

**IOWA RACING AND GAMING COMMISSION
MINUTES
SEPTEMBER 26, 2017**

The Iowa Racing and Gaming Commission (IRGC) met at the Doubletree Hilton in Cedar Rapids on Tuesday, September 26, 2017 for the purpose of touring the proposed casino sites and receiving public comment. Commission members present were Rich Arnold, Chair; Kris Kramer, Vice Chair; and members Carl Heinrich, Jeff Lamberti and Dolores Mertz.

Chair Arnold called the meeting to order at 1:00 PM. He requested that speakers stay within the allotted time limits due to the number of individuals wishing to address the Commission. Brian Ohorilko, Administrator of IRGC, provided information on how the process would proceed for individuals addressing the Commission: individuals will be given three minutes to speak, individuals representing a group will receive five minutes, and current licensees will receive ten minutes. He requested that speakers provide their name and indicate whether they are speaking as an individual or on behalf of a group.

The following individuals spoke against a Cedar Rapids license:

- Ed Raber, Washington Economic Development Group, due to cannibalization; transfer of funds and jobs from the counties Washington, Black Hawk, Tama and Dubuque to Cedar Rapids; no significant increase in gaming revenue to offset regional economic losses and hardships; expressed concern “boutique casinos” could lead to something similar to the former Touchplay;
- Nancy Ballenger, General Manager, Isle Casino Hotel Bettendorf: Isle of Capri has invested almost \$300 million in building the facility due to the stable gaming environment in Iowa, facilities want to thrive, not just survive;
- Dan Kehl, Chief Executive Officer, Elite Casinos: precedence of avoiding cannibalization in a saturated market; rejection of Nevada’s open market approach to licensing; no significant changes to the market in the past three years, flat gaming revenue, and possibility of opening the state to a round of statewide expansion;
- Jon Papakee, Meskwaki Casino: Meskwaki has felt the impact of more casinos in their region, requiring adjustments to goals, strategies and its place in Iowa’s gaming market; there were financial consequences to the casino and community they serve; another casino in the region would cause existing casinos to re-evaluate their priorities; reinvestment in the facility and community will decrease; less funds available to upgrade casino floor and invest in upgraded technology; maintain a protected market to insure the state is not over saturated;
- Todd Connelly, General Manager, Isle Casino Hotel Waterloo: Opposes a license being issued in Linn County; license denied in 2014 due to expected cannibalization of existing casino revenue from 68 – 73%; expected shift in jobs, community resources and reinvestment in operations. Noted none of the factors from 2014 have been mitigated in the current proposals. Study from 2014 projected revenue from Waterloo, Dubuque and Riverside would grow by 7.6% from 2013 to 2017, but revenue has shrunk by 4%, admissions have declined 19.8% in the same time period; questioned why the state would add capacity when the market is already shrinking; Cedar Rapids casino would create

255-300 jobs but other casinos would lose between 300-350 jobs; IOC Waterloo has done everything it promised when granted a license – overall economic impact for first ten years has been over \$580 million to the Cedar Valley and State of Iowa, \$125 million to Iowa vendors, \$48 million to Black Hawk County Gaming Association, over \$22 million in new capital to maintain property on top of the original \$160 million investment. Requested the Commission reject all of the Linn County proposals.

- Dan Stromer, Meskwaki Bingo Casino Hotel: Had similar conversation three years ago; introduced to the terms cannibalization and saturation. Today, casinos across the country are struggling to stay even; for FY 2017, twelve out of nineteen casinos in Iowa had decreasing revenue. Questioned how casinos can stay competitive with casinos outside the state without the revenue source to reinvest in the property; competition within the state just reallocates money from one property to another. Had a study done looking at 10 different states with limited gaming licenses, primarily from the Midwest, Iowa with a population of just over 3 million, had the lowest number of people available per casino, roughly 146,000. Louisiana was the next closest with 196,000 per casino. Casino industry in Iowa is not the same as it was 10-15-25 years ago; when first opened in Iowa, difficult to not make money. Price of doing business has gone up considerably. Decision not just about Cedar Rapids; it is about industry and state.
- Mark Gallagher, Recreation Manager, City of Waterloo: Advocating for Cedar Valley and Black Hawk County Gaming Association (BHC GA). Residents of area have been supportive of gaming since introduced in region. Feels there is not a consensus of what the plan should look like for a casino in Cedar Rapids. Since BHC GA's inception, the recreation department has received over \$12 million in grants. Feels it is the Commission's priority to protect the viability of existing license holders. Asked that the license for Linn County be denied.
- Gary Palmer, President & CEO, Prairie Meadows Racetrack & Casino: Opposes a new casino regardless of scale or scope in Iowa due to over-saturation of casinos in the Midwest; cannibalization of existing Iowa casino revenues, and new land-based facilities with significant capital investment; second lowest population and adults per gaming position of the 5 bordering states with gaming; for last 3 fiscal years (2015, 2016 and 2017) Iowa casino revenues have increased due to a new facility addition or the replacement of an existing facility through capital infusion; for those same fiscal years, revenue growth at same-store properties has been relatively flat; revenues still lag the 2012 fiscal year peak of \$1.465 billion.
- Dirk Whitebreast, Management Team, Meskwaki Bingo Casino Hotel: Opposes the potential issuance of a gambling license to any of the applicants for a Cedar Rapids casino as there are a sufficient number of casinos in the State; realities of the current state of the local market and outlook for the future within the region require little examination – issuance of a license would leave existing casinos with little choice but to make life altering decisions for employees with long-term consequences. Feels if any applicant were to receive a license, it would be to the detriment of existing casinos in an already limited market. Asked what has changed since Cedar Rapids was denied a license 3 years ago.
- Frank Magsamen, Chair, Black Hawk County Board of Supervisors: Provided several ways in which the BHC GA has benefited Black Hawk County through helping to fund

projects that impact quality of life, tourism, and recreational opportunities, some of which would not have been possible without funding from BHC GA. Funds have also been utilized to leverage additional funding from city, county, state and federal funding for specific capital projects that impact public safety and quality of life. Loss of funding may make it necessary to increase property taxes or reduce services to the residents of Black Hawk County, and slow progress in Cedar Valley and the county. Market studies from 2014 indicated the state was saturated. Urged the Commission to consider the negative impact an additional license would have on existing communities.

- Tim Hurley, Chair, Black Hawk County Gaming Association (BHC GA): Opposed to the issuance of a gaming license in Linn County due to the inextricable tie between the fortunes of the Isle and the good work BHC GA has been able to affect in the seven county area over the last ten years. Stated no substantive changes in the state since he addressed the Commission in 2014 on this same issue. Understands why Cedar Rapids and Linn County want a casino as he has seen the renewal of Waterloo and Cedar Valley due to the \$39 million in grants the BHC GA has awarded over the years; grants leveraged another \$80 million in additional funding. Market saturation: doesn't feel there will be any surprises when the market studies are released. Iowa has one casino, including the tribal casinos, for every 141,000 people; the only other state close to that ratio is North Dakota at 158,000. The norm is 750,000 people per casino. Fitch Ratings considers a metric, win per machine per day, and anything below \$210 is characteristic of a saturated market. A sampling of 16 state-sanctioned casinos shows that 11 are at or well below the \$210 baseline metric. Don't need another casino in a market that is already struggling to keep its head above water. Iowa needs to see a significant population growth or growth in discretionary or household income, neither of which has occurred. No Iowan is more than an hour's drive from a casino. The market is saturated, the industry is flat and the customer base is changing; don't need to add another competitor that would cannibalize the existing facilities. Timing: 2003 not the first time Linn County voters turned down gaming, but the most impactful. Two consecutive market studies indicated the state was saturated except for the I-380 corridor. There was an implicit invitation for Linn County to apply for a gaming license. A month prior to the release of the studies, Black Hawk County voters approved a referendum on gaming. Linn County again decisively rejected a referendum to approve gaming in Linn County. Black Hawk and Washington Counties filled the void left by Linn County by approving referendums and building casinos, and door is closed for the foreseeable future for a new casino regardless of size without significant cannibalization. BHC GA distributes grants anywhere from \$1,000 to multi-millions four times per year in seven counties; business plan would drastically change if they were to lose 10-13% of AGR-based revenue. Stated when Black Hawk and Washington counties were awarded licenses in 2005, there was a presumed covenant made between the license holders, operators and IRGC – the licensees would build first-class facilities with amenities and run the operations to achieve revenue projections and do so with integrity and a view to the long-term; for the IRGC, they presumed that after significant capital investment, and livelihoods established, there would be protection from more casinos in the market. To do otherwise, is to put all of the prior investment at risk.

- Michelle Weidner, City of Waterloo: Advised City of Waterloo appreciates the license granted to BHCGA, and respects research and data-driven decision making process the Commission has used previously in making decisions granting gaming licenses. Feels it is critically important they continue to apply those principles in evaluating whether there is room to add more facilities. Waterloo has the most diverse minority population, but mean income for residents is less than many of the other larger cities. Have been through difficult decades, but have come a long way in dramatically changing the face of the city, and the opportunities and critical services provided for citizens can be attributed to the Isle Waterloo casino revenue to the City of Waterloo. Requested the Commission carefully consider future requests, imperative the current licenses be protected; the State will not benefit from over-saturation of the market if every community feels they need to have a facility. All communities will lose with that approach. Granting another license would be appropriate if there is population growth and additional income to support more venues.
- Barron Fuller, Sr. Vice President of Operations, Eldorado Resorts: Expressed Eldorado's concerns regarding the issuance of new casino licenses in Cedar Rapids. Market studies from 2014 projected significant revenue cannibalization from existing casinos within the market; confident the current market studies underway will project similar if not greater cannibalization which would be counter-productive to the intent of gaming in Iowa. During tenure at Marquette, experienced significant revenue cannibalization with the opening of the Diamond Jo Worth property in 2006, and the Isle Waterloo property in 2007; requiring significant business model changes and many jobs were lost. Respect the difficult decision facing the Commission, but asked that they weigh the sustainability of existing facilities and the communities in which they operate.
- Marjorie Fletcher: Urged the Commission to vote no to any more casinos. Don't need a business that takes money away from too many people who can't afford to lose it. Arguments for bringing in a casino are jobs, people buying houses, and paying property taxes. Doesn't feel waitresses, dealers, slot technicians will have a large enough income to pay much in property taxes. Casinos bring entertainment; Cedar Rapids and Iowa City already have a lot going on, with many being free or inexpensive; not desperate for more entertainment venues. Feels a casino will cause more jobs to be added in the following areas: bankruptcy courts, divorce lawyers, substance abuse counselors; and those assisting abused spouses and children. Don't allow another chance for poverty and welfare into area. Vote no.

The following individuals spoke in favor of a casino:

- Hazel Meyocks urged the Commission to approve a license for Cedar Rapids as the citizens don't need to face an increase in property taxes and the need for flood gates. Pointed out that other like businesses operate in close proximity and still manage to stay in business. Feels a casino would help the county and city; only fair that Cedar Rapids should have a casino.
- Ben Verhulle: Young business professional in Cedar Rapids; attended University of Iowa. Many friends from outside of Iowa are returning to the larger metro areas with more entertainment venues. Likes to gamble on a casual basis, and has driven to Riverside; friends comment about the drive. Doesn't care what has happened, but wants

to see what can or will happen in the future. Don't want to see Cedar Rapids' opportunity for a casino taken away because of cannibalism. A new casino may not be the way to go, but the existing casinos should be re-investing in those facilities rather than fighting a Cedar Rapids license. Two reasons existing casinos might be seeing a decrease: Cedar Rapids residents are not driving to the other casinos as they don't want to support a business targeting their community; and the huge movement to on-line gaming. Need to find things to differentiate themselves to prove they are worthy of an individual's business.

The following individuals spoke on behalf of the Cedar Crossing proposals:

- Melanie Primasing, owner of Simply Divine Candy: Favors a smaller downtown casino for jobs, inclusive of city and downtown interests, will build a new parking ramp saving taxpayers \$6 million; bring more entertainment to the three existing venues leading to more jobs, hotel/motel tax, more business for downtown shops, offers a patron point program to be used at local businesses.
- Tami Culver, original investor in Cedar Crossing: Business provides over 200 jobs in the community. Started building relationship with Cedar Crossing as felt values were the same. Individuals talked to indicated they liked gambling, being entertained, etc. but would not drive an hour to do so. People in Cedar Rapids are not visiting the other casinos, and deserve one locally to be entertained. Cedar Crossing has a plan to give up to 5% to non-profit; is aware of how under-funded non-profits are and the importance of funding them. Argument about people losing jobs; plenty in Cedar Rapids that need jobs. No reason why people in the second largest city in the state should have to drive an hour to be entertained. Urged the Commission to vote for the Cedar Crossing proposal, would be hurt as an investor if Wild Rose were selected.
- Mayor Ron Corbett, Cedar Rapids: Back to square one regarding a casino license for Cedar Rapids and Linn County; much has changed over the last 3 years and much has stayed the same. What's changed: City has continued to grow every year, continued to recover from the 2008 floods, and continued to build for the future. When Cedar Rapids requested a casino license previously, it was not for the casino to lead the city in the recovery from the flood; they wanted the license to compliment what Cedar Rapids was going to do from a recovery and re-building standpoint. The recovery and growth is why the Commission should consider partnering with the city. What hasn't changed: the need for flood protection – the previous application would have built and incorporated flood protection and the city's portion of the revenue would have also been used for flood protection. No resources from the federal government have been appropriated at this time. The city was able to avert another major flood event last year. Distributed a copy of a Wall Street Journal article complimenting Cedar Rapids on their recovery from the flood; feels this is another reason the Commission should partner with the city going forward. What hasn't changed: no change in the Commission membership, no change to the license criteria, and most of the existing operators are still against additional competition. In listening to representatives from the current licensees talk about their challenges, wondered if the pendulum has swung so far to protecting the industry that it has actually hurt the industry, represented by depressed revenues and little growth. What has changed: the state's finances are not as healthy as they were 3 years ago. Incumbent

on the Commission to not just look at individual casinos, but the industry as a whole. Can try to get the maximum benefit or the minimum; Cedar Rapids is going for the maximum benefit in seeking a license for the Cedar Crossing proposal. Maximum benefit for the Commission is to grant a license to Cedar Crossings. Current licensees want to have the minimum impact on the industry, in Cedar Rapids, and for the State of Iowa. Decision may be similar to 3 years ago, but the impact for the State and Cedar Rapids is greater than it was 3 years ago. Urged the Commission to look favorably on a license for Cedar Rapids and Linn County, and specifically Cedar Crossing.

- Maureen Hunt: Feels there has been a lot of growth in the I-380 corridor. Referendum passed with 61% approval for Cedar Crossing on the River. Long time since vote in 2013; feels Linn County and the corridor are due their casino. Referenced the Rhythm City and IOC Bettendorf properties going land-based. Stated she does not make the 1 hour drive to the “local” casinos due to the smoke; prefers to go to Rock Island, IL. Noted it has been included in the Quad Cities market and that it would also be cannibalized. Has not been to a casino since the Cedar Rapids license was denied. Asked the Commission to approve Cedar Crossing’s application.
- Ralph Russell, Cedar Rapids City Council Member: Representing people of Linn County and as a businessman. Noted the citizens approved gaming in Linn County several years ago and still don’t have a casino. While not an average gaming participant; has talked to many individuals in Linn County and Cedar Rapids. Heard two recurring themes: like going to the casino but don’t visit existing casinos as they don’t want to drive the 50-75 miles, don’t want to spend a half day/day or stay overnight to go to a gaming facility. Feels a Cedar Rapids casino would generate a significant amount of business. Believes this is the land of opportunity. Statistics presented today have been about revenue; another part of the formula is expenses. Experienced several recessions while in business; when revenues decline, expenses have to cut. Noted there have been no discussions regarding profit. Believes in free enterprise; has worked well in the United States. Feels it is time for the Commission to be bold and change course. If neighboring businesses suffer a small impact, they will adjust. Asked the Commission to vote for the one of the Cedar Crossing applications as it would be a big benefit to the voters of Linn County and residents of Cedar Rapids.
- Dan Stastny: Visits casinos occasionally. Is responsible for a daughter who relies on various non-profit agencies to meet her needs. Blue collar worker; will do anything necessary to make her life easier. Has been required to pick up the slack when the non-profits are unable to help. Non-profit agencies are in need of help. Other speakers have talked about how much the non-profit license holders are able to give back to the community and non-profit agencies. With shortfall in revenues, funding has to be cut and non-profits are one of the first to be cut, which in turn hurts those in need of assistance. Asked the Commission to consider the Cedar Crossing application and what they could give back to the community.
- Justin Shields: Had a list of figures and convincing arguments for why the Commission should vote for the original Cedar Crossing application, but has come to the conclusion that if can’t have the bigger casino, Cedar Rapids should at least have the smaller version. Has read the state law several times, but never saw where it said a community had one chance for a license. Also heard talk about all the job losses, businesses that would close,

taxes raised – all of the negative things that would happen to other communities if Cedar Rapids were to get a license. Feels if that theory was correct, there would only be 1 casino in Iowa as any additional licenses would have cannibalized the first one. Doesn't feel the casino industry is any different than any other business. Farm prices mentioned; Iowa is a farming state, but no laws passed protecting farmers from going broke. Beyond time to follow the state law. If Cedar Rapids is causing all this damage without a license, what would they do if given the opportunity to help and assist in growing the state? Asked the Commission to work with the second largest city in the state, give Cedar Rapids the opportunity to show how much they can do for the state.

- Troy Sauter, representing the building trades: Life revolves around two principles: building buildings and taking care of people. Voiced support of a casino in Cedar Rapids. Doesn't care if a Cedar Rapids casino makes money for the investors, but wants it to benefit the city and the people living in the community, which is accomplished with tax revenue, employment opportunities, charitable donations and additional tourism to the area. Believes the Cedar Crossing team is a great opportunity for Cedar Rapids as they have committed to building new buildings in Cedar Rapids, and using local contractors and workers who will pay local taxes and spend their money in Cedar Rapids and the surrounding communities. The significant number of construction jobs and full-time jobs at either Cedar Crossing facility will stimulate the growing economy in Cedar Rapids. Iowa has a tradition of destination casinos, and that is what is needed in Cedar Rapids. Referendum vote was based largely on a large destination-type casino like Cedar Crossing on the River. Casino will bring people into the area; need more attractions and events to help grow the community. Many people have referenced a decrease in their business at existing casinos; feel something different needs to happen. A casino is what Cedar Rapids needs for their future. The 15,000 building trade workers hope the Commission will take that into consideration when making their decision in November. Looking forward to seeing what a Cedar Rapids casino will do for the community.
- Craig Capron, CNJ Sound: Provides lights and sound for entertainment venues. A casino would bring a lot of business for companies like his in this area. Stated Cedar Rapids has been struggling in the entertainment area for many years. Has done a lot of work at other casinos; most shows over early enough to allow individuals to go out on the town and spend money at other businesses. Looking forward to the Cedar Crossing casino.
- Aaron McCreight, Go Cedar Rapids: Representing visitors to the area. Have heard about saturation, visits and residents going to other locations, but have not heard about visitors to Cedar Rapids looking for things to do. Last year, over 1 million people spent the night in local hotels; asked them what they would like to see in Cedar Rapids. The number one response was a destination downtown entertainment district. All three casino proposals are downtown. Go Cedar Rapids strongly supports the Cedar Crossing ideals, where they are coming from, and where they will take Cedar Rapids. The overnight visitor number does not include those individuals making day trips, or visiting and staying with relatives or friends. Reminded the Commissioners their decision does not just impact the citizens of Iowa, Linn County or other communities and counties, but the millions of visitors to the area.
- Doug Thompson, Entertainer: Has worked at a number of the casinos represented today; has nothing to gain, but a lot to lose. With regard to cannibalization, talked about how

close some of the existing casinos are to each other. Questioned how much more revenue a Cedar Rapids casino can bring into the community and for the State. Gets paid to entertain people to stay at the casino, but in some locations many do not stay; the casino is an entertainment destination. While some have indicated there are enough entertainment options; feels Cedar Rapids is large enough to support multiple entertainment opportunities at the same time. Pointed out that other businesses make changes and update things to continue to attract people to their business in order to compete with like businesses. Heard that current facilities have to update security, technology, gaming floor, etc. to stay competitive; feels that is what visitors expect in order to keep returning. Stated Cedar Rapids is not trying to steal from other communities; trying to better their own community.

- Jay Anderkin, General Manager, Doubletree Convention Complex: Expressed facility's support of a casino, excited about possibility of having a casino connected to the arena and convention complex. Events at the arena impact the Doubletree and downtown area. Looking for an opportunity to promote more events using the casino which in turn means more business for the hotel and downtown area. In discussions with the operator that wants to connect to the arena, believe there will be multiple opportunities to work together. Having the casino connected to the hotel will allow them to present the casino as an amenity. Can present one contract to business decision-makers that includes a casino, hotel, and arena. Feels will allow them to bring in more conventions and events in the casino. Parking is a top concern of hotel guests, and the opportunity for a new parking facility that connects to the arena would be great. Believes the entertainment venue would enhance the Doubletree's guest experience and that of other visitors to Cedar Rapids.
- Lee Clancy, former Mayor of Cedar Rapids: Envy the communities with casino and what they have been able to do as a result of the charitable dollars. Believes Legislature made an error when promulgating law as they did not have the charitable funds funneled into one large pot shared on the basis of population. Ironical that one of the attributes listed by potential competitors is what they have been able to do in their community because of the casinos and charitable dollars, and wondered why not available to Cedar Rapids, the second largest city in the state and second largest county. Flood in 2008 caused almost \$3 billion in damage to infrastructure; but city has made remarkable strides in recovering but has a long way to go, particularly in flood protection and making the city safe for all citizens. Urged the Commission to support the Cedar Crossing project; investors have spent enormous amount of personal and city resources to bring the proposal to the Commission.
- Sarah Rivera, Della Viti Wine Lounge: Recently opened a wine lounge across the street; have spent the last year building their business. Like the small town feel, but also like the big city amenities in the downtown area. Indicated their business increases significantly when there are events/conventions at the Doubletree, US Cellular or other event sites. Support the Cedar Crossing proposal. Don't feel any amenities offered by the casino will detract from their business, but bring more individuals to patronize their business. Wants to see the downtown area continue to grow. Feels Cedar Crossing would benefit everyone.

- Doug Neumann, Executive Director, Cedar Rapids Metro Economic Alliance: Represents approximately 1200 employers and 90,000 workers. Has officially endorsed the Cedar Crossing project; organization does not blindly endorse any and all development projects. Several previous gaming proposals have been opposed by the organization. Feels the Cedar Crossing proposal is far superior to previous opportunities, and others in community feel the same way. Supports the current proposal based on specific criteria that has been researched, discussed and debated and eventually received unanimous approval from Board and stakeholders: investment level, quality of development, and ownership structure. Tremendous economic development project. Project team continues to build trust with the Alliance by working with them on various issues/concerns. Stated licensed gaming has not been a specific economic development strategy in the community; but makes more sense now than ever before.

The following individuals spoke on behalf of the Wild Rose Cedar Rapids proposal:

- Les Shields, Clinton County Development Association: Wild Rose Clinton was the first land-based casino, Clinton County citizens benefit from entertainment options, and local governments, schools and non-profits across Clinton County have received millions of dollars for projects that would not have been possible with the funds received from Wild Rose; no need to look further to find an established, well managed and honest entertainment provider;
- Ed Podolak: Pained by difficult recovery from 2008 floods, encouraged Commission to issue a license to Wild Rose; has seen what the casino and non-profit in Jefferson have done for the community, feels the “boutique” idea will help all of the small businesses and create income for the non-profits, and draw people to the downtown area.
- Barbara Bryant, business owner from Marion; Cedar Rapids has 2,200 hotel rooms with an 85% occupancy rate Monday – Thursday; also has another 2,500 medical visitors per week; is on Cedar River Alliance Board – Wild Rose will donate 5% to non-profits, or \$2.5 million per year for the board to distribute to non-profits and human service agencies in Linn County. Encouraged the Commission to vote yes for the Wild Rose Casino, or at least vote yes on one of applicants because Linn County needs it and deserves it.
- Guy Richardson, former Greene County Supervisor: Supporting Wild Rose’s application for a license. Highlighted what the company did to support their efforts in obtaining a gaming license in Jefferson. Stated Wild Rose is a great corporate citizen in Greene County and Jefferson; support many community endeavors above and beyond what is required by law; and employees are members of the community and participate in the community. Agrees with some of the comments heard, people in Cedar Rapids probably don’t travel to casinos as much as what they would like to if a casino were located in Linn County. Urged Commission to consider the Wild Rose application.
- Rick Morain, Grow Greene County Gaming Corporation (GGCGC): Supporting Wild Rose’s application for a license. Stated Wild Rose has met and exceeded every expectation GGCGC and the community has had for them; the company, owners, management team and employees are deeply embedded in Greene County. Share pride in Iowa values, understanding and generosity. Greene Co. Medical Center opted for a \$22 million addition and remodeling; sought \$4 million in a capital campaign from the private

sector in a county of less than 10,000 people. After several months and many donations, the campaign was still significantly short of goal. Approached management team at Wild Rose with pitch, who talked with the owners. Wild Rose made a six-figure donation to the capital campaign as a corporate contribution, and suggested GGCGC match the contribution, putting the capital campaign over its goal. Stated Wild Rose is committed to improving the quality of life in Greene County. GGCGA has distributed \$1.4 million in each of the last two Aprils, with 20% of the total going to the community foundations of the six counties contiguous to Greene County.

At the conclusion of the public comments, Chair Arnold called for any questions for the Cedar Rapids Development Group (CRDG) from the Commissioners. He asked if they had any comments in response to the public hearing. Brent Stevens, Chairman and CEO of Peninsula Pacific, a partner in the Cedar Crossing proposals, stated the Commission's process is healthy and allows for debate. Being in the industry, he understands the views presented by the current licensees as his company has been in the same position before, and is there now with regard to supply. They believe the right place to spend their time is focusing on the customer; customers and trends are changing. If the industry doesn't recognize that, there will be some winners and some self-proclaimed losers because they ignored the customer. Focusing on the customers is achieved through capital, technology and listening to the community; Cedar Crossing is a summary of those things.

Steve Gray, Chair of CRDG, stated the Cedar Crossing proposal drew out the unique combination of some good gaming operators and a strong business community that supports the project. There is broad-based community support, including labor. This format provided an opportunity for many in the community to voice their support.

Commissioner Mertz asked if the project had all of the necessary permits for construction. Mr. Stevens advised they do not have the building permits at this time as they would need to complete the construction drawings to submit to the city in order to obtain the permits. They don't anticipate any problems in acquiring the necessary permits should a license be granted.

Commissioner Lamberti inquired about the construction timeframe for either project. Mr. Stevens estimated two years before either project would be operational.

Hearing no further questions for CRDG, Chair Arnold called on Wild Rose, and asked for their comments in response to the public hearing. Tom Timmons, President, concurred with Mr. Stevens' comments with regard to the licensing process. He noted the comments contained a lot of numbers; 14 individuals spoke against any casino proposal, 8 from within the industry. Mr. Timmons stated he understood they want to protect what they have. He noted one speaker questioned whether the state would have more than 1 casino now if this same attitude had been in place at the beginning. He pointed out several riverboats began operations in April 1991. Mr. Timmons stated the cannibalization argument can be made either way. He pointed out that Rhythm City and Bettendorf moved to land-based facilities but no one asked Wild Rose what that would do to their facility in Clinton. Mr. Timmons stated their numbers dropped for the first few months, but the facility is making a comeback. He stated when a new facility opens, people

will try it but will go back to what they are used to. Mr. Timmons stated Wild Rose has the ability to do a bigger project, but submitted what they believe will work under the Commission's rules.

Commissioner Mertz asked if Wild Rose had all of the necessary construction permits. Mr. Timmons stated he did not think any permits had been obtained at this time; would seek the permits if they are awarded a license. He did not feel there would be an issue in obtaining the permits. Mr. Timmons indicated the construction timeline would be 18 months from the time the license was issued.

As there was no further business to come before the Commission, Chair Arnold requested a motion to adjourn. Commissioner Mertz moved to adjourn. Commissioner Heinrich seconded the motion, which carried unanimously.

Chair Arnold thanked everyone for their comments.

MINUTES TAKEN BY:

JULIE D. HERRICK