ben. The big question with having a track in Des Moines, he continued, would be its location.

Chairman Scalise said that in terms of locations of dog tracks, he felt the possibilities were: Dubuque (if Cedar Rapids/Iowa City area does not have horse racing), Council Bluffs, Shenandoah, Davenport, and Waterloo, and that there should be no more than four tracks. He also feels it is important to have a distance of 125 miles between the dog tracks and the "flagship" horse track.

Chairman Scalise also said that he would like to see some harness racing taking place at county fairs.

Commissioner Sovern expressed the opinion that the commission should act conservatively in granting track licenses, and that those making application should do so with the knowledge that their application might fail.

Executive Secretary Ketterer said that the Commission could set guidelines without making a decision as to numbers of tracks, and should set standards for facilities.

Bill Brosnahan, DCI, was present to discuss the application form. He asked for a definition of the term "principal stockholder" used in the application and in the Commission rule 5.7(4).

The Commission discussed the possibility of striking the word "principal" from the references to stockholders.

Various administrative matters were discussed including: Waterloo's invitation to the Commission to meet in their community as it had in Dubuque, the staff sending a monthly printout of expenditures to the Commissioners, and potential meeting dates in June.

The Commission adjourned at 4:45 p.m.

Minutes taken by:


Debbie Owen

IOWA STATE RACING COMMISSION
MINUTES
APRIL 19, 1984

The Commission had its regular meeting on April 19, 1984 at 10:00 A.M. immediately following the public hearing on Chapter 5 of the rules.

Chairman Scalise called the meeting to order in the Wallace Building Auditorium. All commissioners were present.

Chairman Scalise asked for a motion to approve the minutes from the March 23 meeting. Commissioner Mydland moved to approve the minutes. Commissioner Pike seconded the motion, which passed unanimously. (See Order 84-31).

Executive Secretary Ketterer discussed the status of the commission's pending legislation. The bill had passed the Senate 35-9 and was scheduled for debate in the House.

The Commission heard from representatives from several racing associations around the state.

From Council Bluffs, George Beeno and Stan Duysen were present to provide the Commission with an update on their progress. They had hired consultants, legal counsel, an architect and were working on their by-laws, etc. Chairman Scalise advised them that his comments about Delaware North should not influence their consideration of Delaware North as a means for financing their facility.

From Shenandoah, Dean Tjards spoke about plans for the "Shenandome" being considered by the Southwest Iowa Racing Association.

Ted Hovick, president of the Iowa Greyhound Association spoke in support of the dome concept.

Jeff Shirley from Waterloo stated that Waterloo would be ready to make their application on June 1, and that the industrial revenue bonds issue was an important factor in their planning.

George Lipper, a lobbyist for Dubuque's highway concerns, spoke on behalf of the Dubuque association, saying that they would be ready also on June 1.

Lyle Bunston, representing the Nashua Big Four Fair asked whether fair racing would be feasible this year.

Executive Secretary Ketterer explained that he had visited the Monticello and Humboldt fair sites, and expressed the need to look carefully at the financial structure of the pari-mutuel bill. He noted that in other states which have fair racing, there is a subsidy program from the major tracks for fair purses, and that much of the time, there is no pari-mutuel wagering.

Mr. Ketterer then told the Commissioners that in Cedar Rapids Dr. Crossley was getting \$15,000 from the Chamber of Commerce to finance a feasibility study, but does not have a firm commitment on financing that he would discuss.

He also stated that Des Moines has engaged the services of Killingsworth Associates for a feasibility study, the first phase of which should be released at any time.

Chairman Scalise moved to the next item on the agenda, a timetable for accepting license applications. Mr. Ketterer stated that from the work session of the day before, it was the consensus of the Commission that June 1 was a good starting date for accepting applications. A cut-off date of August 1 was suggested.

Commissioner Sovern suggested flexibility in the cut-off date, due to the fact that those making application for a horse track had been hampered by unworkable legislation.

Commissioner Sovern then made the motion formally to establish a June 1 starting date to begin accepting applications, and a cut-off date of August 1. Commissioner Pike seconded the motion. It passed unanimously. (See Order 84-33).

Chairman Scalise next took up item 5 on the agenda, the discussion of changes to Chapter 5 of the rules.

Commissioner Sovern moved to strike the word "principal" from the term "principal stockholder" wherever it appears in Chapter 5. Commissioner Prickett seconded the motion. It passed unanimously.

Dr. Prickett moved to accept the amendment allowing the Commission to waive any of its rules in consideration of an application from a county fair association. Commissioner Sovern seconded the motion, which passed unanimously.

Commissioner Pike moved to adopt Chapter 5 of the rules as amended. The motion was seconded by Commissioner Mydland and was unanimously approved. (See Order 84-32).

Commissioner Pike gave a brief synopsis from the NASRC meeting attended by him and by Commissioner Mydland in early April. He again stressed the need to work closely with tourism people to promote the racing industry.

The Commission discussed administrative matters including the May and June meeting dates.

The Commission adjourned on a unanimous voice vote.

Minutes taken by:

A handwritten signature in cursive script that reads "Debbie Owen". The signature is written in black ink and is positioned above a horizontal line.

Debbie Owen

IOWA STATE RACING COMMISSION
WORK SESSION MINUTES
WEDNESDAY, MAY 16, 1984

The Iowa State Racing Commission met for a work session on Wednesday, May 16 at 2:00 P.M. Those attending were Commission Chairman Larry Scalise, Vice-Chair Bud Pike and Lavonne Mydland. Commissioners Steve Sovern and Sally Prickett were absent.

The Commission discussed a number of topics, but no formal actions were taken on any of them.

Tom Ruxlow, Director of the Division of Criminal Investigation, asked the Commission to approve the transfer of funds from the Commission budget to the DCI to cover expenses incurred by the special agents conducting background investigations on the applicants for track licenses. He asked for a total between \$30,000 and \$31,000 to cover their expenses. Mick Lura of the Commission staff suggested that one way to effectively handle the transfer would be to give the DCI \$15,000 at the present time, reassess the situation on June 15 to see how much more they might require.

The next item taken up by the Commission was a presentation by Bob Parsky and Bob Krause of Ewing Cole Cherry and Parsky, an architectural firm. They presented a slide presentation and program on the construction of grandstand facilities.

Will Cummings of Killingsworth Associates next spoke to the Commission regarding the feasibility study being done for the Des Moines area. He said it was his hope to have the three-phase study completed by July 1. He stated that the study was currently in the second phase near completion.

The Commissioners next discussed the evaluation process for the applications. Executive Secretary Jack Ketterer said that some steps to include in the process would be site visitation, applicant presentations, and receipt of the DCI background investigations. He also said that it was his hope that they could use July 15 as a target date for announcing their decisions.

The Commission also discussed the possibility of hiring a consultant to assist in the analysis of the applications with regard to financing, feasibility studies, etc.

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There was some discussion regarding the neighborhood impact studies to be done for each neighborhood where a track has been proposed to determine the impact on the quality of life in the area. Mr. Ketterer said that a public meeting would be held for each area, and that those persons owning property adjacent to the track site would be invited to share their feelings regarding the proposal.

Chairman Scalise also asked whether the language in Commission rule 5.7(4) was too stringent. He pointed out that the intent of the Commission might be better served if the language regarding prohibiting licensure of any convicted felon were to instead refer to persons of good repute and moral character. He said that common sense should dictate how a felony situation was considered with respect to a license application.

Commissioner Pike brought up the idea of marketing racing, with the use of films and other aids in educating the public and promoting the industry in Iowa.

The work session adjourned at 4:15 P.M.

Minutes taken by:



Debbie Owen, Recording Sec'y

IOWA STATE RACING COMMISSION
MINUTES
THURSDAY, MAY 17, 1984

The regular meeting of the Iowa State Racing Commission was called to order by Commission Chairman Larry Scalise on Thursday, May 17 at 10:00 A.M. Those attending were: Chairman Larry Scalise, Vice Chairman Bud Pike, Commissioners Lavonne Mydland, Sally Prickett. Commissioner Steve Sovern was absent. The Commission met in the Auditorium of the Wallace Building following a public hearing on Chapters 1, 2, 3 and 6 of their administrative rules.

Chairman Scalise asked for approval of minutes from the April 19 meeting. Commissioner Mydland moved to approve the minutes. Commissioner Prickett seconded the motion which passed unanimously. (See Order 84-34).

The second agenda item, a discussion of Chapters 1, 2, 3 and 6 of the rules, was deferred until later in the meeting.

Chairman Scalise then introduced Al Ross, owner and operator of six dog tracks around the country, for a video tape presentation on greyhound racing. Mr. Ross stated that it was his intent to file an application for a dog track license in the quad-cities area.

Following Mr. Ross' presentation, he answered questions from the Commission. He pointed out that the most important thing to bear in mind in the operation of a track is the assurance to the public that the operation is clean. He noted that the taking of urine samples and the weigh-in and weigh-out procedures should be done in full view of the patrons.

Chairman Scalise moved next to the discussion and adoption of Chapters 1, 2, 3 and 6 of the rules. He asked for discussion from the Commission members.

Mr. Ketterer discussed some minor changes to those chapters.

Chairman Scalise said, with regard to rule 5.7(4) which prohibits licensing a convicted felon, that the commission should use common sense in considering a felony with respect to an application. He stated that the rule as it is worded is stronger than the law, and that the rules should not re-write the legislation. He asked Gary Hayward, Assistant Attorney General, to put together language which would protect the Commission and the public with respect to this matter.

The next item brought up for discussion was the DCI's request for additional funds to help pay for the background investigations which will be required in processing the applications.

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Commissioner Pike moved to authorize a transfer of up to \$15,000 to the DCI from the Commission budget to pay for agents' expenses incurred while conducting the background investigations submitted by the applicants for track licenses. The \$15,000 would cover the expenses incurred up to and including June 15. Commissioner Mydland seconded the motion, which passed unananimously. (See Order 84-37).

Chairman Scalise asked for a motion to adopt the administrative rules chapters 1, 2, 3 and 6 as amended. Grammatical and typographical corrections are to be made as required.

Commissioner Mydland moved to adopt the rules. Commissioner Pike seconded the motion. The motion passed unanimously. (See Order 84-35).

The next item brought up for discussion was the neighborhood impact studies required by statute. Mick Lura told the Commission that the law states that those neighborhoods adjacent to the proposed site of the track be studied to determine the impact of granting a license on the quality of life in those neighborhoods. The studies are to be paid for by the applicant.

In moving to administrative business before the Commission, Executive Secretary Ketterer next brought up for discussion the hiring of an objective consultant to review the financing mechanisms and other complexities of the applications. He asked to be allowed to look into the cost of such a study and report his findings to the Commission.

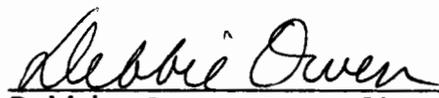
The Commission next discussed possible times for future meetings. Mr. Ketterer suggested that the Commissioners should see each of the proposed sites sometime in mid-June. He suggested viewing the sites on June 25 and 26, hearing presentations on June 27 and 28.

Chairman Scalise asked for a motion setting the next meeting dates for June 27 and 28. Commissioner Pike moved to do so. Commissioner Prickett seconded the motion. The motion passed unanimously. (See Order 84-36).

Chairman Scalise next opened the meeting for public comment.

The Commission adjourned at 11:30 A.M.

Minutes taken by:


Debbie Owen, Recording Sec'y

IOWA RACING COMMISSION
MINUTES
CONFERENCE CALL MEETING
MONDAY, JUNE 11, 1984

A telephonic meeting of the Iowa State Racing Commission was held on June 11, 1984 at 4:10 P.M. Those participating in the conference call were Commissioners Sally Prickett, Steve Sovern and Lavonne Mydland. Chairman Scalise and Vice-Chair Pike were absent.

Commissioner Sovern nominated Commissioner Prickett to officiate and Commissioner Mydland seconded the motion.

Commissioner Prickett called the meeting to order for the purpose of discussing the proposal of hiring a consultant to study the track applications on file with the Commission.

Executive Secretary Ketterer told the Commissioners that the proposal to hire Touche Ross and Company had been approved by the Merit Employment Department and by the Comptroller's offices as required. He also said that the contract had been approved as to form by Gary Hayward, counsel for the Commission.

Mr. Ketterer explained that Touche Ross and Company would be expected to look at four aspects of the applications: financing, feasibility, cost projections and operating expenses, and revenue projections.

Commissioner Sovern asked Mr. Ketterer what Touche Ross Company had over other consulting firms in the field. Mr. Ketterer explained that Touche Ross had experience in the field, that other firms which might have been considered were already involved with racing associations in Iowa and were therefore ineligible to work with the Racing Commission, and that Touche Ross had a reasonable fee. They would be paid no more than \$25,000 to study eight or nine applications. The Minnesota Racing Commission had paid \$41,000 to have a consulting firm examine five applications' financing proposals only.

Commissioner Mydland moved that the Commission hire Touche Ross and Company to assist the Commission in the evaluation process. The motion was seconded by Commissioner Sovern.

Commissioner Prickett brought up for discussion the fact that no competitive bidding had been done for the contract, and voiced concern that only three of the five Commissioners were making a rather major decision.

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Mr. Ketterer told the Commissioners that competitive bidding was impracticable because of the specialized knowledge which was required. Not all consulting or accounting firms are knowledgeable of the racing industry. He cited examples of other firms which might have been contenders for the contract, but were already involved in feasibility studies for racing associations around the state.

He also assured them that in previous conversations with Commissioners Scalise and Pike, their support for the project had been expressed.

He also told the Commissioners that the report would be made public.

Commissioner Sovern pointed to the fact that the Commission would weigh a number of factors in making their decisions as to location of the tracks and that the consultant's study would be only one of those factors. He said the decisions on which tracks to license rest ultimately with the Commission.

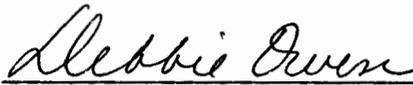
The Executive Secretary told the commissioners that because there were only three in attendance, they would need a unanimous vote to pass the motion.

Commissioner Sovern indicated that he, too, had experienced some reservations because of the fact that the contract had not been sent out for bid, but it was his feeling that in the interest of time and money saved, it was his conclusion that this would be the best way to go.

Commissioner Prickett then asked for a vote on the motion, which was passed unanimously. (See Order 84-38).

Commissioner Sovern moved to adjourn. Commissioner Mydland seconded the motion, which passed unanimously.

Minutes taken by:



Debbie Owen, Recording Sec'y

IOWA STATE RACING COMMISSION
MINUTES
THURSDAY, JUNE 28, 1984

A meeting of the Iowa State Racing Commission was called to order at 8:15 A.M. on Thursday, June 28 by Chairman Larry Scalise. Present were Chairman Scalise, Vice Chairman Pike, Commissioner Mydland, Commissioner Prickett and Commissioner Sovrn. Also present was Executive Secretary Jack Ketterer. The meeting was held in the Oak Room of the Des Moines Hyatt Hotel.

The first order of business was to elect the Commission Chairman for the upcoming year. Commissioner Pike nominated Lawrence Scalise for re-election to the position, Commissioner Mydland seconded the nomination. There were no other nominations. The motion to re-elect Chairman Scalise was unanimously approved. (See Order 84-40).

The Chairman recognized Tom Ruxlow of the DCI, who asked that the DCI be reimbursed for actual expenses and overtime incurred by agents conducting background investigations related to the licensing applications.

Commissioner Sovrn moved to authorize Executive Secretary Ketterer to reimburse any actual expenses incurred by the DCI over and above the \$15,000 already approved by the Commission. Commissioner Prickett seconded the motion, which was unanimously approved. (See Order 84-39).

Chairman Scalise next asked for nominations for Vice Chair for the Commission for the upcoming year. Commissioner Prickett nominated Bud Pike. Commissioner Sovrn seconded the nomination. There were no other nominations. The motion to re-elect Commissioner Pike passed unanimously. (See Order 84-40.1)

The Chairman next introduced the various racing associations making application for tracks.

Kenneth Grandquist, Des Moines real estate developer and owner of the Iowa Cubs Triple-A baseball franchise, proposed a \$40 million horse racing facility on behalf of the Central Iowa Racing Association to be constructed on 560 acres near Bondurant, Iowa just northeast of Des Moines. Grandquist contemplates running thoroughbreds in the fall and spring seasons to avoid direct competition with Ak-Sar-Ben.

Dr. Norman Crossley, a Solon, Iowa dentist and president of Nakoni Park, Inc., proposed a \$30 million facility on 130 acres south of Cedar Rapids to race May through August.

The Iowa West Racing Association, led by Council Bluffs insurance executive, John Nelson, proposed a \$12 million facility to conduct greyhound racing during the months of April through November.

The Southwest Iowa Racing Association in Shenandoah proposed an \$8.5 million facility to conduct greyhound racing during the winter months of November through April.

The Council Bluffs Greyhound Racing Association, led by Bernie Hartman and Herb Tyner, owners of Detroit Racecourse and Hazel Park in Michigan as well as Hollywood Greyhound Park in Hollywood, Florida, proposed an \$11 million facility to run during the months of March through November in Council Bluffs.

The National Cattle Congress Association in Waterloo proposed a \$7 million greyhound facility to run during the months of April through September.

The Dubuque Racing Association proposed a \$7.5 million facility which will be owned by the city of Dubuque and financed through general obligation bonds. A referendum of the people in the city of Dubuque carried by an overwhelming 71% to 29% in April. Dubuque has applied for dates during the months of April through November.

The Quint-Cities Greyhound Park, Inc. proposed an \$8.25 million facility to race during the months of October through May in Davenport, Iowa. Alfred Ross, owner and operator of six greyhound facilities in four states, is the driving force behind the Quint-Cities application.

The Muscatine County Fair board proposed to add \$100,000 of improvements to their county fairgrounds in West Liberty, Iowa and run a greyhound meet during the months of May through August.

At the close of the meeting, the Commissioners discussed their schedule of July meetings. They agreed to meet July 11 for the purpose of hearing reports regarding neighborhood impact studies, the DCI background investigations and financial analyses by Touche Ross and Company. They set a date of July 18 to make the final decisions on the granting of licenses.

Minutes taken by:


Debbie Owen

IOWA STATE RACING COMMISSION
MINUTES
JULY 11, 1984

The Iowa State Racing Commission met on Wednesday, July 11 at 8:00 a.m. at the Des Moines Hyatt. Attending were Commission Chairman Larry Scalise, Vice Chair Bud Pike and members Lavonne Mydland, Sally Prickett and Steve Sovern. Chairman Scalise called the meeting to order at 8:05 a.m.

The first order of business was to approve the minutes from the June meeting. The minutes were unanimously approved. (See Order 85-1).

The Chairman next recognized Tom Ruxlow, Director of the Division of Criminal Investigation of the Department of Public Safety. Mr. Ruxlow asked the Commission to enter into executive session in order to hear the contents of background investigations conducted by the DCI relating to the applicants for licenses. He cited Chapter 692 of the Iowa Code, which states that criminal history and intelligence data must be kept confidential subject to both civil and criminal penalties; §68A.7(5), which states that peace officers investigative reports are confidential; and §28A.5(1)(a) and (g), which state that with a two-thirds vote, the Commission can go into closed session to review or discuss records required or authorized by law to be kept confidential, as in the case of the DCI investigations.

Commissioner Prickett moved to go into closed session. Commissioner Pike seconded the motion. The Chairman asked for discussion pursuant to the motion.

Chairman Scalise asked Commission Counsel, Gary Hayward, whether the Commission could be sued if criminal history data was publicly discussed. Mr. Hayward said that indeed was true, and that the background investigations must be examined to determine whether there was criminal history data contained therein.

The Chairman asked for a vote to go into executive session. The motion was unanimously approved. (See Order 85-2).

Commissioner Sovern asked whether the contents of the investigations could be made public by the Commission if the contents affected their decisions. Mr. Hayward said that if a decision not to license a track was based solely on the contents of the background investigation, that the Commission could make such information public, because it would be its official duty as a Commission.

The Commission met in closed session. The session was taped and minutes were taken, pursuant to §28A.5, Iowa Code.

The Commission reconvened at 10:15 A.M. to resume the regular portion of the agenda.

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The Chair first recognized Jack Ketterer, Executive Secretary, for a synopsis of the neighborhood impact studies completed to date. Mr. Ketterer explained that in accordance with Chapter 99D.9, Iowa Code, the neighbors adjacent to the track were contacted so that the impact of a racing facility on each neighborhood could be determined. Each applicant submitted a list of neighbors who own property adjacent to the proposed site. They were asked to fill out a survey and return it to the Commission office. Also, a meeting was held at which the discussion was limited to those neighbors, although anyone who wanted to could attend.

Chairman Scalise next recognized Gary Owen of the Siouxland Association of Business and Industry who expressed concern that a track licensed in Council Bluffs could prove detrimental to Sodrac Park, a race track in South Sioux City, South Dakota. He expressed the opinion that neither applicant for a license in Council Bluffs had adequately examined the impact such a track would have on its competition at Sodrac or Ak-Sar-Ben.

Chairman Scalise turned to the next agenda item, the report from Touche Ross and Company consultants, who had examined and compared the applications to aid the Commission in the decision-making process. John Temple, Sandy Shrader and Larry Guevel of Touche Ross and Company summarized their analyses of the applications and then took questions from the Commission.

The Commissioners asked for their judgments as well as their statistical comparisons.

John Temple stated that the horse track applications were not as far along as were the dog tracks, he advised the Commission to take "some longer looks" at those applications.

He also said that the allocation of dates and competition factor were most important issues to be looked into to insure sufficient profitability.

After pointed questions from the Commission and requests that they be specific, Mr. Temple finally stated that at most Iowa could support a dog track in western Iowa; a horse track in central Iowa; and a horse and a dog track or two dog tracks in eastern Iowa, provided they operated during non-competing seasons.

Following the presentation made by Touche Ross, the Commission broke for lunch. Chairman Scalise announced that they would return to executive session, again citing the code sections dealing with such matters, to hear DCI reports through lunch.

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July 11, 1984
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After the lunch break, each racing association had an opportunity to speak to the Commission on its own behalf, responding to questions raised by the Touche Ross study or anyone else.

Following the presentations by the associations, Chairman Scalise opened the meeting to the general public. Several persons were given an opportunity to speak to the Commission regarding their personal concerns, problems and thoughts on racing.

The Commission ended the formal portion of the agenda, again to go into a closed session in order to hear the remaining DCI investigative reports. Chairman Scalise again cited sections 28A.5(1)(a) and (g), 68A.7(5) and Chapter 692 of the Iowa Code, which relate to the ability of the Commission to vote to close their meeting to discuss investigative reports which must be kept confidential by law.

The Commission met in executive session through the evening. The session was taped, minutes were taken and sealed.

At approximately 10:15 p.m., Commissioner Sovern moved to adjourn and Commissioner Prickett seconded the motion. The motion was unanimously approved.

Minutes taken by:



Debbie Owen

IOWA STATE RACING COMMISSION
MINUTES
WEDNESDAY, JULY 18, 1984

The Iowa State Racing Commission met Wednesday, July 18 at 9:30 a.m. in the Oak Hall of the Hyatt Hotel. Present were Chair Lawrence Scalise, Vice Chair Bud Pike, Commissioners Sally Prickett, Lavonne Mydland and Steve Sovern. Chairman Scalise called the meeting to order.

Commissioner Prickett moved to approve the minutes from the July 11 meeting. Commissioner Pike seconded the motion, which passed unanimously. (See Order 85-3).

The Chair next asked the Executive Secretary, Jack Ketterer for the results of those neighborhood impact studies completed since the Commission's last meeting. Mr. Ketterer gave the details of the studies completed for Racing Association of Central Iowa (Bondurant) and the Council Bluffs Greyhound Association. It was moved by Commissioner Mydland and seconded by Commissioner Pike to receive and file the neighborhood impact studies as required by 99D.9, the Code. There was no discussion and the motion was unanimously approved. (See Order 85-4).

The Chair recognized Jerry Boubin of Independence, who submitted a letter of intent to file an application for horse racing from Rush Park Racing Association in Independence. Frank Bremer, mayor of Independence, was there to lend his support of the project.

Chairman Scalise recognized the Executive Secretary for comments before the Commission commenced voting on the applications for licensure.

The Chairman then thanked the DCI for their painstaking labor in completing the background investigations for the applications.

Chairman Scalise noted that each application would receive a vote and that they would begin on the eastern border with Dubuque and continue westward across the state.

Chairman Scalise next recognized Commissioner Prickett, who moved to grant a conditional three-year license to the Dubuque Racing Association, Ltd. subject to their compliance with the law (Chapter 99D, Iowa Code) and Commission Administrative Rules 5 and 6. She said their racing dates would be given consideration later in the process. Commissioner Mydland seconded the motion. Chairman Scalise asked for discussion of the motion. The Commissioners praised the proposal, citing community support, financing, the possibility of luring out-of-staters to Iowa with a Dubuque track. The Commission unanimously supported the Dubuque application. (See Order 85-5).

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The Chair next recognized Commissioner Pike, who moved to grant a conditional three-year license to the National Cattle Congress in Waterloo, subject to their compliance with Chapter 99D and the Commission Rules 5 and 6, to possibly race in the fall, spring or winter. Commissioner Mydland seconded the motion. Chairman Scalise asked for discussion, pointing out that the Commission rules state that overlapping dates must be agreeable to both tracks and the Commission.

Commissioner Pike had praise for the Waterloo effort, noting an impressive site with good visibility, low land-acquisition costs and the fact that the Cattle Congress would run its own concessions.

Commissioner Mydland seconded the motion.

Commissioner Sovern led the discussion and expressed concern that two eastern Iowa dog tracks would adversely affect a horse track located in eastern Iowa. Commissioner Prickett also voiced problems with two eastern Iowa dog tracks, specifically racing dates and the fact that to compete successfully, they would have to engage in winter racing with its inherent problems. She said she preferred to be conservative.

Commissioner Mydland suggested the possibility of split seasons or a fall, winter, spring season.

The Chair again noted that overlapping dates would have to be agreeable to both associations, and that Dubuque's market area was more protected.

Commissioner Sovern asked whether a winter season had been specified in Commissioner Pike's original motion. The recording secretary reread the motion, which mentioned only a possible fall, spring or winter season.

The Chair asked for a new motion, specifying a winter season.

The vote on the original motion was 2-3 against, Commissioners Scalise, Prickett and Sovern voting no. (See Order 85-6).

Commissioner Pike then re-stated his earlier motion, asking to grant Waterloo a conditional three-year license, provided they were in compliance with Chapter 99D and Commission Rules 5 and 6, to include a winter racing season. Commissioner Mydland seconded the motion.

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The Chair called for a vote. This time the vote was 3-2 in favor of the motion, Commissioners Prickett and Sovern voting no. (See Order 85-7).

Chairman Scalise next recognized Commissioner Sovern for a motion regarding the Cedar Rapids horse track proposal.

Commissioner Sovern, noting that the issuance of a Waterloo license reflects a good deal on the Cedar Rapids application, moved to issue a conditional license to Nakoni Park in Cedar Rapids. He noted in the motion that the applicant would need to remedy deficiencies in the application pursuant to a memorandum from Jack Ketterer regarding those deficiencies. (See attached memorandum.) The Chair seconded the motion.

After some discussion involving the viability of three racing facilities in eastern Iowa, the financial soundness of the application, the question of whether there was community support for the project, and other matters, the Chair called the question for a vote. The motion failed, 1-4, with Commissioner Sovern giving the only assenting vote. (See Order 85-8).

The Chair recognized Commissioner Mydland, who moved to deny a license to West Liberty for the Muscatine County Fairgrounds renovation project for greyhound racing. The motion was seconded by Commissioner Pike and was passed unanimously. (See Order 85-9).

Chairman Scalise recognized Commissioner Prickett, who moved to grant a conditional three-year license to the Racing Association of Central Iowa for thoroughbred racing from March 1-May 1 and August 15-November 15. She mentioned that other dates for other breeds could be considered at a later time. Commissioner Mydland seconded the motion.

Commissioner Sovern asked to amend the motion, asking that it be conditional also upon the completion of the deficiencies in the memorandum referred to in consideration of the Cedar Rapids application. (See attached memorandum). Commissioner Prickett accepted the amendment. The motion passed unanimously to grant the Racing Association of Central Iowa a conditional license. (See Order 85-10).

Commissioner Pike moved to deny a license to Southwest Iowa Racing Association of Shenandoah, citing community opposition and lack of core population in that area. Chairman Scalise seconded the motion.

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Commissioner Sovern asked to defer on the proposal until it was determined whether Council Bluffs was to be awarded a license, so that the Shenandoah proposal could be evaluated vis-a-vis the disposition of the other applications pending in southwest Iowa.

Commissioner Pike agreed, withdrawing his motion to be taken up at the end of the day.

Chairman Scalise recognized Commissioner Sovern for a motion on the Council Bluffs Greyhound Association. Commissioner Sovern moved to deny the license, citing the lack of Iowans participating in the project and articles in a national magazine regarding the would-be management's problems at other tracks. Commissioner Pike seconded the motion. The motion was unanimously approved. See Order 85-11).

Chairman Scalise next made a motion to defer on the application for Iowa West Racing Association (Council Bluffs) until such time as the DCI has had ample opportunity to complete background investigations relevant to the application. Commissioner Sovern seconded the motion. Tom Ruxlow, Director of the Division of Criminal Investigation, noted the investigations would require another 60 days. The motion to give the DCI that amount of time passed unanimously. (See Order 85-12).

Commissioner Sovern made a second motion to defer on the application from Shenandoah. Hearing no second to the motion, the Chair declared it dead.

Commissioner Pike moved to deny a license to the Southwest Iowa Racing Association in Shenandoah. The Chair seconded the motion, which passed 4-1, Commissioner Sovern voting no. (See Order 85-13).

At approximately 1:45 P.M., Commissioner Prickett moved to adjourn the meeting for approximately an hour so that the applicants from Waterloo, Dubuque and Des Moines could discuss dates, hopefully to the satisfaction of all concerned. Commissioner Sovern seconded the motion, which passed unanimously. (See Order 85-14).

At 2:50 P.M. the Commission reconvened and the Chair asked to hear from each of the applicants on the dates they had discussed.

Dubuque requested the following dates: June 1 - November 15, 1985 and April 1-October 31, 1986 and 1987.

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Waterloo said they could live with the following dates:

1985: December 1-December 22
1986: January 1-June 7 (EXCEPT that they would close
their operation in March and April if Des
Moines horse racing was in operation at that
time).
October 15-December 31, 1986
1987: January 1-March 1
May 1-June 7
October 15-December 31

The Chair asked for a motion to delay for seven days the final decision regarding dates for Dubuque and Waterloo. Commissioner Sovern made the motion, which was seconded by Commissioner Pike. The motion was unanimously approved. (See Order 85-15).

Commissioner Pike made a motion to adjourn and Commissioner Prickett seconded the motion. It passed unanimously.

Minutes taken by:


Debbie Owen

IOWA RACING COMMISSION
MINUTES
TELECONFERENCE
JULY 25, 1984

On July 25, 1984 the Iowa Racing Commission met via teleconference. Those included in the call were: Vice Chair Bud Pike, Commissioners Mydland, Prickett, Sovern and representatives of the National Cattle Congress and the Dubuque Racing Association. Present in the Commission Office were Chair Lawrence Scalise, Jack Ketterer, Counsel Gary Hayward and representatives of the Racing Association of Central Iowa. The Chair called the meeting to order at 4:30 p.m.

The Chair proceeded with the first item on the agenda, a report from the Waterloo National Cattle Congress on the feasibility of dates. Mr. Hugh Field, Waterloo Racing Task Force, stated that Waterloo was prepared to accept the license and the dates presented at the July 18 meeting, which were:

September 1-December 22, 1985
January 1 - June 7, 1986 (EXCEPT that if a Des Moines horse track is operating in March and April, Waterloo would not be licensed to race during those months)
October 15, 1986-December 31, 1986
January 1, 1987-March 1, 1987
May 1, 1987 - June 7, 1987
October 15, 1987 - December 31, 1987

The Chair restated that the license issued was conditional upon the Cattle Congress' compliance with Chapter 99D of the Code and Chapters 5 and 6 of the Commission rules.

Chairman Scalise reviewed the situation from the previous meeting which had resulted in the conference call. The Commission had passed a motion 3-2 to license Waterloo for a winter meet. The Des Moines and Dubuque Associations were asked to get together with Waterloo at that meeting to discuss dates, because in accordance with Chapter 6 of the rules, overlapping dates must be agreeable to both tracks involved in the overlap. At the conclusion of that meeting, Dubuque said they could live with the overlap May 1-June 7. Des Moines indicated they could live with overlap from October 15 to November 15. Chairman Scalise said that at that point, Waterloo was asked to get give the matter some thought and respond to the commission with the dates they wanted.

Chairman Scalise stated that there had been no motion including these dates because Waterloo had requested a week to think about it.

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Chairman Scalise asked for a motion to grant the dates discussed previously. He again repeated the dates.

Commissioner Pike moved that Waterloo be granted a license to race those dates mentioned above. Commissioner Mydland seconded the motion, and the Chair asked for discussion.

Commissioner Sovern began the discussion. He asked what the overlapping dates with Dubuque were. Chairman Scalise responded that they were in 1985: September-November
in 1986: May 1-June 7, October 15-November 15

Chairman Scalise also noted that the month of October 15 - November 15, Waterloo would also be overlapping with Des Moines.

Commissioner Sovern asked the opinion of the staff regarding those dates. Mr. Ketterer responded that one of the advantages with winter dates would be to provide greyhound owners, trainers and officials an opportunity to race year around, a situation which does not exist when there is overlap.

Commissioner Pike proposed a May 1 to November 1 meet for Dubuque, a November 1 to May 1 for Waterloo. From March 15 to April 30 Waterloo would run head to head with Des Moines.

Commissioner Prickett asked to hear the alternative dates Waterloo intended to propose. Mr. Field said they would ask for October 15 - May 1.

Representatives from both Dubuque and Des Moines expressed concern that such dates as those proposed by Waterloo would make their operations marginal.

Chairman Scalise asked for a roll call vote on the pending motion. The motion to grant the dates mentioned originally passed, 4-1. Commissioner Sovern cast the dissenting vote. (See Order 85-16).

Mr. Field asked at that point to amend the license which Waterloo had just been granted. He requested October 15-May 1, for the 1985-86 season; and October 15-May 1 for the 1986-87 and 1987-88 seasons.

The Chair asked if a Commission member would be willing to make such a motion. Commissioner Pike agreed to move to amend Waterloo's license to include the dates requested by Mr. Field. Hearing no second to the motion, the Chair declared it to have failed. (See Order 85-17).

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The Chairman moved to the next agenda item, discussion of the dates for Dubuque.

Terry Harrmann, on behalf of the Dubuque Racing Association, Ltd. requested June 1-November 15, 1985; April 1 - October 31, 1986; April 1 - October 31, 1987.

Commissioner Sovern moved to grant the dates requested by Dubuque. Commissioner Prickett seconded the motion. Chairman Scalise asked for discussion. Hearing none, he called the roll. Commissioners Mydland, Prickett, Sovern, Scalise voted aye. Commissioner Pike voted nay. (See Order-18).

The Commissioners discussed options for future meeting dates and decided to hold their next meeting between August 20 and 30.

The Chair recognized Hugh Field, who wished to pose a question to the Commissioners individually. He asked the members whether there had been any off-the-record conversations with Bill Killingsworth prior to the July 18 meeting or the teleconference. Chairman Scalise answered no, as did Commissioners Mydland, Prickett, and Pike. Commissioner Sovern was absent.

Mr. Field then asked whether the Cattle Congress could opt not to act immediately upon the license until such time as it had received a favorable feasibility study from a nationally-known consultant.

Chairman Scalise stated the license was granted pursuant to Chapter 99D of the Code, as well as Chapters 5 and 6. He stated that Waterloo should build their track pursuant to those rules and hopefully be running in 1985 with the dates granted. The Chair said the licensee should act expeditiously and responsibly in getting their feasibility study in order, and that if they did not plan to build a track, the Commission should know about it.

The Chair and Vice Chair advised them that they would be given fair treatment and adequate time for study of their project, but that they should act within a reasonable time (60 days or so).

Commissioner Mydland moved to adjourn. Commissioner Pike seconded the motion. The meeting was adjourned at approximately 5:30 p.m.

Minutes taken by:


Debbie Owen

IOWA STATE RACING COMMISSION
MINUTES
AUGUST 28, 1984

The Iowa State Racing Commission met on Tuesday, August 28, 1984 in the Auditorium of the Wallace State Office Building. Those Commissioners present were Vice-Chair Bud Pike, Dr. Sally Prickett, Steve Sovern and Lavonne Mydland. Chair Larry Scalise was absent. Vice-Chair Bud Pike presided and called the meeting to order at 10:00 a.m.

The first order of business was the approval of the minutes from the July 18 meeting and July 25 teleconference. Commissioner Mydland moved to approve the minutes as written. The motion was seconded by Commissioner Prickett. It passed unanimously. (See Order 85-19).

The Vice-Chair recognized Mr. Lew Harris of Harris Laboratories, who basically made a pitch for his laboratory to be given consideration as the Commission became involved in that decision.

Vice-Chair Pike next recognized Peggy Devine, a Des Moines woman who is investigating the feasibility of building a greyhound racetrack in the West Des Moines area (Ultraistic Raceway). Ms. Devine stated that the proposed greyhound track could be ready to open in 1985 and that she would not have the track in operation concurrently with the Bondurant horse track. However, she said her organization would also be receptive to the idea of being licensed at this time for racing in 1988, thus giving the Bondurant track a two-year head start.

Vice-Chair Pike said that because the Racing Commission membership might be entirely different in 1988, they should submit their application at that time. Commissioner Sovern reminded her that his position had been to protect the interests of the horse facility or facilities licensed in Iowa because they generate more industry.

The Vice-Chair next recognized the Don Hess, newly appointed Administrative Coordinator for the Dubuque Racing Association for an update on their progress. Mr. Hess stated that their organization is making an attempt to better communicate with the City of Dubuque as they proceed with the project. He addressed the issue of their problems with cost projections coming in higher than they had earlier anticipated. He also noted that they are meeting weekly with the architect for the facility and are close to making decisions regarding their concessionaire and general manager.

Vice Chair Pike next recognized John Nelson from Iowa West Racing Association. John and several others from that association expressed opposition to the suggestion (per news article) that the racing season they had requested might be shortened. Mr. Nelson, Stan Duysen and Bob Kehm all spoke out against such a proposal, stating that it would be disastrous for them in terms of obtaining financing.

Executive Secretary Jack Ketterer asked Mr. Nelson specific questions about some of the financial projections contained in the application, including:

1. What were the numbers they felt they would absolutely have to have to break even.

2. The application used 5 days per week from April 5 to November 16, the standard was 6 days per week. Wouldn't that make a difference in their projections? (Mr. Nelson later stated that their projections were all based on a 6-day racing week).

3. Would the Association still be interested in racing year around, as stated in the application?

4. Mr. Kehm's figures on debt service used a 16-year term and 15.5% interest or \$2 million per year in debt service. But using a 20-year term and 12.5% interest rate, that fell to \$1,650,000 approximately.

5. The patrons in Council Bluffs and Omaha would be educated bettors and would therefore likely reach a mature per capita wager faster than the 2-3 years normally allotted for that process. In the proposal, their per capita wager is 10% lower than the national average.

6. The \$3,000 per performance advertising and promotion figure was twice that of other applicants (almost 11% of gross revenue as opposed to 5% in other applications).

Mr. Ketterer was concerned that some of the aforementioned items might have been too conservative.

Mr. Nelson stated that if Mr. Ketterer wished answers to those kinds of items, they could perhaps discuss them at more length. He stated that the figures could be manipulated to reveal different things, but that in the final analysis, the bankers were even more conservative than those figures demonstrated.

The Iowa West representatives continued with their presentation, addressing their potential problems with financing. They said it would be difficult to go back to those people they had approached about financing if the numbers changed significantly.

Mr. Nelson also stated, however, that if they were very successful, they would be willing to come back and talk about shortening their season to give more ground to Des Moines. He stated that they would enter into a resolution to that effect and sign it if it were the wish of the Commission. He said they would be willing to make concessions the second year if it looks like they should, in order to give everyone a chance to succeed.

Following additional discussion about the dates, Commissioner Sovern reminded the association that no action had been taken by the Commission, and moved, for the purpose of discussion, to grant Iowa West Racing Association a three-year conditional license, subject to their compliance with Chapter 99D of the Code and Chapters 5 and 6 of the Commission's rules.

Commissioner Mydland seconded the motion.

The Commissioners present voted unanimously to grant a license under the above conditions. Chairman Scalise was absent. (See Order 85-20).

There was further discussion about the dates they would be granted.

Mr. Ken Grandquist, president of the Racing Association of Central Iowa, the Bondurant licensee, was called upon to express his feelings about head-to-head racing in the fall (August 15 to November 15), should Iowa West be granted a season from May 1 to December 1.

Mr. Grandquist stated that in the spirit of giving everyone a chance to succeed he would be amenable to such an arrangement, though he did not feel comfortable at the prospect of having head to head competition for the entire fall. He said that it was impossible to accurately predict what would happen to the two facilities, and again said that if things were not going well for the horse facility, he would want another chance to talk it over.

Commissioner Sovern, noting that compromise suggestions had been heard from both Council Bluffs and Des Moines, moved that Council Bluffs be given May 1 to December 1 as their racing season, with the understanding that while the horses were running in Bondurant, their races would be held only at night.

Commissioner Mydland seconded the motion.

After some further discussion, the motion passed unanimously. (See Order 85-21).

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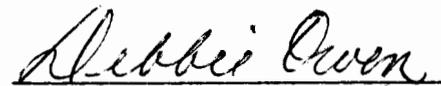
Commissioner Sovern then asked the recording secretary to make a note for the record that in response to a question during the July 25 teleconference when Hugh Field asked for all the Commissioners to state whether or not they had had off-the-record conversations with Bill Killingsworth prior to that teleconference or the July 18 meeting, his response would also have been, "No."

The Vice-Chair took comments from the public.

The Executive Secretary suggested the Commission set up two-person committees for the purpose of studying staffing, selection of a laboratory, marketing and rules.

The Commission set the next meeting for September 25, at 9:30 a.m. and adjourned on a unanimous voice vote.

Minutes taken by:



Debbie Owen, Recording Sec'y

IOWA STATE RACING COMMISSION
MINUTES
SEPTEMBER 25, 1984

The Iowa State Racing Commission met on Tuesday, September 25 at the Holiday Inn South in Des Moines at 9:30 a.m. Present were Chair Larry Scalise, Vice-Chair Bud Pike, Members Sally Prickett, Lavonne Mydland and Steve Sovern. The Chair called the meeting to order.

The first agenda item was the presentation of the Davenport Greyhound Racing Association. Davenport Mayor Charles Peart, Attorney Bob Van Vooren, and City Administrator Bruce Romer made the presentation for a \$6-million greyhound racing facility featuring winter races. They stated they planned to finance the facility with \$3 million in general obligation bonds and \$3 million in loans from local lenders. The proposed facility would be located either on 40 acres at the junction of I-80 and Northwest Boulevard, or on a site on the river in downtown Davenport. The Association proposed a racing season from September 15 through May 15.

The second agenda item was the presentation by Cedar Rapids Horse Racing, Inc. which proposed a \$22 million thoroughbred racing facility on 200 acres of city-owned property located adjacent to the local airport. Von Elbert and Robert F. Kazimour, area businessmen and principals in the organization, made the presentation. The racing dates requested by the organization were April 18 through September 1.

After the presentations were made the Commission referred again to the Touche Ross study which advised them that no more than two tracks should be licensed in eastern Iowa. They reiterated their position that they did not wish to jeopardize the success of any track by licensing too many in one market area.

The third and fourth agenda items were presentations by the Dubuque Racing Association and the National Cattle Congress (Waterloo) as they stated their opposition to the issuance of any more licenses in the eastern part of the state.

Next on the agenda was a progress report from Iowa West Racing Association in Council Bluffs. Walt Pyper from that organization requested a change in their racing dates for the second season of racing. The dates originally granted to Council Bluffs were May 1-December 1, 1985-87. The revised schedule would have their track in operation from March 1-August 26 in 1986, the other two years remaining the same. Iowa West offered to make the change so that the Des Moines horse track could have the fall of 1986 and spring of 1987 in which to run unopposed.

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Commissioner Sovern asked what the response was from the Des Moines track and Mr. Pyper noted that they were pleased with the arrangement.

Commissioner Prickett moved to approve the change in the Council Bluffs dates and Commissioner Mydland seconded the motion. The motion passed unanimously. (See Order 85-22).

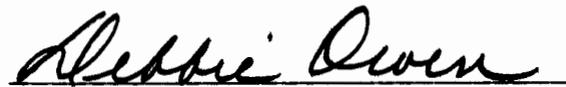
Stan Duysen gave the Commission an update on financing the track in Council Bluffs, noting that they still did not have a firm commitment from anyone, but that they were getting closer.

Executive Secretary Jack Ketterer brought the Commission up to date on some proposed rule changes, but no formal action was taken.

The Commission set November 8 for their next meeting date.

The meeting adjourned on a unanimous voice vote.

Minutes taken by:


Debbie Owen

IOWA STATE RACING COMMISSION
MINUTES
OCTOBER 31, 1984

The Commission met on October 31, 1984 at 9:00 a.m. in the Wallace Building Auditorium. Present were Chair Larry Scalise, Vice Chair Bud Pike and Commissioners Lavonne Mydland, Sally Prickett and Steve Sovern. The Chair called the meeting to order.

The first item on the agenda was the approval of minutes from August 28 and September 25, 1984 meetings. The motion to approve the minutes was made by Commissioner Prickett and seconded by Commissioner Sovern. The motion was unanimously approved. (See Order 85-23).

The Chair recognized Commissioner Sovern for comments. Commissioner Sovern, responding to comments made by other public officials, stated that the Commission had been given the responsibility of deciding the number of tracks and the location of them, as well as the type of racing to be permitted in Iowa. He stated that those decisions would be made by the Commission, pursuant to the appropriate legislation.

The Chair next recognized Mr. Von Elbert, Cedar Rapids businessman, for remarks. Mr. Elbert responded to questions from the Commission staff related to the break-even figures required by the proposed facility from both an attendance and cash flow perspective. In response to a question regarding the impact of dog racing in Dubuque on the horse racing facility, he cited figures compiled by Killingsworth Associates and estimated a 10% impact on Dubuque's facility.

The Chair moved to the next agenda item: the National Cattle Congress' amended application. The Chair recognized Mr. Hugh Field and Mr. Lyndal Graff to present the amended application on behalf of Waterloo. They stated that they had lined up financing for the \$5.6 million facility from within the Waterloo-Cedar Falls community. Architects for the project were present to illustrate changes made in the proposed facility.

Mr. Field and Mr. Graff asked that the dates of the racing season in Waterloo be adjusted to include October 1, 1986 to March 31, 1987, suspending the May 1-June 7 days which they had been granted originally.

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Delegations from the Dubuque Racing Association and the Racing Association of Central Iowa both spoke out against the change in dates. They argued that they had presented scenarios to their lenders based on the dates they had been granted in July, and that they were not comfortable with adding more days of competition to those scenarios.

Commissioner Sovern, for the purpose of discussion, moved to grant Waterloo a revision of racing dates, to include October 1, 1986 to March 31, 1987, suspending the May 1-June 7 days. Commissioner Pike seconded the motion. There was discussion of the motion by all Commissioners. The Chair called for a vote on the motion. Commissioners Scalise, Sovern, Prickett and Mydland voted no. Commissioner Pike voted yes. (See Order 85-24). The motion failed 4-1.

Commissioner Pike then moved to change the dates to October 15, 1986 through March 30, 1987, suspending the May 1-June 7 days. Chair Larry Scalise seconded the motion. After some discussion, Commissioner Pike withdrew his motion, then made a new motion to change the dates to include October 1, 1986 through March 15, 1987, suspending the May 1-June 7 days. Commissioner Scalise seconded the motion. The motion failed 3-2, the other three Commissioners (Mydland, Prickett and Sovern) voting nay. (See Order 85-25).

The Chair then moved to change the dates to October 1, 1986 through March 1, 1987 keeping the May 1-June 7 days. Commissioner Pike seconded the motion.

Commissioner Sovern expressed concern about whether, as a policy matter, the Commission should again issue dates which had not been requested by the association.

The Executive Secretary asked Mr. Graff if the dates proposed by the Chair were acceptable to the Cattle Congress. Mr. Graff said they would be acceptable.

Commissioner Sovern asked whether the licensees from Dubuque and Des Moines should again have a chance to respond in light of the fact that they had not had an opportunity to consider such a change in their own plans.

The Chair suspended the discussion so that all parties could respond to the new motion.

Mr. Graff indicated that the Cattle Congress would accept the new motion and would work within itself to iron out the rest of the details in putting the project together.

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Ken Grandquist and Dave Mulcahy from the Racing Association of Central Iowa and Terry Harrmann and Arnie Honkamp of the Dubuque Racing Association all expressed emphatic opposition to making changes in the dates awarded to Waterloo. They felt they had gone ahead with their plans based on the dates that had been awarded in July, and that it would undermine their progress if changes were made now.

Upon hearing the objections from those licensees, the Chair withdrew his motion.

The Chair next recognized John Nelson, Iowa West Racing Association, who stated he believed they would have their permanent financing in place no later than November 15. He said they had completed an agreement with an architect which included a not-to-exceed construction cost figure of \$8.5 million for total costs of \$10.6 million. Mr. Nelson stated it was his belief they would not be able to start up until March of 1986.

The Chair next recognized Terry Harrmann from Dubuque for a progress report from Dubuque Greyhound Park. He told the Commission they were progressing well with the construction.

The Executive Secretary read a telegram from the Southwest Iowa Racing Association in Shenandoah, which indicated the association is still intact there and ready to proceed with the application proposed in June.

The Chair asked for any administrative business. Commissioner Sovern asked about deadlines for the current licensees in fairness to those not licensed. The Chair asked the staff to prepare a memo with respect to deadlines.

The commission adjourned at 12:15 p.m. on a unanimous voice vote.

Minutes taken by:



Debbie Owen

IOWA STATE RACING COMMISSION
DECEMBER 20, 1984
MINUTES

The Iowa State Racing Commission met in Des Moines on Thursday, December 20, 1984 in the Wallace State Office Building Auditorium. The meeting was called to order at 1:00 p.m. by Chair Larry Scalise. Also in attendance were Vice Chair Bud Pike and Commissioners Lavonne Mydland, Dr. Sally Prickett and Steve Sovern.

The first agenda item was the approval of the minutes of the previous meeting. Commissioner Mydland moved to approve the minutes from the October 31 meeting. Commissioner Pike seconded the motion, which was unanimously approved. (See Order 85-26).

The Chair moved to the second agenda item and recognized the mayor of Ankeny, Ollie Weigel, for comments. The mayor told the Commission his city would welcome a racetrack if the site in Altoona proposed by the Racing Association of Central Iowa did not meet with the commission's approval. He also said Ankeny would support the track if located in Altoona.

The Chair next recognized representatives of the Racing Association of Central Iowa. Bill Masterson, general manager, Ken Grandquist, president, Dave Mulcahy, accountant, all spoke on behalf of the Association in asking the Commission to approve a change in site for their proposed facility. They asked that the Association be allowed to locate the track near Adventureland in Altoona, rather than in Bondurant, as had originally been proposed. The reason given for requesting the change was that the sewer system in Bondurant had been found to be inadequate to support the racetrack facility. He said there would be no changes in the scope of the original proposal.

Andrew Mooney, Chairman of the Des Moines Chamber of Commerce Federation, and Ellen Brown, Greater Des Moines Convention and Visitors Bureau, spoke in support of the proposal to locate the track in Altoona.

Mick Lura, Racing Commission staff, presented a neighborhood impact study conducted in Altoona. He expressed sympathy for those living adjacent to the proposed site, but also expressed the belief that the specific problems cited by those living there were manageable ones. He stated that he would recommend the site for approval from a neighborhood impact standpoint, conditioned upon the following:

1. Unless otherwise approved by the Commission, the licensee would construct a privacy-type fence on or near the eastern and western boundaries of the back stretch area and the southern boundary of the track area prior to other construction.

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2. Unless otherwise approved by the Commission, the licensee would restrict entrance of all construction vehicles to the northern and southern boundaries of the proposed site and that portion of Southwest 17th Street that is immediately adjacent to the site.

The Chair next recognized representatives of a group of Altoona residents who opposed the track. Representing the opposition were attorney Richard Updegraff, and neighbors Rod Braun, Mary Lou Graves and Jim Carley. They stated their objections to the location of a racing facility so near their residences.

The proponents also were recognized for comments. Their representatives included attorney Jim Skinner, and neighbors Don Morlan, Marguerite Newell and Ken Sand. They spoke in favor of the track site and the potential betterment of their community.

After some discussion by the Commissioners, the Chair recognized Commissioner Mydland, who moved to allow the Racing Association of Central Iowa to change their building site from Bondurant to Altoona, provided they complied with those recommendations made in the neighborhood impact study--building a privacy-type fence and restricting construction vehicles from travel on residential streets as much as possible.

The Commission voted to approve the motion 4-1, Commissioner Sovern casting the dissenting vote. (See Order 85-27).

The Commission next voted unanimously to enter into a closed session to hear the results of background investigations conducted by the DCI relating to the Iowa West Racing Association and Dubuque management contracts and the Cedar Rapids track proposal.

Pursuant to Iowa Code Chapter 692, Section 68A.7(5) and Section 28A.5(1a) and (1g) the Commission met in closed session to discuss the contents of the background investigations done by the DCI. Also pursuant to §28A.5, the session was taped and minutes were taken.

The Commission reconvened in public session at 4:00 p.m.

The Chair recognized Bernard Ebbing from the National Cattle Congress for an update on the progress made on the Waterloo greyhound facility. Mr. Ebbing reported that the NCC had unanimously voted to proceed with the project and that digging should begin mid-Jan. They would like to be prepared to open September 1, 1985. He presented the latest site plans to the Commission.

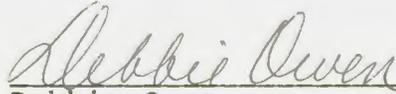
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Arnie Honkamp, treasurer for the Dubuque Racing Association, told the Commission the progress on constructing the Dubuque Greyhound Park was ahead of schedule and that they would perhaps be prepared to open as early as Memorial Day weekend.

The Chair next recognized John Nelson, president of the Iowa West Racing Association, and Paul Bryant, Jr., president of AIM, a corporation which sought to enter into a management contract with Iowa West. The Commission voted 5-0 in favor of the management contract. (See Order 85-28).

On a unanimous voice vote, the Commission adjourned shortly after 5:00 p.m.

Minutes taken by:



Debbie Owen