

INDIANA GAMING COMMISSION
RIVERBOAT OWNER'S LICENSE RENEWAL HEARING
August 06, 2004

The proceedings of the above-mentioned and foregoing matter taken pursuant to notice as to the time and place and pursuant to the statutes of the State of Indiana, typed by Faith M. Bennewate, court reporter and Notary Public within and for the County of Lake, State of Indiana, at the Indiana Welcome Center, 7770 Corinne Drive, Hammond, Indiana, on the 6th day of August, 2004.

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A P P E A R A N C E S

INDIANA GAMING COMMISSION BOARD:

DONALD VOWELS,
Chairman;

GLENN R. LAWRENCE,
Executive Director;

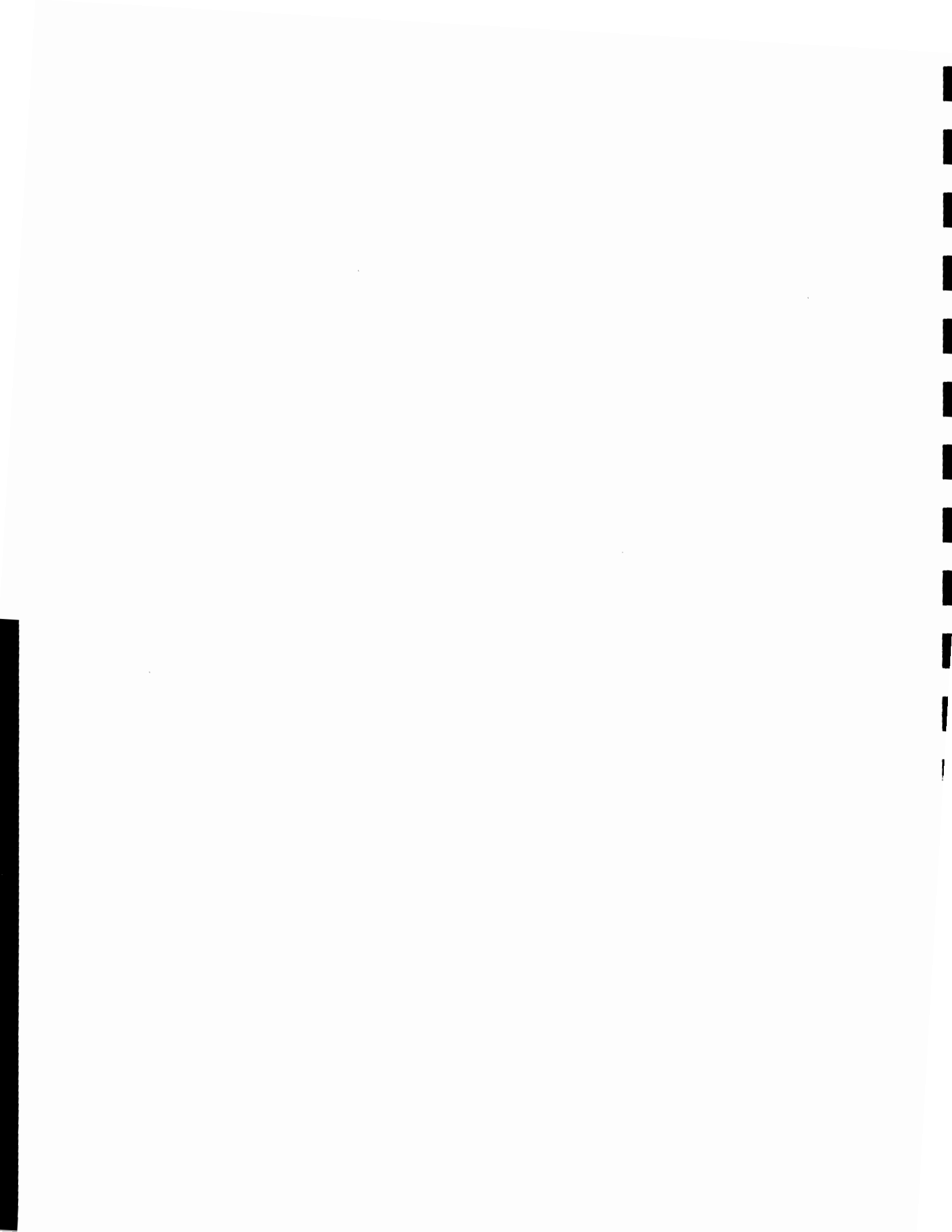
JIM OSBORN,
Deputy Director;

ANN BOCHNOWSKI,
Member of the Board;

THOMAS MILCAREK,
Member of the Board;

Dr. I. MAURICE NDUKWU,
Member of the Board;

JIM OSBURN,
CHIEF LEGAL COUNSEL.



A P P E A R A N C E S

ALSO PRESENT:

LAURA LITTLEPAGE,
Center for Urban Policy and the
Environment;

GREGORY F. HAHN,
Tabbert Hahn Earnest & Weddle, LLP;

MARK A. BROWN;
Trump Hotel and Casino Resorts;

CHRIS LEININGER,
Trump Casino Hotel;

CHAROLETTE COOK-HAWKINS,
Trump Casino Hotel;

KEITH C. ROGERS,
Trump Casino Hotel;

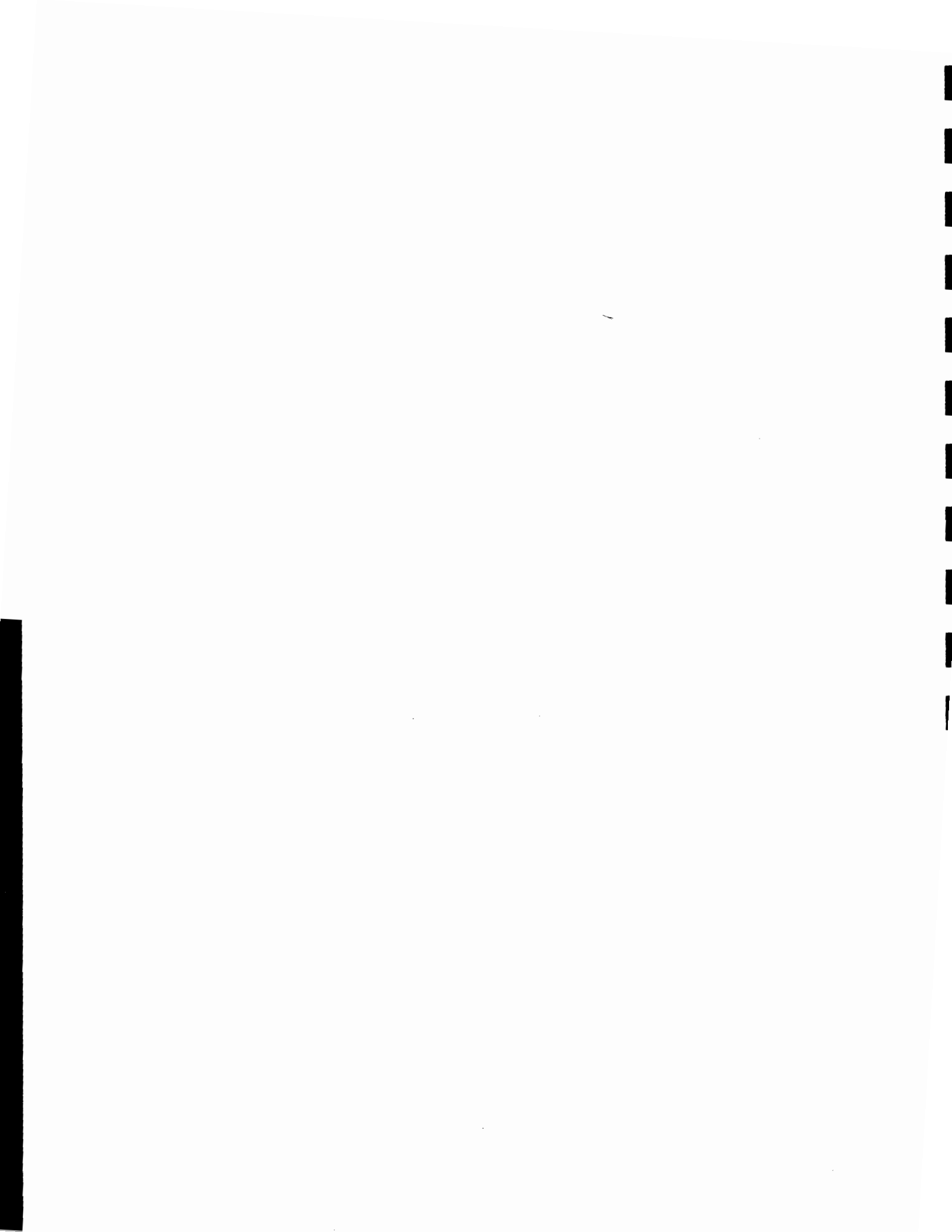
BOB PICKUS,
Trump Hotel and Casino Resorts;

MR. DON BARDEN,
Majestic Star Casino;

MR. TROY L. KEEPING,
Majestic Star Casino;

MR. ANTHONY SANFILLIPO,
Harrah's Entertainment Central Division;

MR. RICK MAZER,
Horseshoe Casino Hammond;



A P P E A R A N C E S

Also present for public comment:

MAYOR SCOTT KING,
Gary, Indiana;

MAYOR TOM McDERMOTT,
Hammond, Indiana;

KEITH PAYNE;

DAVID DABERTIN;

VIC DeMEYER;

LOU MARTINEZ;

GINA SANCHEZ;

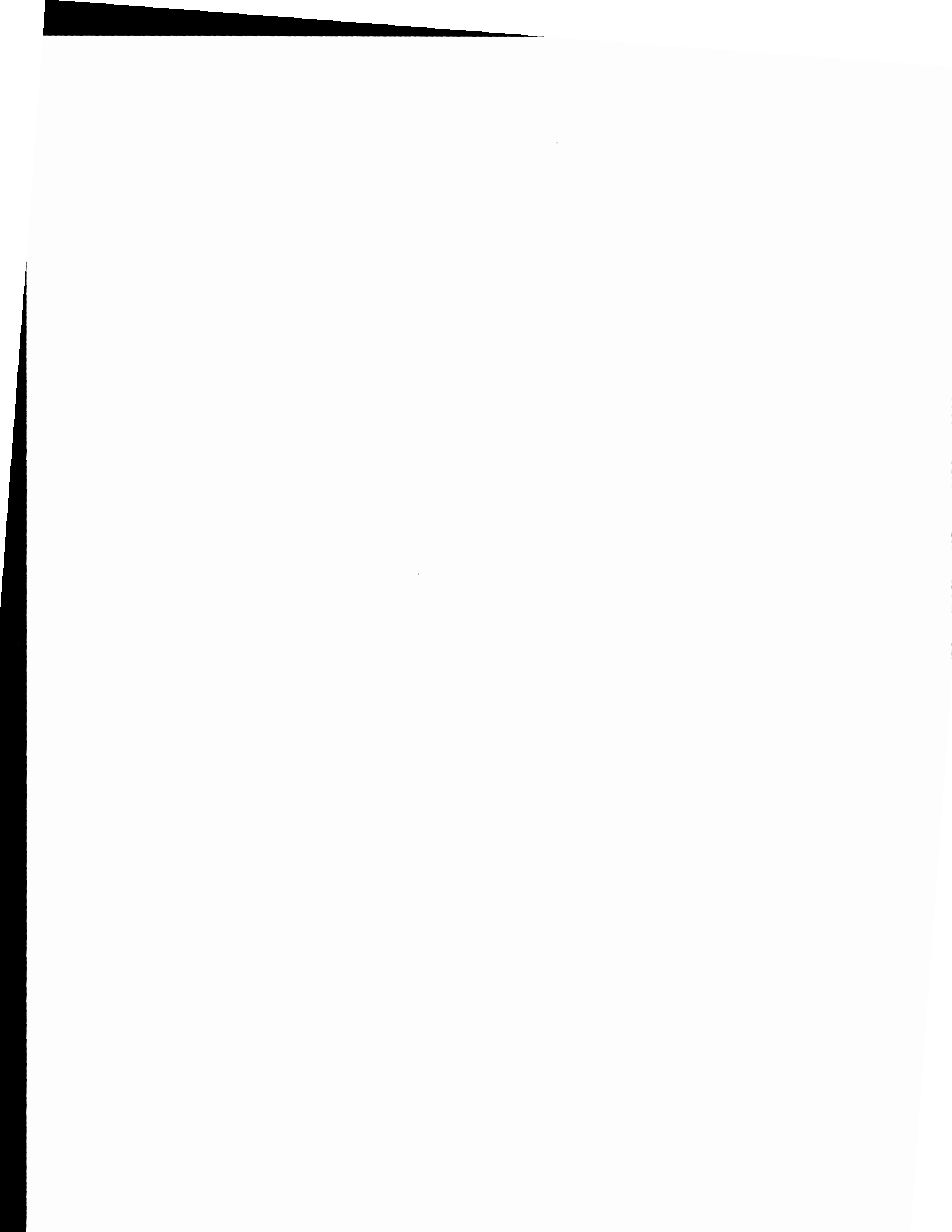
LEWIS R. SMOOTE, SR;

LAMPTON JONES.



1
2 MR. VOWELS: And cell phones off. Here
3 we go. There's no application up here.
4 Hopefully you'll be able to hear us. We'll call
5 the meeting to order. We show that we do have a
6 quorum, four of the Commissioners are present.

7 The agenda this morning is as follows: We
8 have Laura Littlepage who is going to give a
9 presentation before of the applicants or before
10 each of licensees. And Laura is from the Center
11 for Urban Policy and Environment and they
12 prepared an analysis for the Gaming Commission.
13 And so she will be first up and then that will be
14 followed by the Trump presentation which was
15 scheduled 45 minutes. Fifteen minute break then.
16 And then Miss Littlepage will give another
17 presentation of Majestic Star. And then Majestic
18 Star will have 45 minutes for their presentation.
19 Then followed by a half hour of schedule and
20 public comment in reference to Trump and
21 Majestic. And then the Commission will take
22 action on relicensing of Trump and Majestic Star
23 at that time. And then 45 minute of Horseshoe
24 presentation which will be preceded again by Miss
25 Littlepage. And then following that is the



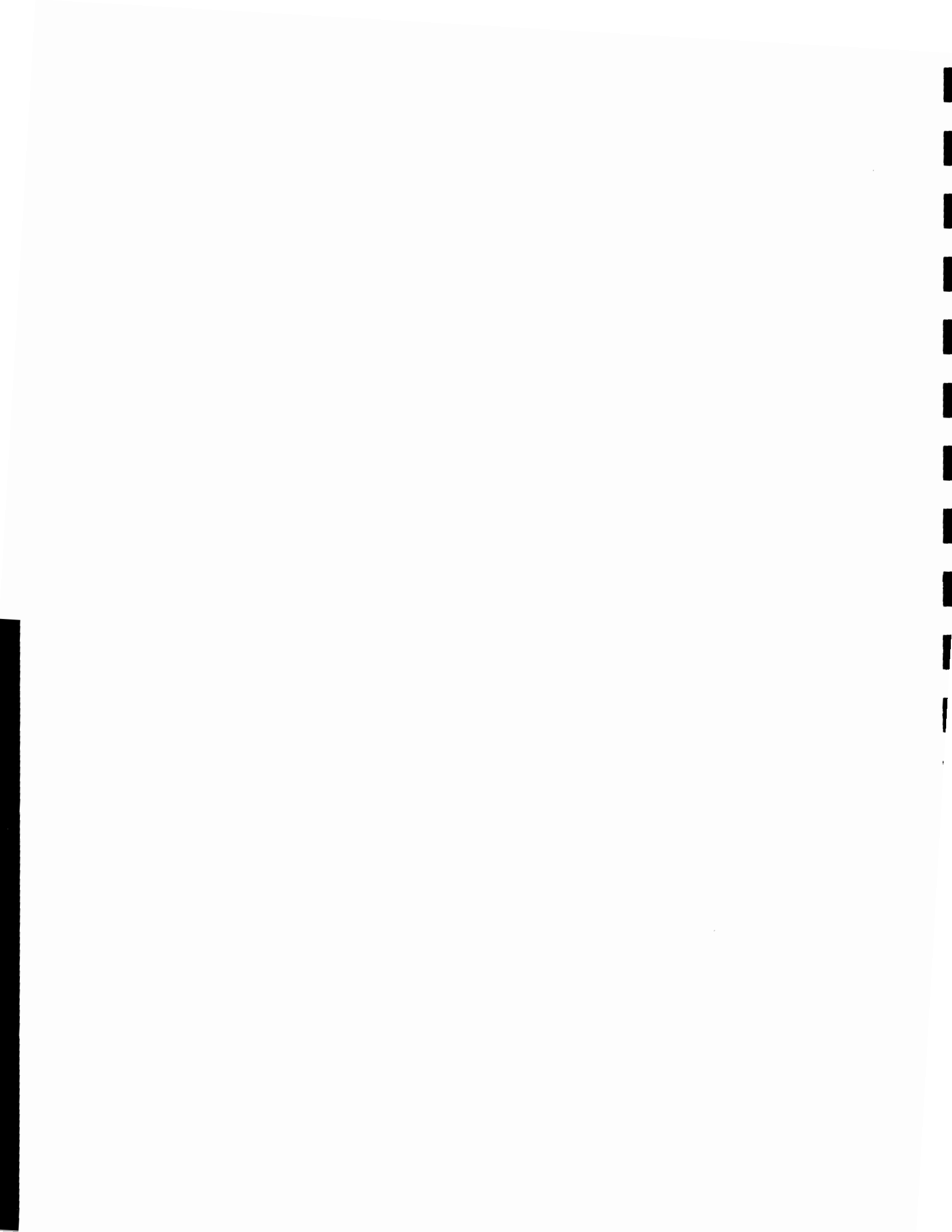
1 Commission action on relicensing of Horseshoe.

2 For those who are interested in public
3 comment, there are public comment sign-up sheets
4 on the table where the reporter is. So if anyone
5 wishes to sign up for that, they are certainly
6 welcome to do that.

7 And our plan here is that the Commission
8 will sit here while Miss Littlepage gives her
9 presentation. And then we'll move out to the
10 seats here so we can see the licensees
11 presentations.

12 So there we have it. And we'll go ahead
13 and begin. And, Miss Littlepage, it starts off
14 with you.

15 MS. LITTLEPAGE: Good morning. Is this
16 on? Morning Commissioner Vowels, Staff, Director
17 Lawrence. This is the eight year report. And
18 It's going to start off with the incentive
19 payments that have been paid. Since opening,
20 Trump has paid 60 million incentive payments.
21 And in addition in paying 170 million in direct
22 taxes the State of Indiana, Trump has paid 97
23 million in local direct taxes. The largest
24 single source was 42 million in gaming tax, while
25 12 million was in property tax payments.



1 We usually have a section where we talk
2 about the economic impact of spending related to
3 local taxes and incentive payments. We had to do
4 that a little differently this year because even
5 after repeated e-mails, phone calls, and faxes
6 and intervention of Gaming Commission staff, the
7 City of Gary was not able to tell us how they
8 spent their gaming related local taxes and
9 incentive payments for the past three years.

10 So we estimated that using the revenues.
11 We know they received revenues. We estimated
12 that a similar proportion was spent in a similar
13 way to what was spent in the first five years.
14 And we went ahead and ran the numbers but it's an
15 estimate of an estimate. Just to give that
16 caveat. And also, we can't split out Trump and
17 Majestic Star's numbers because they're put in
18 one pot. So these numbers are the same for both
19 Trump and Majestic on that section.

20 If the City of Gary had continued their
21 expenditure pattern, then 41 percent was spent on
22 infrastructure, 27 percent on construction, and
23 14 percent on equipment. So from opening through
24 December 31, 2003, the economic impact of those
25 expenditures would have been 273 million in



1 economic impact, 94 million in employee
2 compensation, and 4,187 new jobs.

3 The fiscal impact section you have there
4 has quite a bit of detail. But basically it
5 comes down to the changes in the tax structure
6 have affected the local community, but the
7 overall fiscal impact is still positive. And
8 it's basically unclear how the change in the
9 property tax structure in Lake County will affect
10 property tax collections because it's still in
11 litigation.

12 As for the community impact, Trump has
13 spent over \$75 million in Gary since opening as
14 well as contributing over 800,000 in local
15 sponsorships and charitable contributions.

16 Another way that we tried to measure the
17 impact on local communities was to have focus
18 groups, and actually in this building upstairs,
19 and talked with some local people. And had
20 community leaders from Gary; local business
21 leaders, retail, restaurant, hotel, convention,
22 the convention persons from here; and some social
23 service providers from Lake County.

24 And we asked them some pretty general
25 questions just to try to get some strength and

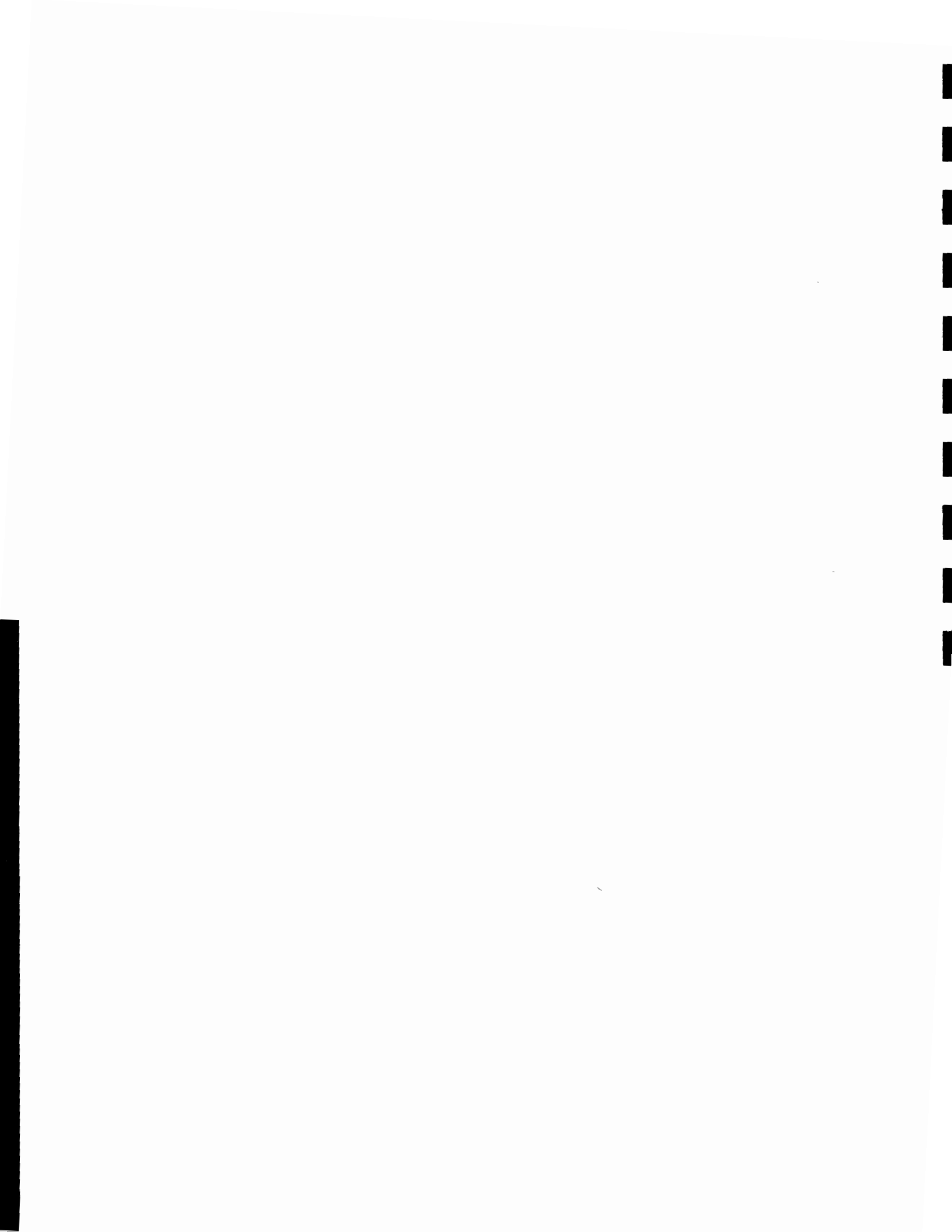


1 weaknesses, what they thought about having the
2 boat in their community. And overall they were
3 very positive. They said they provide thousands
4 of well-paid jobs with good benefits as well as
5 economic diversity in a time when steel mills and
6 manufacturing jobs are declining. A lot of these
7 jobs are filled by minorities, single parents.
8 And in addition, there is a lot of construction
9 jobs because there's always something going on
10 with continuous improvements. It also provides
11 revenues to local governments that can be used
12 for infrastructure improvements.

13 And they said that Trump is a good
14 corporate citizen, their staff service on board,
15 they provide funds for programs, they fund
16 community foundations, and have a can-do
17 attitude. And that the greater management is
18 willing to try new ideas. And also said that
19 they're sensitive of the downside of gambling.

20 And one thing I thought was interesting
21 they said that they provide a safe comfortable
22 for seniors in the community. So instead of a
23 senior center, they go to the boat.

24 They also bring tourists by their presence,
25 as well as the marina and the golf course. And



1 it has a positive environmental impact because
2 they're assisting in the reclamation of the
3 lakefront.

4 Now there are also some negatives. Some
5 small business people said they haven't seen the
6 positive spin-offs as they thought they would.
7 But part of that could be their expectations
8 might not be reasonable. And in their view, the
9 people that we talked to, they think bankruptcies
10 and home foreclosures have increased as well as
11 the number of pawn shops and payday loan
12 businesses. And that can be other economic
13 factors, but that's something they noted.

14 One thing was interesting from the heads,
15 that people, including state legislatures, think
16 the local government has an abundance of funds
17 and so they don't need any more money when they
18 still have needs.

19 And then they said that the local
20 communities are parochial and don't have the best
21 training. That they should get together and form
22 a regional plan for the lakefront and surrounding
23 area and have a long-term strategy. Again,
24 that's nothing the Gaming Commission can do
25 anything about, but it's interesting to know.

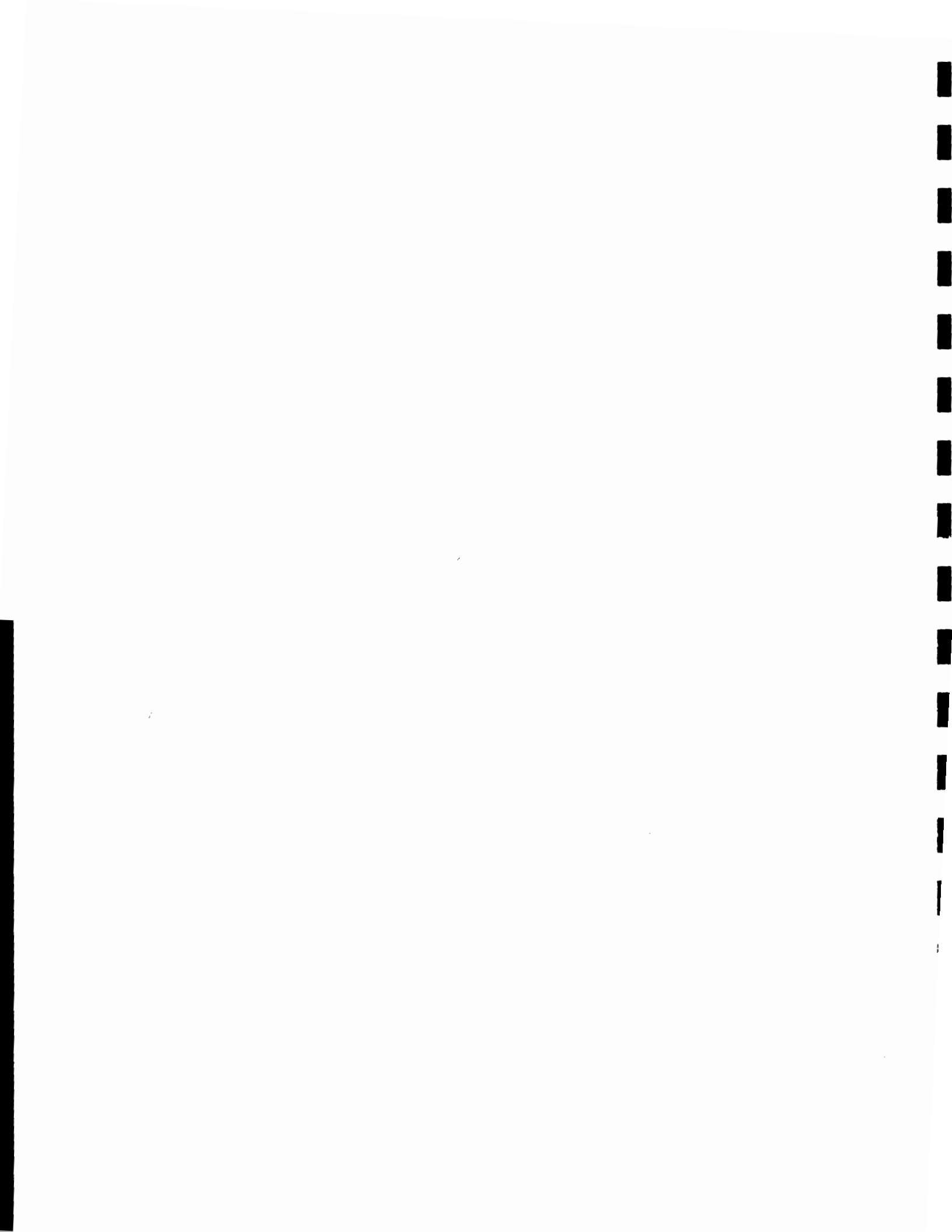


1 And then in Gary, they said the Mayor was
2 able to change the local input of City Council.
3 And there was some concern that maybe they
4 weren't making the best investments, that a
5 stadium was not the best investment. And on that
6 note, there was some talk about the Gaming
7 Commission taking a more active role in the local
8 agreement process.

9 So it was interesting conversation. We had
10 pretty much a whole day.

11 Now on employment wages. The average
12 employment over a time period has been 1,071.
13 But in 2003 it was 970 employees. 58 percent
14 were women and 44 percent were from Gary, 82
15 percent from Lake County with a total of 90
16 percent from Indiana. Over a time period, they
17 had total wages of over 221 million with almost
18 27 million in 2003.

19 We conducted a survey of employers, that's
20 reflected in your report. And from the results
21 of that, before beginning at work, we found that
22 29 percent of those responding to the survey were
23 unemployed. And in the previous survey we did
24 for the five year report, 24 percent of those
25 responding were previously unemployed. So it

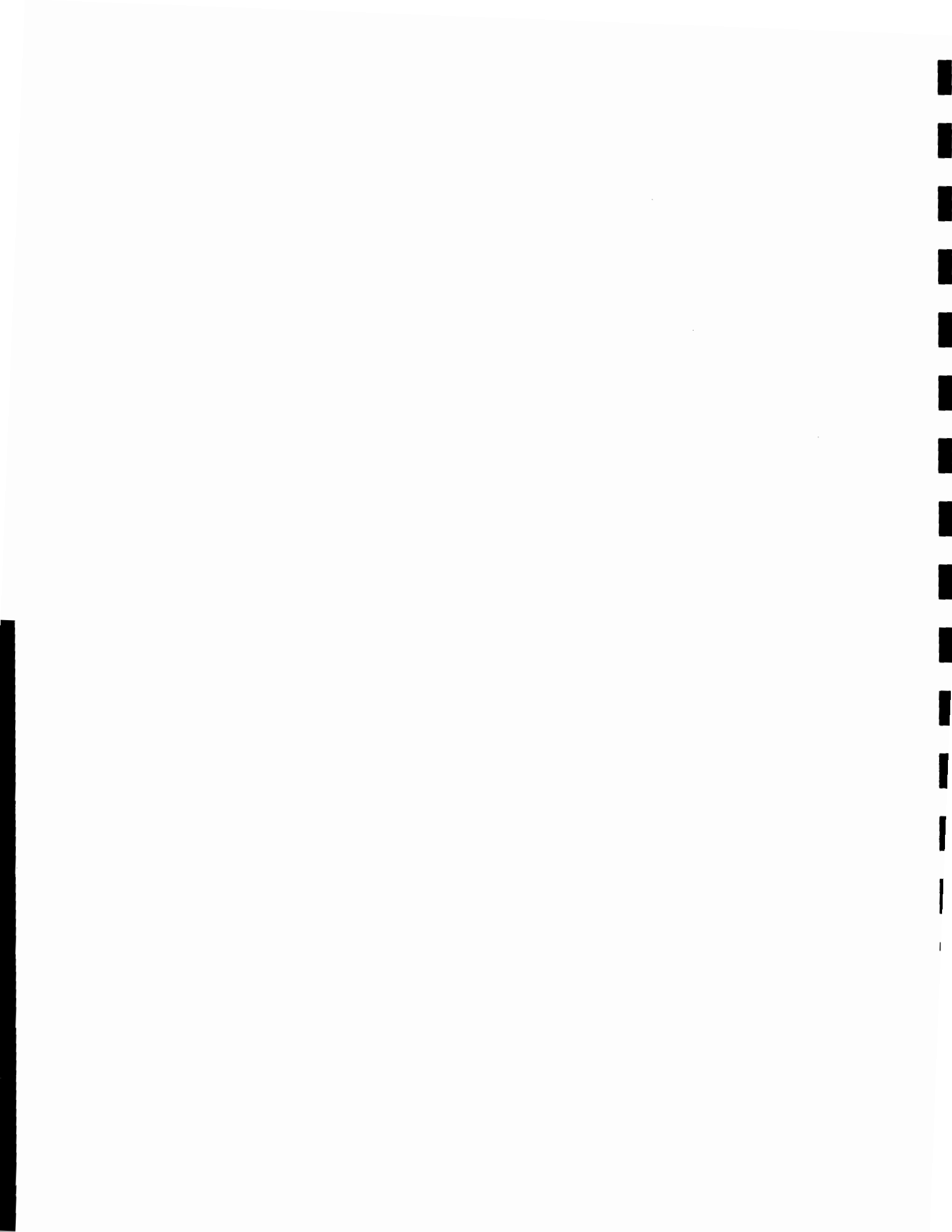


1 seems they're actually employing a larger percent
2 that didn't have a job before. I thought that
3 was an interesting find.

4 Now most of the people who were employed
5 before were working in the service and retail
6 sectors. And the principal motivation in work at
7 Trump, before and now, is more money which is
8 probably why most people move to another job.
9 And advancement opportunities were second.

10 The average length of employment was 3
11 years and 7 months. And 26 percent have worked
12 for more than seven years and 42 percent have
13 worked at Trump for two years or less. And most
14 work full-time. Only nine percent work less than
15 35 hours per week. It was actually pointed out
16 to me that 35 hours per week is considered
17 full-time. So if we took that down, it would
18 probably be even a smaller percent that were
19 considered part-time. So next time, we'll change
20 that on the survey.

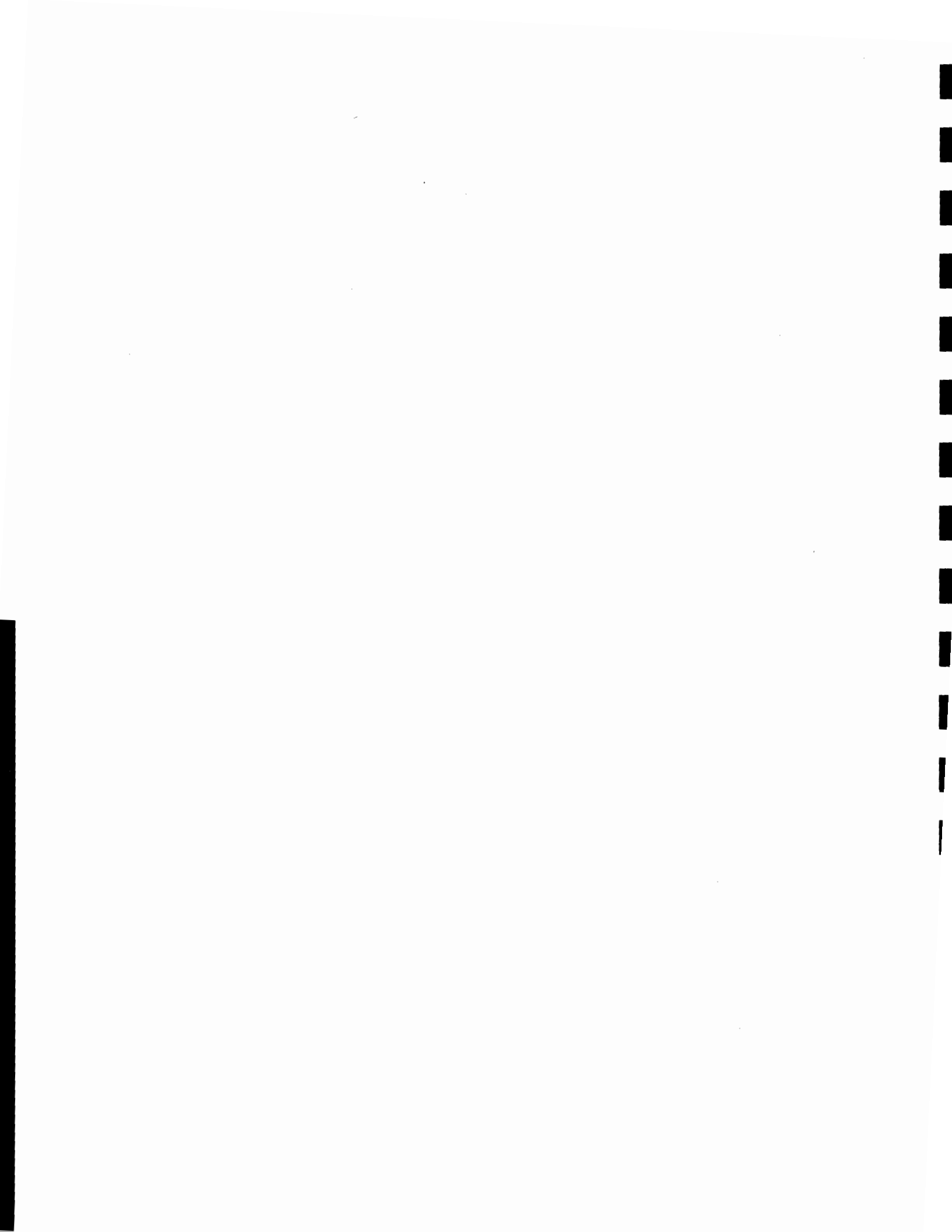
21 The average wages were 28,863 compared to
22 per capita of 27,521. We also just asked
23 questions of activity in the household to see how
24 having this job has impacted them. We asked them
25 if they moved from renter to home ownership. If



1 they have made home improvements or if they
2 purchased a vehicle. And 97 respondents reported
3 moving from renter to home ownership, 125 have
4 made significant home improvements, and 386
5 purchased a vehicle since finding work at Trump.
6 So it has helped.

7 We asked a lot of questions about training.
8 53 percent reported receiving job specific
9 training. 10 percent received tuition
10 reimbursement. And 16 percent paid for
11 additional training or education out of their own
12 pocket. There are also some correlation with the
13 number of years worked and education. And we
14 found out that, which make sense, the likelihood
15 of receiving training increased as the number of
16 years worked increased and in general, as
17 education increases. And there was a comment
18 when I had sent this out from staff people, that
19 it doesn't mean it's not offered but it's taken
20 advantage of, which makes sense. If somebody who
21 has a Bachelor's might ask for tuition
22 reimbursement for a Master's. This is not saying
23 that it's not offered to people but people were
24 more likely to take it.

25 Another section where we talk about what



1 has been changed in the local community since the
2 boat opened. And this isn't a causal, it's just
3 descriptive. But we've looked at trends in Lake
4 County in employment and average wage to
5 non-riverboat counties. And we tried to see
6 where the changes were similar and dissimilar.

7 18 industries out of 553 where trends were
8 significantly different. And most of those were
9 in manufacturing and retail sectors. And a lot
10 of that was because of things that were happening
11 before the riverboat came. So the numbers of
12 jobs, establishments, and wages have lagged
13 compared to trends in the non-riverboat counties.
14 The only sectors where there were increases were
15 amusement, gambling, and recreation industry.
16 which of course makes sense because they're
17 riverboats. And the other one was, the only one
18 that was faster than non-riverboat counties was
19 the executive, legislative, and other general
20 government support sector. So those were the
21 only two that actually grew faster than
22 non-riverboat counties.

23 As to the current financial position,
24 Trump, as you know from Orange County, is
25 experiencing some financial difficulties. But



1 when the proposed restructuring is completed, it
2 should hopefully become more viable. In the
3 immediate future, all the Trump facilities face
4 severe competitive challenges and there may be
5 some associated cash flow problems especially if
6 the restructuring of the high cost debt is not
7 successful. The success of the recapitalization
8 is crucial to the continued viability of the
9 business. And while the financial viability of
10 Trump is at significant risk until the
11 recapitalization of the parent is completed, the
12 successful recapitalization should put the whole
13 operation on a much stronger foot.

14 Is there any questions?

15 MR. VOWELS: Anybody have any questions
16 for Miss Littlepage?

17 (No response.)

18 MR. VOWELS: Thank you. All right then.
19 we'll have the Trump team. The Trump team is
20 ready for their presentation; is that correct,
21 Mr. Hahn?

22 MR. HAHN: Yes, sir.

23 MR. VOWELS: Okay. Let's move to the
24 front row so that we can see the presentation.

25 MR. HAHN: Good morning, Mr. Chairman,

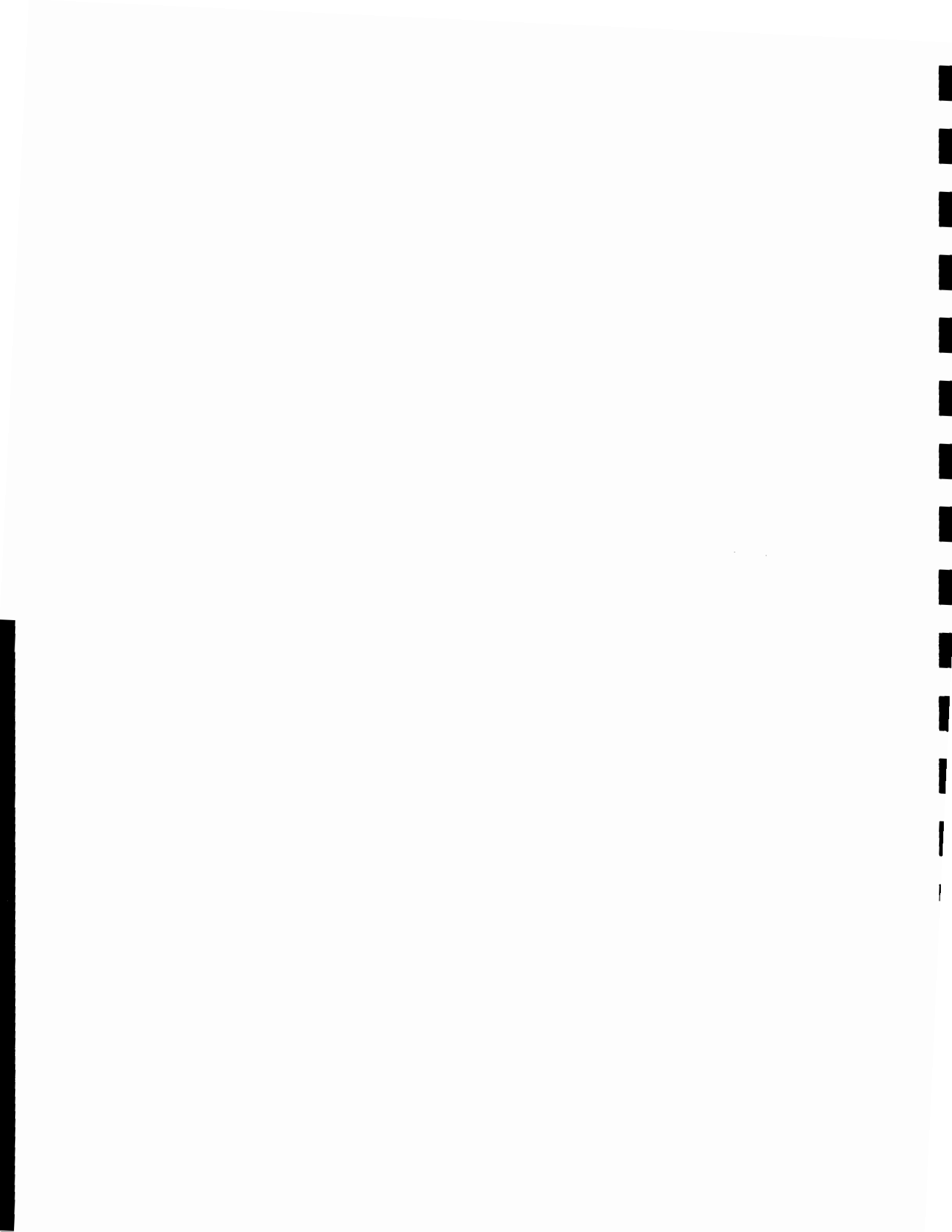


1 Commission Members, Mr. Lawrence, Miss Arnold,
2 Mr. Osborn, Staff. My name is Greg Hahn. I'm
3 Indiana counsel for Trump Indiana. And also with
4 me is Darla Williams from my office who also
5 serves as counsel for Trump in Indiana.

6 Thanks for this opportunity to share with
7 you what has been transpiring at Trump in Gary
8 over the last few years. And my job is to
9 introduce the presenter and also introduce the
10 person after them. But I'll try and introduce
11 all of them right now. Mark Brown is the
12 President and CEO for Trump Casinos; Chris
13 Leininger, General Manager of Trump Indiana;
14 Charolette Cook-Hawkins, Director of Human
15 Resources; Keith Rogers, Business Development
16 Manager; and Bob Pikus, Executive Vice President
17 and General Counsel. We also have Mayor Scott
18 King who will also be making a presentation as
19 well.

20 Thank you very much. Mark.

21 MR. BROWN: Good morning. Thank you.
22 It's a great pleasure to come before you again
23 today to request a license approval. After eight
24 years of operation on Gary property, I just want
25 to take a few moments to go over some of our



1 accomplishments for the last three years.

2 In conjunction with our Buffington Harbor
3 project successfully completed 2,000 space
4 parking garage in May of 2002 which improved the
5 overall gaming experience for our guest. Trump
6 was a major funding source for the Gary Steelyard
7 Baseball Stadium. The Railcats hosted a very
8 successful and all new season during the summer
9 of 2003. During July of this year, the Gary
10 Marina Access Road project was started and once
11 complete it will fulfill the only remaining
12 obligation that Trump has under our local
13 development agreement.

14 Right now we'd like to play a brief video
15 that we believe is reflective of our commitment,
16 accomplishments, and partnering with the local
17 community. In it you will hear from our vendors,
18 employees, and some of our leaders in the
19 community.

20 (Video presentation.)

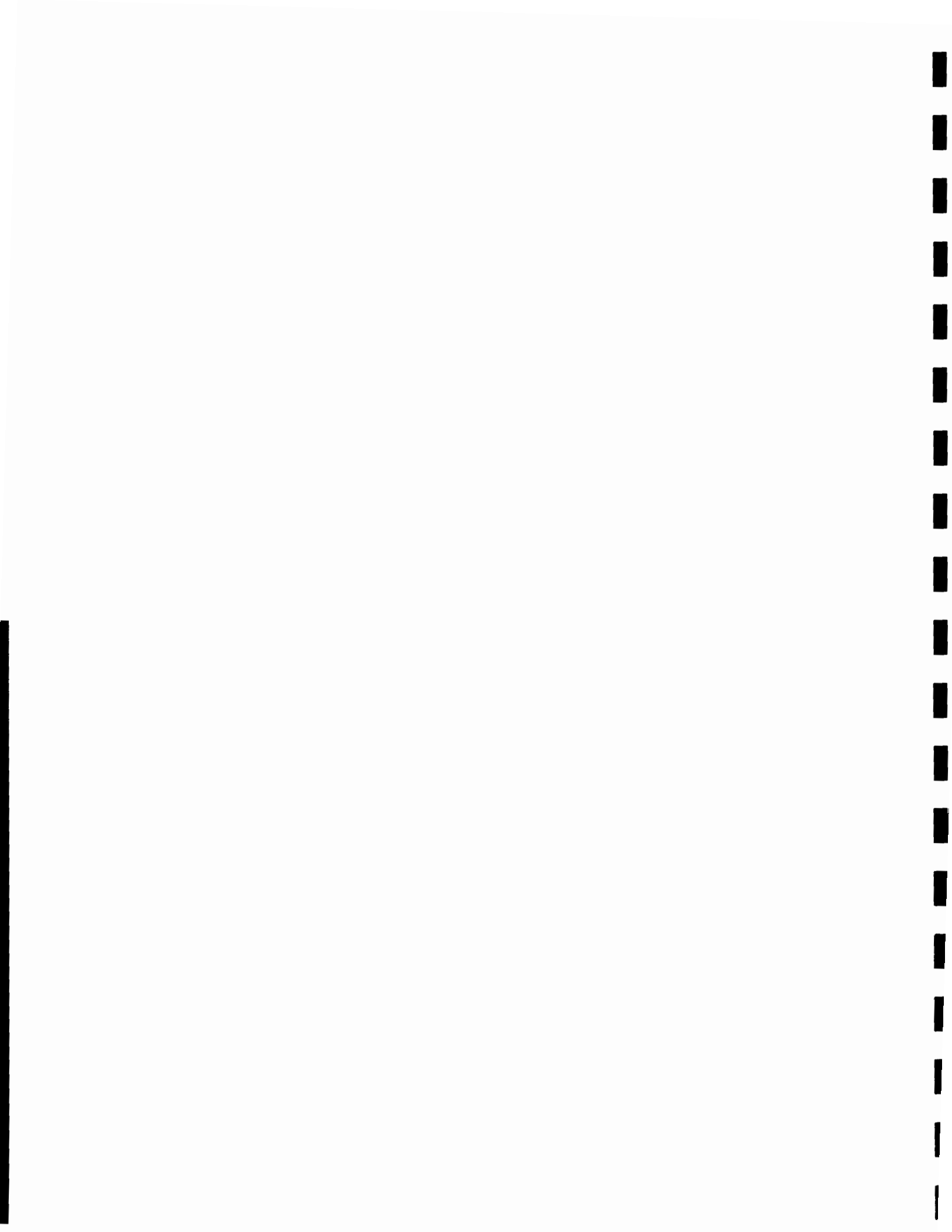
21 MR. BROWN: We are obviously very, very
22 proud of our employees at Trump Casino. And in
23 our company our employees come first. We said
24 that before and that's at each and every one of
25 our properties. I would like to bring up someone



1 right now the General Manager of our Gary casino
2 who I have to say has done an outstanding job.
3 And will be heavily involved in our operations in
4 French Lick, Mr. Chris Leininger.

5 MR. LEININGER: Good morning, Chairman
6 Vowels and Commissioners. I have the opportunity
7 to introduce somebody who we've had a good
8 relation with. And in terms of our involvement
9 with the City of Gary. And we would like to have
10 the Mayor come down and make some comments. Is
11 he in the room right now? That's probably not a
12 good thing to introduce him. We do promise to
13 have that later in our program. Maybe we don't
14 have as good a relationship. I'll go ahead for
15 my portion of it. And I'm sure he'll come in
16 later in our presentation.

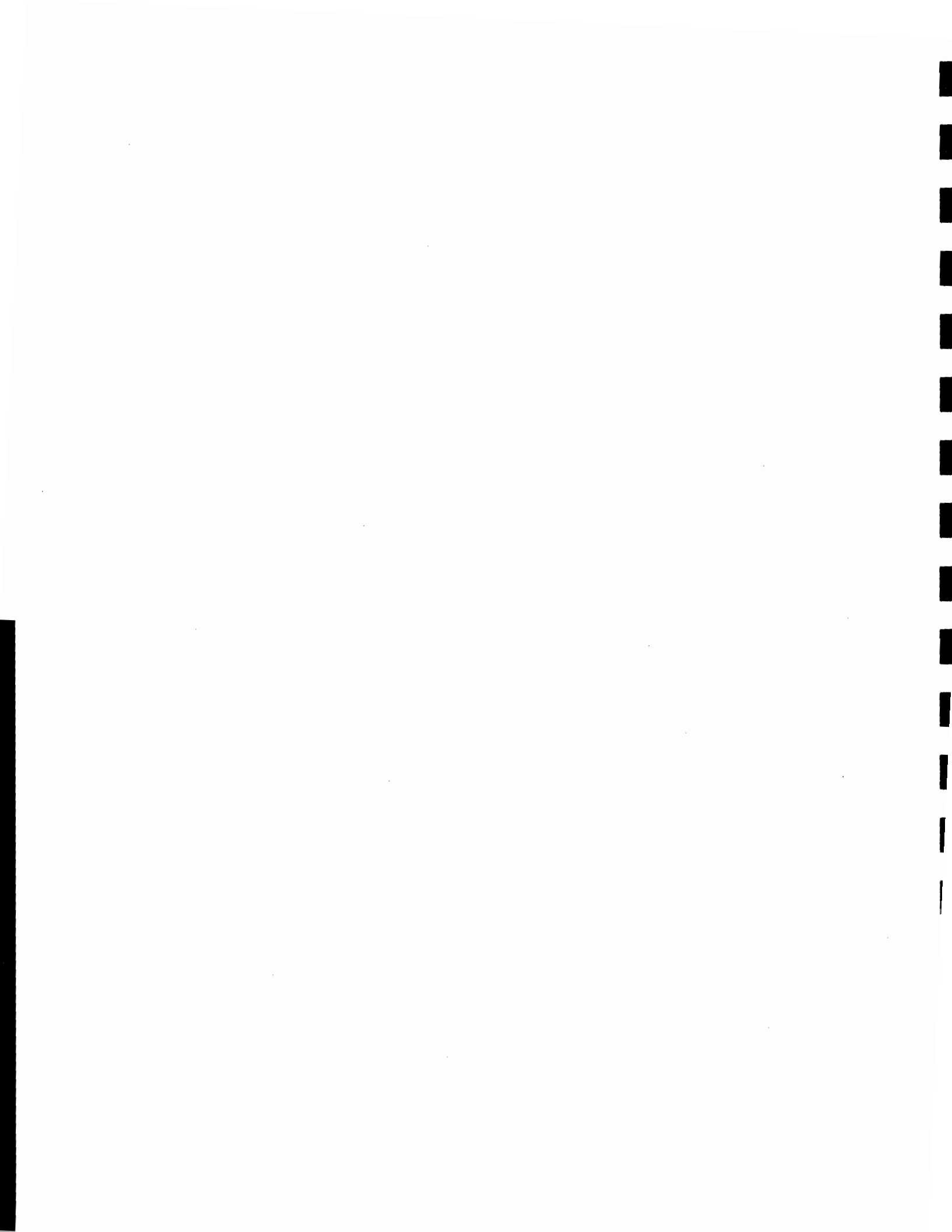
17 This is a recast of our Economic
18 Development Agreement. And many of these things
19 that you see completed were things that we were
20 able to do in your first five years of
21 operations. We have continued to invest in the
22 facility and improve our gaming product over the
23 past three years, spending an additional \$22
24 million. As you get in, Mark mentioned the
25 parking garage that we opened. And down where



1 you see that center section where it talks about
2 the Sheridan Hotel and those considerations. We
3 actually signed a second amendment with the City
4 to reallocate those funds. And predominantly
5 they went into the Railcats Stadium which we have
6 mentioned.

7 And then the other is our only remaining
8 obligation in the economic development which is a
9 \$5 million portion that will go towards
10 infrastructure improvements. And what we have is
11 plans to participate in a Marina access road.
12 It's a five phase project that when completed
13 will bring people directly off of Cline Avenue
14 all the way down passed our facilities to an
15 adjoining piece of land and open up some lake
16 shore. And I think the presenters later in the
17 day will be highlighting the lands that they have
18 for that site.

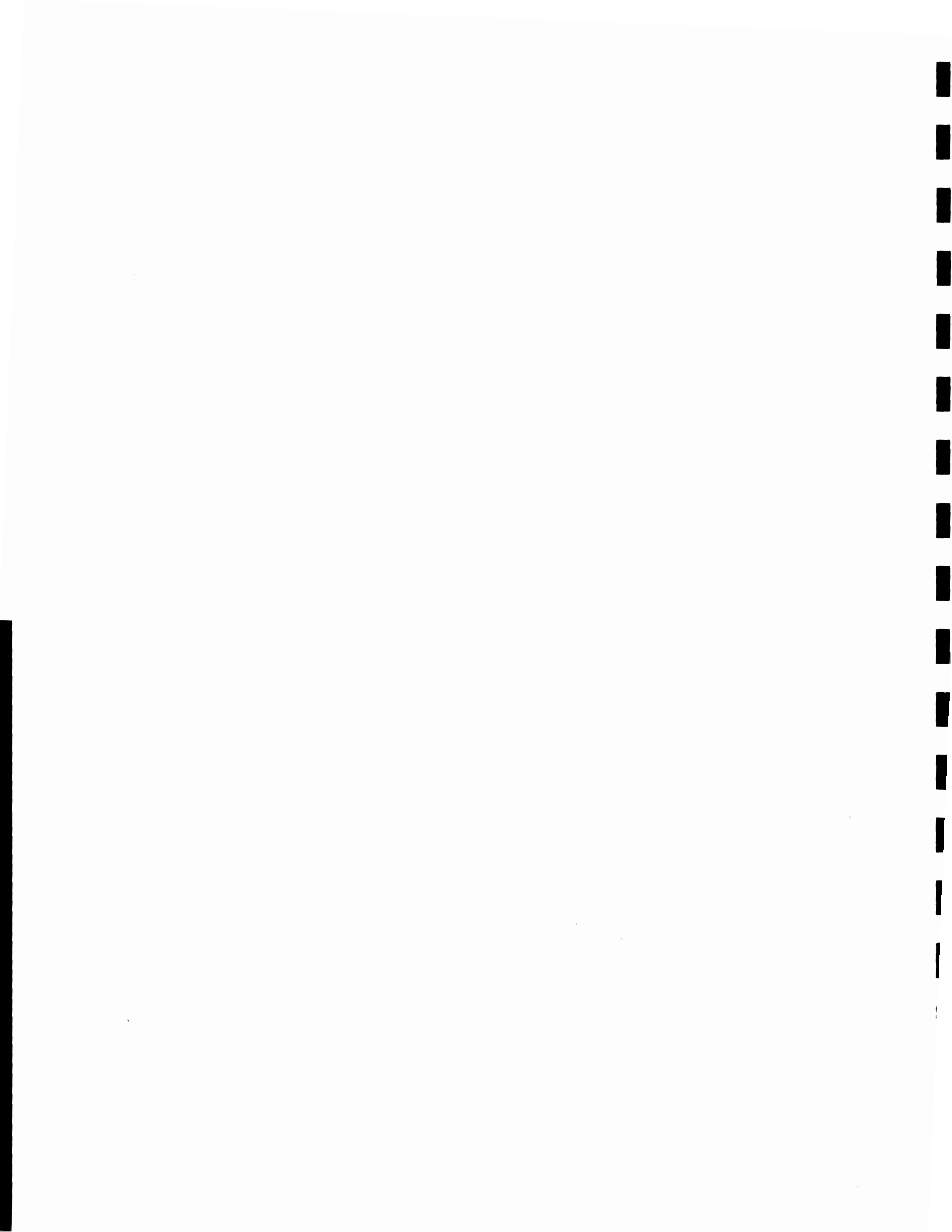
19 We presented a check to the folks from the
20 Department of Transportation last month. That
21 allows Phase I to commence. We anticipate that
22 will be completed by May of next year. And then
23 subsequent to that, Phase II will begin in '06
24 about the same timeframe we anticipate that being
25 done.



1 If you go to next one, I have what the
2 blueprint looks like. And to orient you, that
3 box that has the wording in it is our parking
4 structure. And the dark heavy line running in
5 the middle of the page is Phase I of our project.
6 And what that accomplishes is it will allow for
7 the roadway to go over the railroad track. That
8 has been such an impediment to our guest getting
9 in un-evaded by a train coming at times when they
10 have tried to visit our facility. So we're
11 really excited about that portion of it.

12 And then Phase II which we think equally
13 will be very impactful for the convenience of our
14 customer is over on this left side is where Cline
15 Avenue is. And it's a direct access off of there
16 rather than the triple turn that we currently
17 have our patrons going through.

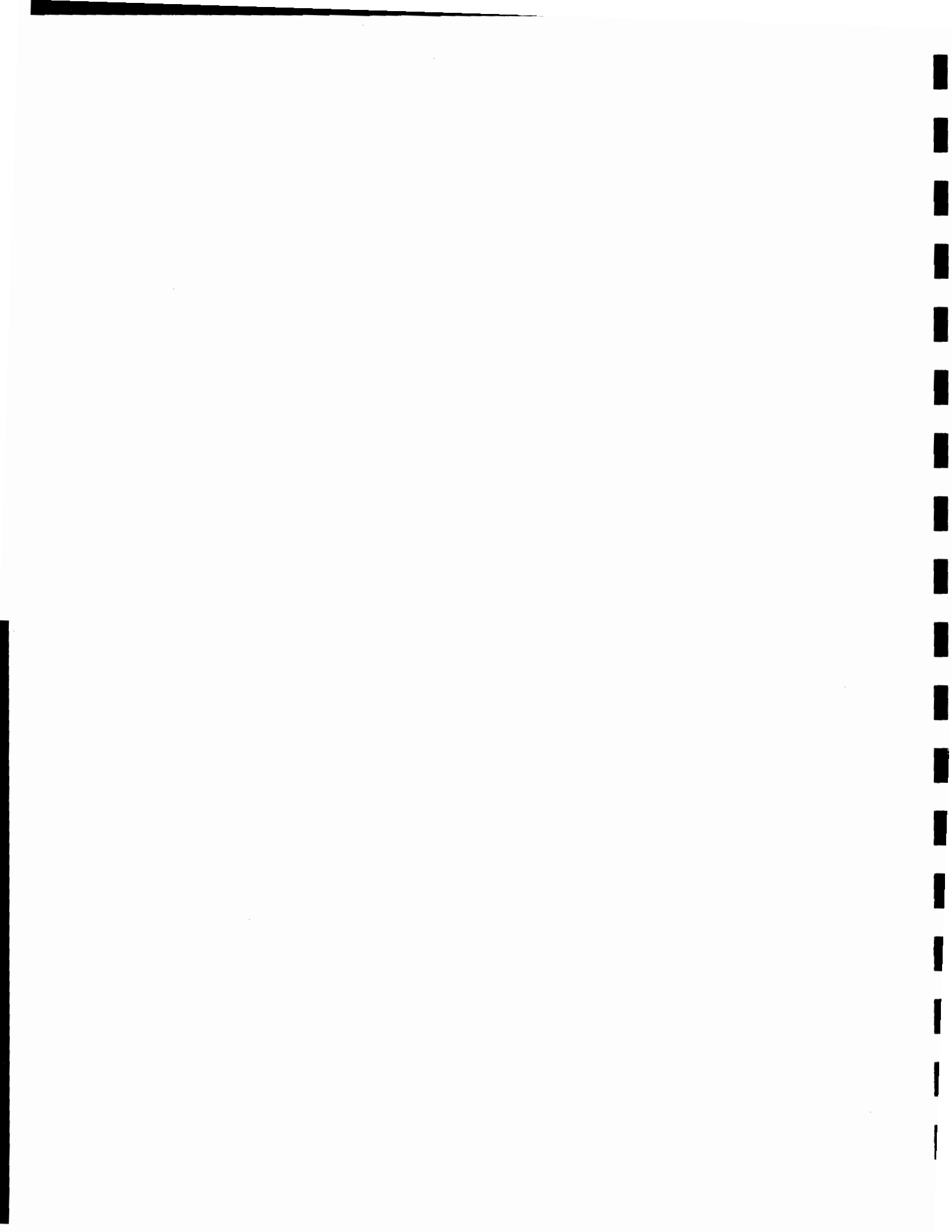
18 So between those two phases, we really
19 think access to our facility will be greatly
20 improved. And we will see additional business
21 generated based upon that. These are a
22 restatement of, I think Laura spoke in her
23 presentation, just the table of our taxing to the
24 City of Gary as well as Lake County. Over our
25 eight years of operation, we'll approach \$100



1 million the contribution. And we feel very proud
2 that that's allowed them to do an awful lot
3 towards improvement to the areas as you saw
4 relative to our video. And things that we just
5 talked about this far. With that I'm going to
6 introduce Charolette Cook-Hawkins our Director of
7 Human Resources.

8 MS. COOK-HAWKINS: Thank you and good
9 morning. It's a pleasure to be here. I want to
10 talk a little bit about recruitment efforts and
11 some of our employee statistics. Our recruitment
12 efforts are focused on achievement and goals.
13 And we use a lot of the residents. We work
14 closely with the Work One Local Center. I am a
15 member of integrated services for Lake County.
16 And we also use local colleges and universities
17 in order to recruit our staff.

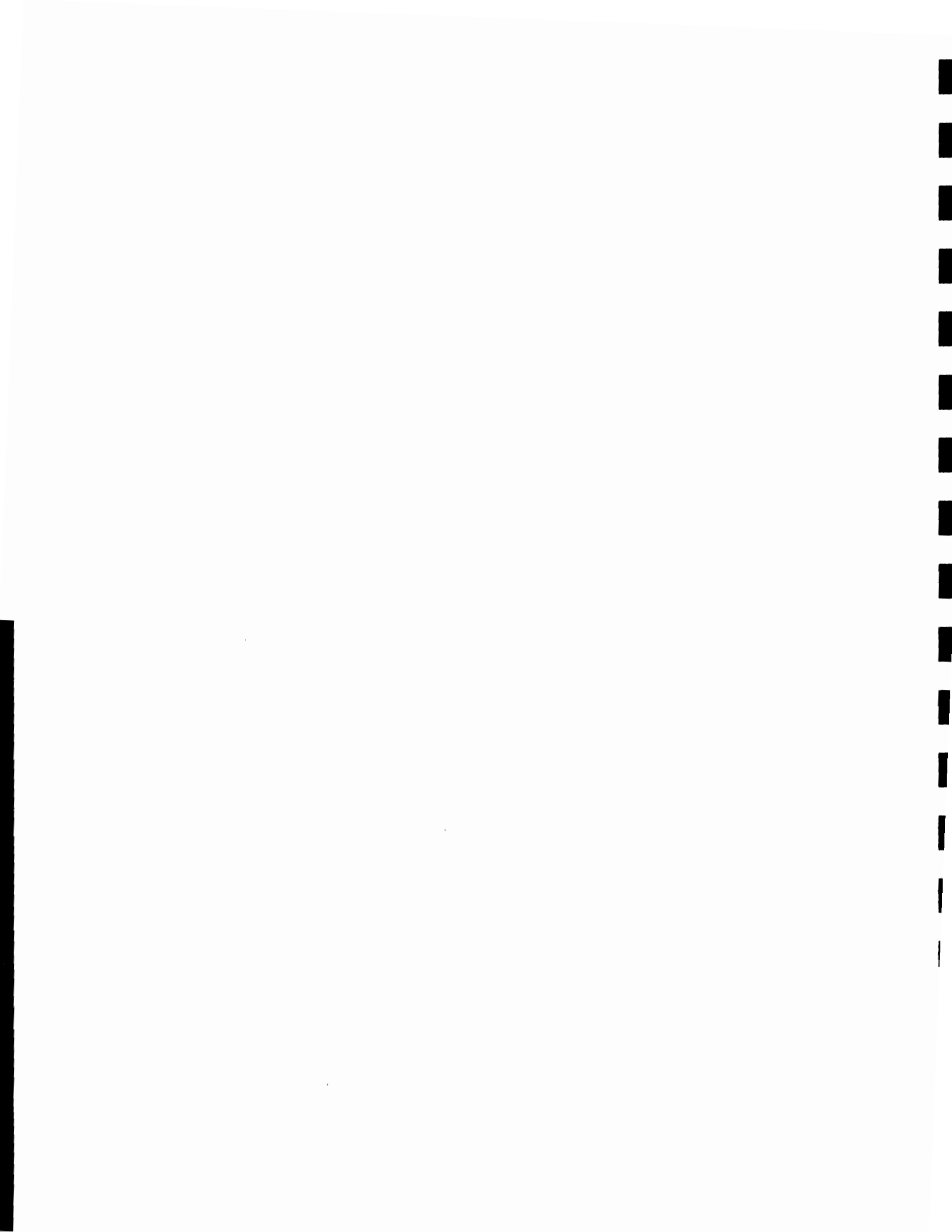
18 We have achieved our goals and we exceed
19 our goals in a lot of areas too. As you can see,
20 in Indiana the majority of our employees come
21 from Indiana. We exceed our goals in the area of
22 area hire. And we are meeting the goals of the
23 other areas. Gary seems to be the one that we
24 focus on. And we continue to strive to meet that
25 goal.



1 The average length of an employee is 3
2 years and 7 months but we have over 300 employees
3 that have been with us for more than five years.
4 We are very proud of that. We continue to grow
5 that number. 29 percent of our new hires were
6 unemployed before they came to work with Trump.
7 We had 97 percent feel secure moving into --
8 moving from rental housing into home ownership.
9 And as you saw in the video, that was only one of
10 the examples of employees who have reached that
11 goal. And it gives me, personally, a very good
12 feeling. And I think that our employees feel
13 comfortable with their job at Trump and feel very
14 secure there. I believe that this moving from
15 rental units to housing has had some effect on
16 our numbers locally.

17 As you can see, we have approximately \$250
18 million that we've spent in wages since the
19 inception. Trump offers a generous benefit
20 program. We have health, life, dental, vision,
21 401(k), short-term disability. And as was
22 mentioned in the video, we have a tuition
23 reimbursement program.

24 We have another number of incentive
25 programs that we offer to our employees also.



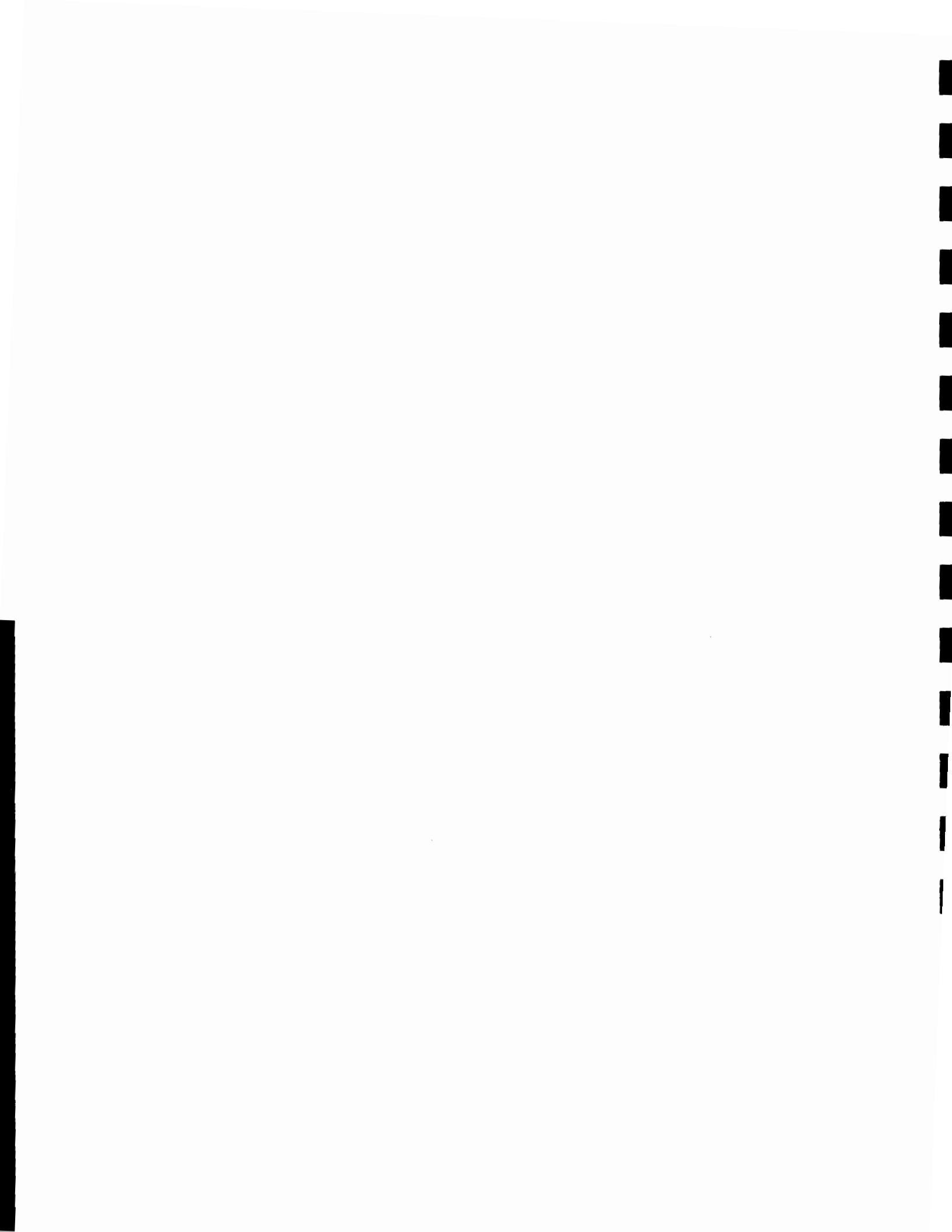
1 Some of those are employment referral programs
2 and guest services and incentive programs. And
3 we continue to build that incentive program to
4 encourage the employees at Trump.

5 The average salary is twenty-seven five and
6 that continues to grow also. We have a very
7 close-knit family at Trump and I'm very proud of
8 our staff.

9 With that, I would like to introduce Keith
10 Rogers who is our Business Development Manager.

11 MR. ROGERS: Good morning everyone. In
12 the end of the year 2001, Trump Indiana had
13 recommitted a permeated plan to make sure we met
14 the goals of doing business with minority owned
15 business. As you can see, the year 2001 has
16 implemented, we've been able to exceed the goals
17 that the State has given us with business to
18 minority owned businesses. In addition, in that
19 plan we had other ways that we -- other ways that
20 we had put in plans to make sure we kept ongoing
21 business with minority owned business.

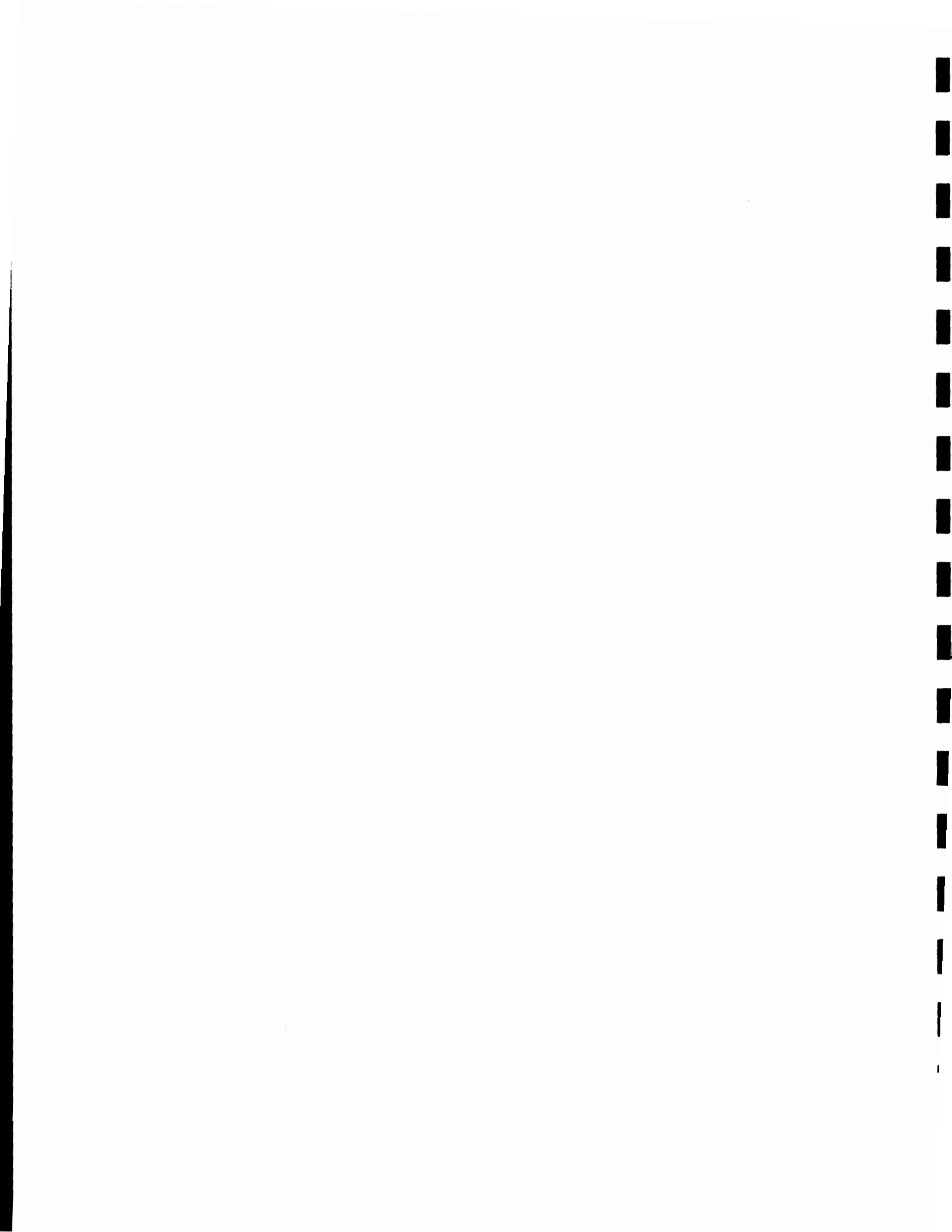
22 One of those community awareness is through
23 brochure distribution. With this brochure, I
24 take various other members of Trump Indiana. We
25 took it to various organizations, different



1 events such as the Black Expo in Indianapolis to
2 make sure all minority organizations and women
3 owned businesses got these brochures. And then
4 filled them out and sent them to us. And we use
5 these to contact that business and to bring them
6 in to some of our directors and other managers
7 that deal with vendors just to make sure they do
8 business with minority owned business.

9 Also this brochure we used it to assist
10 companies with state certification process
11 because we found that those companies that filled
12 out the brochures, some of them were not
13 certified. And so what we did was, we sat down
14 with them. We actually went through the whole
15 application. Someone helped them fill them out
16 and send them in. And this one particular
17 business that we are doing business with is a
18 small company, a locksmith, a sole proprietor,
19 right here in Indiana. He's actually doing some
20 lock work for us.

21 But we've also done it on whole statewide
22 level. As we're talking now, Trump is sponsoring
23 and also hosting an event and it's approximately
24 50 or 60 businesses in the whole state that have
25 come out to meet with all the purchasing managers



1 of the riverboats in the area. So we're doing
2 out best to make sure we're doing, not only us,
3 but all the other riverboats in the area are
4 doing business with minority owned businesses.

5 And thirdly, strategic sourcing plan will
6 be done this summer as mentioned before. Just to
7 make sure that our directors and other management
8 personnel that do business with vendors, that
9 they make sure that in all the bidding process,
10 and just conversation with minority owned
11 business, they make sure that we do business with
12 them. And these past few years, I think we've
13 done a great job and we're going to continue to
14 do a great job. Thank you.

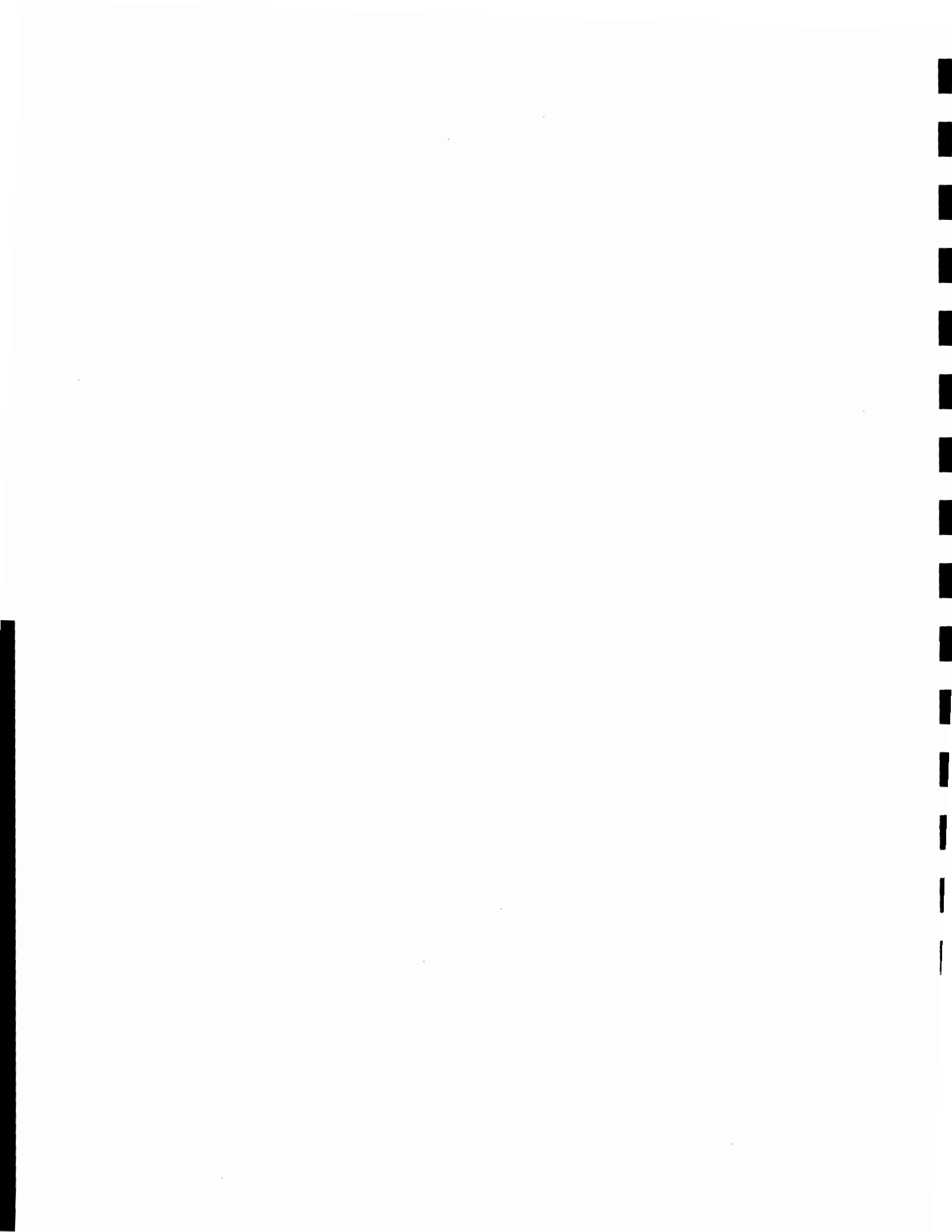
15 How could I forget this.

16 MR. VOWELS: You know what, I'm glad Mr.
17 Trump isn't here. I may hear, your fired.

18 MR. ROGERS: Next we have Bob Pickus.
19 He is the Executive Vice President and also
20 General Counsel for Trump Hotels.

21 MR. PICKUS: Thank you for that
22 wonderful introduction. Before I wrap things up,
23 Mayor King has a few words he would like to say.

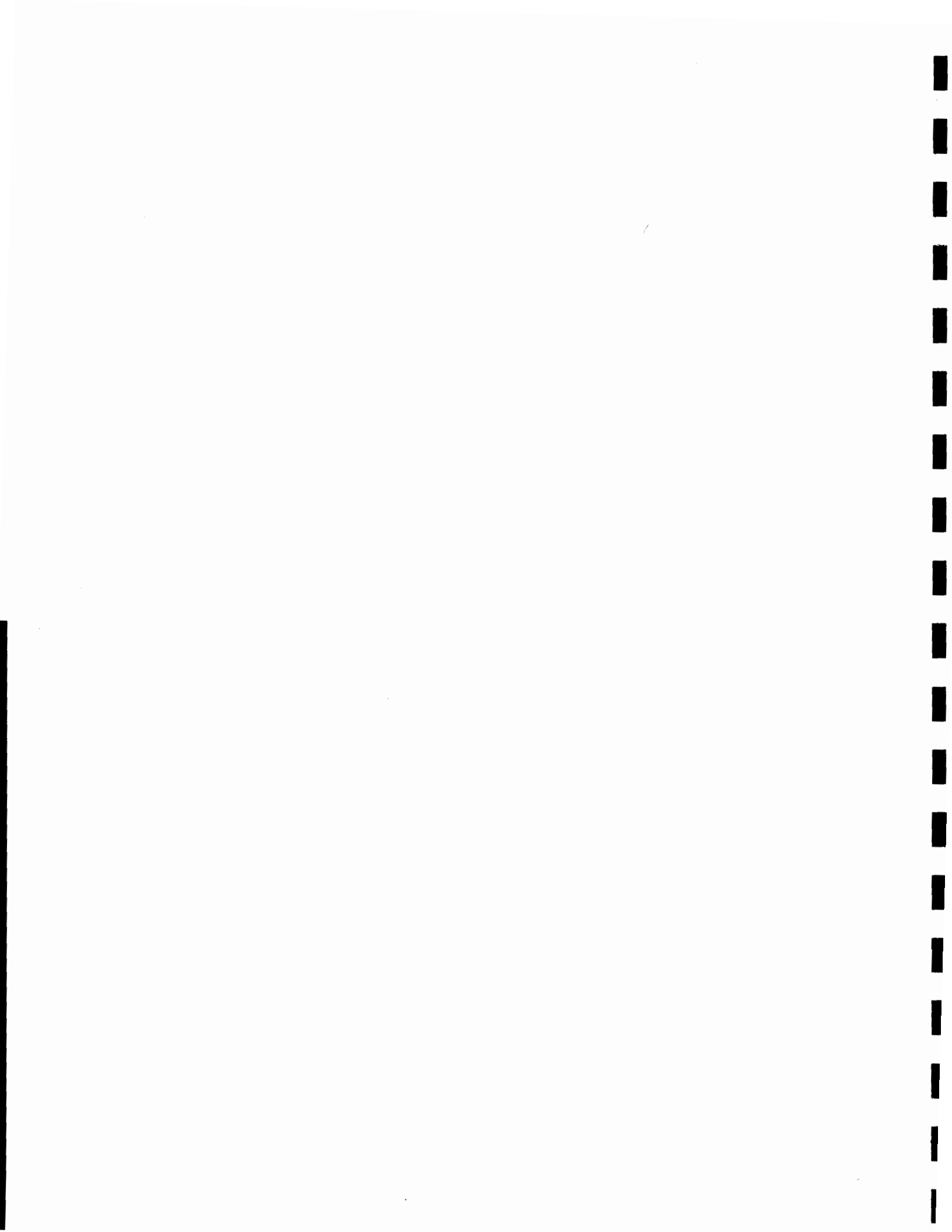
24 MAYOR KING: Good morning. I'm Mayor
25 King, City of Gary. Good career move there



1 Keith. And kudos to the Visitors Center for
2 having the jackhammers working during the
3 hearings. Just a couple of comments and I'll
4 leave with support by the City of the
5 Commission's favorable consideration of renewal
6 of the eight year license for Trump.

7 I have to express, and I got this report
8 yesterday and was able to review it last night,
9 and I have to express a shared concern with the
10 report regarding the current debt load and the
11 financial circumstances reflecting as a result of
12 that principal issue. It's my recollection that
13 there is within the structure of the license,
14 some form of insulation between the Trump Indiana
15 and the other gaming holdings of Trump. And so
16 references regarding the application of revenues
17 from here to New Jersey to Atlanta City Vending,
18 I think I recall that on the report, I think
19 merit another look back to the original
20 structure. It seemed to me, that as this process
21 went through in the mid 1990s that there was
22 anticipated -- there was going to be some form of
23 protection on the Indiana side. And I think that
24 needs to be revisited.

25 I have to comment on the work done that in

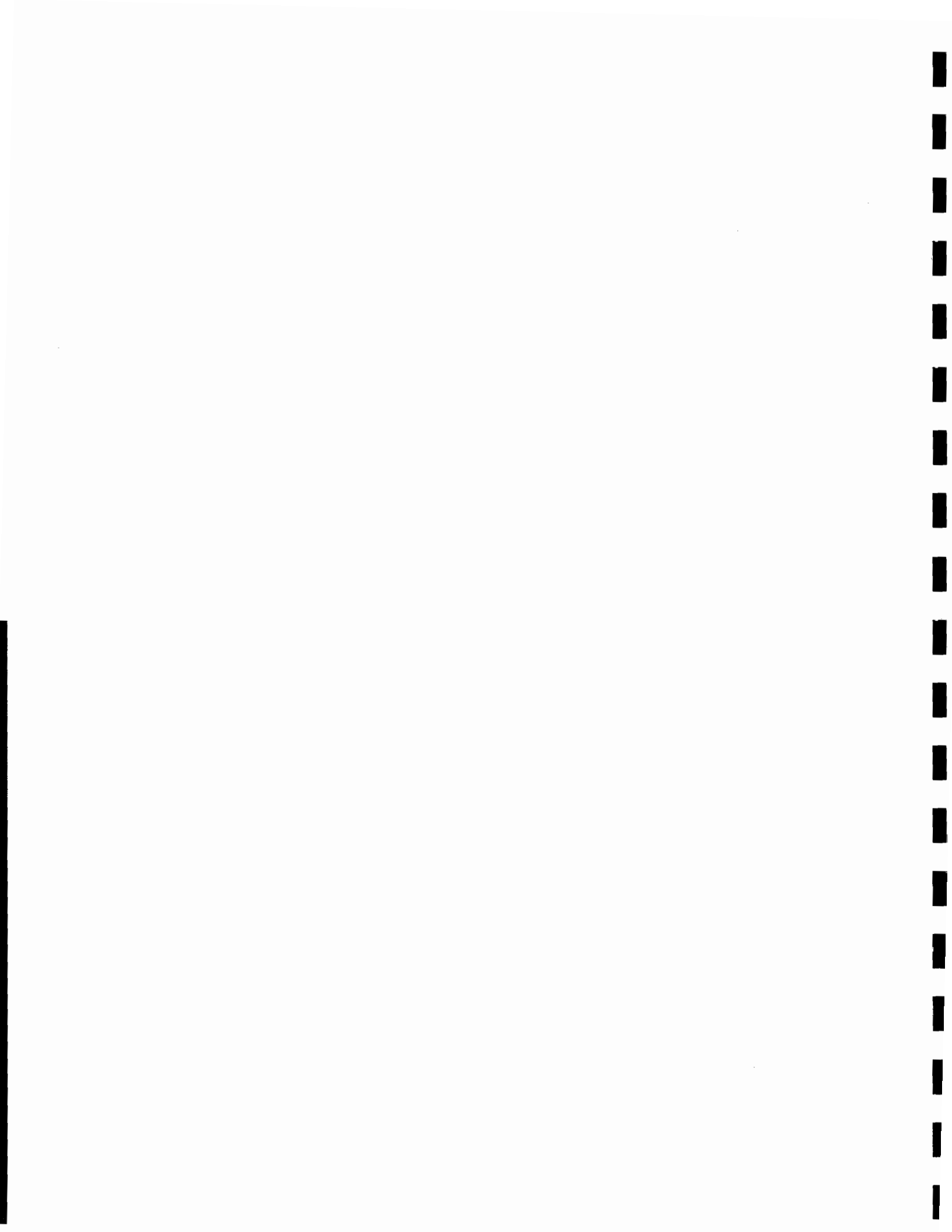


1 itself has had on community impacts. I'm talking
2 about their -- the sweep of their investigation,
3 I would have to note to my recollection, which
4 isn't always accurate, I don't recall that the
5 Mayor was within the ambit of their sweep.

6 Curious omission. And despite current property
7 tax issues in Lake County and the State, last I
8 checked, my phone does still work. And so some
9 other references in there of views about what's
10 been done I was prepared and I am prepared to
11 say, that the application of the resources
12 received from both of the venues, but in
13 particular given the context here on Trump, have
14 been incredibly significant for the city.

15 Public safety wise, our police department
16 now occupies a state-of-the-art facility. That
17 was done in those measure with applications
18 specifically of Trump resources to convert and
19 abandon an eyesore hospital into one of the
20 finest, if the not the finest public safety
21 facility anywhere in Northwest Indiana.

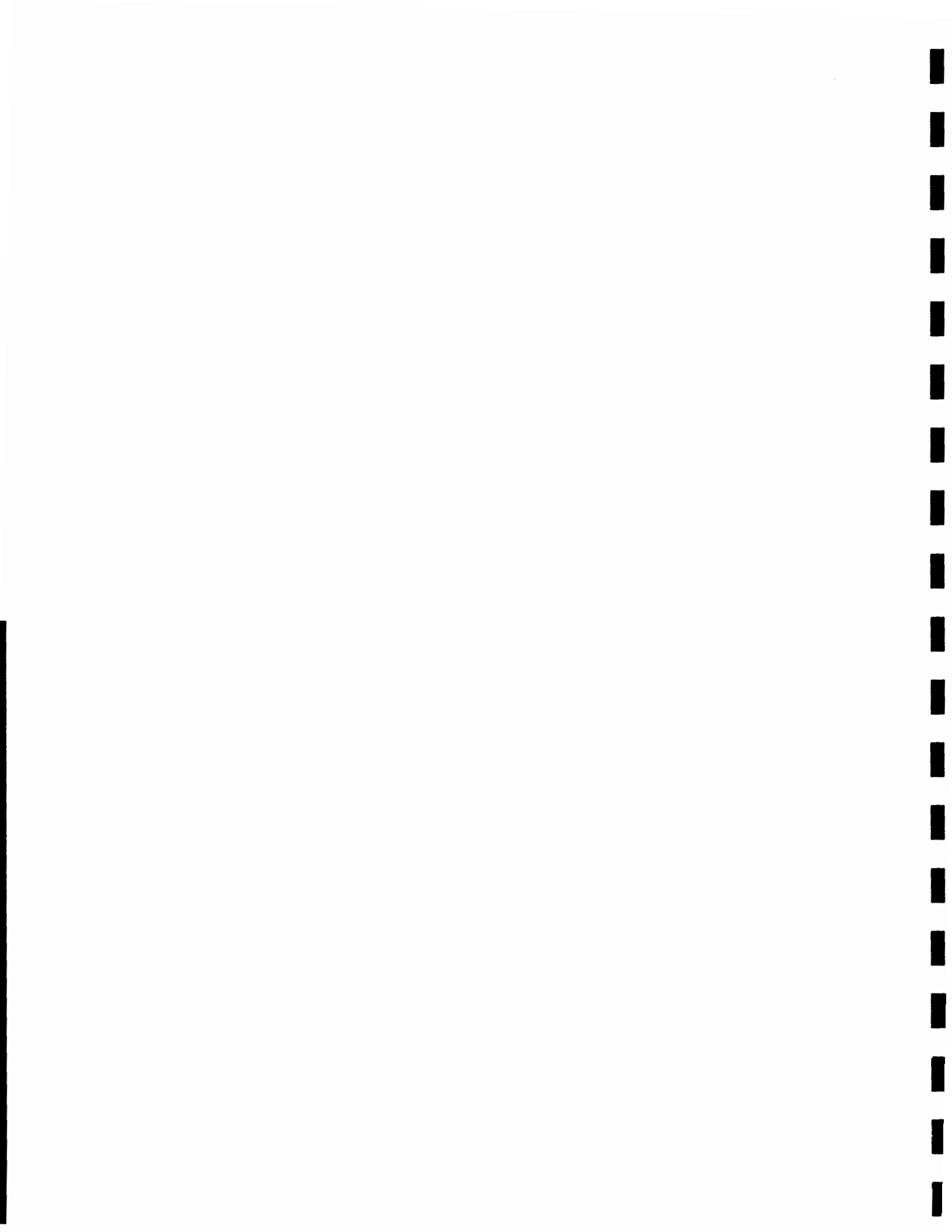
22 Including a state-of-the-art emergency operation
23 center which appears to me to be becoming a venue
24 that's going to have utilization not only for the
25 City of Gary but for all of Northwest Indiana.



1 That doesn't happen without application of those
2 resources.

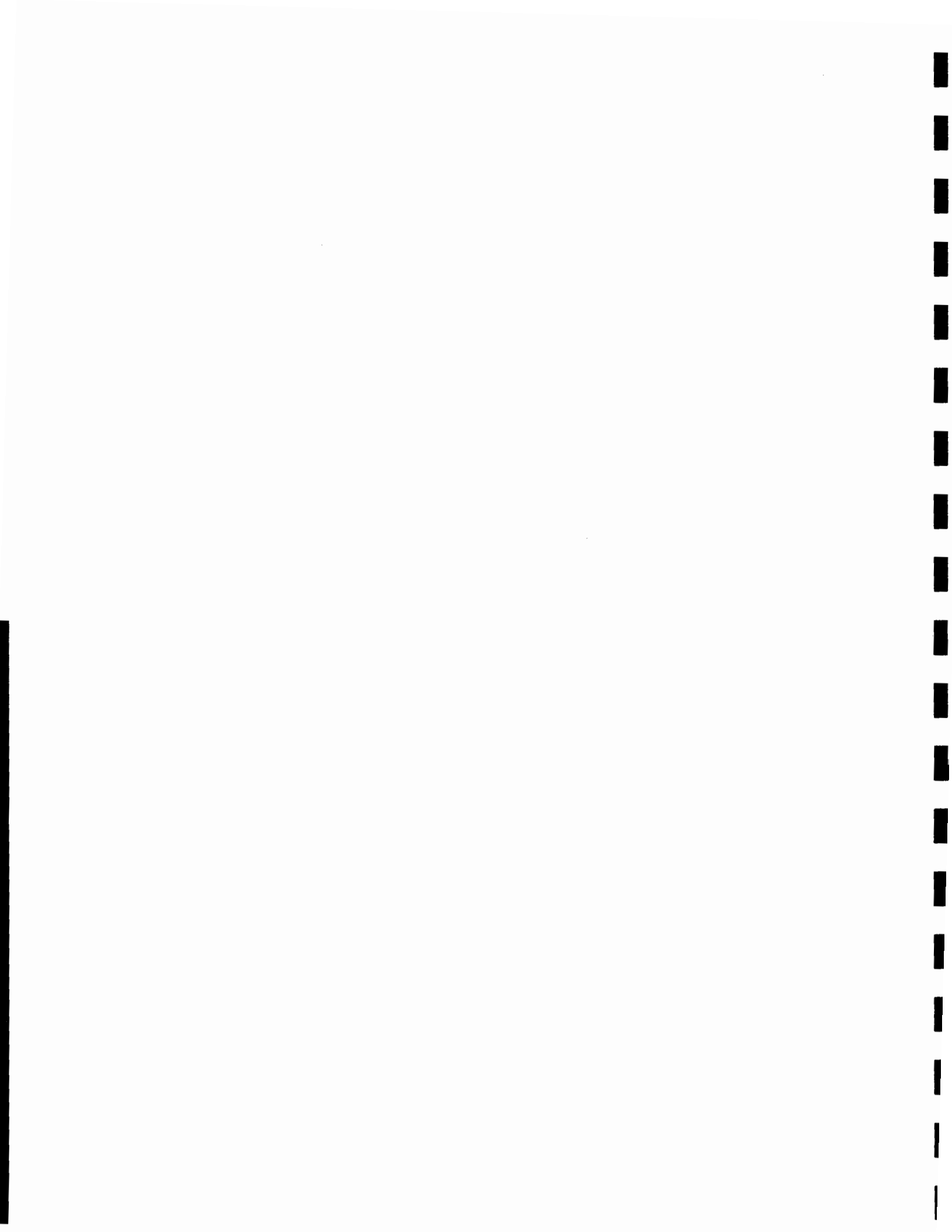
3 Our downtown stadium has proved to be a
4 significant draw into the downtown marketplace.
5 Its first season last year brought in
6 approximately 150,000 people into our downtown.
7 85 percent of whom came from outside the City of
8 Gary injecting new money into the economy. Last
9 time I checked, that's a bit of a factor in
10 economic development. This year, despite an
11 incredible losing season, the numbers are up.
12 And the demographics remain the same. It's
13 sparked -- it sparked investment of new
14 restaurants, other activities, greater interest,
15 and to the chagrin of some taxpayers, a
16 significant increase of valuation of downtown
17 properties. And sometimes I chagrin because I
18 should have condemned them before the stadium.

19 The job picture has been an incredible
20 positive. Statistics tell one story and it's an
21 important story because the numbers are the
22 numbers. But as I think I said in prior
23 proceedings, the best tanisha is going and
24 talking to people who've had the opportunity.
25 And to hear them, and to have them come up to me



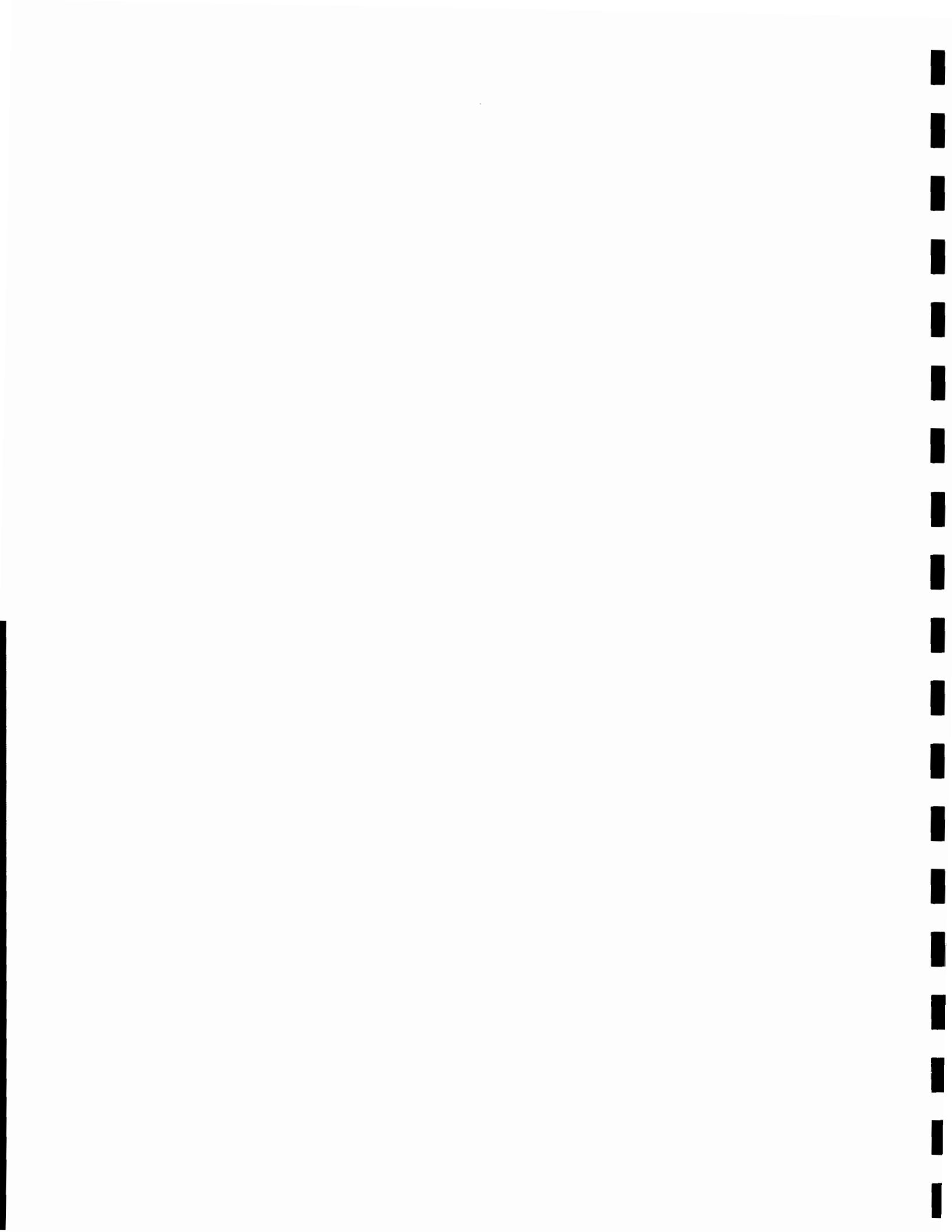
1 and proudly tell me that they're getting ready to
2 close on purchasing their first house. Talking
3 with pride about what impact its had and how
4 they've been able to dramatically change their
5 lives. It's so critical and such a challenge in
6 this economy. And that peace can't be
7 understated.

8 Finally, just looking at the immediate
9 future, this Commission is a stroll in the park
10 compared to what we dealt with to get the new
11 access road built between federal government and
12 INDOT and others, the railroads. If you ever
13 want to come close to becoming a hermit, spend
14 some quality time negotiating with the railroads.
15 It's a good way to put the rest of life in
16 perspective. But with Trump at our side and
17 their application of their commitment for the
18 infrastructure improvement at the venue, the
19 contract has been awarded. And construction is
20 getting ready to begin, I think yet this month
21 based on what they tell me, for a \$22 million
22 access road that is going to greatly enhance the
23 ease of ingress and egress to the venue. But
24 also to the larger lake front area which is part
25 of a larger project being undertaken to recapture



1 abandoned industrial land, create still more
2 jobs. It also, as luck would have it because of
3 the geography involved, is going to be a great
4 enhancement for the Gary Chicago International
5 Airport. Just the way the design is. And what
6 we are going to see and what I think is very
7 exciting and I think the Commission should
8 consider with respect to both venues in terms of
9 taking a look at the immediate future, I think
10 the Gary venue is going to prove to be, in the
11 immediate future, easier to get to and from.
12 Market has an opportunity for expansion because
13 of the immediate proximity of the airport it's
14 going to become a more attractive, more varietal
15 venue. And so even with my dear friend Mayor
16 Daley expressing his desires, I think if we keep
17 these pieces moving together, if we keep the
18 relation and keep the investment, the specter of
19 a Chicago casino land based or not becomes less
20 of a boogeyman than we might otherwise think.

21 So for those reasons, the administration of
22 the City of Gary does and with enthusiasm support
23 the renewal of the license. Anything else would
24 not be fair to a corporation that, not that we
25 always agree, but has proven itself to be



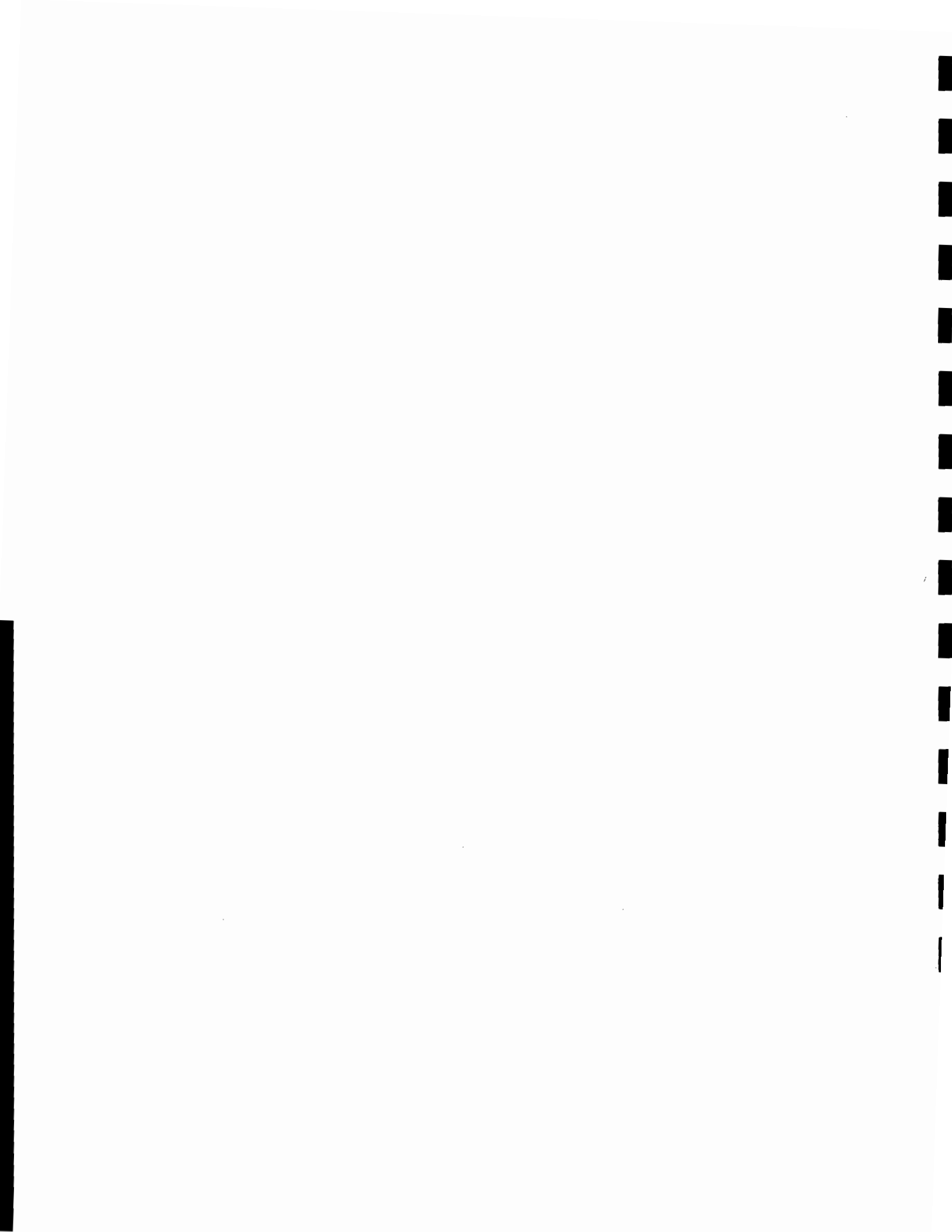
1 responsive as well as responsible.

2 Thank you very much. Don't fire him, it's
3 a constituent.

4 MR. PICKUS: Generally I'm up here to
5 describe the good corporate citizenship that we
6 believe we practice at Trump not only here in
7 Indiana but everywhere we do business. And based
8 on the people speaking in the video and the kind
9 words here from Mayor King, I have the easiest
10 job of everyone this morning.

11 Very quickly, the slide that's before you
12 now highlights a few of the areas that we're
13 particularly proud of. You can see with respect
14 to local spending that is buying goods and
15 services from Gary businesses through the years.
16 And through the end of that year, 2003, we've
17 spent over \$70 million to help local Gary
18 businesses.

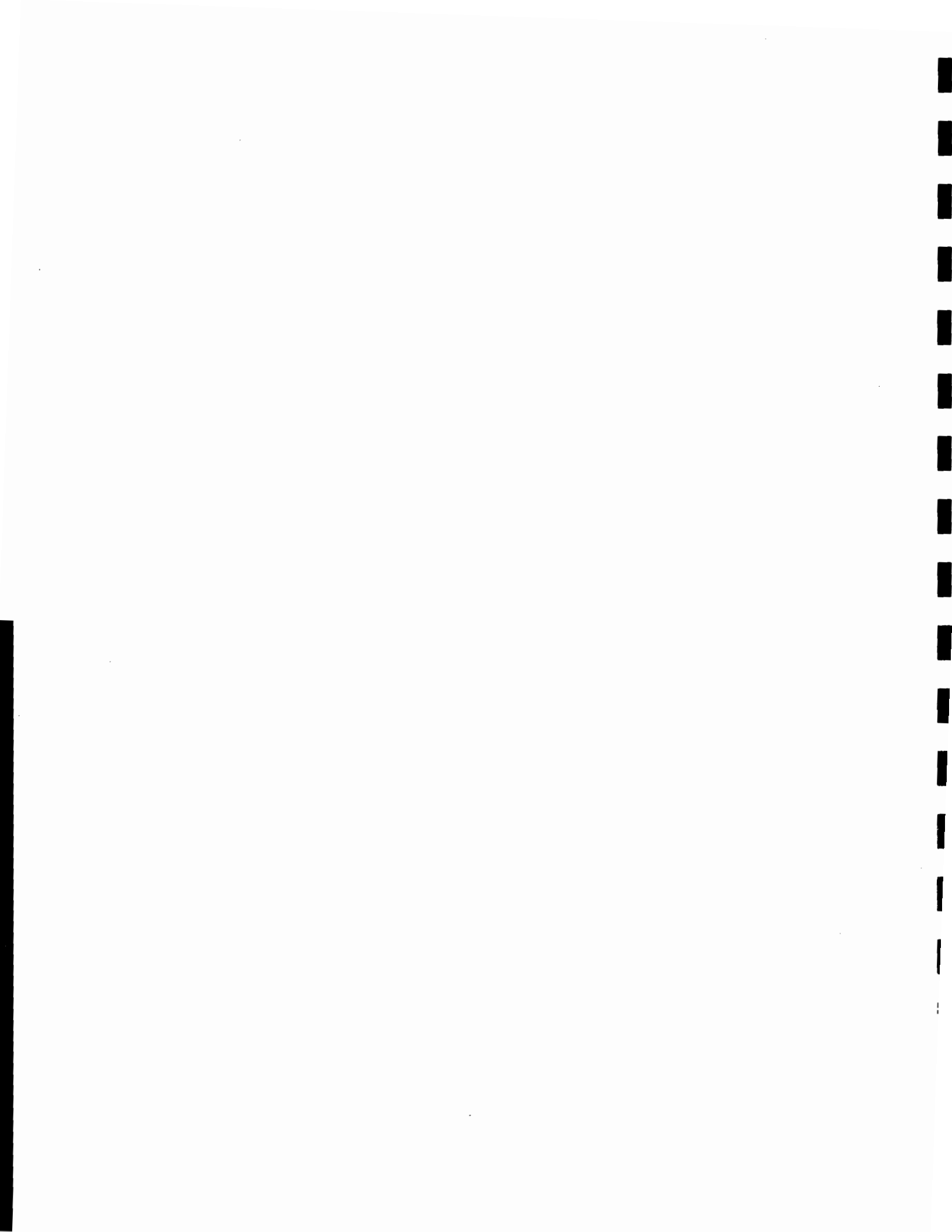
19 Also we heard from at least a couple of the
20 individuals who received scholarships and you can
21 see that in addition to million initial payment
22 we put into the foundation, we've also continued
23 to contribute per our obligation an additional
24 \$100,000 annually and will continue to do so, so
25 long as we remain in Gary.



1 We also encourage our employees and
2 management to get involved in community, and
3 charitable organizations. And you see there is a
4 list of some of the organizations that our
5 employees are involved in.

6 We also take the subject of responsible
7 gambling very seriously. We have on a corporate
8 basis maintained nationally known recognized
9 consultants to help us formulate and train on and
10 continue to refine our own program. You can see
11 our director of slot operations serves on the
12 Board of Indiana Council on Problem Gambling.
13 And we also have participated in implementation
14 of statewide Voluntary Exclusion Program. And
15 these are just a couple examples of the
16 collateral that's utilized for that exclusion
17 program.

18 With that, our presentation is concluded.
19 I would just like to say in closing that we very
20 much enjoy being here in Gary and in Indiana. We
21 believe we have met of all our obligations under
22 our development agreement under the laws and
23 regulations that govern riverboat and gaming.
24 And would very much welcome and request that you
25 renew our license. Thank you.



1 MR. VOWELS: Mr. Pickus, why don't you
2 hang out there for just one moment. I know
3 you've been in contact with the staff about what
4 the financial situation is with Trump as you go
5 forward, is that correct?

6 MR. PICKUS: Yes, it is, Mr. Chairman.

7 MR. VOWELS: You've had some
8 communication with Mr. Lawrence to evade him as
9 to where that is, right?

10 MR. PICKUS: Almost daily, yes.

11 MR. VOWELS: Okay. And a bit of that or
12 quite a bit of that as we saw in Orange County
13 prohibits us from publicly discussing what's
14 going on, but he's well aware of where everything
15 stands.

16 MR. PICKUS: Yes. He is very aware of
17 the current status of that as of early this
18 morning, yes.

19 MR. VOWELS: Can you tell us what you
20 can tell us.

21 MR. PICKUS: What I can tell you is that
22 we continue to make a very significant positive
23 movement in concluding the recapitalization of
24 which we previously described to you and to the
25 public.



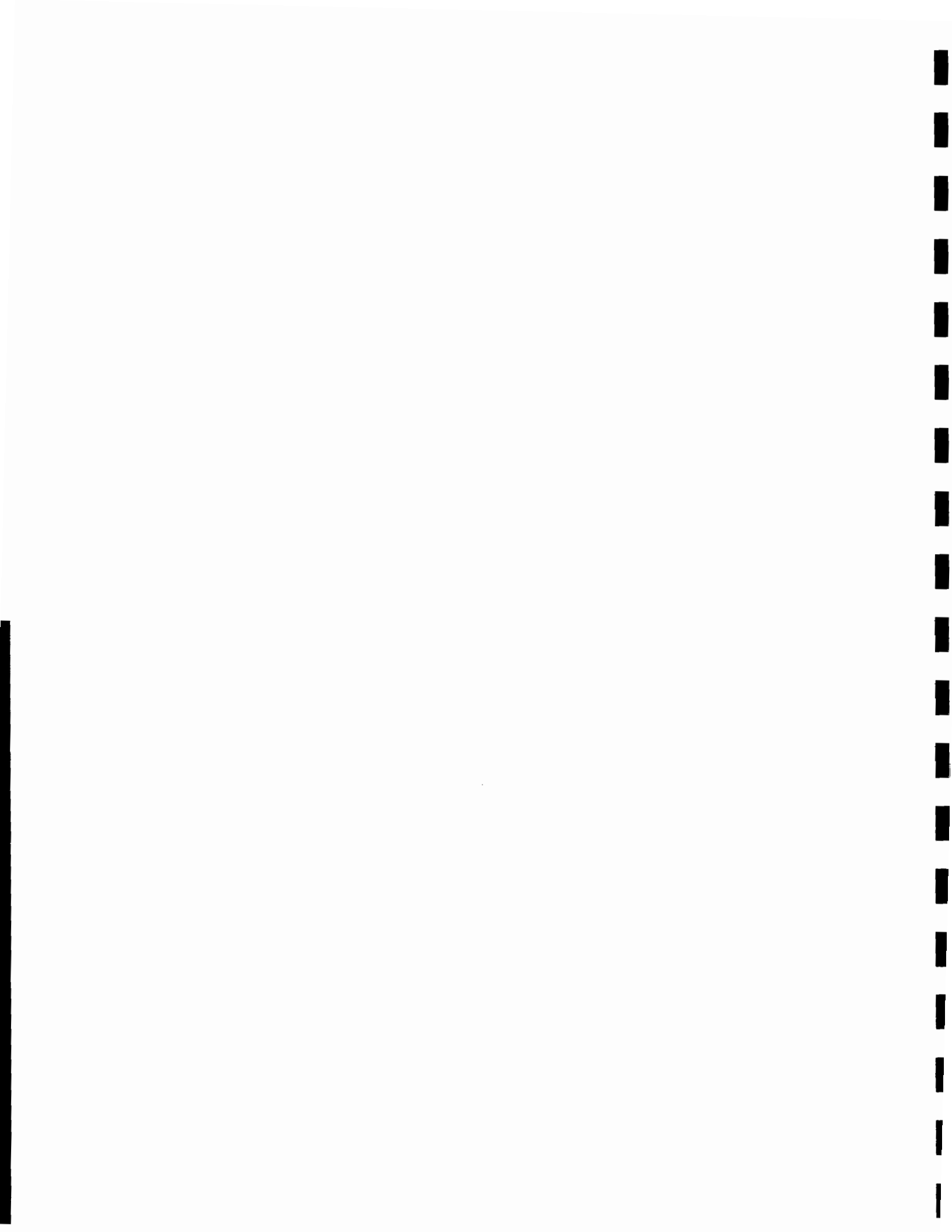
1 MR. VOWELS: All right. Mayor King was
2 talking about the insulation that these companies
3 that we see in Indiana where it's a corporation
4 within a corporation within a corporation. And
5 the way you guys are stacked is sort of like that
6 too. Is that the situation that we have here?
7 That the money that this casino earns here in
8 Lake County stays within that particular
9 corporation and not being drained off to help the
10 other casinos around the country that are your
11 brothers and sisters in the corporate structure?

12 MR. PICKUS: Let me address that and
13 I'll address the use of the word drain in
14 particular.

15 The Mayor, you may remember and at least a
16 few of the Commissioners may also, we were before
17 this Commission back in the early and mid '90s to
18 get the initial license for Gary. We were a
19 significantly different business then. Each of
20 the casinos wherever we owned and operated were
21 individually owned by Mr. Trump. And then there
22 was some discussion back then because of the
23 nature of the corporate structure at the time --
24 or lack of corporate structure at the time, that
25 each of our facilities were individually owned in



1 that structure. Since then, again this most of
2 you know, we went public back in 1995 and rolled
3 all those into one corporation. Very consistent,
4 I dare say, every other gaming company that's in
5 the country. That structure allows the type of
6 financial flexibility that frankly wasn't present
7 before and allowed us to utilized asset funds
8 that were generated from one facility wherever we
9 best felt it was needed on a total corporate
10 basis. And if we needed funds in Indiana and we
11 didn't have them, we had at least the ability to
12 get them from another operation. So we do have,
13 again as I believe every gaming company has that
14 sort of flexibility which I think is positive
15 particularly with respect to taking money out of
16 Gary. I guess the only way I could respond to
17 that is we have continued to not only meet but
18 exceed all the obligations we had under the
19 development agreement and license from the
20 Commission. I think you saw the totals there. I
21 believe, if we're not in excess of approaching
22 \$200 million in investment in the Gary facility.
23 And I'm going off memory. I think if you go back
24 and look at our initial obligation, I think our
25 total obligation was \$143 million. So I think



1 it's fair to say we have again spent not only
2 what we committed to spend but beyond that in
3 Gary.

4 MR. VOWELS: Okay. Any other
5 Commissioners have any other questions about
6 Gary?

7 MS. BOCHNOWSKI: Yeah, I have some
8 questions. On that access road, I assume that
9 Majestic is putting in part of the money then too
10 for it. You put in, what did you say, 1.2
11 million?

12 MR. PICKUS: 1.2 out of the total
13 obligation of 5 on our behalf. I will let the
14 Majestic folks address whether they're putting in
15 funds. I don't know outside of us. I'm sorry.

16 MS. BOCHNOWSKI: Okay. And then when
17 they get to Phase II, you put in more money?

18 MR. PICKUS: We put it in on a pro rata
19 basis payments toward the completion of that
20 project.

21 MS. BOCHNOWSKI: Okay. So this isn't
22 your total obligation then the 1.2.

23 MR. PICKUS: No. We have still have
24 whatever 5 minus 1.2 is. I need my numbers guy
25 with me.



1 MS. BOCHNOWSKI: We'll just go ballpark
2 there.

3 MR. PICKUS: You might want to whisper
4 that number to the Chairman.

5 MR. VOWELS: I thought it was 3.8.

6 MS. BOCHNOWSKI: Then the Railcats
7 Stadium. The \$10 million that you had initially
8 promised for the Sheridan replacement or
9 renovation, that went in to the Railcats Stadium?

10 MR. PICKUS: Yes. The ten million for
11 the Sheridan renovation and there was another two
12 million that was the original proposal for a
13 police substation. And the City approached us,
14 and I guess when the Mayor was planning the
15 baseball stadium and asked if we would agree to
16 reallocate the 10 plus, the 12 toward the
17 stadium.

18 MS. BOCHNOWSKI: And that was from
19 then.

20 MR. PICKUS: And we, of course, agreed
21 to that.

22 MS. BOCHNOWSKI: I understand that.
23 I'm trying to remember because of course the
24 stadium was of course a lot more than that. The
25 city used other funds to finish it?



1 MR. PICKUS: I believe so. They may
2 have bonded. I'm not sure how they finished it.

3 MS. BOCHNOWSKI: I'm guessing even
4 though they attracted over 100,000 people, it's
5 still not making any money. Do you have any
6 ongoing obligations in terms of that stadium?

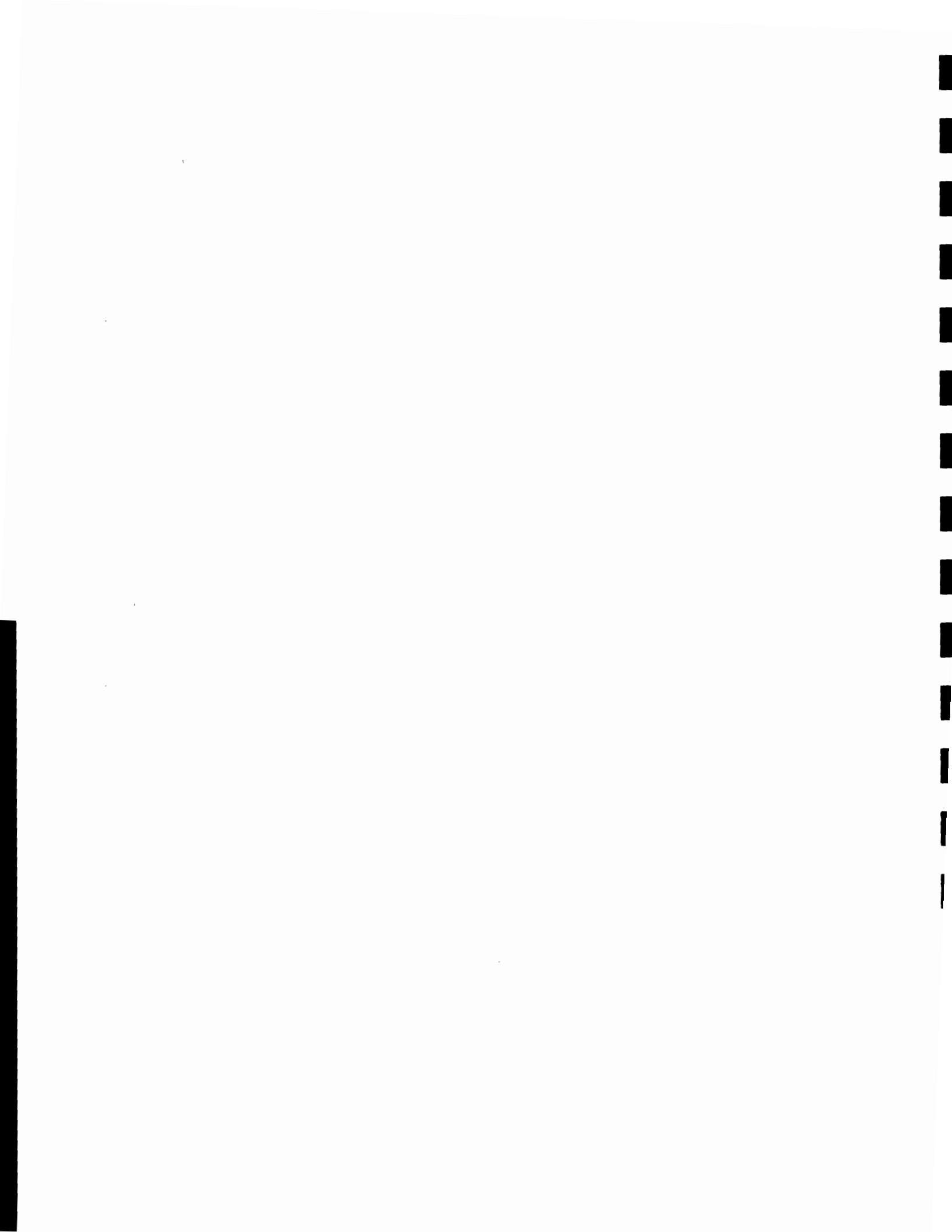
7 MR. PICKUS: Our obligation was to
8 provide that 12 million of funding. And the
9 ongoing operation is not part of our obligation.

10 MS. BOCHNOWSKI: Okay. Let's see, I
11 think I had some other ones. You mentioned that
12 you've hired consultants with regard to problem
13 gambling.

14 MR. PICKUS: Yes.

15 MS. BOCHNOWSKI: Not counting the
16 people who self-admit themselves to the program,
17 have you been able to identify any problem
18 gamblers? And do you turn people away? How does
19 that work?

20 MR. PICKUS: What we do is we have
21 consultants, and their names are Artie and
22 Michelle Wexler, they founded the New Jersey
23 Council for Compulsive Gambling to help us
24 implement and train. And we do have a training
25 program where some of our senior employees on the



1 casino floor who are trained to actually identify
2 and if necessary intervene when we identify
3 someone who we believe has a problem. And I can
4 tell you, there have been instances where we have
5 done so. I don't have a number for you.

6 MS. BOCHNOWSKI: So you have actually
7 told people they need to leave. And what do you
8 do? Maybe you put their names in some system
9 then?

10 MR. PICKUS: Yes, absolutely.

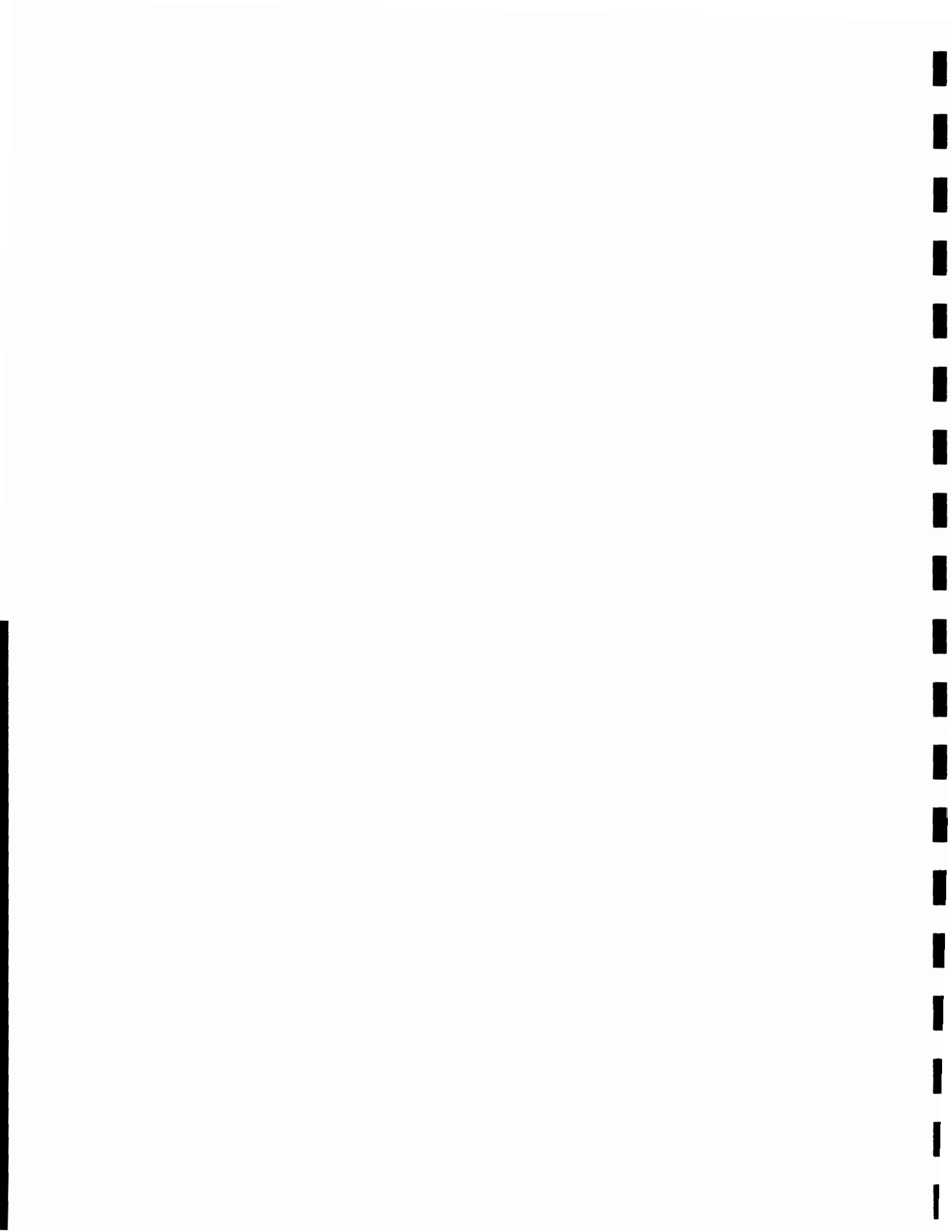
11 MS. BOCHNOWSKI: And they are not
12 allowed to come on any more?

13 MR. PICKUS: Yes.

14 MS. BOCHNOWSKI: Okay. That's it for
15 me.

16 MR. VOWELS: Any others have any
17 questions? How's it going in Orange County?
18 Anything new since we saw you a week and a half
19 ago?

20 MR. PICKUS: Yes. I think there is.
21 First of all we have been in addition to our
22 conversations with Mr. Lawrence and his staff on
23 the other matter we talked about, we've also been
24 in contact with Mr. Lawrence and Mr. Osborn
25 beginning to draft and prepare the operating



1 contract. And we exchanged some initial
2 documents and within the last day or so received
3 an initial draft from Mr. Osborn's office. And
4 we're moving forward on that front. On the other
5 side we are continuing to meet with architects
6 and designers as well as having conversations
7 with Boycont Group to finalize with precision.
8 We know generally where the facility is going to
9 be. We have to be a little more precise on that.
10 And we're having a site surveyed and so we can
11 identify that site specifically. And once that's
12 done, we will start beginning the process of
13 approval, apply for permits and all the other
14 approvals we need for structure.

15 MR. VOWELS: Anything else?

16 (No response.)

17 MR. VOWELS: All right, sir. Well,
18 thank you.

19 MR. PICKUS: Thank you.

20 MR. VOWELS: Perfectly on time. We'll
21 take a 15 minute break so Majestic can get set up
22 and Miss Littlepage will address us again. So
23 10:15.

24 (Ten minute recess was taken.)

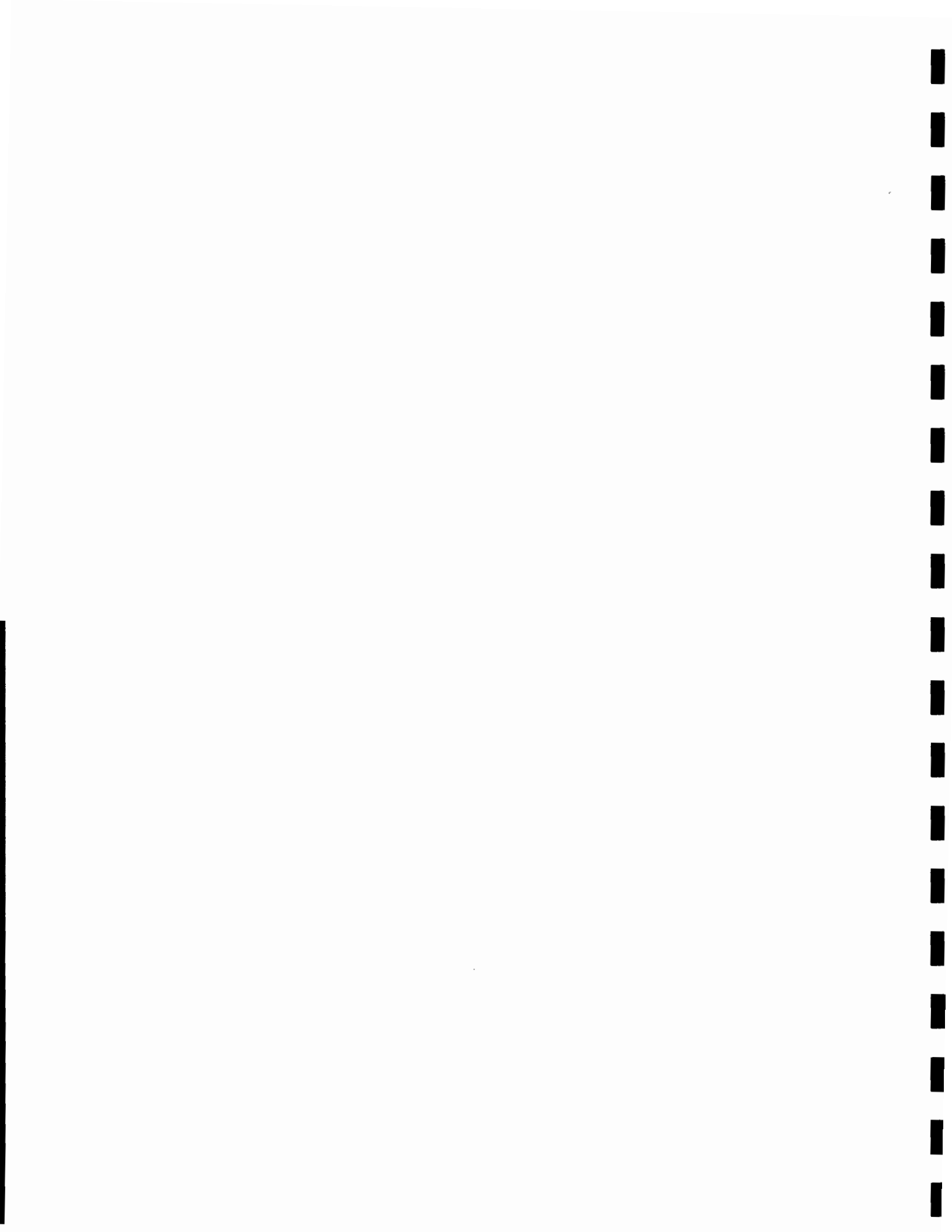
25 MR. VOWELS: We'll go ahead and call the



1 meeting back to order. We have all the
2 Commissioners. And we're going to move into the
3 Majestic Star presentation. But leading into
4 that will be Miss Littlepage again, so hit it.

5 MS. LITTLEPAGE: Again some of the items
6 are repeats but I'm going to go ahead and repeat
7 them because some people weren't here in the
8 audience for the previous presentation. Because
9 they're the same location, some of the things are
10 the same. Majestic Star, since its opening day,
11 has paid 29 million in incentive payments. In
12 addition to paying 147 million in direct taxes to
13 the State of Indiana, they paid 97 million in
14 local direct taxes. The largest single source
15 was 42 million in gaming tax, while 12 million in
16 property tax payments.

17 The economic impact is the same as it was
18 for Gary. And as I said previously, we had to
19 estimate that because we weren't able to pertain
20 information of what they spent their money on.
21 We estimated that Gary continued a similar
22 expenditure pattern then 41 percent was spent on
23 infrastructure, 27 percent on construction, and
24 14 percent on equipment. And though the economic
25 impact of these expenditures have generated 273



1 million in economic impact, 94 million in
2 employee compensation, and 4,187 new jobs.

3 And I said before, the changes with tax
4 structure have affected the local community but
5 the overall fiscal impact is still positive. And
6 with all the litigation it's still unclear how
7 the change in the property tax structure in Lake
8 County will affect property tax collections from
9 the riverboat.

10 Majestic Star spent almost 96 million in
11 Gary since opening as well as contributing over
12 1.1 million in local sponsorships and charitable
13 contributions.

14 And another way to determine impact in the
15 local community was to listen to the views of
16 members of the local community. We had several
17 focus groups upstairs with leaders from Gary,
18 local business leaders and social service
19 providers.

20 We asked some general questions about the
21 impact positive and negatives. And as they said,
22 riverboat casinos have been a positive addition
23 to the community. They provide thousands of jobs
24 with good benefits. And they provide revenues
25 local governments. They are good corporate



1 citizens, serving on boards, provide funds for
2 community foundations, they're sensitive to the
3 downside of gambling. They provide a safe
4 comfortable gathering place for seniors in the
5 community. They bring tourists by their presence
6 as well as the marina and golf course. And they
7 have a positive environmental impact. And they
8 are assisting in the reclamation of the
9 lakefront.

10 Some of the negatives that were cited is
11 that small businesses have not seen the positive
12 spin-offs they thought they would. Bankruptcies
13 and home foreclosures have increased as have the
14 number of pawn shops and payday loan businesses.
15 And the one that surprised me was that people,
16 including state legislatures, think the local
17 government has an abundance of funds when it
18 still has needs. So that's something we really
19 hadn't thought about.

20 Local communities are parochial and don't
21 have the best planning. They should get together
22 and form a regional plan for the lakefront and
23 surrounding area and have a long-term strategy.

24 In Gary, the Mayor was able to change the
25 local agreement without the input of the City

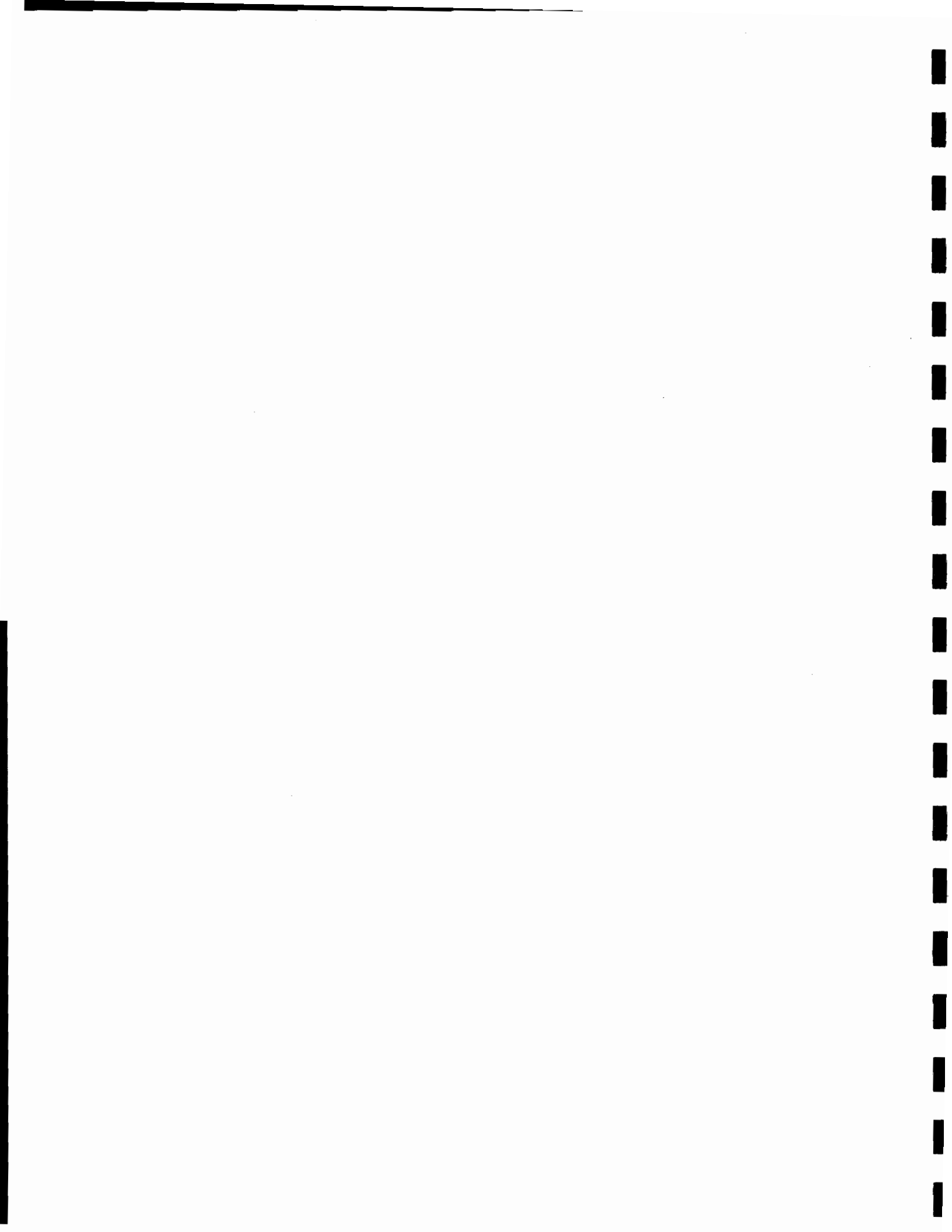


1 Council. And there are some concerns about the
2 funds being spent on the stadium may not be the
3 best investment. There was a discussion of the
4 Gaming Commission taking a more active role in
5 the local agreement process.

6 Majestic Star's average employment over a
7 time period has been 1,219 but in 2003 it was
8 1,148 employees. 52 percent were women, 70
9 percent minorities, and 37 percent were from
10 Gary, 81 percent were from Lake County, with a
11 total of 80 percent from Indiana. Total wages of
12 over 285 million over the time period with over
13 41 million in 2003.

14 Before beginning work at Majestic Star, 35
15 percent of those responding to the survey were
16 unemployed. In the previous survey, conducted
17 for the five year report, 23 percent of those
18 responding were unemployed. So there's even more
19 of a dramatic difference 12 percent more people
20 who are unemployed gaining employment. So it's
21 more of an impact.

22 Most of those employed previously were in
23 service and retail sectors. The principal
24 motivation for beginning work at Majestic is and
25 has been for more money, 52 percent. And

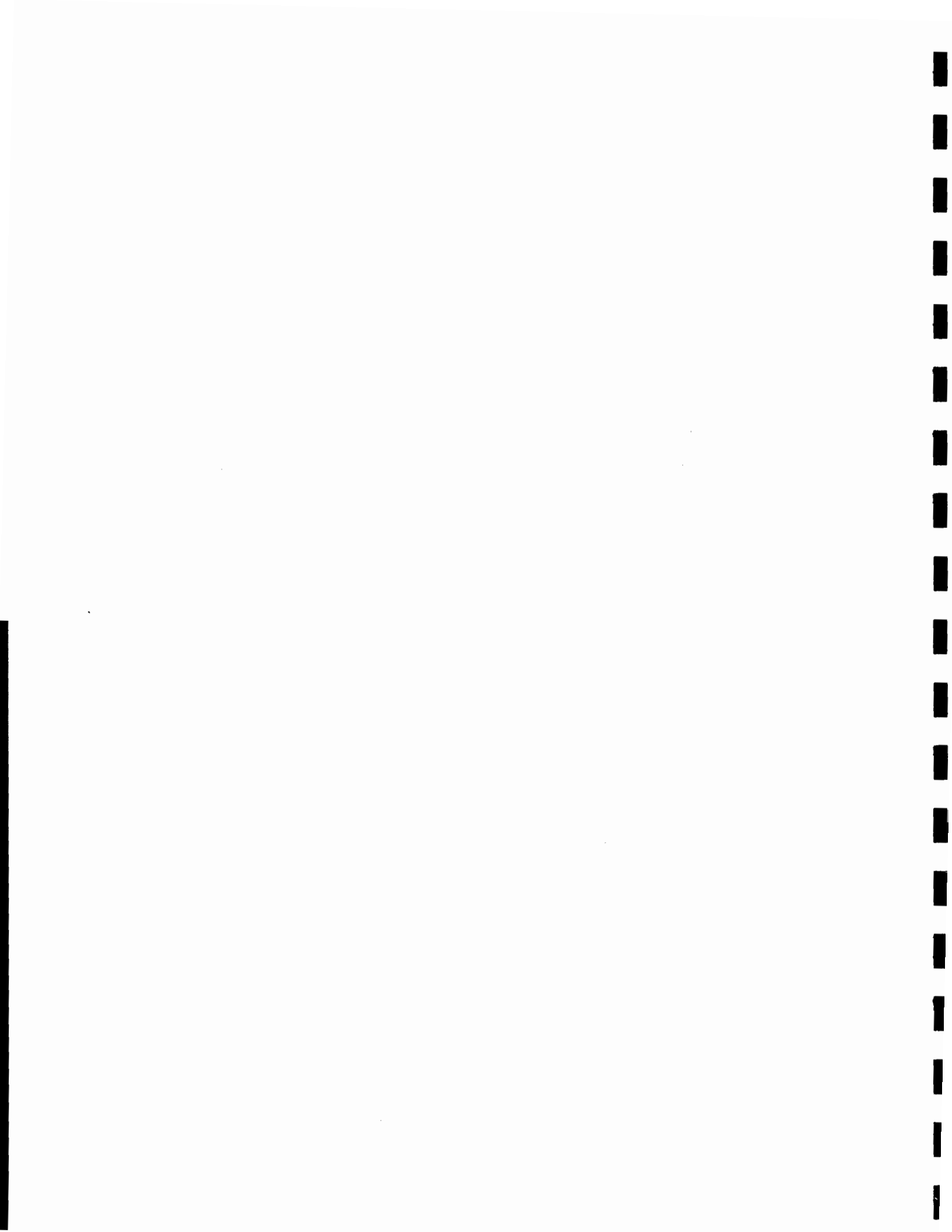


1 advancement opportunities are second.

2 The average length of employment was 3
3 years and 6 months with 22 percent having worked
4 for more than seven years and 43 percent having
5 worked at Majestic Star for two years or less.
6 Most work full full-time, only 3 percent work
7 less than 35 hours per week. The average wages
8 were \$30,004 compared to per capita in Lake
9 County of 27,521.

10 The questions that we asked about people
11 moving from rental to home ownership, home
12 improvements, and things like that, 40
13 respondents report moving from renter to home
14 ownership, 57 made significant home improvements,
15 and 166 purchased a vehicle since beginning work
16 at Trump (sic). As you just saw in Trump's
17 video, sometimes it can be the first vehicle.

18 For training, 65 percent of Majestic Star
19 people reported they were receiving job specific
20 training, 15 percent received tuition
21 reimbursement, and 14 percent paid for additional
22 training or education out of their own pocket.
23 As with Trump, likelihood of receiving training
24 increased as the number in years increased. And
25 in general, as their education increases. And as



1 I said before, not to say it is not offered to
2 other people, but they are more likely to take
3 advantage of it.

4 The changes in local economy that came
5 about because before the boat and after the boat,
6 basically most of the industries had lagged in
7 comparison to non-riverboat counties. The only
8 two that really changed significantly and
9 positive compared to non-riverboat counties were
10 the amusement, gaming, recreation industry which
11 of course makes sense. And executive,
12 legislative, and other general local government
13 support sectors.

14 As to the current financial position of
15 Majestic Star, in general the current conditions
16 for this license are strained but can improve
17 with its lower cost debt and more rapid growth in
18 some of its newly acquired gaming facilities.
19 But competitive pressures are likely to become
20 more intense, they create a constant challenge
21 for the owner of this license. But these are not
22 new conditions. There were no new conditions
23 discovered in this analysis of the financial
24 strength of this license that would suggest that
25 Majestic Star Indiana license is in more danger



1 in of 2003 than it was at earlier evaluation
2 points. There is also the analysis to support
3 the decision of a new license, but the increasing
4 intensity of competitive conditions, the Chicago
5 market, coming from a consolidation of
6 ownerships, and other properties in that market,
7 and the potential for new facilities in downtown
8 Chicago are significant factors for this license
9 for a stable future.

10 MR. VOWELS: Any questions for Ms.
11 Littlepage?

12 (No response.)

13 MR. VOWELS: Thank you. We'll go ahead
14 and turn to Majestic Star's presentation.

15 MR. BARDEN: Good morning. Good morning
16 Chairman Vowels, Members of the Gaming
17 Commission, Director Lawrence, and former
18 director, audience members -- I can't remember
19 his name -- that's a good start. I think Jack
20 Star. Let me thank you first for giving us the
21 opportunity to appear before you.

22 with the last statement made with respect
23 to the competition in Chicago and consolidating
24 markets, I would like to ask you for some tax
25 relief.



1 We have a formal presentation to make;
2 however, first let me introduce Mike Kelly, our
3 Executive Vice President, Chief Operating Officer
4 who is now based in Las Vegas; Mike. Troy
5 Keeping, our General Manager here in Gary and
6 Vice President. And before we hear from Troy,
7 we'll make the presentation and I'll come back
8 later. We would like to invite Your Honorable
9 Mayor Scott King to come up and make a few
10 comments. Would like for him to be at the end of
11 presentation, but he has to leave for some
12 important meetings. So he's requested and we
13 granted that request to speak first, Mr. Mayor.

14 MAYOR KING: Thank you, Don. And the
15 Commission shouldn't feel bad about Mr. Barden's
16 pitch for tax relief as I got overwhelmed with
17 calls, it was interesting not only from Mr.
18 Barden but Mr. Trump as well. But it was
19 pleasurable to tell him to stand in line.

20 I reiterate as germane comments early made
21 with respect to the Trump license. What I would
22 like to specifically focus upon, Majestic has
23 been a very good corporate citizen, partner with
24 the City. One of the unique things that has been
25 undertaken for some years now, has been and I say

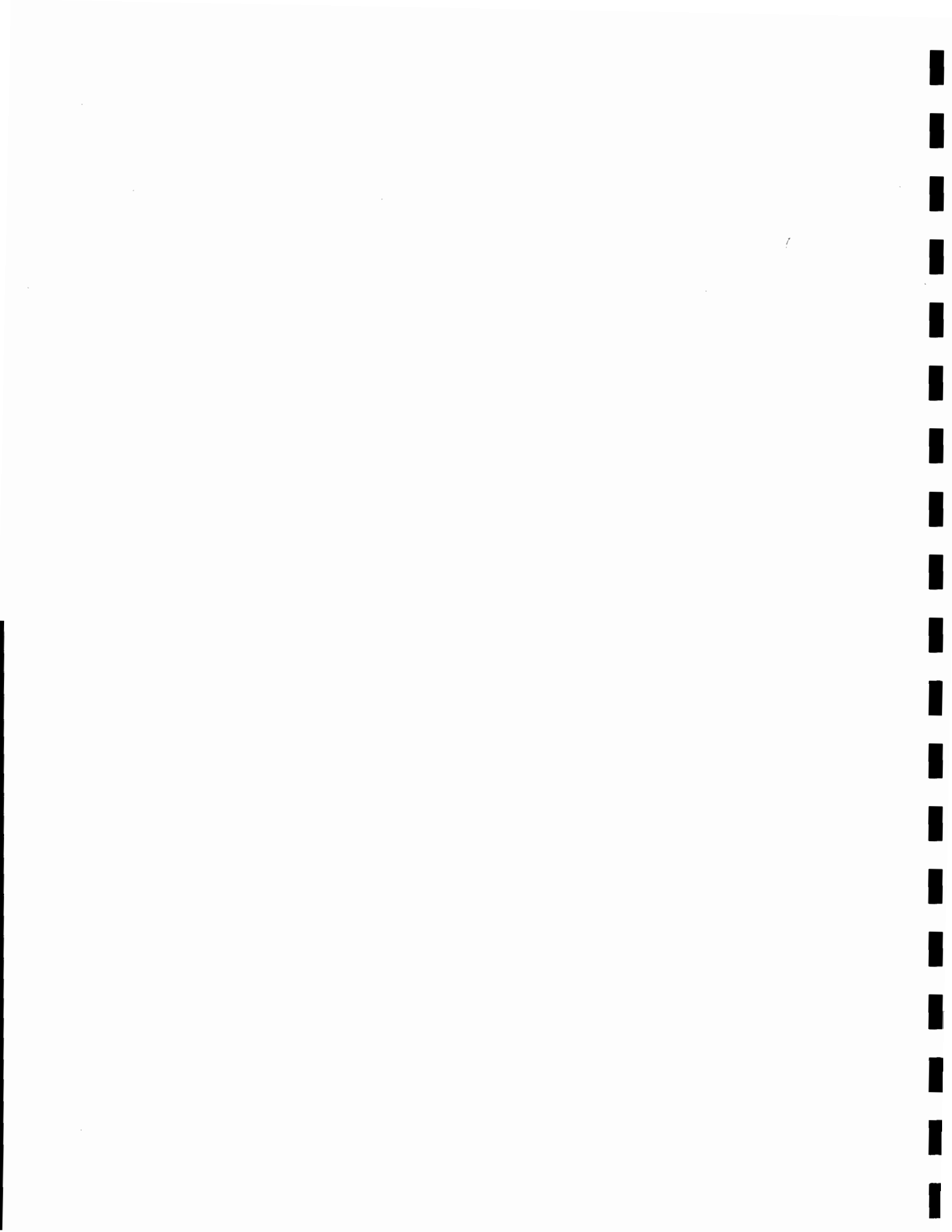


.

1 this by way of compliment to Majestic Star not by
2 way of any negative implication for Trump. But
3 the choice was made by Don Barden on behalf of
4 Majestic Star some years ago to participate with
5 the City in a bigger picture for the area
6 surrounding the gaming venue which is now become
7 to be known as the Gary New Century.

8 The venue on which they located at the
9 outset of their presence here was originally was
10 actually part of steel's property back in fact it
11 was the first portion of city that was built.
12 Approximately over a hundred years ago. The
13 Buffington Harbor and the Leehigh, what became
14 Leehigh cement facility. That was actually first
15 built to make the materials to build the rest of
16 the steel mill in 1906. And over the years
17 consolidation, shrinkage by the mill, that venue
18 was sort of a typical rust belt, abandoned
19 industrial property.

20 In addition to the casino venue very
21 shortly thereafter, and I feel Mr. Barden needs
22 to be congratulated on a vision and a bigger
23 picture of things besides simply the casino. He
24 shared the vision I've long held that the future
25 of this city for needed diversification is



1 recapturing, reinvesting in, and reshaping the 11
2 miles of shoreline on Lake Michigan that form the
3 northern boundary of our city. And historically
4 and as of today, seven of those 11 miles have
5 been mill property.

6 That's changing. But to make a change in
7 addition to getting federal, state, and city
8 assistance, you have to have the private sector
9 step in and that is what Mr. Barden has done.
10 The Leehigh property, in addition to the precise
11 venue for the casino, was obtained after years of
12 wrangling with Leehigh for \$25 million. And that
13 \$25 million was paid by Don Barden. And that
14 permitted us to begin the process. And that
15 process yielded substantial demolition. The City
16 expended per its agreements with the development
17 agreement in excess of \$1.7 million for
18 environmental remediation of the site. And
19 already that site is now yielded an outdoor
20 festival amphitheater which this summer and into
21 the fall is going to be another venue on the
22 shores of Lake Michigan for people to gather and
23 watch sporting, musical, and other events.

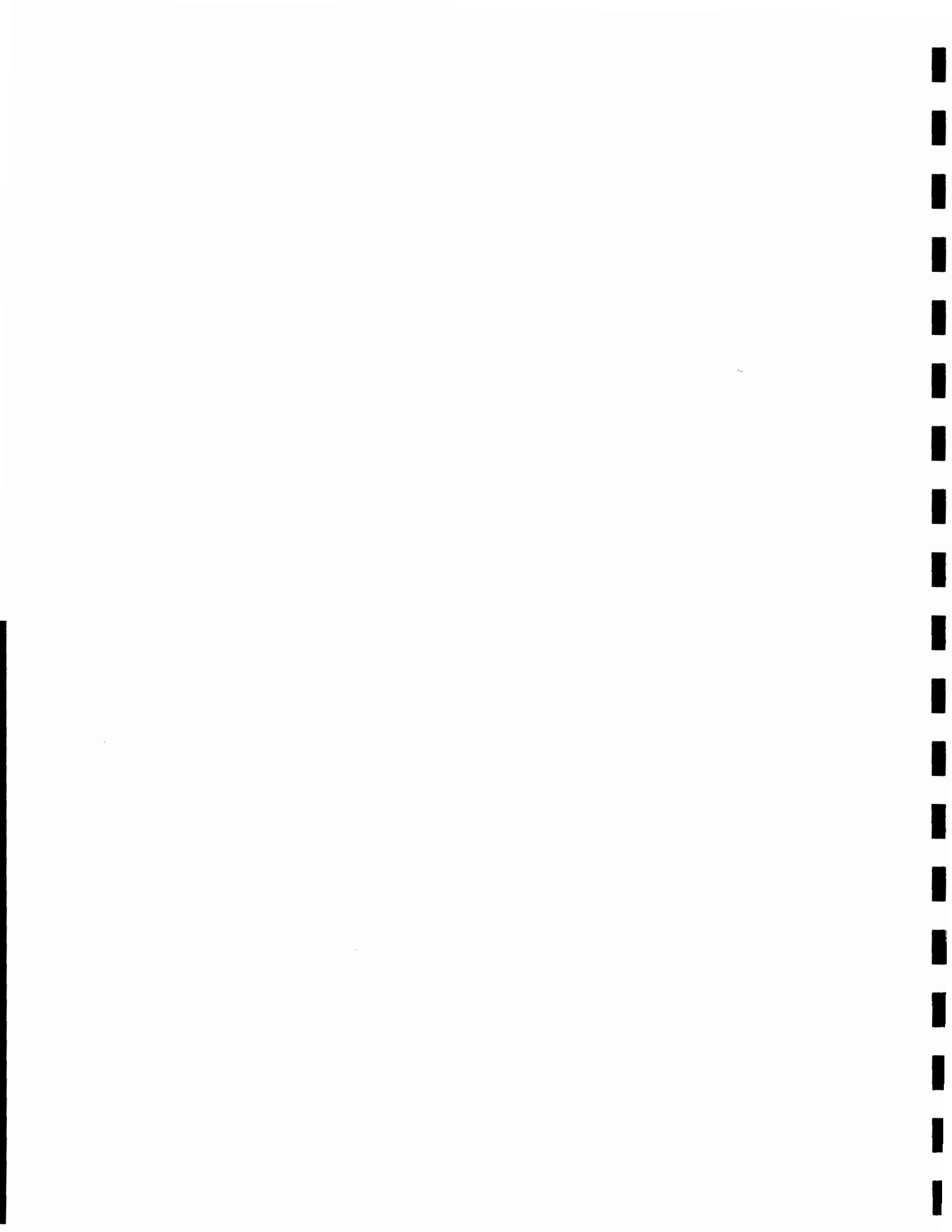
24 We are proceeding with the development of a
25 marina. An 86 slip marina expandable to 400



1 slips. We are in substantial discussion even
2 against the backdrop of the current state and
3 local and frankly federal monetary issues for
4 construction of a convention facility and hotels
5 as well as retail and other development.

6 This then triggered well before Mr.
7 Barden's development I had been at the table with
8 US Steel seeking additional land and shores. Mr.
9 Barden, his action quite frankly his investment
10 yielded after a mere eight-and-a-half years of
11 negotiations a current memorandum of
12 understanding with US Steel that as 200 of their
13 acres immediately continuous to the land Mr.
14 Barden purchased with a commitment by them to US
15 Steel to pay the cost to remediate up to the
16 industrial level and to participate with the city
17 to recapture that land. Most recently sort of in
18 the middle of this is a hundred acre facility a
19 coal fire electrical generating facility owned by
20 NIPSCO. And we are currently proceeding with
21 condemnation in a somewhat cooperative manner
22 with NIPSCO and the Indiana Regulatory
23 Commission.

24 All told, the catalyst provided by Mr.
25 Barden is in my opinion and the immediate future



1 going to yield in excess of 500 acres on the
2 shoreline of Lake Michigan for redevelopment. In
3 addition to the benefit for expansion of the
4 direct economic impact with convention,
5 restaurant, and retail it is part of the
6 Marquette Green Plan which is leadership provided
7 by our area congressman that we portion along the
8 lake will be restored and will be a greenbelt at
9 least at a minimum for the first 200 feet.

10 In addition, this project will yield much
11 more quickly than otherwise possible a
12 substantial expansion of our airport's capacity.
13 And if you pay any attention in what's going on
14 in the Chicago Metro area for the air traffic, it
15 couldn't come at better time. The totality of
16 this project is going to permit us to expand our
17 cross lane runway to 1,000 feet. What that means
18 is that anything that flies can and hopefully
19 will land at the Gary Chicago International
20 Airport.

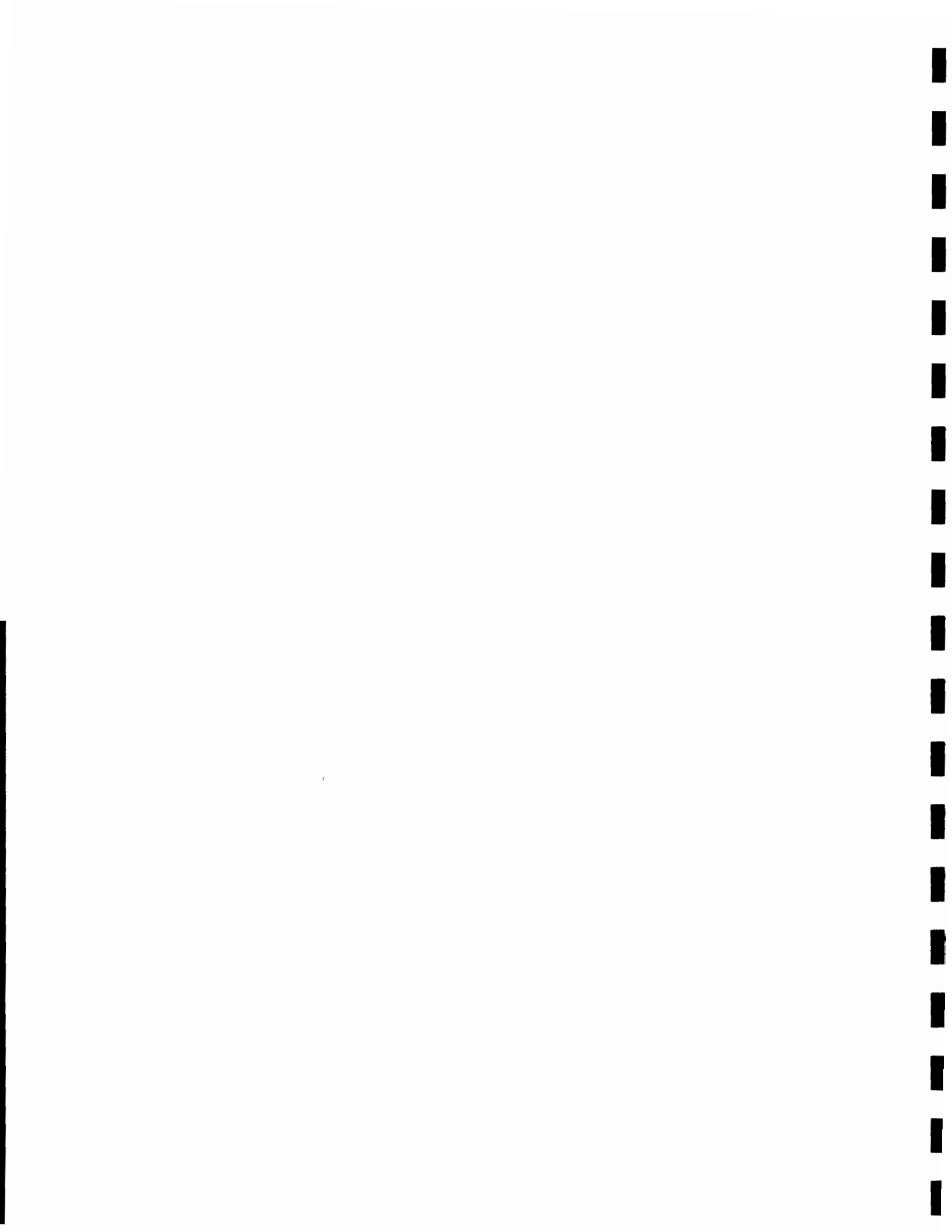
21 When you put all these pieces together we
22 are talking about an economic impact that's
23 certainly of incredible benefits for the City of
24 Gary. It is of equal benefit for the larger area
25 of Northwest Indiana. But it becomes, I believe,



1 one of the largest waterfront redevelopment
2 initiatives any where in the world. And we'll
3 have substantial impact on this state's economy.
4 This state's economy, 85 percent of this state's
5 economy is generated by the 13 metro areas in the
6 state. The metro areas of Indianapolis, Gary and
7 South Bend alone constitute well more than half
8 of the state's economic output. So when we talk
9 about -- when we talk about the impact of this
10 investment, and again wouldn't have happened
11 certainly wouldn't have move to the point it's
12 moved to without somebody being the first one in
13 the hoop. And that someone and as he dove into
14 the pool handed back check for 25 million to make
15 this thing start, was the owner of this casino.

16 I think that speaks as eloquently as I
17 would be able to describe a good corporate
18 citizen. We are in a position of this project,
19 that I mentioned early, the Road Project, is
20 already underway. And this is all interrelated
21 and the airport expansion.

22 The final piece is as I think we use on the
23 horizon, is a bill winding its way through
24 congress to provide funding, federal funding,
25 throughout the Great Lakes for exactly this sort



1 of project, to restore the shorelines of the
2 Great Lakes. It is cosponsored by 135 members of
3 Congress. If the companion bill goes in to the
4 Senate, it is a bill that's premise upon the
5 trust fund that was created to clean up the
6 Florida everglades some years ago. It has the
7 support of the Administrator of the EPA,
8 Administrator Levitt (phonetic) who I had the
9 pleasure of meeting with Mayor Daley. He has
10 been a leading and strong advocate. In fact, I
11 have a meeting next week up in Toronto with our
12 college in Canada. I'm really trying to bring
13 this to a head.

14 The point is, that every project starts
15 somewhere. This project yielding a magnitude
16 that I really don't believe is overstated,
17 started because we needed a private partner. We
18 got a private partner, he stepped up, he made the
19 investment that they're going to talk in detail
20 the specific vision for the land that's owned by
21 them.

22 That's why, in addition to the other
23 reasons I stated with the other applicant,
24 renewal of this license is not only warranted,
25 but I think it's been earned. And I think the



1 commitment and the citizenship and the benefit to
2 date and in the future by renewing this license
3 is quite frankly self-evident. And so I would
4 urge the Commission to grant the request for the
5 license renewal by Majestic Star.

6 Thank you very much. And I do appreciate
7 it. I got to get back and talk some airport
8 business.

9 MR. VOWELS: Thank you, Mayor.

10 MR. BARDEN: Thank you, Mr. Mayor.

11 Thank you for your prior corporation. Thank you
12 you for your leadership and vision for the City
13 of Gary. It would not be possible without you
14 especially with the previous things we had to
15 deal with.

16 Now I would like to call on Troy Keeping to
17 come up for the next portion of our presentation.

18 MR. KEEPING: Thank you, Mr. Barden.

19 Good morning Commissioner Vowels, Staff,
20 Commissioners, and Director Lawrence, and members
21 from the Majestic team I'll introduce later. I'd
22 like to start off really with a quick overview of
23 what we are going to talk about. It's our
24 company history, some financial highlights, our
25 development agreement, employment statistics,



1 responsible gaming, our purchasing practices,
2 community relationships, and the future which Mr.
3 Barden will be speaking on.

4 I think it's important for the Commission
5 to understand our mission. Everything you are
6 going to hear today really evolves around who we
7 are as we define it in our mission statement.
8 Majestic Star is committed to providing
9 entertaining gaming experience for our guests, a
10 good neighbor relationship with our community --
11 I mean -- I should read it. Enriching work
12 environment for our team members and a good
13 neighbor relationship with our community.

14 A little bit of background. We commenced
15 operations in June of 1996 with a chartered
16 vessel. We introduced the latest and greatest
17 vessel in '97 which currently houses 1,631 slots
18 and 49 table games. In 2001, we expanded to be a
19 National Gaming Company. We currently also
20 operate the three Fitzgerald's brand casinos in
21 Nevada, Colorado, and Mississippi. Recently
22 we've received several recognition awards. We
23 are very proud of Company of the Year. Received
24 by *Black Enterprise Magazine*. Multiple awards
25 from *Casino Player Magazine*, *Midwest Gaming and*

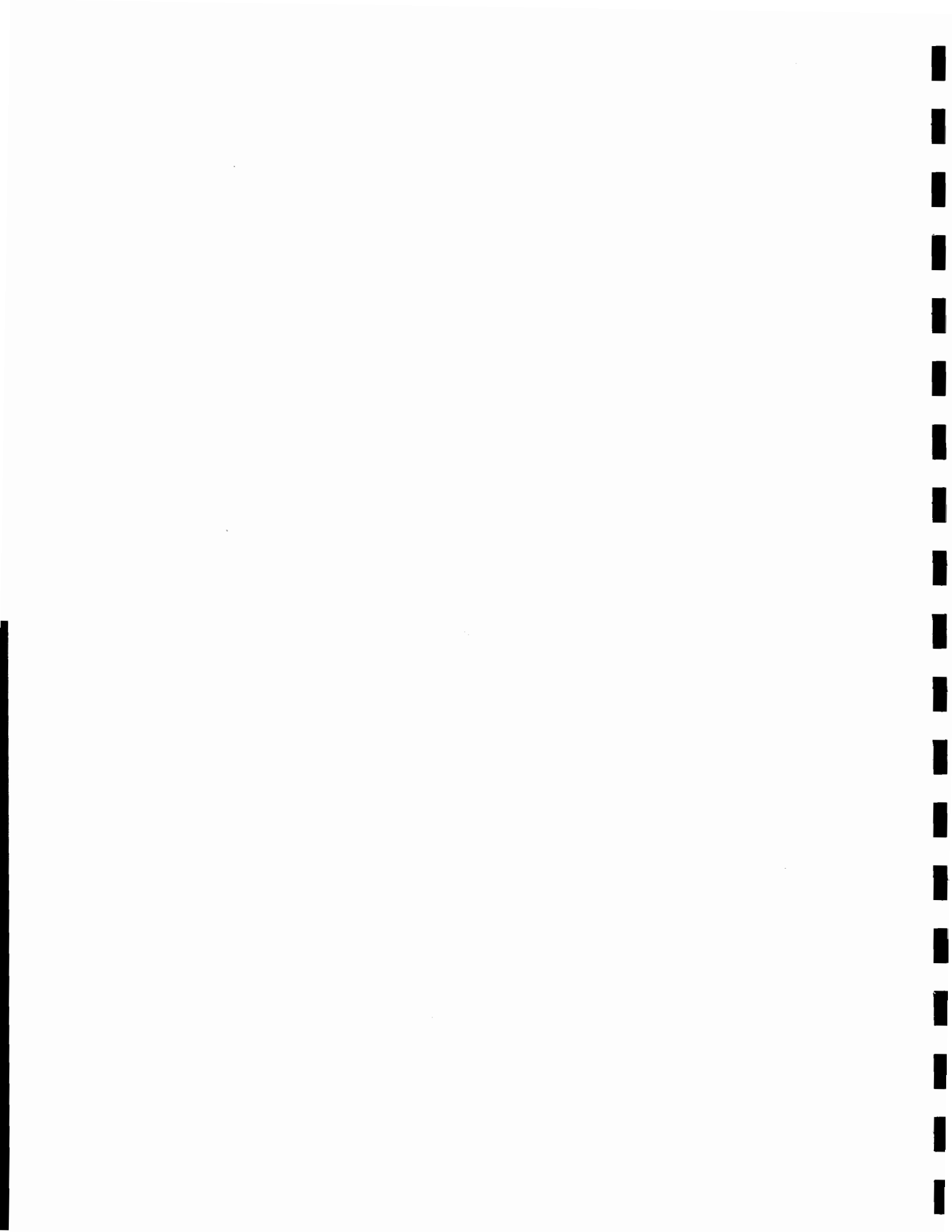


1 *Travel*. A lot of this is attributed to many
2 recent property and pavilion improvements that
3 we've recently accomplished.

4 This is a recent picture of our refurbished
5 VIP Lounge which allow our players to take a
6 break from the casino floor. This was remodeled
7 in December of last year. We are the only casino
8 in Indiana to have actual entertainment on the
9 casino floor. We've added the Star Stage. It
10 helps to create a lot of atmosphere to feed to
11 our entertaining and gaming experience. And I
12 think I better qualify that. I know it's
13 Northwest Indiana.

14 We recently opened Don & Mike's Sport Bar.
15 I don't know if you are familiar, but Mike Ditka
16 is our celebrity spokesperson. We took our
17 owner, Mr. Barden, and Mike and put them together
18 and opened a sports bar. We're the only sports
19 bar, I'm sure of this, in Indiana that has gaming
20 as well as multiple television entertainment flat
21 screen TVs and a concession stand.

22 Our Buffington Harbor facility is a \$106
23 plus million joint venture with Trump Indiana.
24 We are the largest casino complex in the Chicago
25 metro area. Approximately 4,000 total gaming



1 positions. It's the only Indiana site obviously
2 with two casinos. A hundred acre site with room
3 for expansion. And that's just the Buffington
4 Harbor piece. High quality entertainment
5 pavilion, 90,000 square feet, 352 seat Passports
6 Buffet. It's a world class buffet. 110 seat
7 Koko Taylor's Blues Cafe. Three food kiosks,
8 banquet facilities, lounge and gift shop. The
9 important thing here is we've recently remodeled
10 and upgraded the Buffet as well as Koko Taylor's.
11 This is a current picture of the Buffet and also
12 a current picture of Koko Taylor's Blues Cafe.

13 And when we completed the parking garage,
14 the main entrance to the facility was rerouted.
15 And we took the old main entrance and turned it
16 into our South Shore Events Center. We know
17 longer need the ticket counters for boarding. So
18 we have a very large ballroom. We can seat
19 approximately 600 people for future
20 entertainment, to do weddings. You name it, we
21 can do it.

22 Some of the financial highlights. In 2000
23 we've gone from about 118 million up to 2003 of
24 138 million. It looks like year-to-date is cut
25 off. But about 80 million year-to-date. But the



1 important message is the growth message. Even
2 though we are in a competitive environment, we've
3 had an aggressive marketing effort this year.
4 And I would say from February on, we have been
5 leading the state in some of the strongest gross
6 statistics and percentage gains as well as dollar
7 gains. And we are on track this year hopefully
8 hit around 30 million, give or take, and even up.

9 Our development agreement with the City of
10 Gary. This is just a restatement of the
11 development agreement, 116 million including 10
12 million in off-site development. An ongoing
13 economic payments aggregating 3 percent of
14 adjusted gross receipts. Our employment
15 responsibility as well as our minority and women
16 owned business responsibilities.

17 This gives you an idea of the project
18 development to date. This is as of June 30 of
19 this year. We have invested other 209 million on
20 an agreement of 116 million.

21 The City of Gary economic incentive
22 payments including 2004 we're at just over \$28
23 million. Some of the fiscal impact that we've
24 had through our taxes that we've paid total over
25 \$321 million. And that's through June of this



1 year from waging taxes and incentive property
2 taxes, the IGC fees and sales and use taxes. As
3 you can see, that's a pretty good dollar amount
4 for economic impact.

5 Employment statistics. Very proud of what
6 we've accomplished. We currently employ over
7 1,000 employees as of June 30th including
8 Buffington Harbor, 88 percent come from Indiana.
9 56 percent are female. And minorities range 69
10 percent. Our average annual wage including
11 benefits runs approximately \$33,000.

12 Speaking of being proud, we have a lot of
13 members of management. And I know it may be
14 difficult for you to see, but I would like to
15 take a brief minute and as I call their names I
16 would just ask them to stand and introduce the
17 leadership team. These folks spend a lot of
18 hours, put in a lot of work, really to help
19 create and define who we are as a business and
20 our impact on the community. Carlos Dominguez is
21 Director of Information and Technology. Dan Ihm
22 is our Senior Director of Marketing. Sean
23 Pollard is our Director of Surveillance. John
24 Clauson is our Director of Operations. Iris
25 Mathews is Food and Events Manager. Actually, I



1 would like you to stay standing, please. James
2 Robinson is a Casino Manager. Therrin Protze is
3 Senior Director of Operations. Diane Beason is
4 our Director of Human Resources. Karen Busch is
5 our Cage Manager. Chareice White is our Director
6 of Community Relations. Jim Bijies is our
7 Director of Facilities. Vince Lee is our
8 Security Manager. Hyder Jaffer is our Compliance
9 Manager. Bob Novak is our Senior Director of
10 Finance. Karen Lewis is our Corporate Internal
11 Audit Manager. Brian Biggs is our Security Shift
12 Manager. And then from our corporate offices we
13 have visiting Christina Felts who is our Director
14 of Marketing. Valerie Drame who is our Corporate
15 Marketing Manager. Ray Cook who is our Corporate
16 Director of IT. Abu Young is our Vice President
17 of Internal Audit. Michael Kelly who is down
18 here. Bob Hicks who is our Director of Risk
19 Management. And Sally Ramirez who is our
20 Director of Compensation and Benefits.

21 This team is a team that we are extremely
22 proud of and wanted to showcase today. Thank
23 you.

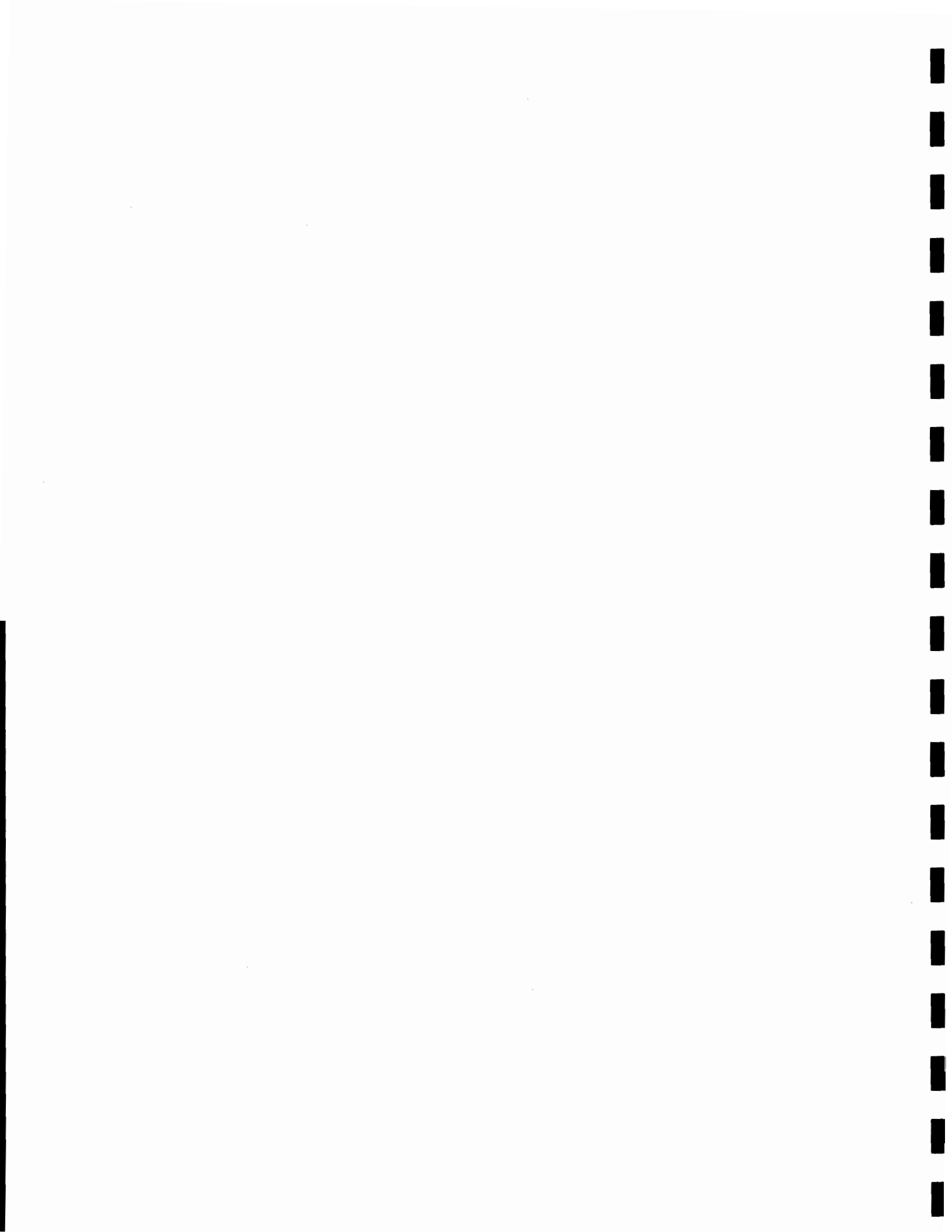
24 Some of the benefits that we offer are
25 medical; dental; vision; life insurance; sick,



1 vacation, holiday pay; a quarterly bonus program.
2 We are one of the few companies in the country to
3 offer all the way down to our frontline,
4 quarterly bonus program. A retirement plan,
5 tuition and seminar reimbursement, in-house
6 training program, a team member referral program,
7 and free duty meals.

8 We too are a company with a conscience. We
9 strive to provide an entertaining environment
10 while maintaining our social responsibilities.
11 One of the Commissioners asked, do you ever stop
12 somebody from gaming. And the answer is yes. We
13 receive correspondence that indicates they may
14 have a problem. And we'll actually reach out to
15 that particular individual. All team members
16 participate in alcohol awareness and training.
17 Responsible awareness training is required of all
18 team members including problem gambling and
19 underage gambling.

20 We display signs and posters as well
21 promoting responsible gambling. We also
22 participate in a voluntarily exclusion program of
23 IGC. Guest safety and security officers check
24 all IDs of guests who appear to be under 30 years
25 of age. We participate in responsible gaming



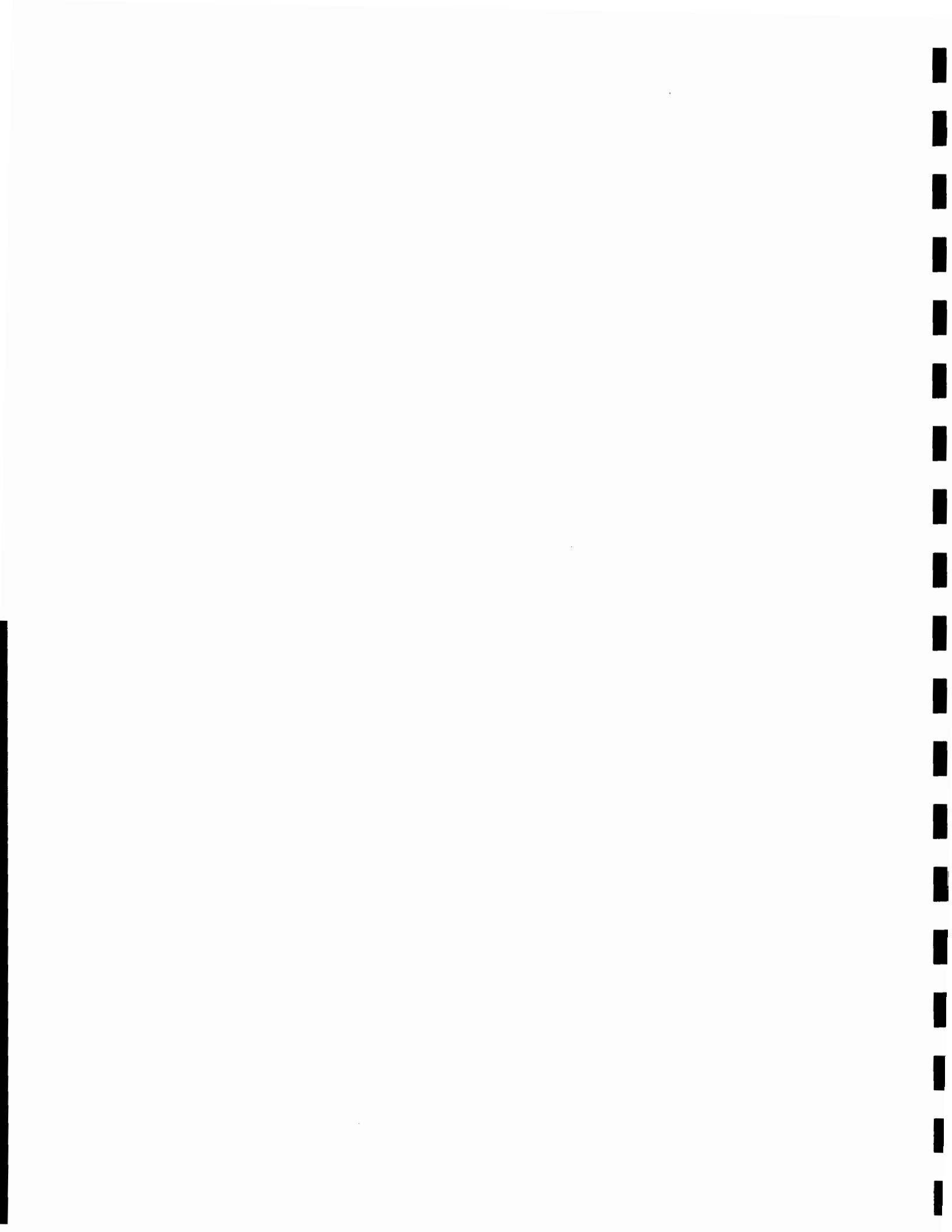
1 week which was this week by the way. We place
2 Problem Gambler Hotline number on all of our
3 marketing materials.

4 Our purchasing practices, very, very
5 important for us. We actively support the
6 minority and women-owned business. We are
7 founding member of the City of Gary Diversity
8 Purchasing Council. We are a member of Indiana
9 Riverboat Purchasing Managers Association. We
10 participate and/or conduct quarterly road shows
11 throughout the state to educate minority and
12 women-owned businesses.

13 We actively work and seek out businesses
14 which is a challenge in Gary to actually
15 development them and to help them certify. We
16 will walk them through the application process.

17 Purchasing practices in terms of meeting
18 buying goals. I included year to date 2004
19 because the percentages are consistent with prior
20 years. But the hard dollars is really the
21 message. We're at 2.5 compared to 3 million in
22 total last year. And we are actively and
23 aggressively working to increase those numbers on
24 a daily basis.

25 Community relationships. Senior management

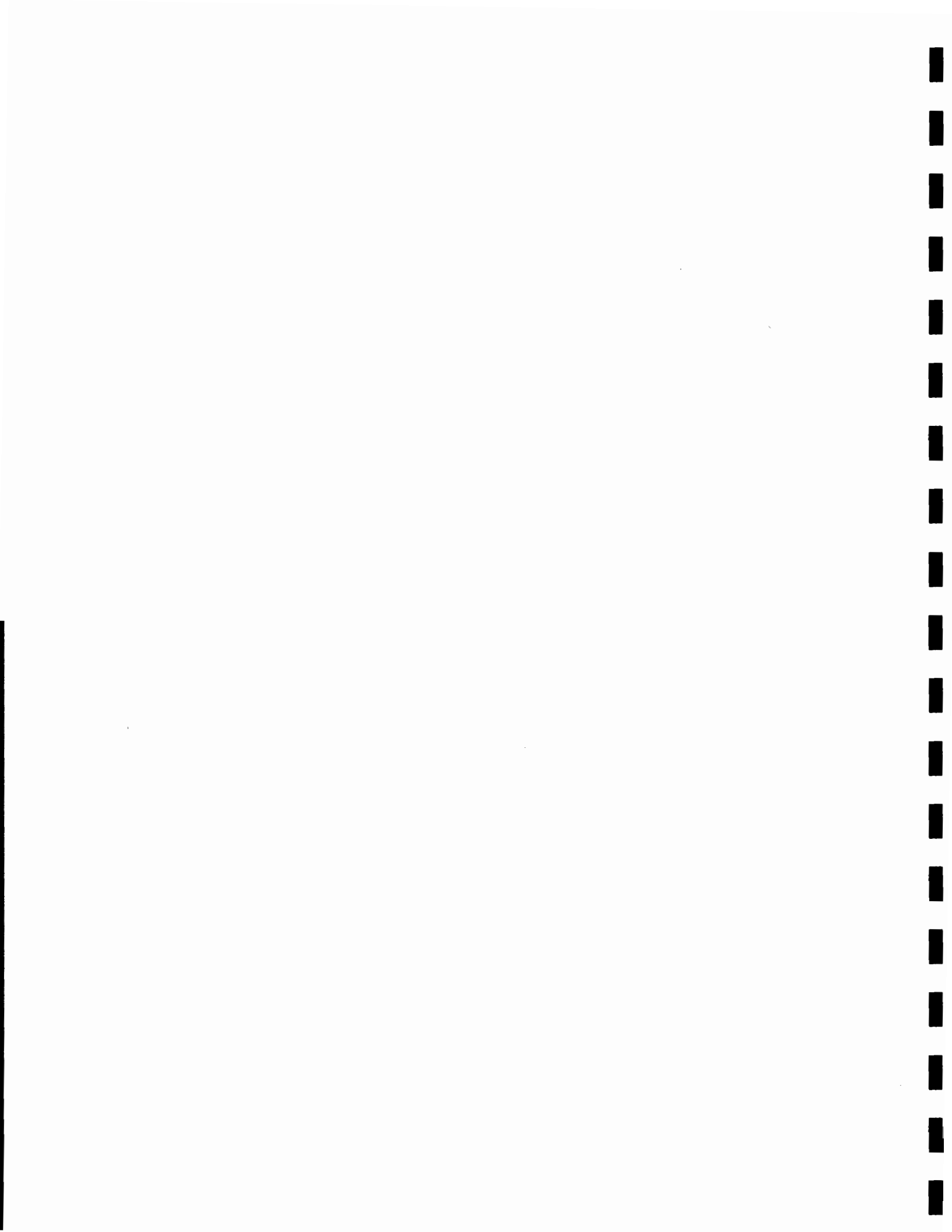


1 is very active in the community. Almost every
2 person that stood up in this room has
3 participated in some type of an activity event.
4 Actually I can tell you that everyone has. The
5 company has established a charitable giving
6 program well beyond its local and legal
7 commitments. Since inception, we have spent more
8 than 1 million expended since our inception. We
9 have contributed more than 1.1 million in local
10 charities and sponsorships. This gives you an
11 idea. It's a large list. Everything from
12 American Heart Association, United Way,
13 Tradewinds, Boys and Girls Club. And this is
14 just a small piece. I do know that I sent to
15 Director Lawrence our community impact statement,
16 and it does list multiple organizations that we
17 participate in for the community.

18 with that I would like to roll a quick
19 video presentation that really highlights our
20 team members, our community impact, as well as
21 our purchasing practices.

22 (Video presentation.)

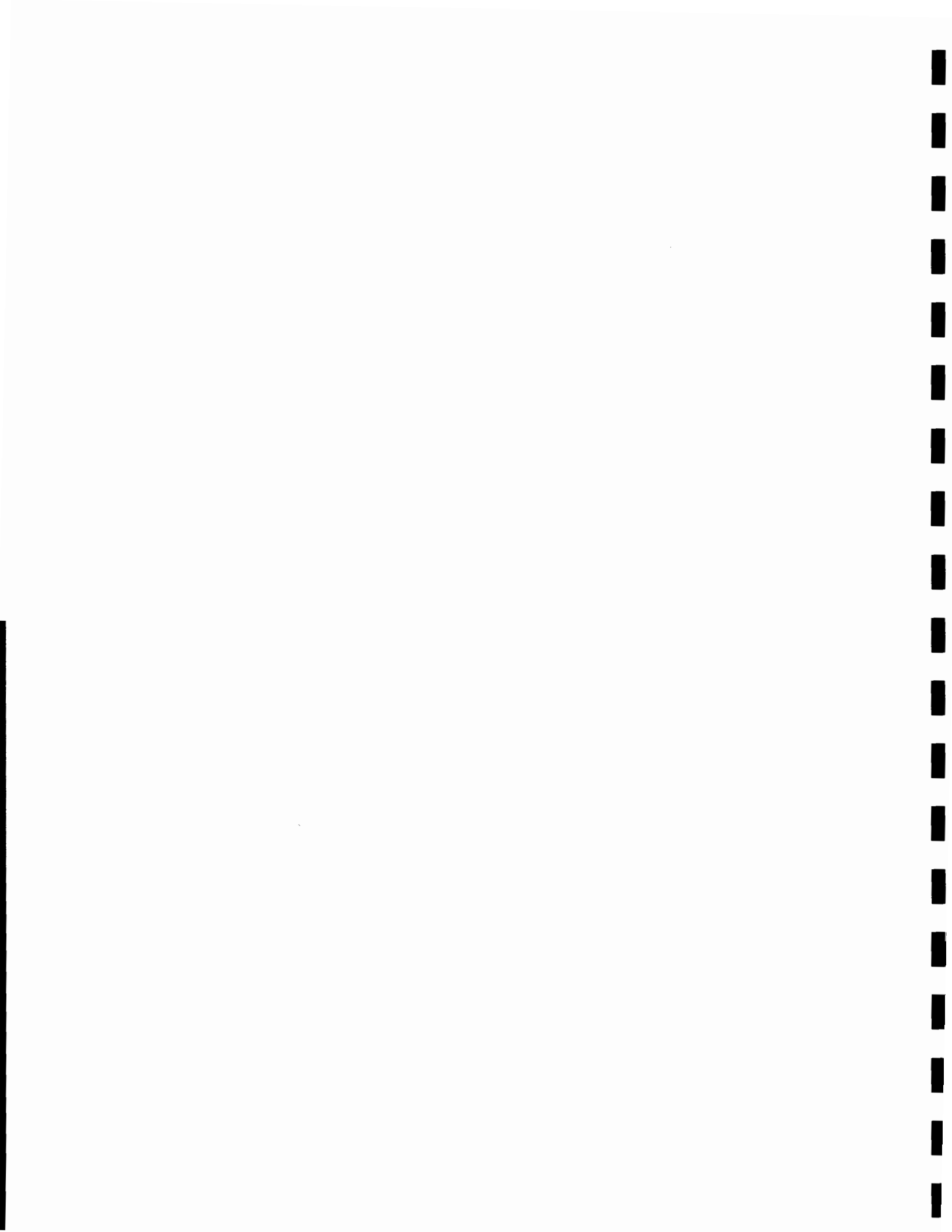
23 MR. KEEPING: As you can see, we take
24 our community involvement quite serious. And my
25 hair has grown back. with that, I will turn it



1 over to Mr. Barden to talk about where we are
2 today and where we are going. Thank you.

3 MR. BARDEN: Thank you. Thank you,
4 Troy, for the excellent presentation. You know I
5 just want to point out here the thing that I am
6 probably most proud of in our organization, It is
7 our people and their involvements that they
8 demonstrate in the community. And that was
9 demonstrated by Troy, demonstrated by all of our
10 people. And I'm very proud of that because
11 that's our part of our community.

12 Okay. Yesterday, today, and tomorrow.
13 You've seen what we've done over the past several
14 years. In addition to the human related things
15 and contributions we had. We've done some other
16 things like building the 2,000 space parking
17 garage. Something we should have done from day
18 one, but it has improved our operations and
19 profitability. And it has provided convenience
20 to our guests here. And we're very happy that as
21 a result of purchasing the additional acreage
22 from Leehigh at the cost of \$25 million. That
23 provided us the opportunity to build this garage.
24 The reason we didn't have a garage before was
25 because we had a postage stamp piece of property.



1 We were leasing, in fact, part of the property in
2 which our facilities were sitting on. So this
3 allowed us to acquire the property next door.
4 And then I sold some of the property back to the
5 Buffington Harbor Partnership that I had paid for
6 personally. Otherwise that garage would not be
7 there today.

8 In addition to the garage, and we had
9 talked about some of the other things we've done.
10 And the Mayor mentioned this, but he did not
11 mention we built a brand new administrative
12 office building on the site at the cost of \$1.5
13 million. To consolidate -- to take team members
14 out of the trailers and put them in a nice new
15 modern facility. And we're very proud of that
16 achievement. You can see the old Leehigh plant
17 in the background there.

18 This is just a start of what we hope will
19 be an office park with other tenants from around
20 Northwest Indiana moving in too. Eventually
21 build an entire community as we put forth our
22 effort to reclaim the lakefront. Obviously, we
23 thought it would be appropriate for us to be the
24 first one to demonstrate our faith and confidence
25 in the site. And therefore, we put our

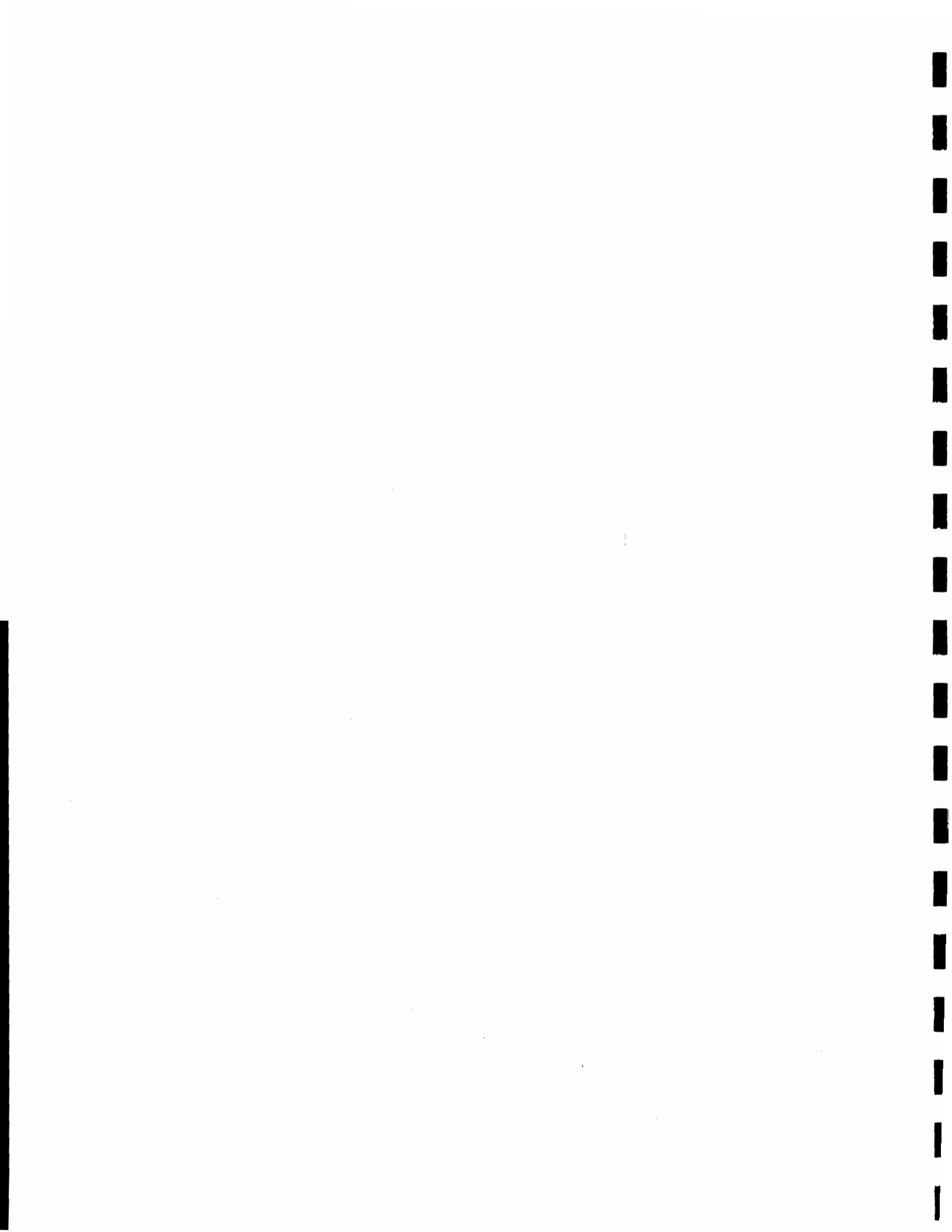


1 administrative facilities right there on the
2 property.

3 Additionally, we've invested close to \$10
4 million in new slot product this year. Tracking
5 systems. It seems like every time you make a few
6 dollars you have to reinvest. And that's what
7 we're continuously doing. And that's what it
8 takes to be successful in business today.

9 Festival park area of which we demolished a
10 lot of industrial buildings there on the site.
11 We cleaned up the environmental aspect of it. We
12 put in grass sodding some other improvements to
13 make this conducive for a festival type park on
14 some of the acreage. And this summer is our
15 first year doing that. We've had Comedy Series
16 and boxing and some pretty big name entertainment
17 coming. And as we grow and get the experience,
18 we'll bring other entertainers of larger names
19 and drawing power to the site. I think we have a
20 pretty good hang of it now. I think we've had
21 five or six events for this month and for next
22 month. And next year should be a bang up year
23 for that.

24 This is designed to service a bridge, an
25 interim bridge for our development. And while we

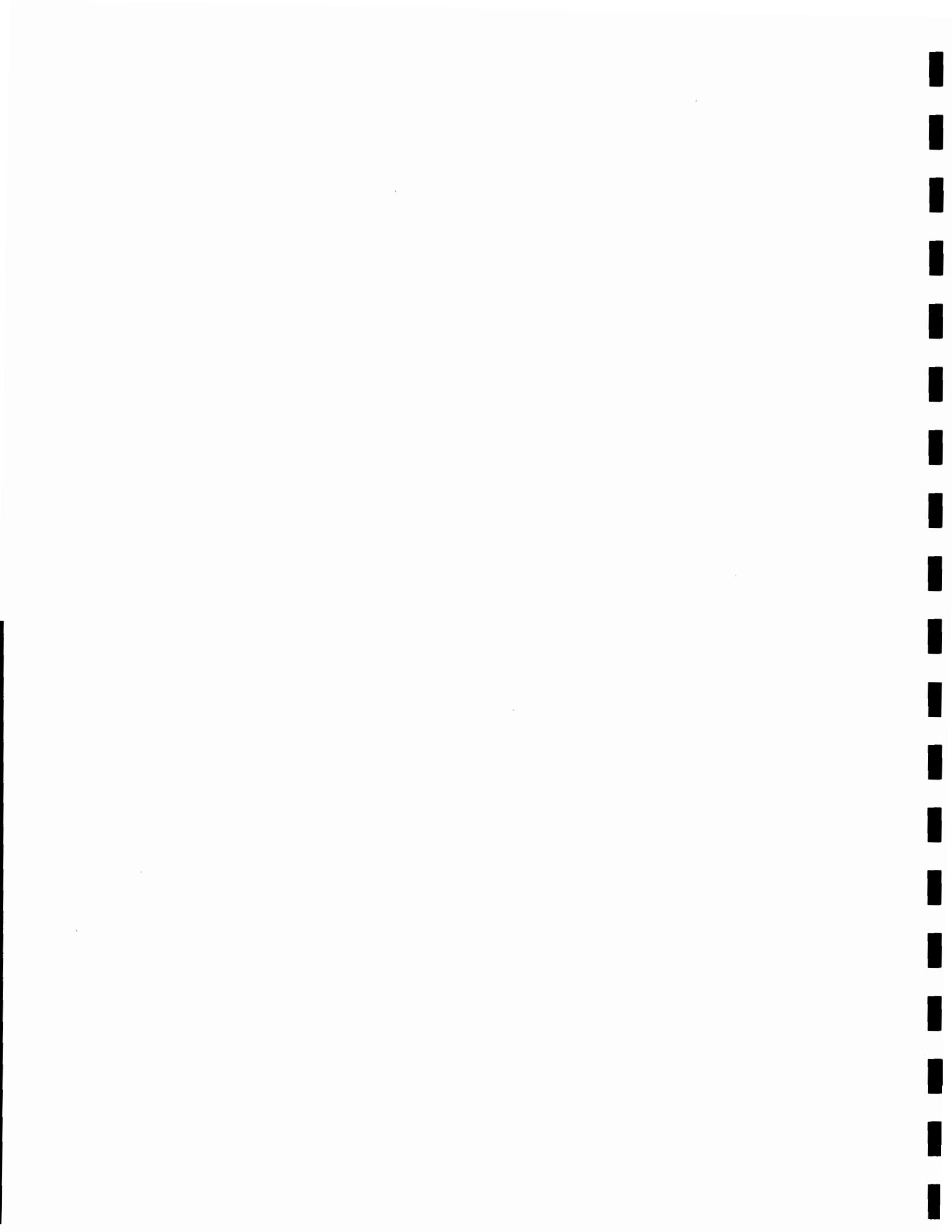


1 wait for the road to be constructed and other
2 things that develop on this site, we can have
3 some activity to draw people to the site who are
4 not currently coming to our location. But rather
5 to attract people to visit to see what this site
6 is going to be and is already in many respects.

7 So we think that this will add quite a bit
8 of incremental traffic to the City of Gary
9 because people will go anywhere pretty much to
10 see the kind of entertainment that we're going to
11 be offering. And once they get to our site they
12 will see Gary is a pretty nice community, this is
13 a lovely location. We're trying to develop more
14 of a destination type location. And do things
15 that are more appealing to people other than just
16 pure raw gaming.

17 So as time goes on, we'll be expanding all
18 sorts of activity. And there's a timing element
19 in all of this, of course, to get a roadway in,
20 to get the marina in, and the convention center
21 and the hotel and other components of what we're
22 trying to do.

23 It has not been easy doing all of this.
24 I've been at this now for ten years. And my
25 vision, my dream is still there. And obviously



1 prompted me to pay actually \$25 million. But
2 Majestic purchased the land for me at the cost of
3 \$22 million this year so that we can put it under
4 the umbrella of the entity that owns the other
5 assets as property.

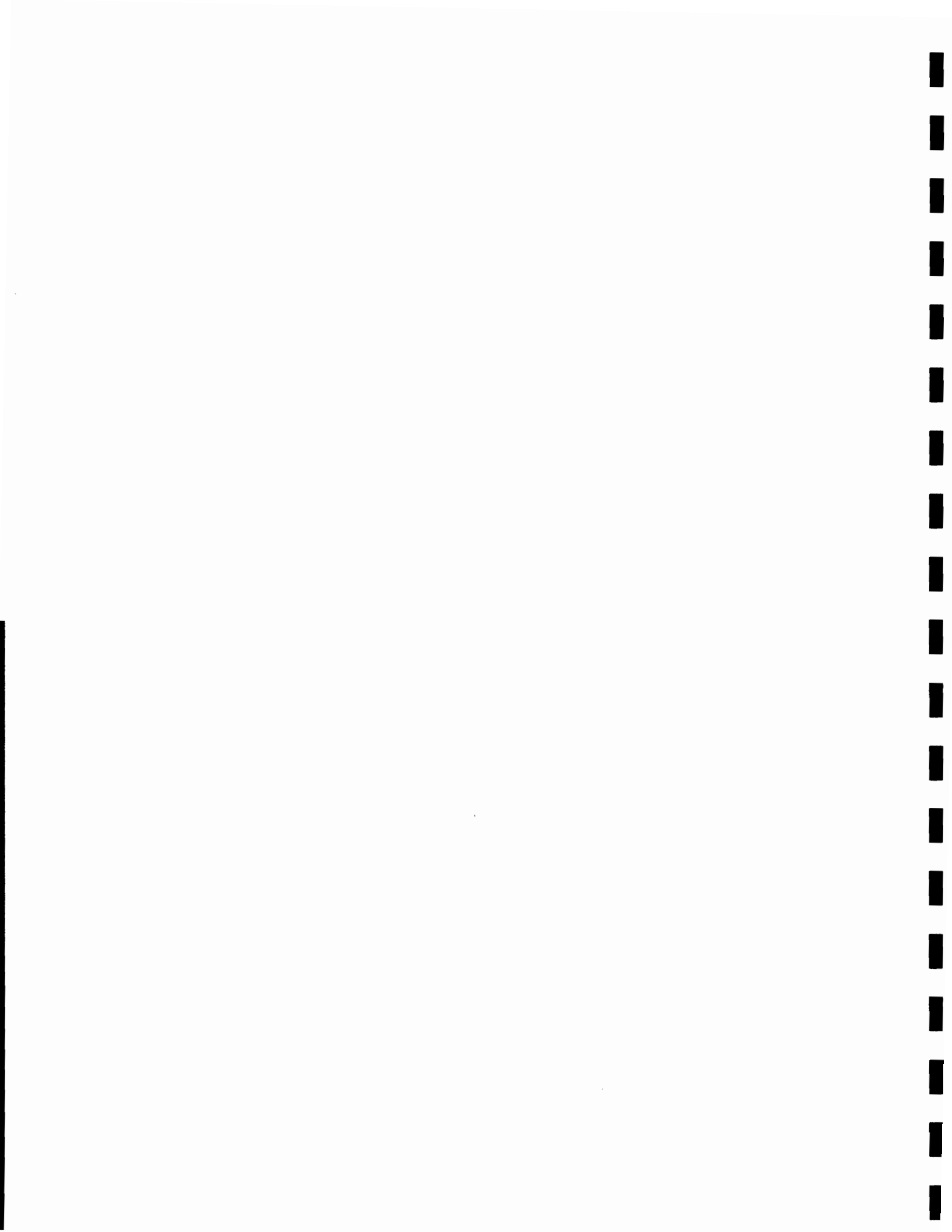
6 This is a plan, and you've seen various
7 variations of the overview of what we're planning
8 there. And you can see the parking; that's our
9 existing pavilion; and that's our vessel there,
10 the big one; and this is our new parking garage.
11 And this is where we're planning for the marina
12 to go. There has to be some configuration
13 changes on the Harbor which the City is involved
14 with. Here we're planning a new grand entryway.
15 And then we'll connect this new entryway to the
16 pavilion here. We'll have some agreements with
17 Trump that kind of constrains the flexibility of
18 how we do the traffic in to and out of the
19 parking garage and in to the gaming vessel. So
20 we're working around that for now.

21 And we're planning the convention center
22 location to be about here, put the hotel here,
23 very large resort type swimming pool, sauna type
24 facilities here. This is the existing structure
25 that's there that we think we could reuse and



1 make as a support facilities and meeting rooms
2 for the convention center. Privately we'll pay
3 for this portion. Hopefully the City will
4 provide the support for the convention center.
5 One is dependant upon the other. We're planning
6 an amphitheater that will overlook the lake and
7 give you a bird's eye view towards Chicago. That
8 will have I think 5,000 hard seats in addition to
9 four or five thousand soft seats on a knoll
10 there, plus additional parking is available here.
11 There's an office structure skeletal building
12 there that we hope to redevelop. All of this is
13 on this side of tracks. You know the tracks that
14 you normally cross are right here. This is the
15 new boulevard that will come off of the roadway
16 coming off of Cline Avenue. That will go
17 directly at the second level or third level into
18 the garage. And there will be a spur off here
19 into the development. Then it will come back
20 down because they plan to development this land
21 here and connect this boulevard on down with the
22 US Steel property that's back here. The other
23 200 or so acres we plan to put golf course and
24 other activity on in the future.

25 On the other side of tracks down here we



1 hope to develop condominiums, apartments, office
2 buildings, and other things that will complement
3 this side and make this truly a new city area for
4 the City of Gary.

5 So we're quite excited about it. And this
6 thing is, as events unfold, we make some changes.
7 But there's a bird's eye view of kind of what
8 this will look like. You can see how attractive
9 it will be going forward in the future. And we
10 think we'll make our locations one of the premier
11 locations in the State of Indiana for riverboat
12 gaming. So it has not obviously been an easy
13 task to do all of this. There were all kinds of
14 old industrial buildings, utility relocations,
15 and a lot of things that had to occur in order
16 for this to happen. But I can remember from day
17 one when I was in the fight, and some of you are
18 familiar with it, certainly Jack Barr.

19 This was not the original location for
20 riverboats in Gary. It was actually a site way
21 down in the bowel of US Steel that didn't have a
22 roadway to it or anything. We discovered the
23 site and took it to the city and negotiated hard
24 with the city and convince him to relocate the
25 site out here to Buffington Harbor. I personally



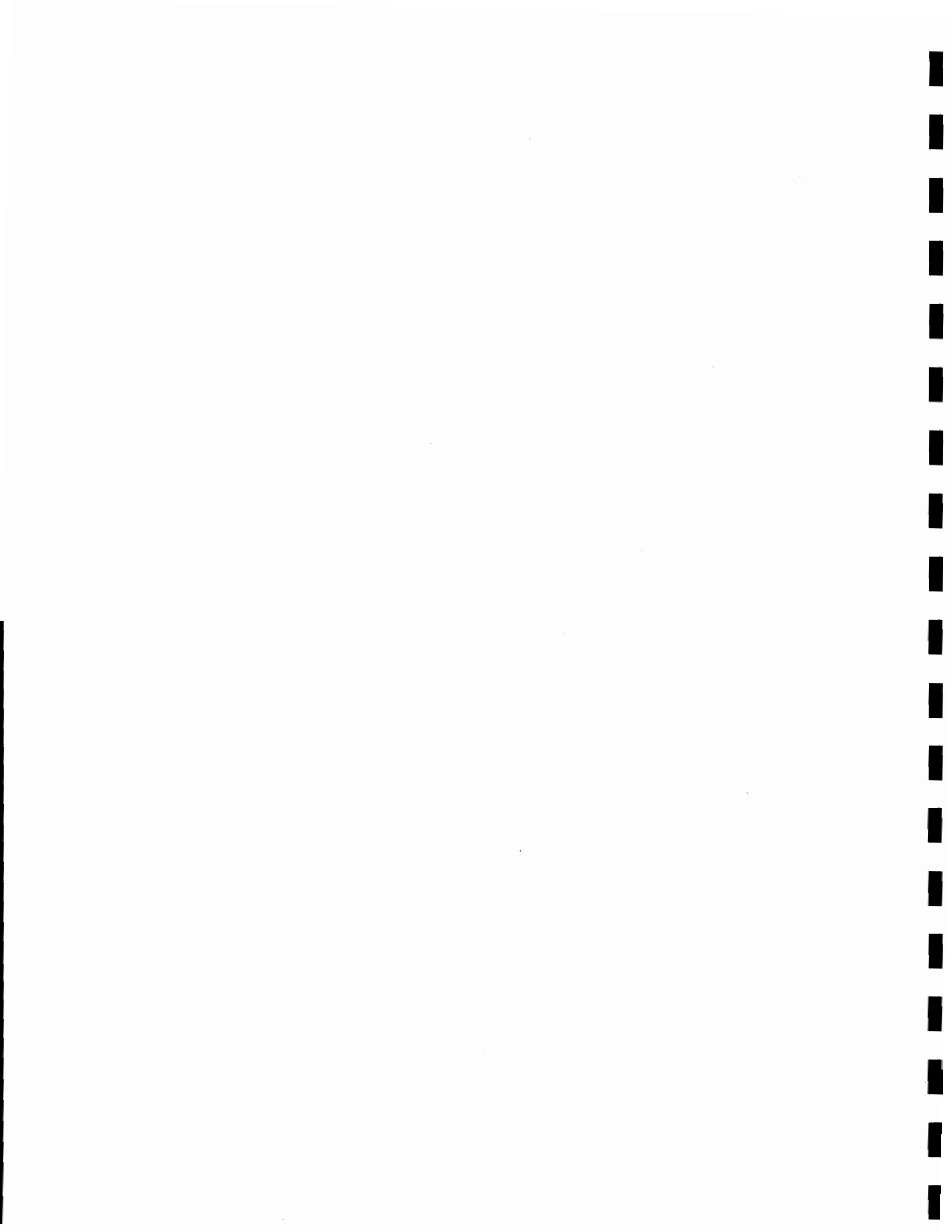
1 flew in to Allentown, Pennsylvania and negotiated
2 with the Lehigh owners. I had a contract to
3 purchase the land, all of their 300 acres, for
4 \$10 million. And told the city I would give it
5 back to you. I'm giving it to you for free if
6 you would lease it to me for a dollar year for
7 the next 99 years. They refused that. So as a
8 result of that, we ended up paying \$25 million to
9 Lehigh for a hundred acres. We ended up leasing
10 from them additional property. Ended up paying
11 another \$25 million. So that original \$10
12 million to acquire what I have today has sky
13 rocketed as a result of what transpired in the
14 past to over \$50 million. Which has caused, of
15 course, the project to be delayed in its
16 development because the economics are different
17 when you have a base of \$10 million and a dollar
18 a year in rent verses amortizing \$50 million,
19 whether it's directly or indirectly with your
20 partners. But nevertheless, that is and was
21 reality.

22 We continue to pursue our goal and
23 objective to helping the city to become the
24 waterfront. And I think it's a beautiful and
25 natural attraction that needed to be reclaimed



1 and preserved for use by the people of Indiana.

2 One of things that makes this difficult is
3 that it has been very difficult for us to proceed
4 at the pace we wanted to. Forget about all the
5 normal bureaucracy that occurs when you're trying
6 to do something like this as well as the
7 government as well as the private sector,
8 especially large companies like US Steel. The
9 setback in my mind that has been discouraging in
10 a sense and making this project harder to achieve
11 the increase -- the impact on taxes. Real estate
12 as well as the wayer taxes quite frankly. We've
13 increased our business but most of that
14 incremental increases have been eaten up by
15 additional real estate taxes and wayer taxes.
16 Some \$8 million I think in wayering taxes that
17 increased our revenue since dock side of \$12
18 million. 6 million of that I think has been
19 taken up by wayering taxes. Another 2 million by
20 real estate taxes. We pay over \$4 million for
21 estate taxes. Look at the amount of taxes we
22 paid and to the City of Gary as off site for
23 reinvestment such as sidewalks, police stations
24 and the equipment, and everything else. Most of
25 that money is coming from Trump and us. If some



1 of that money had been deployed or redeployed at
2 this site, think how far along we would be.

3 One of the things we're talking about
4 today, in fact, is that some of that money should
5 come back to the site. You can see already that
6 outside of the things I'm doing on the side if
7 you will, that I believe in, that we've spent
8 over \$93 million more than we were committed to
9 in our original development.

10 And so we're not pleading for our property.
11 But one of the things I don't think anyone
12 mentioned was that the two boats in Gary would
13 kind of split the business. If I was making the
14 profits that are being made in East Chicago and
15 Hammond, they make more than Trump and I combined
16 in their individual properties. All of this
17 would already have occurred. It would be
18 developed, the hotel would be up, the convention
19 center would be up. But we make less than half
20 on an individual basis. Not throwing any water
21 on the success of the other boats in the area.
22 I'm very proud of what they are doing. I just
23 wish we were doing the same.

24 So I'm saying all that to say, in light of
25 those factors, that there should be some



1 consideration and uniqueness of the situation of
2 Gary as it relates to taxes and contributions
3 that we make on a per capita basis.

4 Thank you very much. We appreciate over
5 the years from the directors, from the staff, and
6 from the commission, your corporation and
7 sometimes your tough love.

8 So with that, that concludes our
9 presentation. We respectfully request to
10 renewal. Thank you very much.

11 MR. VOWELS: Thank you Mr. Barden. I
12 have a question. I don't know whether you or Mr.
13 Keeping would like to address it. In the
14 materials that you provided to us today, the
15 booklet. On page six, there's reference of
16 financial highlights which was also on the screen
17 here. It talks about the net revenues from year
18 to 2000 to year-to-date 2004. It appears to be
19 almost \$134 million in net revenues in 2003 and
20 year-to-date you're almost at 80 million through
21 June. Which, if my math is correct, would be
22 about 160 million. You want to double check it,
23 Glenn? That appears to be a spike if that
24 continues through the year.

25 MR. BARDEN: Our revenues have



1 increased, but unfortunately most of it goes to
2 you guys.

3 MR. VOWELS: My question is, what do you
4 attribute that increase to from year to year?

5 MR. BARDEN: A bald head. No, I think
6 we contribute it to a number of things, including
7 new marketing program; their association with
8 Mike Ditka; Troy's management team, they're
9 energetic; overall marketing strategy; our focus
10 and of course some of it is dock side, some of
11 it's the economy. So it's a combination of that.

12 MR. VOWELS: Dock side occurred a couple
13 years ago at least. But I guess my question is
14 this year-to-date June 2004. As I said, if it is
15 on target, that's going to be 22 million --

16 MR. BARDEN: About a 152 million is --

17 MR. KEEPING: We're projecting about
18 150 million. First quarter is our strongest.

19 MR. VOWELS: That was my question.

20 MS. LITTLEPAGE: It's not double.

21 MR. VOWELS: Okay. Also, just on a
22 personal note, Koko Taylor has always been one of
23 my favorite blues singers. You have her blues
24 cafe. Is she getting some dough out of this some
25 how?



1 MR. BARDEN: Yes, she is. A lot of
2 dough.

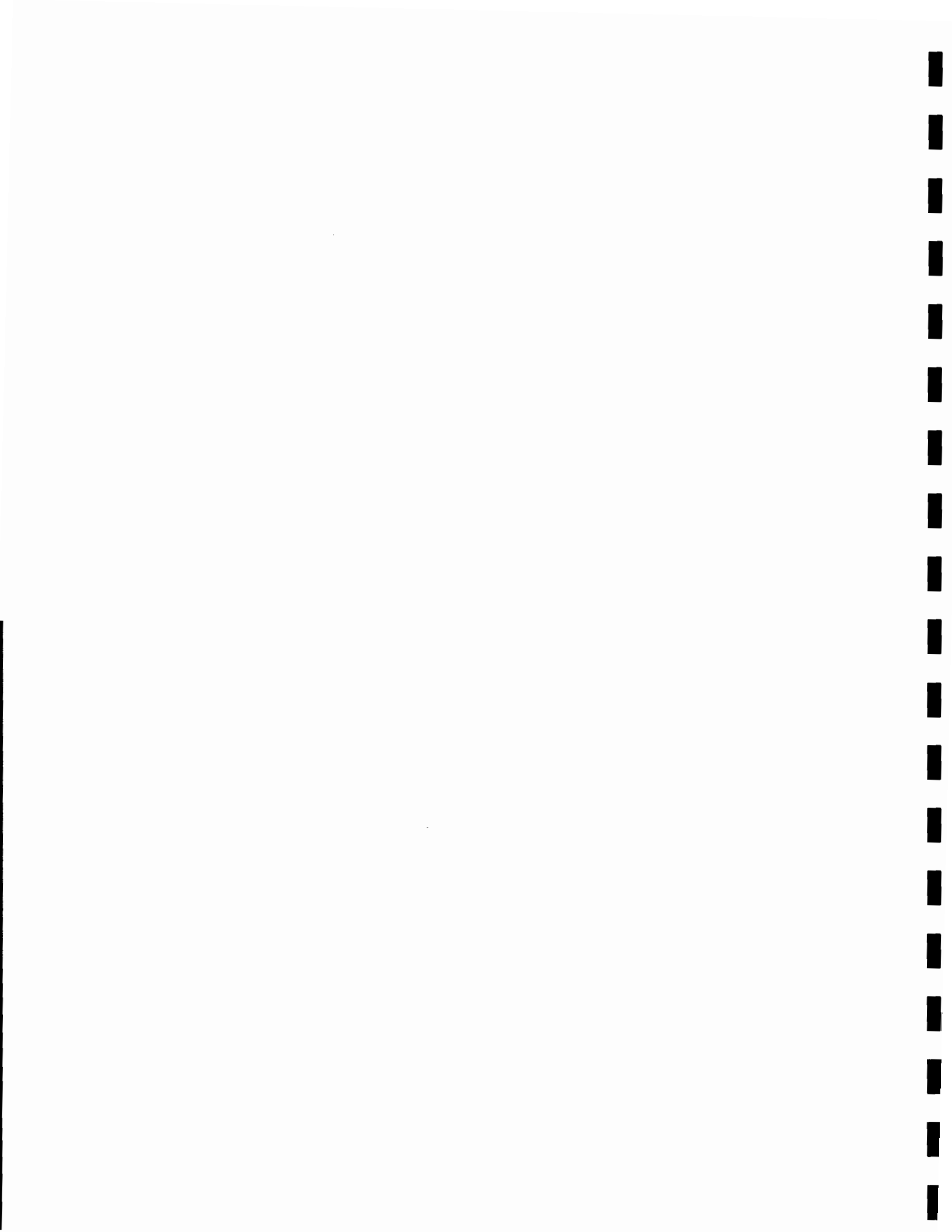
3 MR. VOWELS: I saw her at the Blues
4 Festival in Henderson seven or eight years ago.
5 Small woman, most people have never seen her
6 sing. And when that voice comes out of that
7 body, it could shake this room. But there's some
8 sort of ongoing agreement where she receives some
9 payment for the use of her name in this?

10 MR. KEEPING: She had, we actually
11 operate those restaurants through the Uris
12 Compass Group. And they brought Koko Taylor as
13 name to the restaurant. It's a small licensing
14 fee actually. And then part of the agreement was
15 to also try and have her perform, if her health
16 permitted, three times a year. And she's
17 actually been at the facility but her health has
18 been difficult for her. I think she sang a
19 couple songs at one of our blues concerts that we
20 had.

21 MR. VOWELS: Okay. That's all the
22 questions --

23 MR. KEEPING: If she performs, I'll make
24 sure you know about it.

25 MR. LAWRENCE: He'll pay.



1 MR. VOWELS: Of course. Any other
2 questions?

3 MS. BOCHNOWSKI: I'm just trying to
4 figure out how the partnership is working because
5 I know you operate your own casino and then --
6 you built the parking garage? You paid for it?

7 MR. KEEPING: It's joint.

8 MR. BARDEN: We built it together.

9 MR. BOCHNOWSKI: Oh, you built it
10 together.

11 MR. BARDEN: And financed it separately.

12 MS. BOCHNOWSKI: You split the cost and
13 then you did your financing and they did theirs.
14 Okay. I'm sure we've been through this in
15 previous meetings but it's hard to sometimes
16 remember all these details.

17 Now when you're talking about building a
18 convention center and that hotel there and all
19 those other things on that property, is that your
20 property or is that again --

21 MR. BARDEN: That's Majestic. Donald
22 Trump is not participating in that.

23 MS. BOCHNOWSKI: And that would be your
24 project. And then I understand, just to kind of
25 get my own head straight on how this is working,



1 you purchased -- you had different obligations so
2 that Trump contributed the money to the Railcats
3 Stadium. You didn't have any obligation in that
4 regard, is that right?

5 MR. BARDEN: No

6 MS. BOCHNOWSKI: Okay. So you have no
7 ongoing -- it's just your taxes or whatever are
8 going for that kind of project; is that correct?

9 MR. BARDEN: That's correct. We
10 contributed substantially through the obligation
11 of property and other commitments that we've
12 made. I don't know all the details of our
13 development agreement in terms of various
14 categories, but we far exceeded all of the
15 requirements.

16 MS. BOCHNOWSKI: Oh, I know. I'm just
17 trying to get my head around -- just get a grasp
18 on how all this works.

19 MR. BARDEN: Well, the roadway, we
20 underwrote all the maps, paid for all the studies
21 all environmental.

22 MS. BOCHNOWSKI: So you put some money
23 in to the roadway.

24 MR. BARDEN: Beyond what we were
25 contracted to do. In fact, we actually



1 coordinated things that transpired there in terms
2 of interacting with the city engineers doing the
3 roadway, the contractor, the bidding process,
4 everything. We were at the table coordinating
5 most of that activity.

6 MS. BOCHNOWSKI: Okay. And then you're
7 talking about a lot of lakefront development if
8 everything goes the way you hope it does. And
9 some time ago in the paper and we've been hearing
10 a lot about it, actually a lot of people in
11 Northwest Indiana are very excited about
12 Congressman Divloski's vision for the lakefront.
13 Have you coordinated -- is that part of that
14 vision? Does this work with that overall vision
15 of the lakefront?

16 MR. BARDEN: I think we spurred that
17 vision.

18 MS. BOCHNOWSKI: Okay.

19 MR. BARDEN: With our talks with US
20 Steel, and I'll give credit to the Mayor for
21 pursuing it beyond that. And often times when
22 you see something evolving, if you are public
23 policymaker, you want to assist it and jump on
24 board to be a part of something that will have a
25 major impact on the future of this region. And I



1 think Congressman had the vision to see that this
2 is something really good for the people of his
3 district and for the State of Indiana.

4 MS. BOCHNOWSKI: And so he's working on
5 it from the federal point of view. So this is
6 all coordinated and we'll see that vision,
7 hopefully.

8 MR. BARDEN: Hopefully. I pray for it.

9 MR. VOWELS: Anything else?

10 MS. BOCHNOWSKI: No, that's it.

11 MR. VOWELS: You had talked about
12 earlier about the fact that the boats to the west
13 of your boat were making more money than you and
14 the Trump boat combined. I don't know whether
15 you want to answer this or not. It's a
16 possibility that one of those boats, maybe the
17 one in East Chicago or maybe a boat down in
18 Harrison County might be available some time in
19 the near future, is that anything you -- have you
20 given a consideration of the possibility of
21 expanding?

22 MR. VOWELS: And you don't have to
23 answer that question if you don't want to.

24 MR. BARDEN: Oh, yes. I'll be happy to
25 answer it. I'm not a politician but I'll just



1 use some of their lines. I'm not sure.

2 MR. VOWELS: Very good. Fair enough.
3 Any other questions? All right. Thank you, Mr.
4 Barden.

5 MR. BARDEN: Thank you.

6 MR. VOWELS: I guess we'll do it up
7 there. Is the name there? We've had the sign up
8 sheet for public comment laying out here for
9 Trump and Majestic at this time. And no one has
10 signed up for that. So we'll move along on our
11 agenda. So the public comment section for Trump
12 and Majestic Star, since there is no one to
13 publicly comment, it's time for the commission
14 action on the relicensing of Trump and Majestic
15 Star. And we're going to immediately do that.
16 So what I think the best thing for the Commission
17 is we'll come on back up here. And then after we
18 do our vote, then we'll take a fifteen minute
19 break for the Horseshoe presentation which, of
20 course, will be preceded by Miss Littlepage.
21 we'll actually really close to schedule. So come
22 on up and and we'll deal with this.

23 In our packets, I assume, somewhere --
24 there they are. Okay. The first presentation
25 that we heard was with Trump and we've got it in



1 front of us here, the order of the Gaming
2 Commission. This is regarding the renewal of the
3 riverboat license of Trump Indiana and it goes
4 through all the standard language of the Indiana
5 Code and the relicensing fee and all of those
6 things. And this is the renewal for the
7 statutory period of one year from June 2, 2004,
8 of course we extended it to today on a temporary
9 basis until we could have these hearings, until
10 June 1, 2005. Is there any discussion about this
11 before we might put in any kind of vote? Anybody
12 have any thoughts?

13 (No response.)

14 MR. VOWELS: I'm kind of the odd man out
15 here today since there's four of us and all of
16 you got to sleep in your own beds last night.
17 You know this area a lot better than I do. Are
18 there any concerns or anything that you would
19 like to talk about?

20 MS. BOCHNOWSKI: I think with Trump,
21 the main thing is, you know, I guess what's been
22 stated. And that has to do with -- hopefully
23 everything is going to be straightened out.
24 Their financial situation will be more promising
25 soon.



1 But you know there's really -- things are
2 going as they should. And money that's been
3 given back to the community is ahead of what they
4 said they would do. I can't imagine any
5 particular reason not to renew this.

6 MR. VOWELS: Okay. Any other thoughts?

7 DR. NDUKWU: I think the potential
8 competition from Chicago and Michigan for that
9 matter, poses a thought that these companies need
10 to probably be more organized in increasing
11 traffic to their facilities. And I'm sort of
12 taken aback that as Mayor King has suggested is
13 an airport which most of us don't even utilize or
14 know how to get to. And these companies could
15 probably play a better role in increasing traffic
16 and to the airport and perhaps to their
17 facilities. And that might blunt the impact of
18 any potential competition from Michigan and
19 Chicago facility should it be made available.

20 But I don't see any reason not to renew the
21 their license request.

22 MR. VOWELS: Okay. Mr. Milcarek,
23 anything you would like to add?

24 MR. MILCAREK: I also see no reason not
25 to renew the license. I think they've been a



1 good corporate citizen.

2 MR. VOWELS: Okay. For everyone here
3 today, of course, there are seven Gaming
4 Commissioners. Commissioner Gettelfinger has
5 resigned so we're back to our six and two could
6 not make it. So we got four and any vote has to
7 be 4 and 0 or there's a real problem. So now
8 that we've taken the preliminary, it's down to me
9 then. Is there a motion in reference to renewing
10 the Trump license for this one-year period until
11 June 1, 2005?

12 MS. BOCHNOWSKI: I move that we renew
13 the license for a one-year period.

14 MR. VOWELS: Is there a second?

15 DR. NDUKWU: Second.

16 MR. VOWELS: Any further discussion?

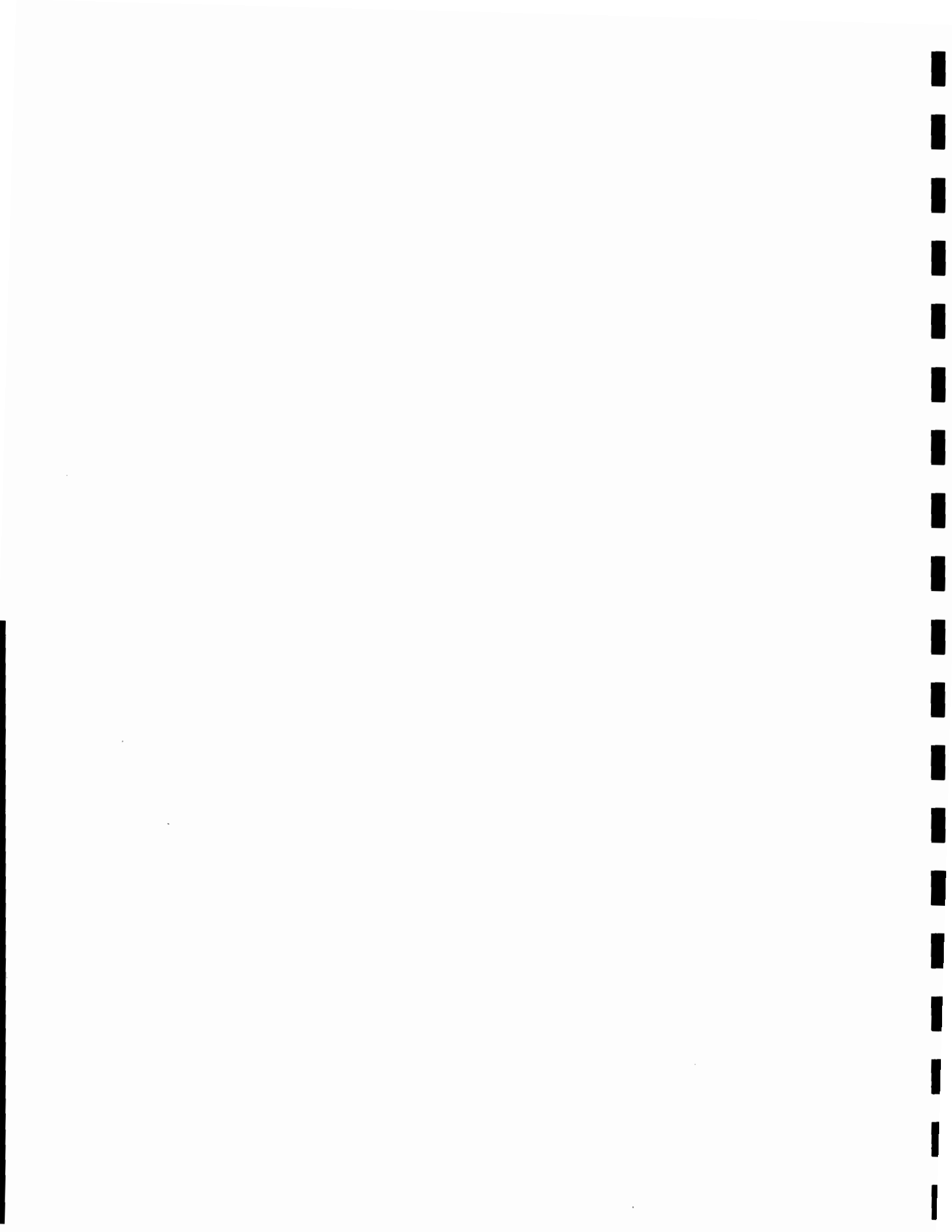
17 (No response.)

18 MR. VOWELS: All those in favor say aye.

19 ALL: Aye.

20 MR. VOWELS: Show that it is renewed.
21 Congratulations. And then you can call Mr.
22 Trump and tell him your hired. All right.

23 And then next thing up is the same thing
24 with Majestic Star Casino. They run for same
25 period of time. We have in front of us this



1 order dealing with renewal for the one-year
2 period, all of the statutory language. In
3 reference to the renewal fee, they paid that.
4 And is there any particular discussion about
5 this? About Majestic Star?

6 MR. MILCAREK: I would like to say I
7 believe Majestic Star is also a good corporate
8 neighbor. And with Mr. Barden's vision for this
9 development, I really would be proud to see his
10 license renewed.

11 MS. BOCHNOWSKI: I agree. The
12 lakefront is such an underutilized asset in
13 Northwestern Indiana and to see somebody who is
14 sharing the vision of not just the city but the
15 entire area is great. And I think there's no
16 particular reason not to renew this.

17 MR. VOWELS: Well Mr. Barden has been in
18 this from the beginning. And when we had those
19 hearings up in -- over in Gary back in '94 and
20 the granting of the license, I think it was in
21 December of '94 or something. Wasn't that right?
22 And then the opening in June of '96. I never
23 really hear a peep out of the Gaming Commission
24 staff about about regulatory issues with Majestic
25 Star as far as any problems or so. Anyhow, if



1 Mr. Barden ever wanted to think about Harrison
2 County or somewhere like that, we would certainly
3 entertain him. Anybody else? Any other
4 thoughts? Okay. Let's move along then. In
5 front of us is the order of the Indiana Gaming
6 Commission renewing the riverboat owner's license
7 of Majestic Star Casino, LLC. It will run for
8 the period of one year through June 1, 2005 -- 4
9 -- or June 4, 2004 to June 1, 2005. Is there a
10 motion in reference to this renewal?

11 DR. NDUKWU: Move to renew.

12 MR. VOWELS: Is there a second?

13 MS. BOCHNOWSKI: Second.

14 MR. VOWELS: Is there any further
15 discussion?

16 (No response.)

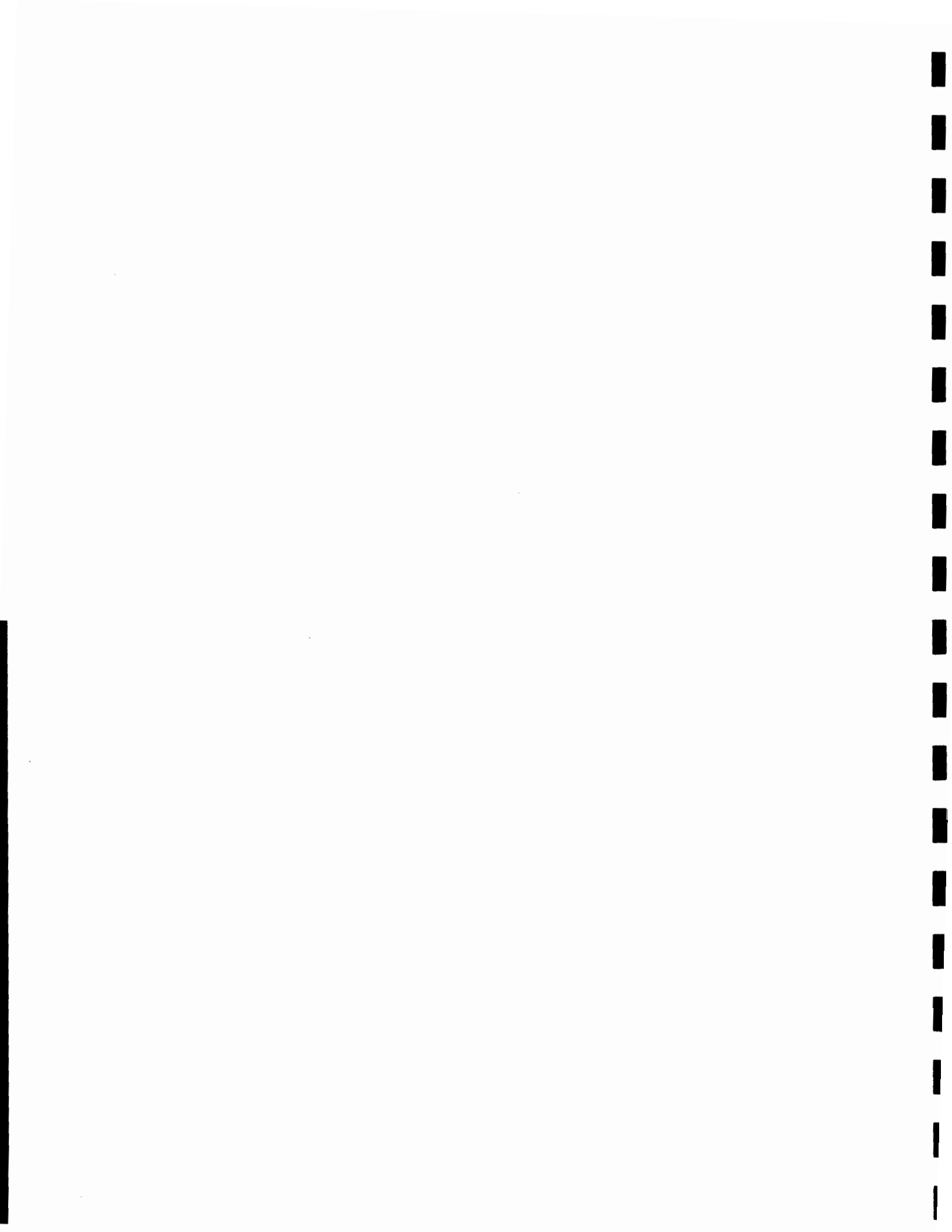
17 MR. VOWELS: All those in favor say aye.

18 ALL: Aye.

19 MR. VOWELS: We'll show it was renewed.
20 Congratulations. All right.

21 And we are almost on time here. We'll take
22 a fifteen minute break so again Horseshoe can get
23 their presentation together and Miss Littlepage
24 will be done also.

25 (Recess was taken.)



1 MR. VOWELS: Miss Littlepage, we'll
2 begin with you again.

3 MISS LITTLEPAGE: Hello, again. We're
4 going to go over Horseshoe now. And some of
5 these parts are similar and again these pertain
6 to Lake County. But I'll repeat all anyway. If
7 you think you're hearing it again, you are.

8 Since Horseshoe opened it has paid over 123
9 million in incentive payments, with 98 million of
10 that coming in '96 through 2000. In addition to
11 paying 344 million in direct taxes to the State
12 of Indiana, Horseshoe paid 171 million in local
13 direct taxes. The largest single source was 82
14 million in gaming tax, while 17 million was in
15 property tax payments.

16 The City of Hammond spent 85.7 million of
17 gaming related taxes and incentive payments. And
18 70 percent of this expenditure was for
19 infrastructure such as streets, sewers, and
20 sidewalks. The next largest category was
21 programs, primarily parks and economic
22 development. From opening through December 31,
23 2003, the economic impact of these expenditures
24 have generated 279 million in economic impact, 84
25 million in employee compensation, and 3,148 new



1 jobs.

2 The changes in tax structure have affected
3 the local community, but the overall fiscal
4 impact is still positive. And it's still unclear
5 how the change in the property tax structure in
6 Lake County will affect the property tax
7 collections.

8 Since opening, Horseshoe has had local
9 spending of 37 million and has donated almost 1.7
10 million in sponsorships and charitable
11 contributions.

12 Another way to measure the local impact is
13 to talk to members of the local community. When
14 we did that, we met with local leaders from
15 Hammond, and local business leaders, and social
16 service providers from Lake County. They said
17 that overall riverboat casinos are positive.
18 That they provide thousands of well-paying jobs
19 with good benefits. They provide revenues for
20 local government. That they are a good corporate
21 citizen. They have a can-do attitude. They
22 bring tourists. And they have a positive
23 environmental impact by assisting in the
24 reclamation of the lakefront.

25 Some of the negatives mentioned were from



1 small businesses. That they haven't seen the
2 positive spin-offs they thought they would.
3 Bankruptcies and home foreclosures have increased
4 as have the number of pawnshops and payday loan
5 businesses. People, including state legislators,
6 think the local government has an abundance of
7 funds, when it still has needs. And sometimes
8 the local communities are parochial and don't
9 have the best planning. They should probably get
10 together and try to work on the lakefront and
11 surrounding area and have a long-term strategy.

12 Average employment at Horseshoe over time
13 period has been 1,905 but in 2003, it was 2,428
14 employees. 58 percent were women, 57 percent
15 were minorities, and 32 percent were from Hammond
16 with a total of 73 percent from Indiana. Total
17 wages of over 390 million since beginning with
18 over 73 million in 2003.

19 We did a survey of Horseshoe employees and
20 before beginning work at Horseshoe, 36 percent of
21 those responding to the survey were unemployed.
22 And in the previous survey we did for five year,
23 27 percent were unemployed. So as with the other
24 two boats, they're hiring people that have been
25 unemployed before instead of from another job.



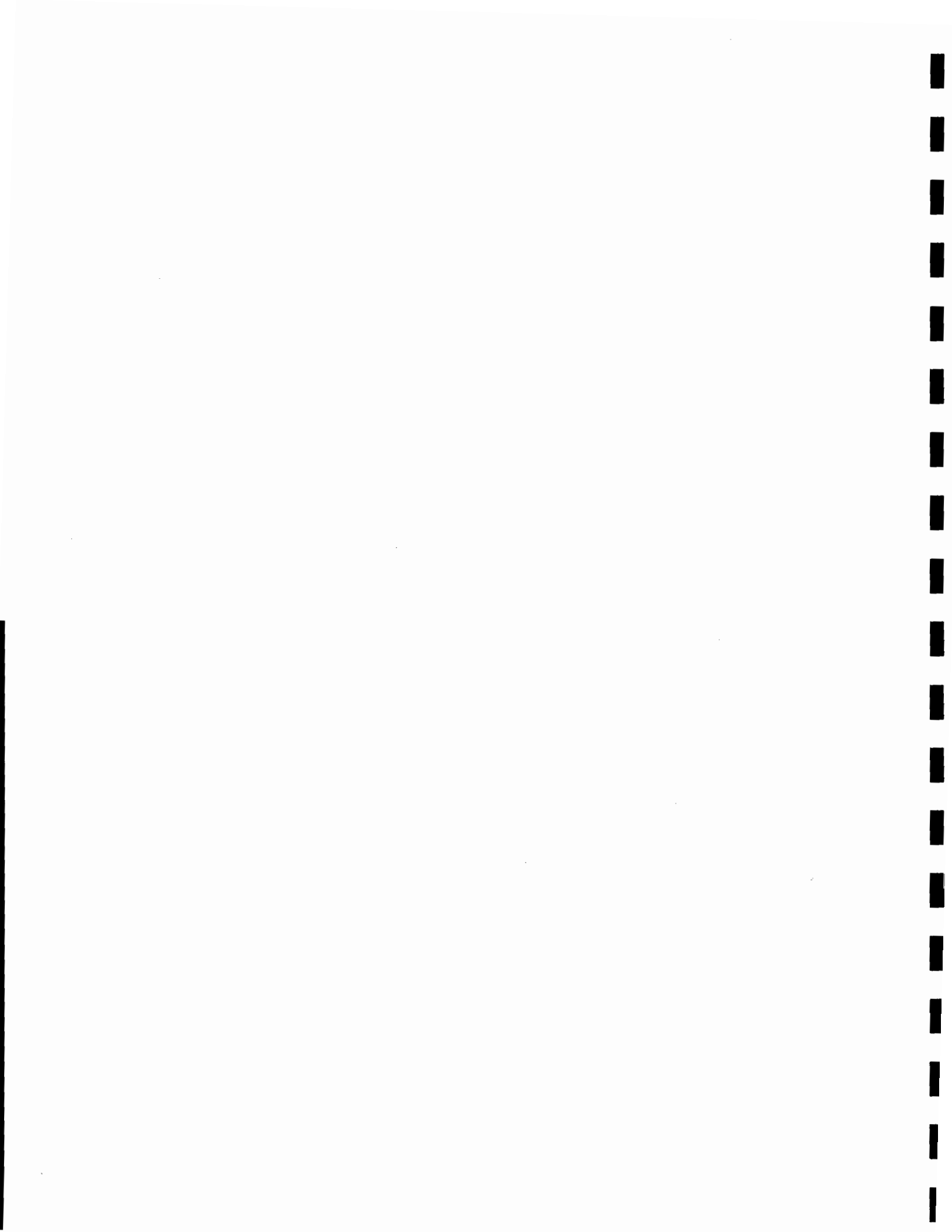
1 Most of those previously employed worked for
2 service and retailer sectors. And again, the
3 principal motivation for beginning work at
4 Horseshoe is and has been more money. But it's a
5 little lower percentage, 40 percent. And advance
6 opportunities for the second reason.

7 The average length of employment was three
8 years and eight months, with 16 percent having
9 worked for more than 6 years and 49 percent
10 having worked at Horseshoe for two years or less.
11 Most work full-time, only 6 percent work less
12 than 35 hours per week. As I mentioned before,
13 32 hours was considered full-time so it probably
14 be even a smaller percentage.

15 The average wage of the people who filled
16 out the survey was 26,226 compared to per capita
17 in Lake County 27,521.

18 The people who reported moving from to
19 renter to home ownership, 92 said they did that.
20 113 made significant home improvements. And 339
21 purchased a vehicle since their beginning work at
22 Horseshoe.

23 On their training session, 69 percent
24 reported receiving job specific training, 15
25 percent received tuition reimbursement, and 18

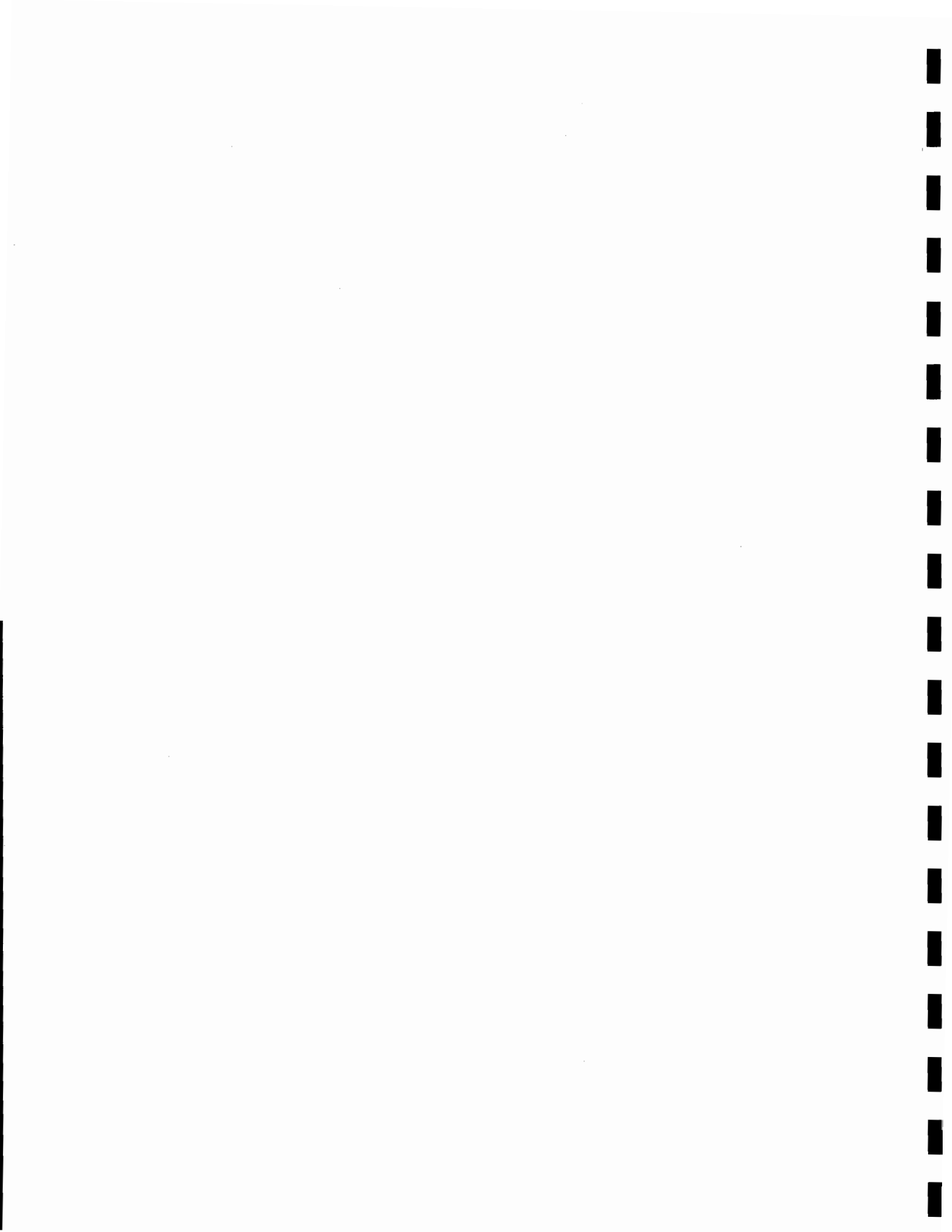


1 percent paid for additional training or education
2 out of their own pocket. As with the other
3 boats, the likelihood of receiving training
4 increased as the number of years were worked
5 increased and, in general, as education
6 increased. Again, not that it is not offered,
7 but who is taking advantage of that.

8 When you look at the trends in local
9 economy from before riverboats and after
10 riverboats, there's been quite a few lags in Lake
11 County. It's because of other structural changes
12 in the county not necessarily due to the boats.
13 If you look at the industries where there have
14 been positive changes, the only two are gaming
15 industry and the government sector.

16 The current financial position of Horseshoe
17 is that it is a strong performer in its market.
18 With the change in ownership and the recent
19 expansion of the facility, the prospects for
20 continued revenue are good. There are no
21 conditions discovered in this analysis of the
22 financial performance of the license or its
23 planned performance or the condition of the new
24 owner to suggest problems.

25 Anybody have questions?



1 MR. VOWELS: Any questions for Miss
2 Littlepage? Thank you, again. All right. So we
3 will now move into the Horseshoe presentation.

4 Is there a video we need to move down to watch?

5 MR. SANFILLIPO: There are slides so it
6 will probably be more comfortable.

7 MR. VOWELS: It's all yours.

8 MR. SANFILLIPO: Are you comfortable?

9 MR. VOWELS: Oh, well, yeah.

10 MR. SANFILLIPO: Ready to go?

11 MR. VOWELS: I don't want to get too
12 comfortable I might stay that way.

13 MR. SANFILLIPO: I'm Anthony Sanfillipo.
14 I'm the president of the central division and
15 would like to say hello to you, Chairman and
16 Commissioners. Glenn, it's good to see you, and
17 staff. Especially want to say how happy we are
18 that this is happening today in Hammond, the home
19 of the Horseshoe. And I want to thank Mayor
20 McDermott. Say hello to him and thank him for
21 having us here. Thank you very much. Team, lets
22 thank the Mayor for hosting us today in Hammond.

23 It is a pleasure to also introduce to you
24 the heart of the Horseshoe. And it's the folks
25 that are in this room right now. There are so



1 many of them. Please stand up and let the
2 Commission know who you are. This is the
3 management team and the team at the Horseshoe
4 right there. I will tell you, I've seen a lot of
5 teams in gaming. This is the heart of 123 team
6 members that we have at the Horseshoe.

7 It's great to be here. Last time I was
8 with you was on April 30 and we were asking for
9 permission as Harrah's Entertainment to allow the
10 transfer of ownership from Horseshoe Holding
11 Company to Harrah's Entertainment. That happened
12 on the first of July. And I have had the
13 privilege of working the last five weeks or so
14 with Rick Mazer. And with a number of the folks
15 here as well as those over at the property. And
16 it has been nothing but a pleasure. They are
17 true professionals and I couldn't be more excited
18 that we are in Hammond from Harrah's
19 Entertainment standpoint and we see an extremely
20 bright future with us here.

21 There's been some question recently because
22 we announced that Ceasars Entertainment was going
23 to be acquired by our company. We realize that
24 we do have to have one license taken out of our
25 Indiana portfolio. And it is very clear, and I'm



1 here to tell you, it will not be the Horseshoe
2 license. We will look at the other two licenses.
3 And the Horseshoe license in Hammond will
4 continue to be part of Harrah's Entertainment
5 portfolio. And I hope the team that's here feels
6 good about that. We are sure happy for that to
7 happen.

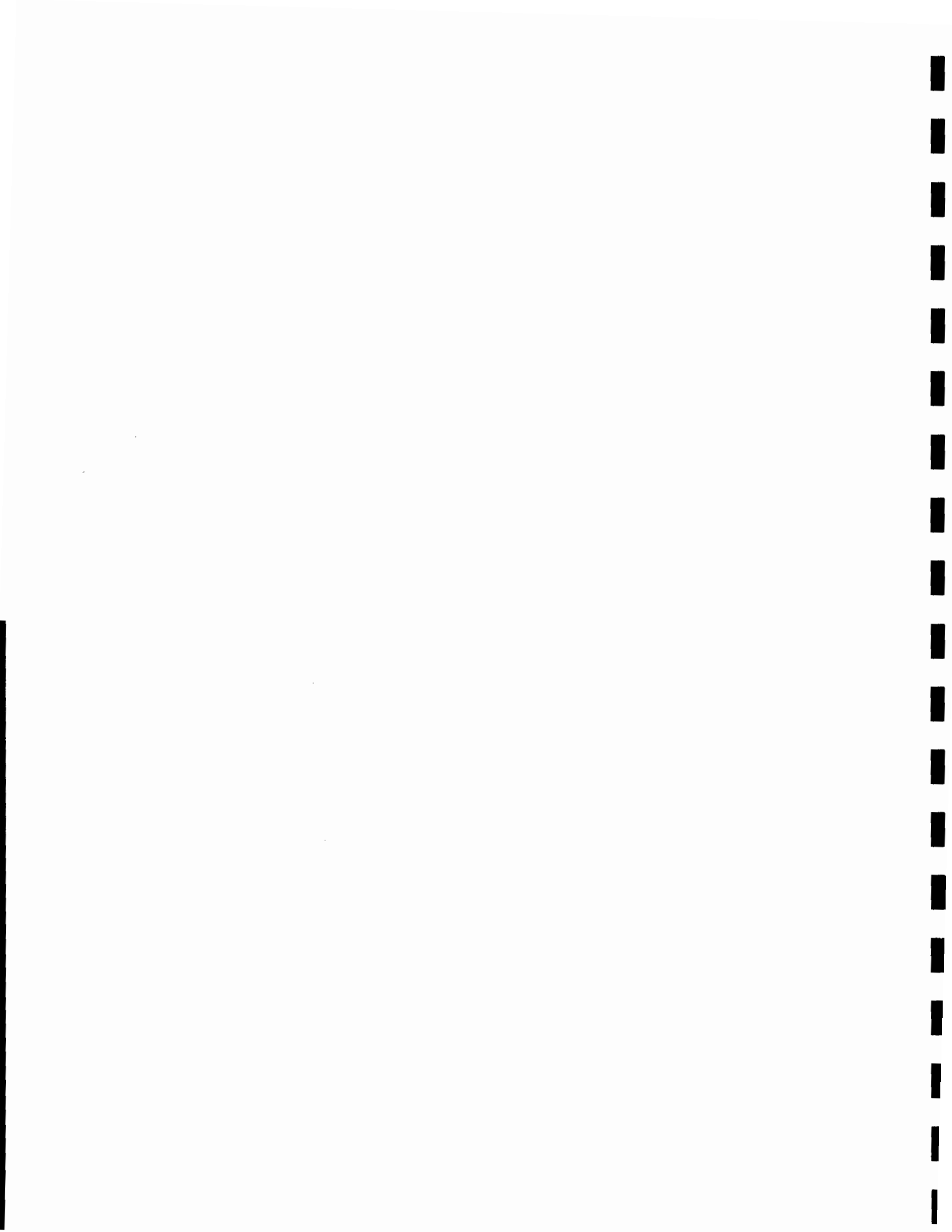
8 We're going to go through some of slides.
9 The license was issued in 1995. That was all
10 part of Empress. And then Jack came along, Jack
11 Binion. And the Horseshoe Holding Company
12 purchased the Empress in 1997, I believe it is.
13 Let me get to my notes, I don't want to miss the
14 date. In 1999, the license got transferred and
15 in 2001 it was changed to the name Horseshoe.
16 And as you know, just a couple of weeks ago,
17 Harrah's Entertainment came in and took over
18 ownership of Horseshoe Holding Company.

19 We believe that along the way we have
20 continued to invest in this market. An
21 investment of 137 million was promised early on.
22 And to date has exceeded over \$254 million. I
23 know a large part of what the State of Indiana
24 would like to do is to continue not only to see
25 employment and taxes paid to local government as



1 well as the State, but also for us to continue to
2 invest here. While I can't be specific on types
3 of investments that we have in mind at this
4 point, I can tell you that we believe Hammond is
5 a great candidate for us to continue to invest in
6 from a capital standpoint. And we think that the
7 Hammond market has a lot of growth opportunity
8 for us. And we are currently reviewing what the
9 next steps of investment will be at the property.

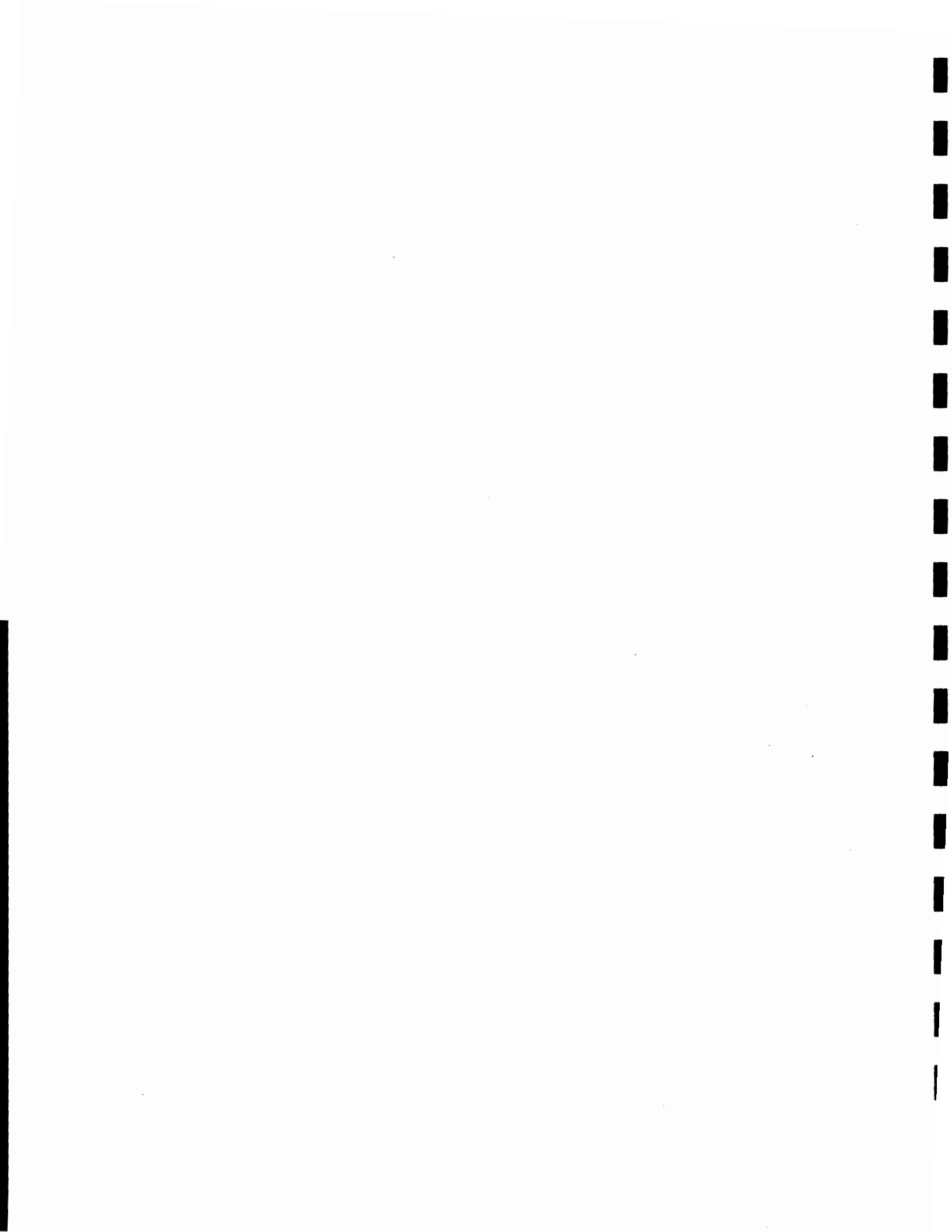
10 I think the transfer along the way has gone
11 great. It really changed when it was Empress to
12 Horseshoe. Rick Mazer did a wonderful job as
13 Rick was the only general manager who was here
14 when Empress opened up and transforming it in to
15 a Horseshoe property. As we discussed on April,
16 30, our intent is to have this transparent to
17 customers. And I think we've been able to do
18 that the last five weeks. We've continued to
19 have that same team in place. There haven't been
20 any team members that changed. We have continued
21 to advertise and market the way that we have in
22 the past. We're going to continue that way. It
23 was my goal to make sure the team that is here,
24 as well as the employees that work for us, felt
25 very welcome into the Harrah's family. And we



1 are on the beginning of that journey right now
2 because of the reputation; type of property, that
3 this has been here; we want to make sure that to
4 the customers and also to those that work here,
5 that they didn't see any changes. And I think
6 we've been successful to date.

7 You asked me and I said yes, sir to a
8 number of conditions and obligations back when we
9 talked on April 30. We have held up to those
10 obligations that you ask that we do. We also
11 talked about at the time that we needed to spend
12 a little bit more time, myself and the Mayor, and
13 talking about how we can make sure there was a
14 great partnership with the City of Hammond and
15 also continuing on with Horseshoe. We have done
16 that over summer and made sure our goals are
17 aligned with one another.

18 I will tell you, spending more time with
19 the Mayor that I admire and I really respect the
20 passion that he has for this city. And I think
21 moving forward, you have to have an
22 administration who feels the way the Mayor does
23 about Hammond to be successful. And it's just
24 encouraging to me that we have an elected
25 official here who wants to continue to see his



1 city grow and be a good partner with us.

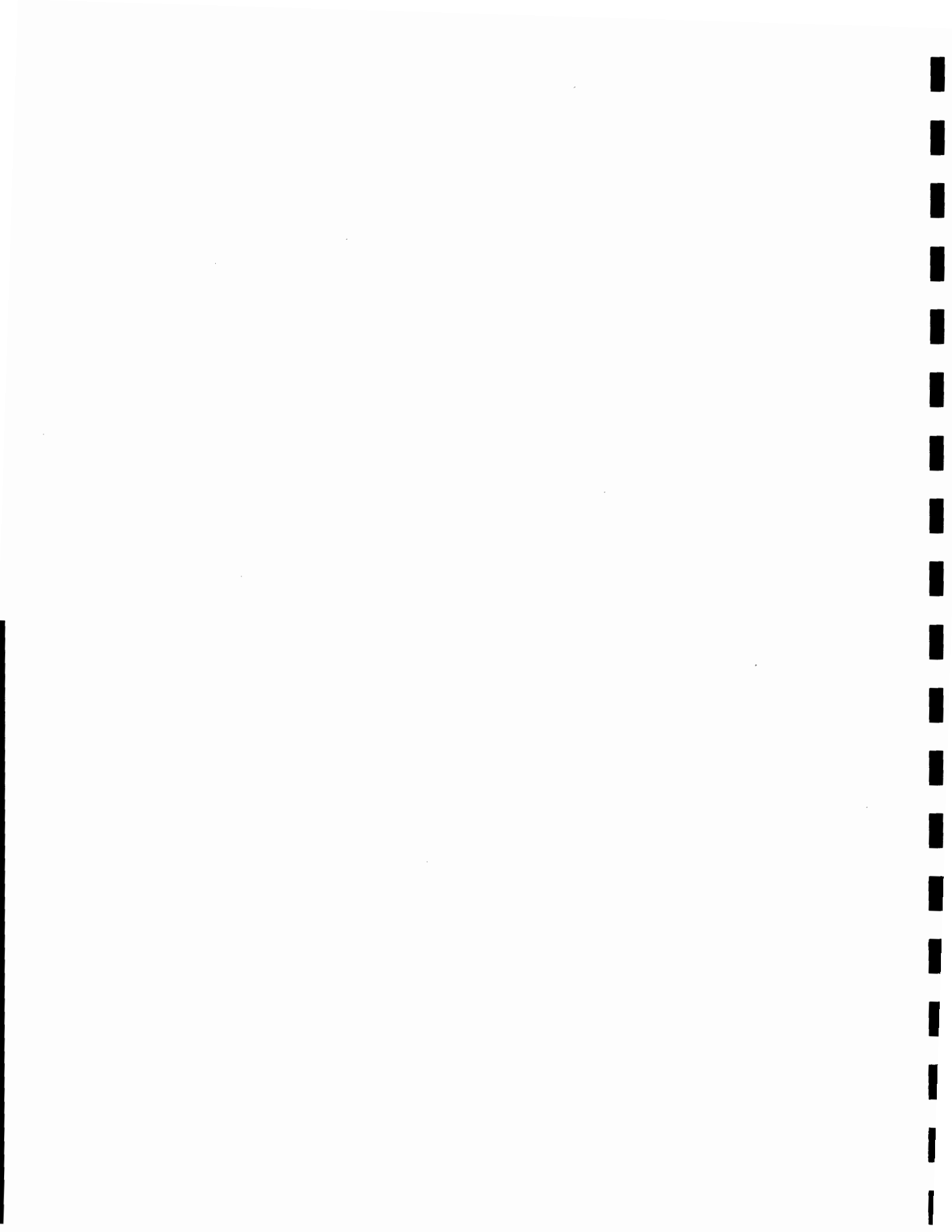
2 We said to you that we would keep the
3 management team separate and we have done that.
4 And that I would make sure I inform Glenn if
5 there were any changes that were going to happen.
6 We've had a couple discussions but we really
7 haven't had any changes. We continue to operate
8 the properties as we told you we were on April
9 30. And we stayed committed to our goals and
10 there was a matter of \$2 million that Glenn
11 wanted to have come his way. I think the check
12 cleared when we sent it to you.

13 MR. LAWRENCE: Not my way, but the
14 treasurer's office.

15 MR. SANFILLIPO: I stand corrected.

16 MR. VOWELS: Say the word check but not
17 cashed.

18 MR. SANFILLIPO: I believe we fulfilled
19 everything you asked us to fill. It really is a
20 pleasure to be here. And it's just such a
21 wonderful day out there and to be here in Hammond
22 and see the future that I know this property has.
23 I had gotten to know Rick Mazer over the last
24 number of months and worked extremely closely
25 with Rick in the last five weeks. And we were

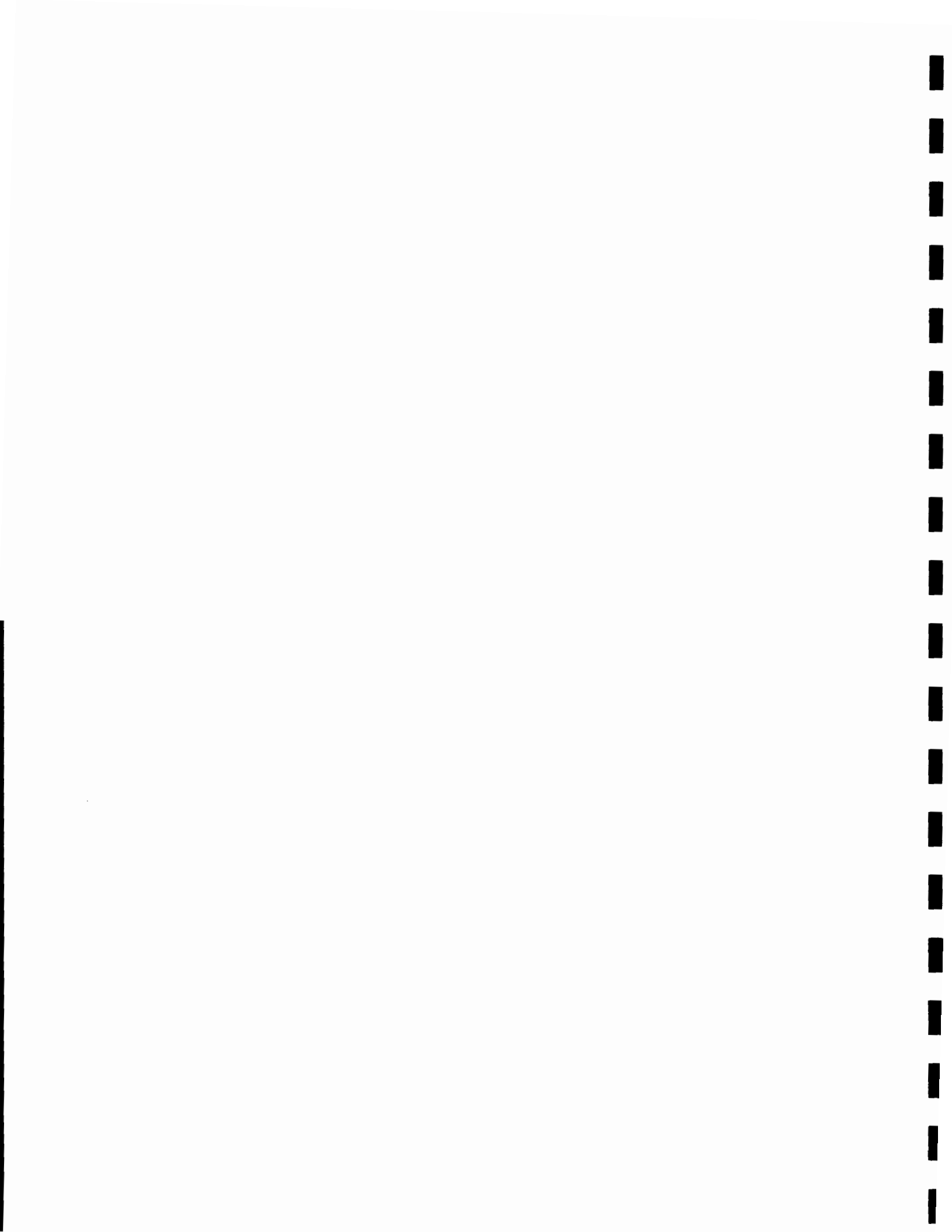


1 able to start sharing information. And I'm here
2 to tell you that both from taking care of
3 employees, being involved in the community, and
4 being a really sharp business leader, there is
5 not a better general manager. And I'm glad he is
6 here leading the Horseshoe Hammond team. And
7 it's with pleasure that I ask Rick to come up and
8 carry on the presentation.

9 MR. MAZER: Thank you. If I could, I
10 would ask Mayor McDermott to take the opportunity
11 at this time to speak. He has some pressing
12 issues so here comes Mayor Tom McDermott, Junior.

13 MAYOR MCDERMOTT: Thank you so much,
14 members of the Gaming Commission that came to our
15 city today, Hammond, Indiana, to hopefully
16 approve this license transfer. I know last time
17 we spoke, I appeared apprehensive about this
18 transfer and I'm here to talk about what has
19 transpired since the last time we all spoke.

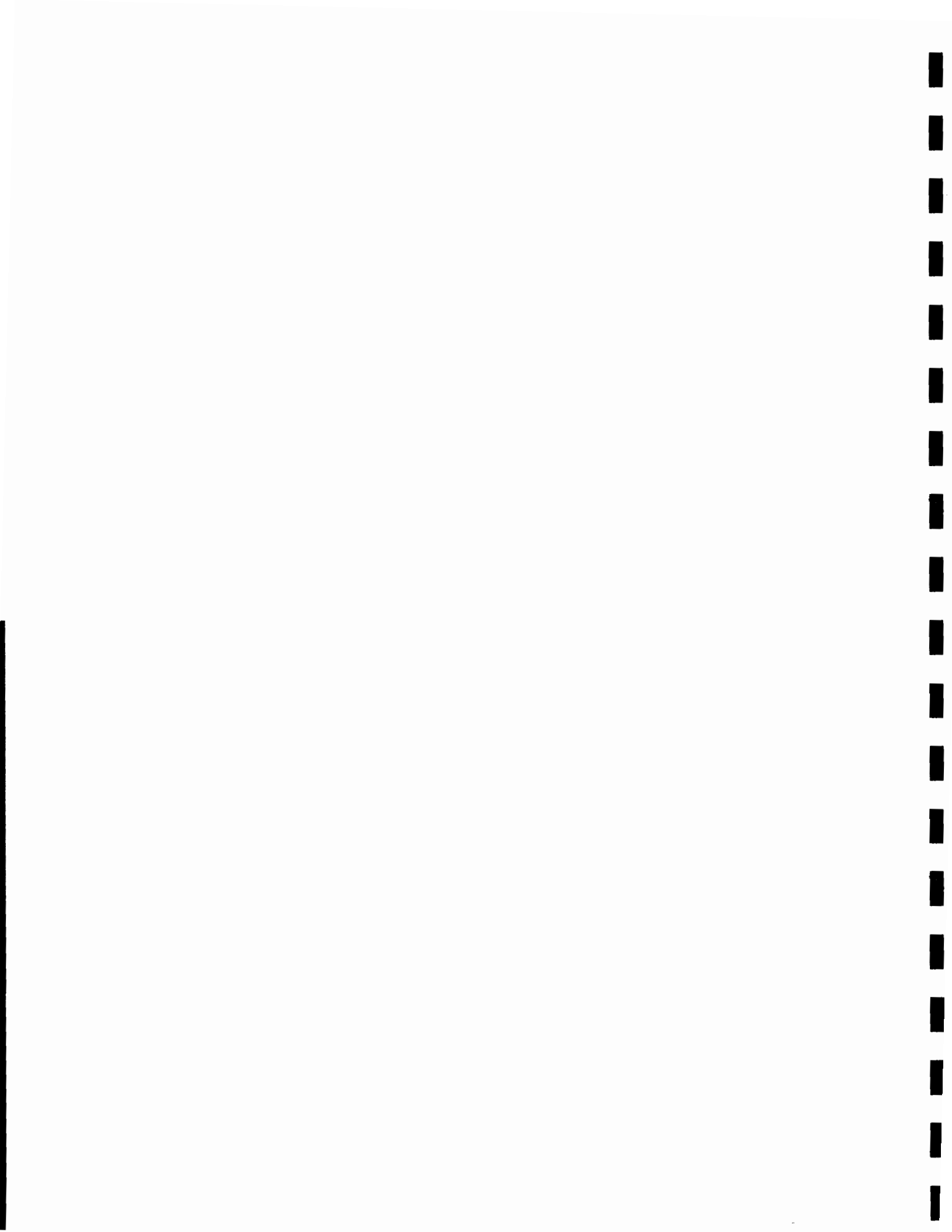
20 At the time -- I made statements last time
21 before the Gaming Commission I was apprehensive.
22 I didn't know the new gaming partners, this would
23 have been the first time in the State of Indiana,
24 I believe, where one license owner would own two
25 different licenses. As Mayor of the City of



1 Hammond, I was apprehensive. But since that
2 time, I have gotten the chance to know the new
3 ownership of Harrah's and Mr. Sanfillipo.
4 Obviously Rick Mazer and the city administration
5 had a positive relationship. And I watched as
6 Harrah's voluntarily stepped forward and
7 supported community events. Like we just had a
8 Festival on the Lakes and they were platinum
9 level sponsors. Helping us not only financial,
10 but they also did the little things like loan us
11 busses to transport people from the parking lots
12 to the events. They didn't have to do it. But
13 they voluntarily stepped forward and helped us in
14 that way.

15 They've kept local management in place.
16 And that was another concern that we had. Rick
17 Mazer, I can't say enough about this general
18 manager. He knows the community, he is smart, he
19 is compassionate, and the people trust him. By
20 keeping Rick Mazer in place, Harrah's showed a
21 commitment to the community right there. I
22 applaud them for that.

23 And not only that, they kept the lines to
24 communication open. Obviously there was a break
25 down in communication the last time we spoke, I



1 believe it was April 30. But since that time, on
2 a number of occasions I have spoken to Mr.
3 Sanfillipo personally. I have spoken to Rick
4 Mazer and I feel comfortable heading off in the
5 direction with Harrah's as the new owners of the
6 casino. And I feel very comfortable. I feel it's
7 very good for the City of Hammond.

8 I don't want the Gaming Board to forget the
9 positive effects casino money does have on the
10 city of Hammond. Economic development, we can
11 say in the City of Hammond, without the casino
12 boats being here, we would not have the jewel on
13 the north side of our city called the Last Mars
14 Golf Course. That was paid for much with the
15 casino money. We have new a police station that
16 was funded through casino money. We have a very,
17 very successful and drive-in marina on Lake
18 Michigan due in large part to the presence of the
19 casino in that marina. And we have a new center
20 in Hessville. Completely on the other side of
21 the city. From the marina we have the Gene
22 Sheppard Center that was also paid for with
23 casino revenue.

24 And not just that, our local ordinance
25 requires city officials to spend 77 percent of



1 the gaming money on infrastructure in the city.
2 So we rebuilt approximately 60 percent of the
3 roads across the entire city. Not just the top
4 layer of asphalt but we rebuilt the sewage pipes
5 underneath as well. And in the early 1980s, late
6 1970s, if you had a heavy rain in the City of
7 Hammond, you would have widespread flooding
8 because it's an old city. At that point it was
9 about a hundred years old. Well now we're 120
10 years old and since we rebuilt many of our sewage
11 systems and roads with this casino revenue, we
12 had torrential rainfall in the month of April and
13 very few flooded houses. This is because gaming
14 has been used successfully in the City of
15 Hammond.

16 Not only is it good for the city and the
17 residents, it's good for the unions as well.
18 Because when we do these road projects, we put
19 union labor to work. And that further helps the
20 local community.

21 So I guess what I'm saying is, I'm here
22 today under totally different circumstances than
23 the last time that I appeared before you.
24 Harrah's has been good to the city. Its been a
25 very successful relationship. And I encourage it



1 and I'm looking forward to working with Harrah's
2 in the future.

3 So thank you very much.

4 MR. MAZER: Well, after those wonderful
5 things he said, I should quit while I'm ahead.
6 Chairman Vowels, Commissioners, Executive
7 Director Lawrence, and staff. I would like to
8 thank you for this opportunity.

9 The original development agreement with the
10 City of Hammond included a wide array of
11 commitments that touched many quality of life
12 issues. Infrastructure improvements for the
13 residents of the city were a huge part of those.
14 One of the more significant in terms of monetary
15 contributions the annual payment to the city
16 which is a payment above and beyond the
17 graduating state income tax and and \$3.00
18 admission tax. Based on our adjusted gross
19 receipts, the Hammond casino has paid over \$95
20 million to the City of Hammond with June 30 of
21 this year.

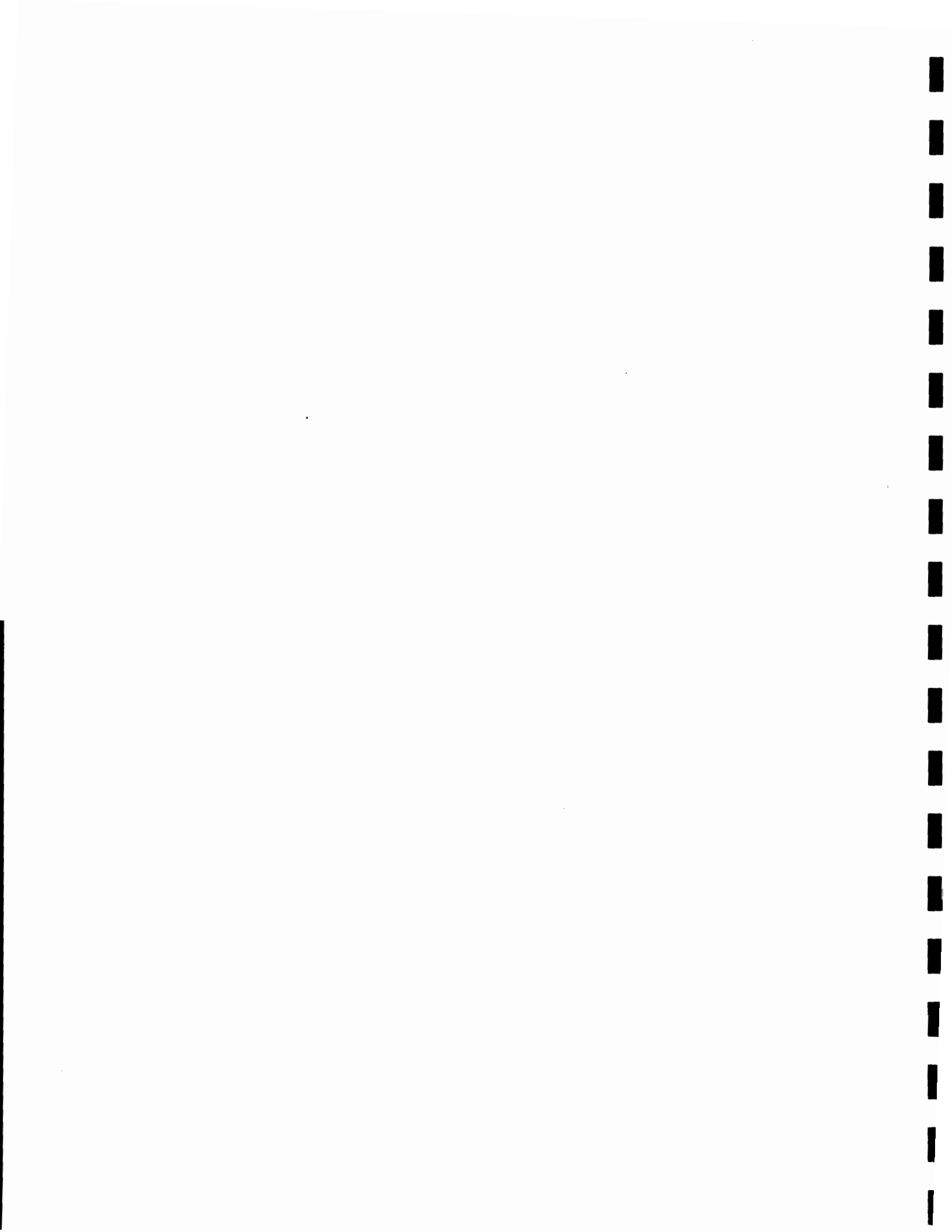
22 In addition, we paid the Hammond Court
23 Authority \$1.00 per admission which has amounted
24 to more than \$43 million through the end of June.
25 There are four key underlying goals that Indiana



1 law makers anticipated when first enacting
2 legislation authorizing riverboat gaming:
3 Economic development; job creation; tax revenues
4 to State, County, and City Government; and
5 tourism.

6 Although Lake Michigan Charters committed
7 to building a \$137 million casino gaming and
8 entertainment complex at the Hammond marina,
9 nearly 255 million has been spent on the property
10 through June 30 of this year. \$118 million or 86
11 percent more than the original commitment. Most
12 recently we completed casino renovations which
13 allowed us to comfortably add more gaming
14 positions, we've opened a new eatery, and most
15 notably we opened a new \$50 million luxury 2,000
16 space enclosed parking facility.

17 Horseshoe Casino's impact on the area's
18 workforce is evident. we currently employ nearly
19 2,300 and our employees earn more than \$73
20 million in wages and benefits last year. Our
21 record of never imposing a layoff is testament to
22 our commitment to our workforce and to the
23 community. Diversity is something we embrace and
24 celebrate at Horseshoe. Our current workforce is
25 comprised of 56 percent minority, 58 percent

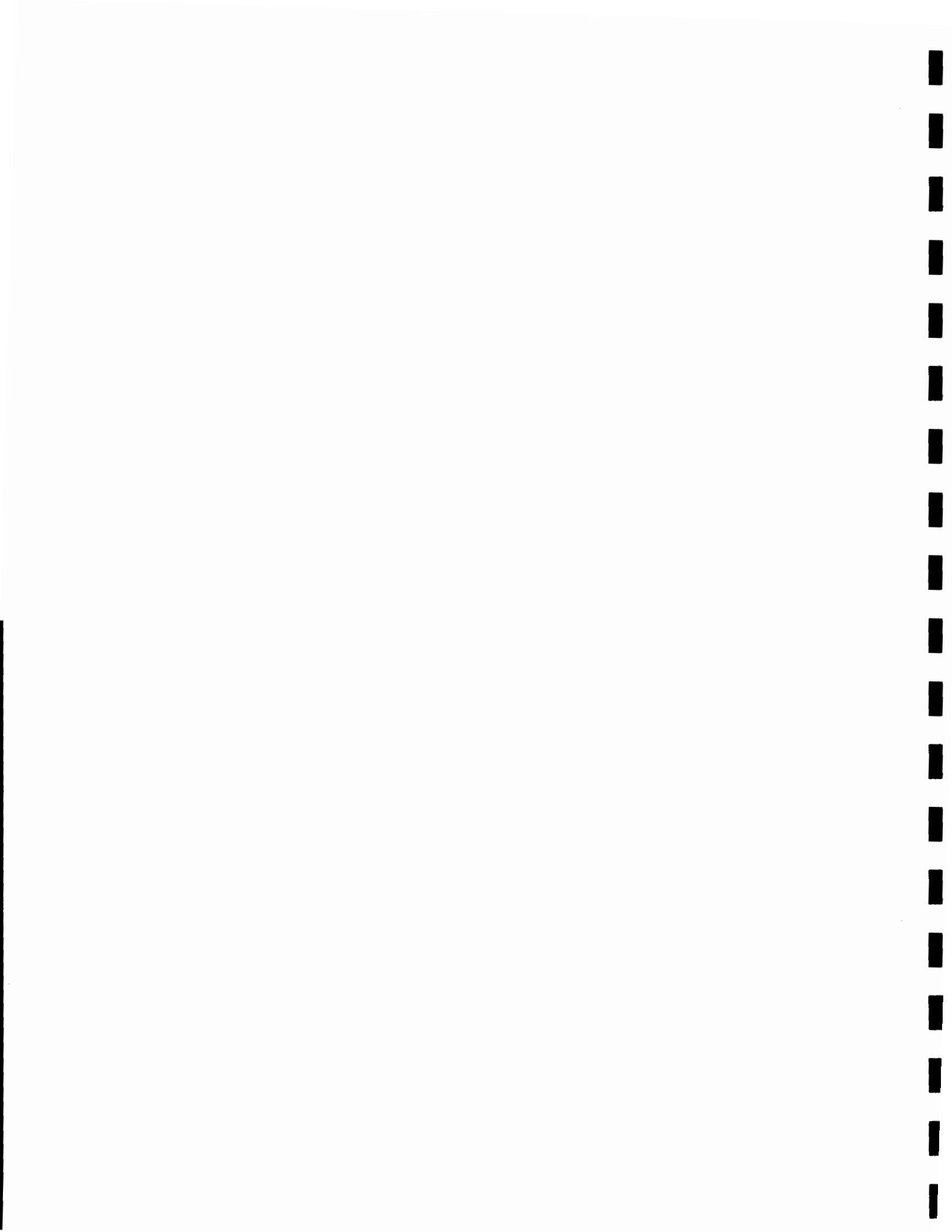


1 women, 64 percent are residents of Lake County,
2 71 percent are residents of the State of Indiana.

3 In our original agreement, we committed to
4 hiring 75 percent full-time employees with full
5 benefits. I am proud to report to you of our
6 2,300 employees, 95 percent are full-time. An
7 area that we are especially proud is our employee
8 training. The Horseshoe philosophy has always
9 included the idea of offering both skill and life
10 training. Since inception, all training include
11 gaming training; CPR classes; GED; and most
12 recently, English as a Second Language classes
13 have be financed solely by the corporation
14 without any charge back to the employees.

15 Two times a year we offer GED classes. We
16 became aware of the need through those classes to
17 offer English as a slecond (sic) Second Language
18 classes -- probably one I should have taken. We
19 partnered with the English Works Program and
20 Hammond Adult Education and offer this program
21 twice a year.

22 We have had 54 employees attend and receive
23 certification. We so believe in employees
24 furthering their education and skills, that in
25 some areas, we even offer them monetary

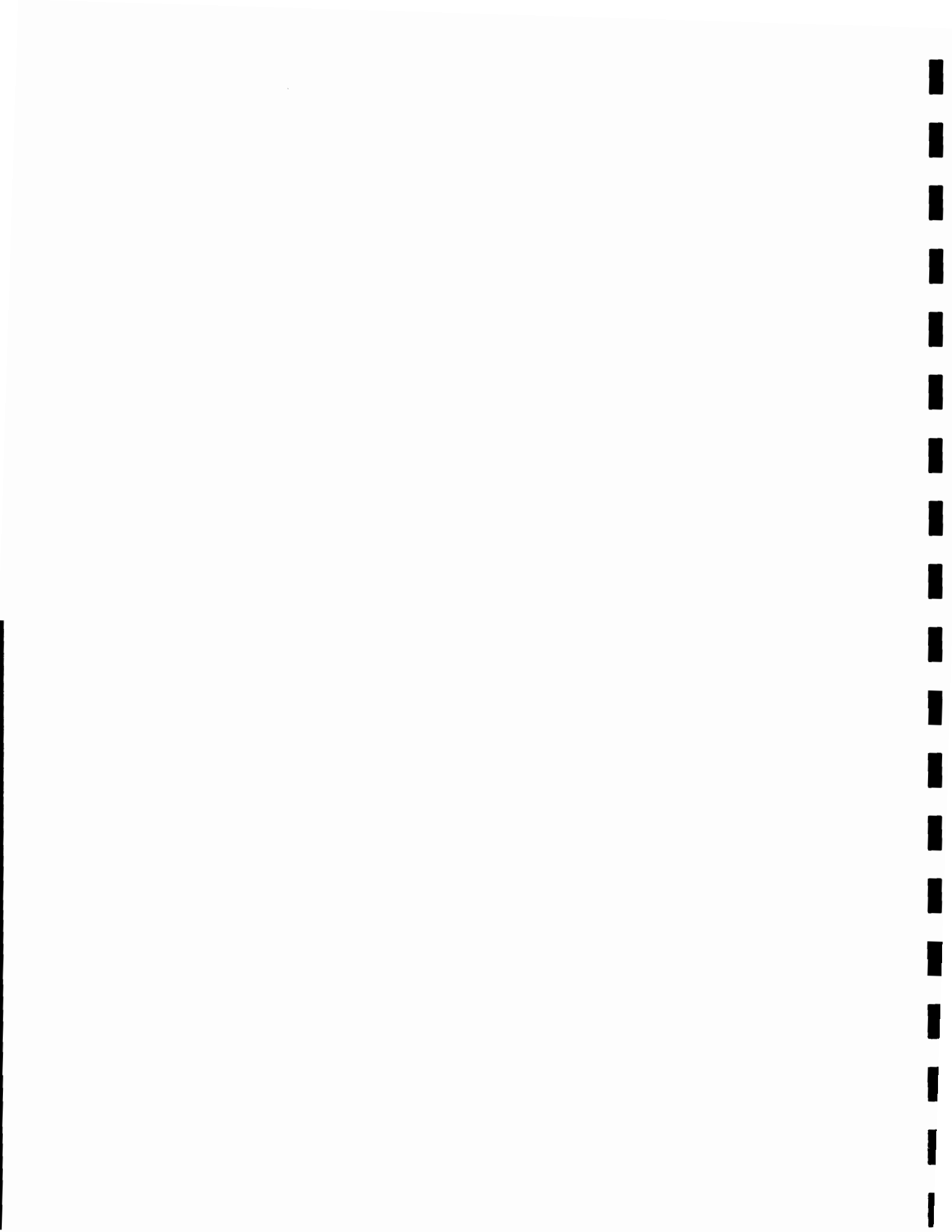


1 incentives. For attending classes and receive
2 their diploma or certification for GED and ESL
3 classes, we offer employees a \$150 bonus for
4 perfect attendance. And a \$100 bonus if they
5 miss one class. Once they receive their goal of
6 certification employee is awarded an additional
7 \$450.

8 We take pride in the ongoing opportunities
9 that are available to the employees. The
10 opportunities for advancement within the company
11 are unlimited. In fact, since 1999, 487
12 employees or 22 percent of our workforce have
13 received promotions. Now with the opportunities
14 available as part of the Harrah's family,
15 employees have an even greater opportunity at
16 advancement.

17 While discussing our workforce, I will be
18 remiss if I did not make mention of our employees
19 that are currently in the military serving for
20 our country: Adam Branson, Daniel Castello,
21 Bridget Joyce, Jessie Garcia, Robert Slattery,
22 and Ralph Ryan. They are all on military leave
23 from Horseshoe. And we are anxious for their
24 safe return.

25 At Horseshoe Casino Hammond, we recognize



1 our duty to ensure that casino gaming serves as
2 an entertainment alternative for responsible
3 adults. We take a high proactive approach to
4 identification and prevention of problem and
5 underage gaming. For the past eight years, we
6 have partnered in either the American Gaming
7 Association, the State of Indiana's Responsible
8 Gaming Awareness Week which coincidentally, the AGA
9 Awareness is actually ongoing this week.

10 More importantly however, is that we carry
11 on this awareness message each and every day of
12 the year. Our employees participate in education
13 and identification seminars presented by Ben
14 Singer and DuPont. This is a program that all
15 employees must attend.

16 Horseshoe Casino has a zero tolerance
17 policy for underage gambling. Through June 30
18 our security staff has checked 1,086,073 IDs. Of
19 that number, 42,077 were denied access for not
20 having an ID and 1,953 were denied casino access
21 for being under 21. Although we would like to
22 think that we kept 100 percent of those that
23 attempt, we realize that human error can affect
24 and cause abnormalities. So to our knowledge, we
25 are the only lake vessel that made arrangements



1 with Lake County prosecutor's office to arrest
2 those who illegally enter the vessel
3 circumventing the age restriction.

4 On July 1, 2004, Indiana Gaming Commission
5 began to offer a statewide voluntary exclusion
6 program where anyone interested could ban
7 themselves from all Indiana casinos by filling
8 out a single form at any casino property or the
9 Gaming Commission Office.

10 Since opening, the Horseshoe Hammond Casino
11 always offered a self-addiction program designed
12 for individuals that feel they may have a
13 gambling disorder. This program enables
14 customers to sign a statement banning them from
15 our casino. And subsequently, any attempts made
16 to enter the casino may result in their arrest
17 for trespassing.

18 Our financial commitment to promote
19 responsible gaming is also noteworthy. Although
20 it's part of our admission tax, Horseshoe Casino
21 Hammond has contributed over \$400 million to
22 Indiana Department of Mental Health to be used in
23 awareness and prevention of problem gambling.
24 Our corporation made and has completed a
25 multi-year commitment as founding member of the

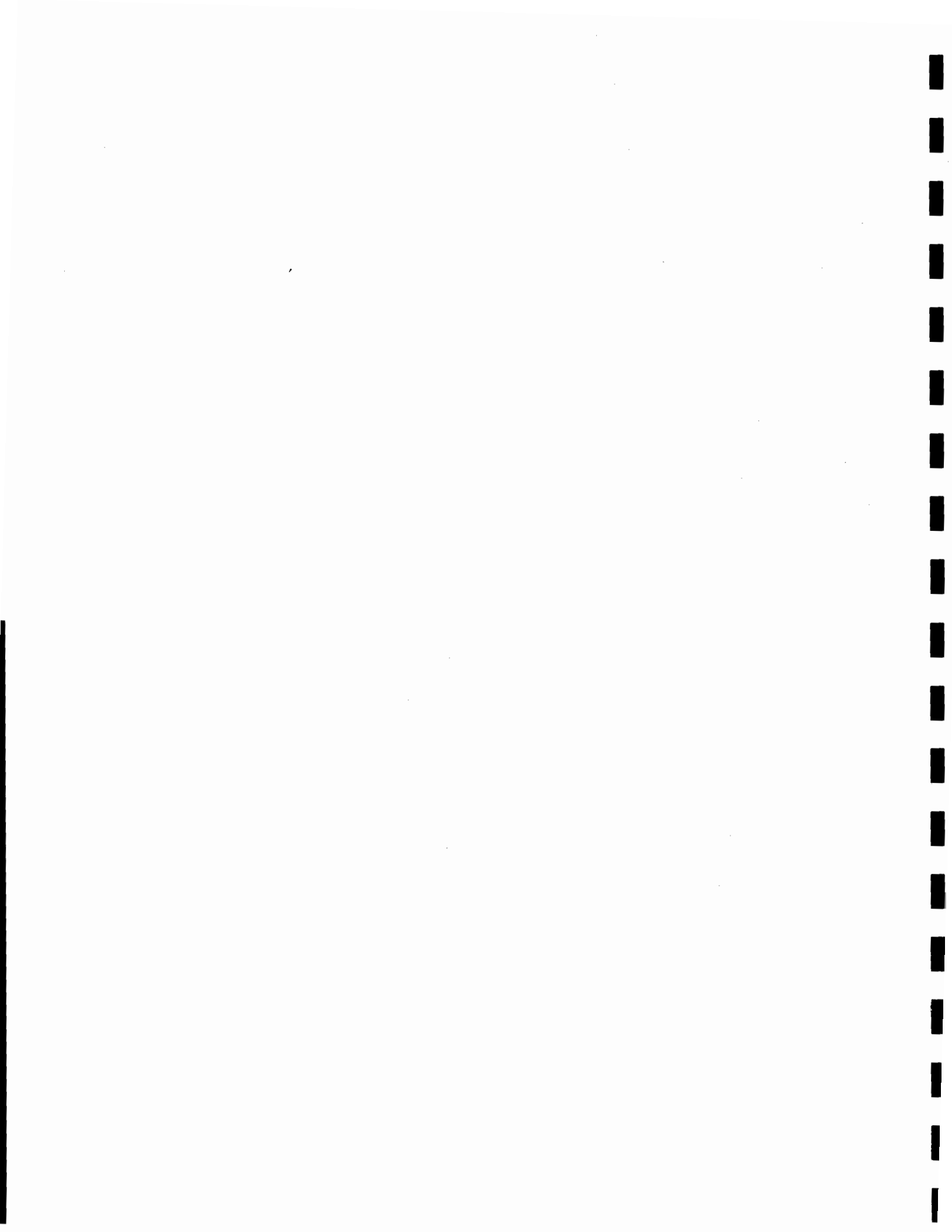


1 National Center for Responsible Gaming. We are
2 founding members of the Indiana Counsel on
3 Problem Gaming and a representative of our
4 executive team is currently secretary of the
5 organization.

6 Moving forward, we will continue to
7 demonstrate the high level of responsibility
8 ensuring that current programs remain in place
9 and investigating any new alternatives available
10 for education, resistance, referral, and
11 treatment of those suffering from gambling
12 disorders.

13 Horseshoe Casino has and will continue to
14 responsibly address our commitment to purchase
15 from minority and women owned business. As a
16 testament to our diligent efforts, we continue to
17 exceed the state goal of purchasing 10 percent
18 with minority business and 5 percent women
19 business enterprises. The manager of the
20 purchasing department is incentive by the company
21 not only to grow the amount of money we spend MBE
22 and WBE vendors but also increase the number of
23 vendors and certified businesses that we spend
24 with.

25 If 2003, our qualifying purchases were more



1 than \$81 million. Of this total, nearly 46
2 million or 56 percent of our purchases were made
3 from minority vendors. And nearly 6 million or 7
4 percent were women owned business. Our
5 purchasing department has been very active in the
6 business community. Continuously striving to
7 cultivate relationships with minority and women
8 owned business professionals. Members of the
9 department have attended quarterly meetings for
10 purchasing managers of the State of Indiana
11 riverboats. Attended various Northwest Indiana
12 minority development meetings. Exhibited a
13 majority of the state road shows for minority
14 business development. Exhibited at Black Expo in
15 Indianapolis. Assisted in numerous mentoring
16 relationships with smaller MBE and WBE vendors.
17 And exhibited at Partners and Contracting
18 Corporations' shows in Northwest Indiana.

19 Pursuant to our development agreement, the
20 Casino gave \$1 million to Hammond Development
21 Corporation to be utilized to develop and/or
22 minority owned businesses in the City of Hammond.
23 The HDC had chosen to use these funds in two
24 ways: For an entrepreneurship education program
25 to provide low interest loans to qualified



1 businesses. To date, 390 have graduated from the
2 Business Builder's Next Level course. And 37
3 have applied for and receive financial
4 assistance. The total number of loans approved
5 to date is more than \$1.3 million.

6 The Hammond Community corporation was
7 formed by the city in 1997. And was originally
8 funded by \$1.425 million donation from the
9 Hammond casino. Funds were then deposited as an
10 endowment with the Legacy Foundation, allowing
11 the HCC to use only the interest revenue from the
12 casino's investment. Each year, the volunteer
13 Board of Directors of the HCC reviews grant
14 applications submitted by area nonprofit
15 organizations. They disperse from the endowment
16 based on these applications. In February 2003,
17 the community celebrated the HCC's milestone of
18 donating over \$1 million to area organizations.

19 Our financial support is not made as a
20 substitute for personal commitment. Both our
21 management team and frontline employees are
22 active in the communities which we live and which
23 we do business. I am proud to tell you a few of
24 the organizations that we are involved in. Over
25 the years, members of our management staff have



1 served on the board or executive committee of
2 over 40 civic and charitable organizations such
3 as Boys and Girls Club of Northwest Indiana,
4 Lakeshore Chamber of Commerce, Northwest Indiana
5 Forum, Tradewinds Rehabilitation Center, Calumet
6 College of St. Joseph, Hammond Development
7 Corporation, Lake Area United Way, Northern
8 Indiana Arts Association, and Haven House.

9 Withstanding the annual grants given out by the
10 Hammond Community Corporation, over 700 area
11 civic and nonprofit organizations have received
12 more than 4.2 million in monetary and charitable
13 donations from the Hammond Casino. From
14 charitable walks to blood drives from
15 beautification initiatives to holiday parades,
16 our employees have given of their time and
17 talents repeatedly.

18 One of the objectives of bringing game to
19 Northwest Indiana was to spark tourism. In 2003,
20 we hosted 3.7 million guests. And by the way,
21 business is shaping up, so far this year we are
22 targeting over four million passengers. In the
23 past eight years, Horseshoe has provided
24 entertainment for 24.5 million people. Since
25 2003, Horseshoe Casino cosponsored the Futures



1 Golf Classic in an effort to raise needed funds
2 for the Lake Area United Way and promote
3 Northwest Indiana in a positive light. A
4 professional woman's golf event, the Futures tour
5 is the official developmental tour of the LPGA.
6 Together with Lake County Convention and Business
7 Bureau and numerous other businesses, we were
8 able to garner a partnership with Chicago's ABC
9 television. We enjoyed a one-hour show on the
10 tournament with highlights of Lake County Indiana
11 throughout.

12 Through our admission tax portion, Casino
13 Hammond has contributed nearly \$4 million to the
14 Lake County Convention and Visitor's Bureau. Not
15 only does Horseshoe Hammond continually host
16 guests from all 50 states, we have international
17 guests that travel regularly to our property due
18 to favorable table game odds and limits. As the
19 closest casino to Chicago, our customer base is 89
20 percent from outside the State of Indiana.

21 In closing, we feel the city's best
22 interest will be served by this Commission having
23 granted -- recently the granted the license to
24 Harrah's Entertainment. Our successful
25 partnership with the City of Hammond is due in



1 large part to Mayor Thomas McDermott, Jr; the
2 Hammond City Council; and City Administration.

3 We are committed to follow a strategic plan
4 that ensures long term viability for our asset in
5 Hammond. We will continue to exercise due
6 diligence in our compliance efforts in the years
7 ahead. We will proceed with convincing
8 determination and good faith and with the good
9 guidance and counsel of the Indiana Gaming
10 Commission.

11 MR. VOWELS: which of these people wrote
12 that one?

13 MR. MAZER: On behalf of our corporate
14 officers --

15 MR. VOWELS: I'm ready to sign now.

16 MR. MAZER: -- our property executives,
17 and 423 employees back at the property doing what
18 they do best, I thank you for your time and
19 consideration.

20 At this time, I respectfully, formally
21 request the Commission grant Hammond Horseshoe
22 Casino the renewal of our operating license.

23 MR. VOWELS: All right. Any questions
24 for Mr. Mazer? Not a thing?

25 MS. BOCHNOWSKI: I have a couple of



1 questions.

2 MR. VOWELS: You go ahead. I'm just
3 wowed by that last line.

4 MR. MAZER: I can repeat that.

5 MR. VOWELS: We'll sign it.

6 MS. BOCHNOWSKI: You mentioned your
7 employees who are serving in Iraq or Afghanistan
8 or whatever.

9 MR. MAZER: Yes.

10 MS. BOCHNOWSKI: Do you support them in
11 any way?

12 MR. MAZER: I did that because Tom has
13 recently e-mailed me a few times back and forth
14 with his endeavors out there. We retain,
15 obviously we retain their jobs for them. And
16 when they come back, their jobs are guaranteed to
17 them.

18 MS. BOCHNOWSKI: Okay. You don't do
19 any financial in terms of their making less going
20 over there?

21 MR. MAZER: If they request, they can
22 fall under a program that we have established
23 through our human resources to provide them
24 financial assistance.

25 MS. BOCHNOWSKI: Okay.



1 MR. VOWELS: As far as the National
2 Guard people I assume.

3 MR. MAZER: Some are Reservist.

4 MR. VOWELS: And it's no different than
5 any other industry where you got Reservist or
6 National Guard who have gone off, right, where
7 their families just have to make their way
8 through without their income while their gone?

9 MR. MAZER: Again, we have a program set
10 up, what we call a lifeboat fund. If someone is
11 in financial distress, even in that situation,
12 they can apply for and receive financial support.

13 MR. VOWELS: Okay. Does that mean
14 grants or loans?

15 MR. MAZER: It's grants. It's not
16 loans.

17 MR. VOWELS: And while they are gone, I
18 assume someone has to do their job, correct?

19 MR. MAZER: Correct. With twenty-three
20 hundred, I just make somebody do just a little
21 bit more.

22 MS. BOCHNOWSKI: So when they come home,
23 they will have a job.

24 MR. MAZER: Yes, they will.

25 MS. BOCHNOWSKI: Okay. You went into



1 great detail about how you have a problem
2 gambling program.

3 MR. MAZER: Correct.

4 MS. BOCHNOWSKI: In addition to our
5 program where people self report, have you been
6 able to identify any problem gamblers --

7 MR. MAZER: Yes, we have.

8 MS. BOCHNOWSKI: -- you have rejected
9 people or not allowed.

10 MR. MAZER: Yes, we have.

11 MS. BOCHNOWSKI: Are they on a list?

12 MR. MAZER: They go on the same list.
13 When they self identify, they go on the same
14 eviction list.

15 MS. BOCHNOWSKI: Do you know about how
16 many that is now?

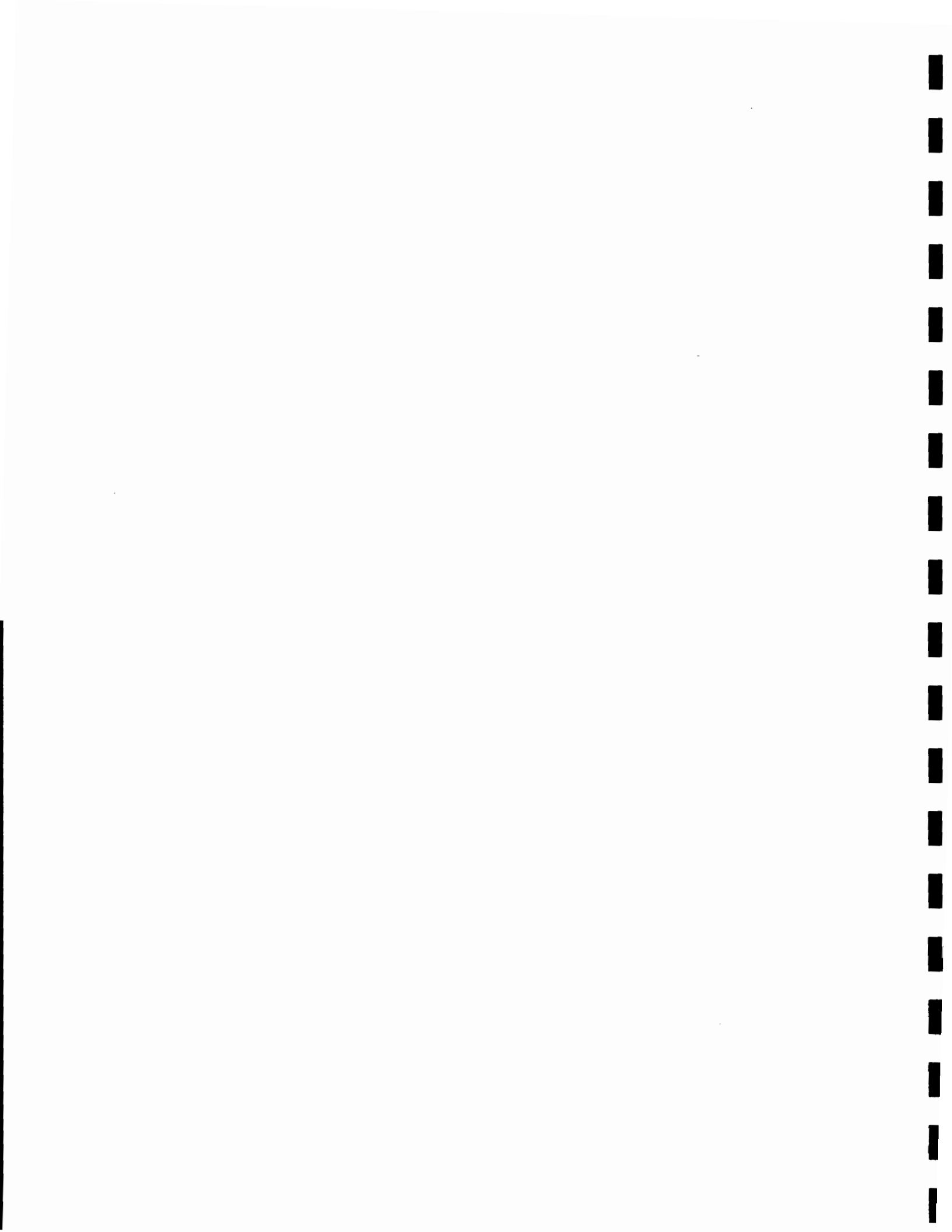
17 MR. MAZER: I know exactly how many that
18 is depending on Mr. Matonovich.

19 MR. MATONOVICH: 18.

20 MS. BOCHNOWSKI: You were ready because
21 that's the Jack Sar (phonetic) question.

22 MR. MAZER: We agreed upon our last
23 licensing that we would keep that number and that
24 we record it.

25 MS. BOCHNOWSKI: Okay. All right. Oh,



1 what's the deal with the bird sanctuary? Did
2 that ever get resolved?

3 MR. MAZER: To the best of my knowledge,
4 we have fulfilled all our commitments. We
5 purchased the land, it sits in the park's
6 district under the (inaudible) ark. And all of
7 our commitments were completed as it applied to
8 that element.

9 MS. BOCHNOWSKI: Okay. Thank you.

10 MR. MAZER: Certainly.

11 MR. VOWELS: Okay. Any other questions?
12 The purchase of Ceasars, are you keeping the
13 Executive Director up-to-date on what status
14 unfolded of all that?

15 MR. MAZER: That probably would be best
16 answered by Mr. Sanfillipo.

17 MR. SANFILLIPO: We are.

18 MR. LAWRENCE: They are.

19 MR. VOWELS: Is there anything you can
20 tell us?

21 MR. SANFILLIPO: well, I was happy to
22 report that we are -- we have committed that we
23 will keep the Horseshoe Hammond license. That's
24 not up for discussion within our company. We had
25 the East Chicago license, we have a relationship

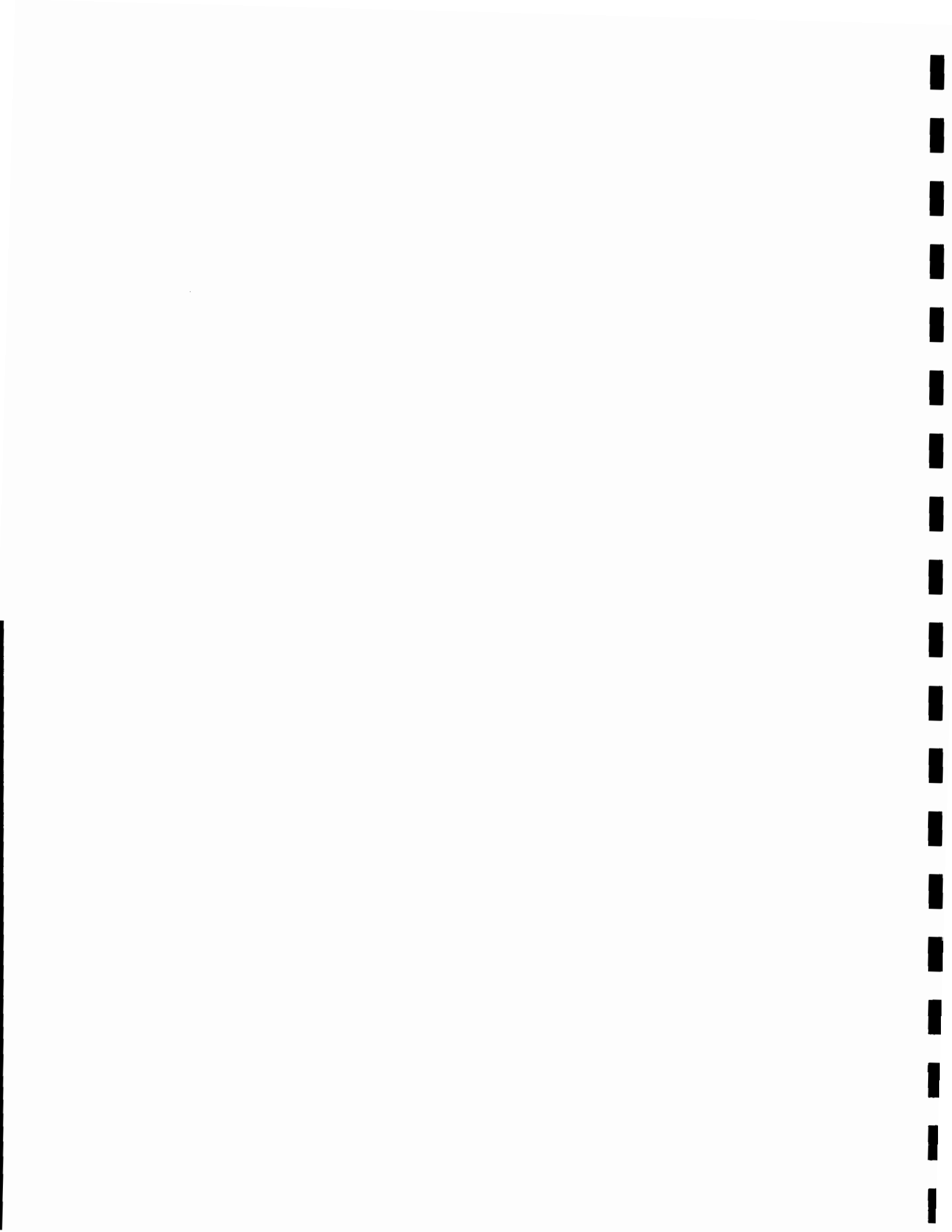


1 there. It's a difficult decision. A lot of it
2 has to depend on potential purchasers too. We're
3 working closely with Ceasars on this. We realize
4 we won't be able to conclude the transaction
5 until there's a resolution to that. But beyond
6 that, there's really not anything I can say
7 publicly. And we do keep Glenn informed as it
8 progresses along and as there is something to
9 talk about.

10 MR. VOWELS: Is there a timeframe, if
11 you could discuss, when that deal closes?

12 MR. SANFILLIPO: We think because it
13 will go through Federal Trade Commission and we
14 do know there was some questions outside of
15 Indiana on concentration of assets. That it will
16 most likely take at least 12 months for that to
17 occur. That's what we're planning is 12 to 14
18 months.

19 MR. VOWELS: And do you anticipate, just
20 as you did with the purchase of Horseshoe, you
21 came to us prior to, well contemporaneous with
22 the other jurisdiction or however you did that,
23 and obtained our approval? This is a little
24 different situation. Because if you are given
25 the go ahead to make that purchase by the federal



1 authorities, at some point you're going to have
2 three boats in Indiana. And you will have to
3 come to us for approval and have to have a buyer
4 of third boat?

5 MR. SANFILLIPO: That's correct.

6 MR. VOWELS: That all seems incredibly
7 complicated, but I guess you got it.

8 MR. SANFILLIPO: And we got it figured
9 out. We understand by the time you give final
10 approval, that all has to be worked out.

11 MR. VOWELS: So by the time you come to
12 us and ask for final approval of the game plan,
13 you will have a potential buyer for one of these?

14 MR. SANFILLIPO: You should
15 expect that.

16 MR. VOWELS: Okay.

17 MR. SANFILLIPO: But that will be
18 resolved. And when we come to you, it will be
19 part of series of approvals we'll need to close a
20 complete transaction and all conditions you would
21 have.

22 MR. VOWELS: It would seem to me that by
23 statute, it would be impossible for you to own
24 the three boats.

25 MS. BOCHNOWSKI: Even for a minute. And



1 then, of course, the investigation would have to
2 be available ahead of when you closed on your --
3 I mean, if you have a buyer, we have to be able
4 to investigate them before we can --

5 MR. SANFILLIPO: That's correct. We
6 understand that. The Horseshoe is a very large
7 transaction. It was the largest we ever made in
8 the history of the company at 1.5 billion. And
9 that was three properties, and approximately
10 7,000 team members that were part of that. This
11 effectively doubles our company. We were at
12 50,000 people that work for Harrah's
13 Entertainment today, we'll be close to 100,000
14 people. And our property count will go from 28
15 to about 50 or 51 depending on how the asset
16 disposition shakes out. But we are the largest
17 gaming company today and we will be that after
18 this transaction.

19 As you know, MGM Mirage is purchasing
20 Mandalay Bay. They're going through a similar
21 track with FDC right now also. The good news is
22 we had a number of people, including myself who
23 have been through this because we have purchased
24 a number of companies over the years. So we
25 understand the process we have to go through to



1 get to the finish line.

2 MR. VOWELS: Okay. Any other questions?

3 Thank you.

4 MR. SANFILLIPO: You bet.

5 MR. VOWELS: Anything further? Then
6 next that we have is the public comment on this
7 relicensing. And we have few people here.

8 We'll have the person or people do, as I
9 call them just come down to the podium. Keith
10 Payne. I hope I'm pronouncing that right. Mr.
11 Payne, as this sign-up sheet said, there's a two
12 minute limit on these comments. So if you'll
13 kindly do that. Good afternoon, Mr. Payne.

14 MR. PAYNE: I will be short. My name is
15 Keith Payne. I am the owner of Affordable
16 Building Supply. I'm here to speak on behalf of
17 the company and the effect that Harrah's has
18 actually had on us.

19 We are a company that is based out of
20 Indianapolis. We have 28,000 square feet of
21 building space and we do business currently with
22 many businesses within Indianapolis. We work
23 with Lilly's, we work with many larger companies.
24 We have executed a MRO Program that deals with
25 maintenance facility -- maintenance facility



1 operational items. We have initiated in this
2 program an e-based procurement that allows for
3 companies to come on to either a website that we
4 have under design to be able to purchase their
5 facility's maintenance items.

6 we're getting a lot of good responses being
7 a state certified supplier. One of our
8 outreaches that we have been doing, is trying to
9 reach out to companies that have a desire to
10 increase their MBE spend. Many companies, for
11 instance the Indianapolis Airport, we're doing a
12 lot of fulfillment within some of the supplies
13 within that -- within that regard.

14 In particular, dealing with Harrah's
15 because I just recently started coming to a lot
16 of the Gaming Commissions, and I'm going to be
17 short about this, we have made a very treasured
18 connection with Mr. Sanfillipo. I stated our
19 desire to be able to extend our MBE
20 relationships. As a result of Harrah's
21 embracement of their diversity, we have been
22 integrated more or less in to some parts of the
23 organization that they have made connections that
24 we have been affiliated now with national
25 purchasing capabilities. These purchasing



1 capabilities that we now have and all this is
2 just recently been transpiring since within the
3 last five months. But the effect on my business
4 has been astronomical.

5 We still are engaging moving into our other
6 relationships, purchasing the supply to some of
7 their casinos. But as a result of this type of
8 connection, we have since been able to, within
9 the state, within the short timeframe, been able
10 to pass this type of savings on to other clients.
11 And as a small business, many times it's
12 difficult to get integrated into the business
13 because you don't have specifically designated
14 pricing that you can be able to get to make it
15 affordable that you can compete. So when larger
16 companies such as Harrah's through the diversity
17 program embrace smaller companies such as myself,
18 the overall effect is the manufacturers pay
19 attention to us. Then we in turn can then be
20 able to bid on other jobs and be actually
21 competitive.

22 So the whole purpose of me coming out here
23 to say is we're in total support of Harrah's.
24 We're totally pleased with what they have
25 embraced with us. We're looking forward to



1 long-term relationship. And you know big claps
2 for the Harrah's organization. That's it.

3 MR. VOWELS: Thank you Mr. Payne. Miss
4 Reporter, did you get everybody's name?

5 MISS REPORTER: Yes. I wrote them down.
6 Thank you.

7 MR. VOWELS: And then the next will be
8 David Dabertin.

9 MR. DABERTIN: My name is Dave Dabertin.
10 And I look over and see the suits and folks of
11 Harrah's and I want to say first off, I'm not
12 against casino gambling. In fact, I have no
13 problem with casino gambling. I live in
14 Robertsdale.

15 Now those of you are on the Gaming
16 Commission who weren't here when the original
17 license was issued probably aren't aware of the
18 whole geographic area here. Hammond is a large
19 city. It's 80,000 people. It's shaped like an
20 "L". The casino is located at the very tip of
21 that "L" right there on Lake Michigan. The
22 community that surrounds it is a little under
23 5,000 people. We make up, if I do my math right,
24 one-sixteenth of the population of Hammond.

25 So when the Mayor, who unfortunately left,



1 gets up here and talks about great things for
2 Hammond, he represents in higher cities. And I'm
3 sure it's been wonderful for the rest of Hammond.
4 However, when the casino first came in, citizens
5 from Robertsville got together and said, we're
6 going to do this right. We're going to sit down
7 and talk to with members of the commission. Not
8 members of the commission actually, we did get to
9 meet with the commission, we got to meet with
10 your staff. Which at that time it was that the
11 folks were coming in from Lake Michigan Charters.
12 And we said look, we don't really need this in
13 our community. Unlike the other parts, I
14 wouldn't say anything bad about Gary or East
15 Chicago, this is not a blighted community. It
16 wasn't when the Casino came. And unlike these
17 other communities, they well know, this casino is
18 right in the heart of the community. You can't
19 miss it now, it's at the end of our street.

20 So we negotiated, if you will, assurances
21 that when this casino came in, things like --
22 certain somethings that we were worried about
23 would be addressed. And I have to say that we
24 felt very comfortable when this license was first
25 issued. We thought we had gotten a pretty good



1 deal. You know, certain assurances that it would
2 not detract from our community. Again, before
3 the casino came in, not a blighted area, low
4 crime area, home values were fine, plenty of
5 employment, really not a blighted problem area.

6 Since that time, I have to say as a member
7 of the community, as a member of this
8 organization that met early this year to talk
9 about this issue, I have to present to all of you
10 the assurances we got from the commission,
11 assurances we really got from the city, none of
12 them were fulfilled. We've lost out on a lot of
13 these.

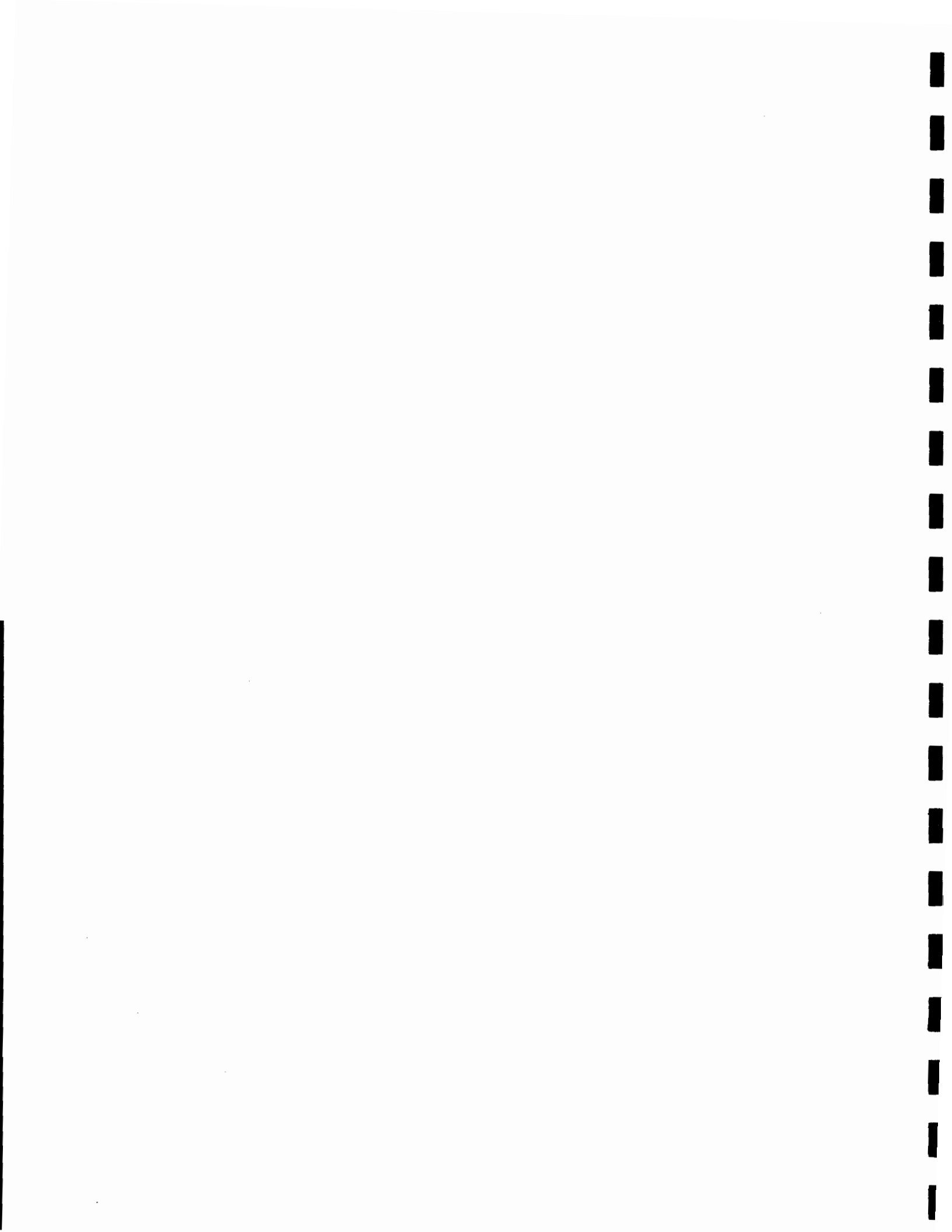
14 Let me give you some examples: Crime. We
15 were very concerned about crime in our
16 neighborhood. We came, we said, this is going to
17 bring in crime, transient crime. I think the
18 figure was 4 million passengers a year. You guys
19 are all familiar with gaming and said one in a
20 million was going to cause crime. That means we
21 are going to have four serious crimes in our
22 neighborhood. So we were very concerned about
23 crime. We were given an assurance, in fact it's
24 in the Gaming Commission's Certificate of
25 suitability, that \$1 million a year was to come



1 to our neighborhood for increased police
2 protection. It's in your certificate. Well,
3 it's not specifically addressed in the state
4 certificate, it is in city's ordinance in fact
5 that that money was to be spent specifically
6 within the project site.

7 So we were told when the casino comes in
8 here, you're going to get a million dollars in
9 police protection. What were you worried about?
10 I know that the casino has given that money and I
11 thank them for it. The problem is, none of that
12 money ever came back to our community. In fact,
13 again this is part-time, I'm a volunteer, I'm not
14 a professional community leader. I did try with
15 the City of Hammond to try and find out where
16 that money went. And I can tell you, it's never
17 come back to our community.

18 They made a wonderful contribution to the
19 community but we never saw it. It went to
20 everything from security guards for City Hall, it
21 paid for gasoline, it paid for a \$90 dictionary
22 for the police chief, a 1976 Corvette. They
23 can't even account for, looks like seven and a
24 half million. I think they can only account for
25 about four of it. Three and a half million

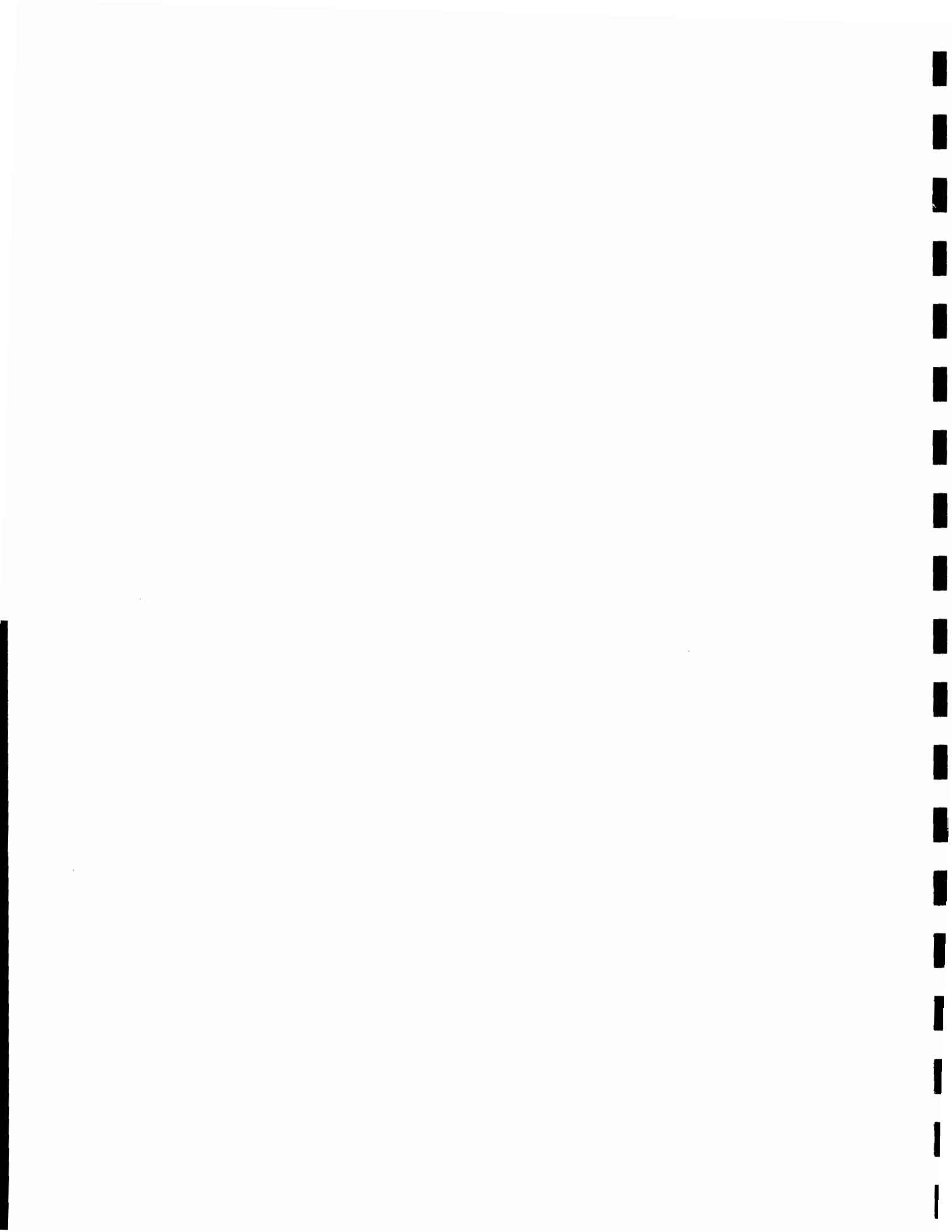


1 dollars that was supposed to come to our
2 community that we never saw.

3 In addition, we were supposed to get
4 \$250, 000 a year that was supposed to go to
5 Whiting because some how the word got to the
6 Commission that Whiting was provided with police
7 protection. Not true that the City of Whiting
8 got that money.

9 I can tell you that until February of this
10 year, the City of Whiting didn't have authority
11 to go into Hammond to address those problems.
12 They got a cooperative agreement only in February
13 of this year. So again, we were promised not
14 only will we get a million dollars police
15 protection, we'd get \$250,000 to the Whiting
16 police so we would be -- you know it would be --
17 could be Fort Knox. None of that happened.

18 Unfortunately the crime rates in our
19 neighborhood have increased. It's increased so
20 at the point now, we're having these crime watch
21 meetings where people are getting scared about
22 crime in our community. Now I can't say that the
23 casino is the cause of that crime, but I can't
24 say that it isn't because no one will take the
25 time to find out whether it is or isn't. Some of

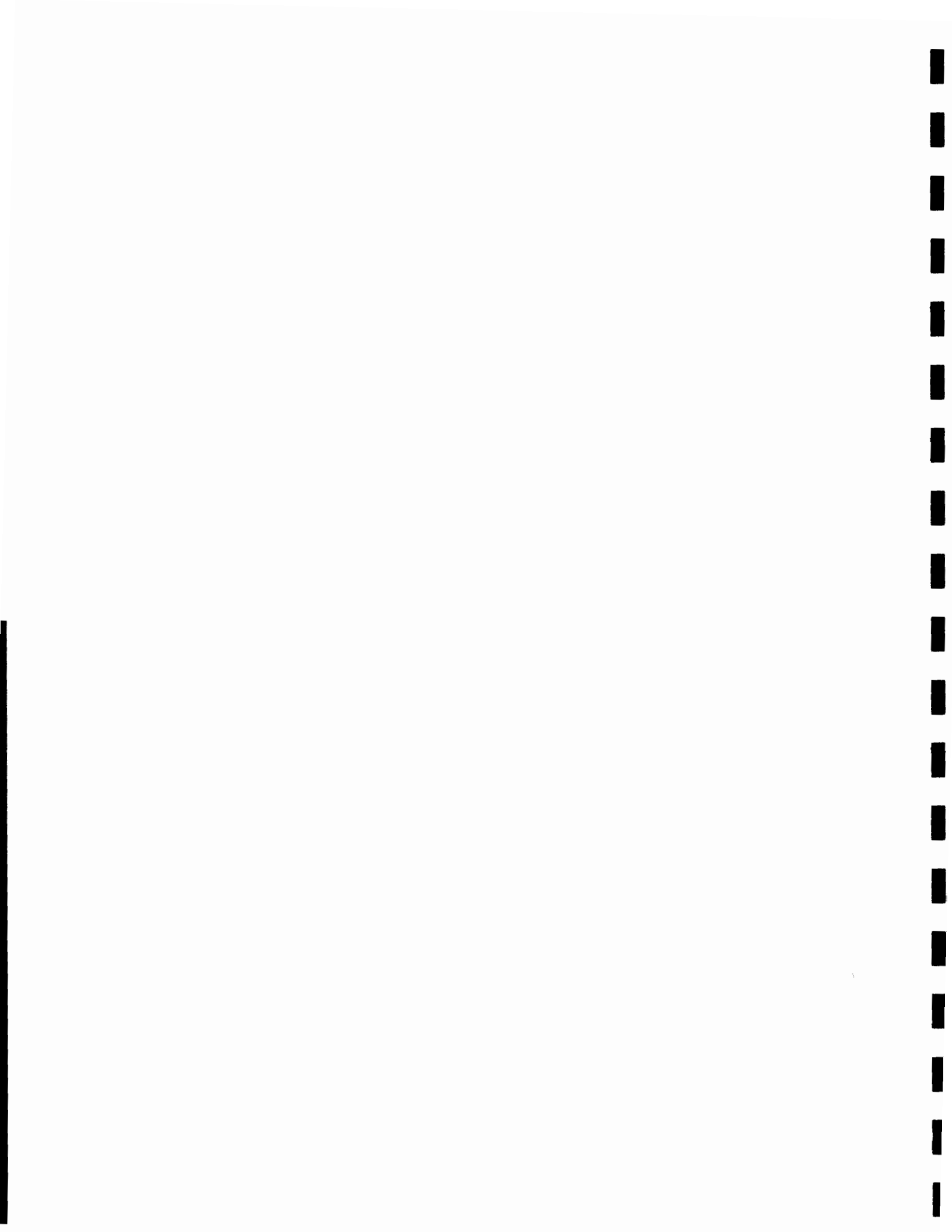


1 the most egregious crimes, of course are not, you
2 know crimes of passion. But things like purse
3 snatchings. Again, you're bringing in 47 million
4 people. 4 million passengers a year.

5 Certainly this is the concern we've had.
6 Its not been addressed at least to our
7 satisfaction. Again, the money is there. Some
8 how I would even like to invite the Commission to
9 over see and make sure when someone gets up, and
10 again it's probably not the casino's fault, but
11 certainly there's a responsibility that lies that
12 says when someone is coming in to address your
13 security problems and they show you that money,
14 it didn't go there. It just got potentially
15 dictionaries and cars.

16 MR. VOWELS: Mr. Dabertin, I let Mr.
17 Payne go over the two minutes a little bit, but I
18 think it is time. If you'll wrap that up.

19 MR. DABERTIN: well, I can go on.
20 \$100,000 that was supposed to go to environment,
21 environmental education center. No one knows
22 where that money went either. I inquired about
23 it and I was told some individual bought an
24 automobile with the money. At the same time our
25 environmental education center is still wanting



1 for funds. It certainly could use the money.

2 MR. VOWELS: Are you saying the
3 contributions this casino promised to give to
4 locals was made or was not made?

5 MR. DABERTIN: I'm saying they were made
6 on paper, yes. The money was transferred.

7 MR. VOWELS: Then the problem is once
8 they got to the municipal authorities where it
9 went from there.

10 MR. DABERTIN: Because there is no
11 oversight as to what happened to it.

12 MR. VOWELS: Are you asking the Indiana
13 Gaming Commission to have some oversight with the
14 local municipality as far as the way they expend
15 that money?

16 MR. DAVERTIN: I would say not with the
17 way they spend the money to make sure it was paid
18 properly or that the other commitments that are
19 nonmonetary, absolutely. The State ordinance
20 that empowers this Commission, and I kind of
21 anticipated that question, clearly the authority
22 of this Commission is to make sure that we
23 represent the citizens of Indiana.

24 Absolutely, I can give you an example where
25 state agency would do that to oversee to make



1 sure our interests are protected. I'm not
2 interested in the money, I'm interested in the
3 crime rate that has risen. There is money
4 available to fix that problem and someone has to
5 say you have to do what you promised the State
6 Gaming Commission to do. These by the way -- all
7 of these provisions are provisions that not only
8 were addressed by this Commission and initial
9 certificate, but were raised by this Commission.

10 I mean, we were sort of -- the citizens
11 were put to the side and said the Gaming
12 Commission -- look this is what you're getting,
13 your getting this wonderful program. And we
14 never got it. And I'm here to collect.

15 MR. VOWELS: You've had some contact
16 with the Gaming Commission staff?

17 MR. DABERTIN: I spoke to your counsel
18 who directed me to come here.

19 MR. VOWELS: With Mr. Osborn?

20 MR. DABERTIN: Yes, Mr. Osborn. And he
21 invited me to come here today to address you.

22 MS. BOCHNOWSKI: Can I ask a quick
23 question? There's been a change in
24 administration, have you seen a difference since
25 the change in the administration? Do you feel

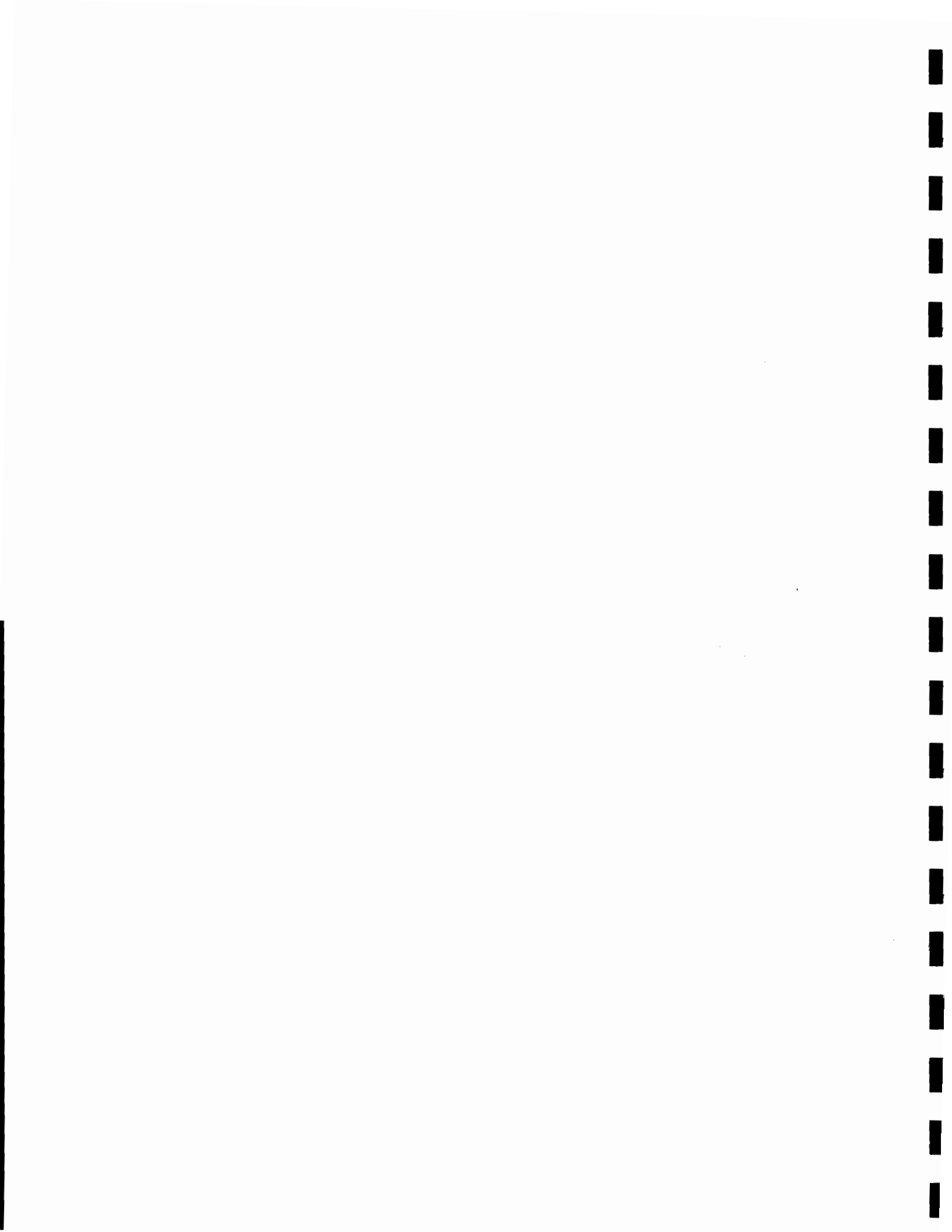


1 like you're getting more response? I mean, if
2 this money has been swallowed up, there's been a
3 lot in the paper about cars, ex cetera. I share
4 your concern. This is difficult and I would like
5 to know legally. Maybe have our counsel, not
6 right this minute, but have our counsel look at
7 how if something is in the development agreement
8 and money has been paid -- we can't fault the
9 casino? But if the money has been paid, make
10 sure it goes to where it's supposed to go.

11 MR. DABERTIN: Again, I have many
12 examples --

13 MS. BOCHNOWSKI: I know I carried this
14 on too long --

15 MR. DABERTIN: I could go on. Let me go
16 through the examples. Let me cut to the chase.
17 The Mayor is not here. There's an advisory
18 committee, in fact something that the Commission
19 insisted. And I was looking at the minutes and
20 they came back and they said we're going to be
21 developing this opportunity committee -- I got to
22 get the right name on it -- the Partnership
23 Committee for the Hammond Casino Development.
24 And that committee was supposedly formed to
25 oversee these developments. And the community

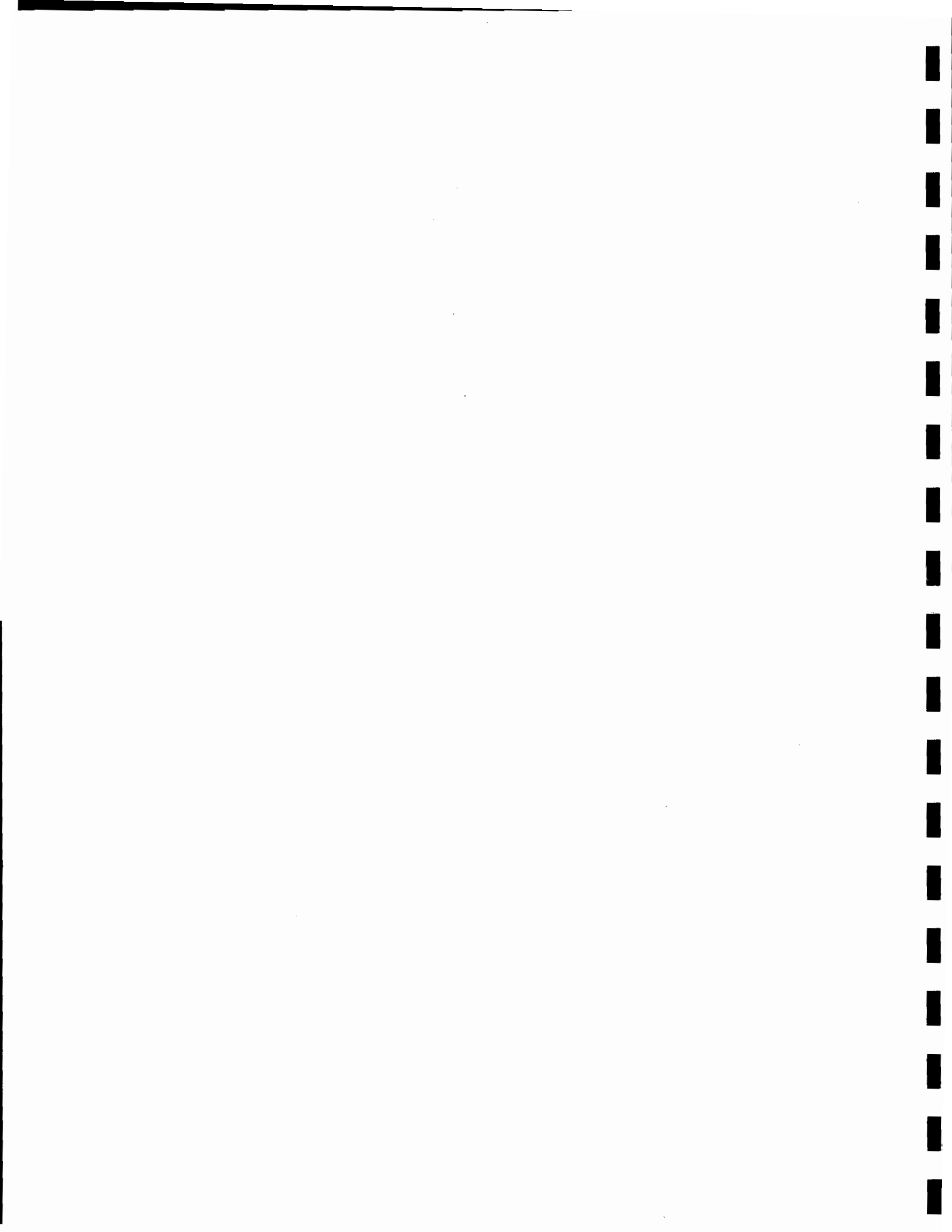


1 would have an opportunity to make sure this money
2 was spent properly and it was done once again at
3 this strong suggestion of the Gaming Commission.
4 I talked to the Mayor -- I'll give you exactly
5 what happened. I filed a request to ask for the
6 minutes about that because I kept seeing in the
7 newspaper this committee was meeting. They were
8 running notices in the newspapers, notices that
9 the committee has been meeting. It hasn't been
10 meeting. When I asked for the documents at City
11 Hall, they said the prior administration shredded
12 them if they ever met.

13 I asked the Mayor just now, he says they're
14 not going to have an oversight committee. So --

15 MR. VOWELS: Mr. Osborn was correct that
16 this is the proper forum for you to address this
17 because no one can talk to us Gaming
18 Commissioners except in these public forums. Not
19 having all those documents in front of me, I'm
20 unclear. And you've made reference about our
21 concerns in the past. And we've had multiple,
22 multiple meetings over the years. And I take you
23 on your word but I would need to see specifically
24 what it was that was addressed.

25 what I would request of our Executive



1 Director is for him to look into this to see what
2 sort of development agreements existed, what the
3 casino's role in this was with obligation to
4 follow through. If any obligation is there to
5 what your concerns are and if there was something
6 that the casino may have done better or anything
7 along that line, then we can deal with them
8 directly as we do when things don't go according
9 to plan.

10 If it's outside of our bailiwick about what
11 a local municipality does once the funds are
12 accurately distributed by the casinos, then
13 perhaps Mr. Lawrence or I'm sure Mr. Lawrence
14 would direct you to the proper government agency
15 that handles -- whether State Board of Accounts
16 or whatever.

17 And I know you're looking at me like I'm
18 not giving you the answer you want. But let me
19 say it again. My point is, you've addressed us
20 and that's what we needed you to do. You've
21 raised concerns and I'm asking Mr. Lawrence --
22 and you will follow up on this?

23 MR. LAWRENCE: Yes, sir.

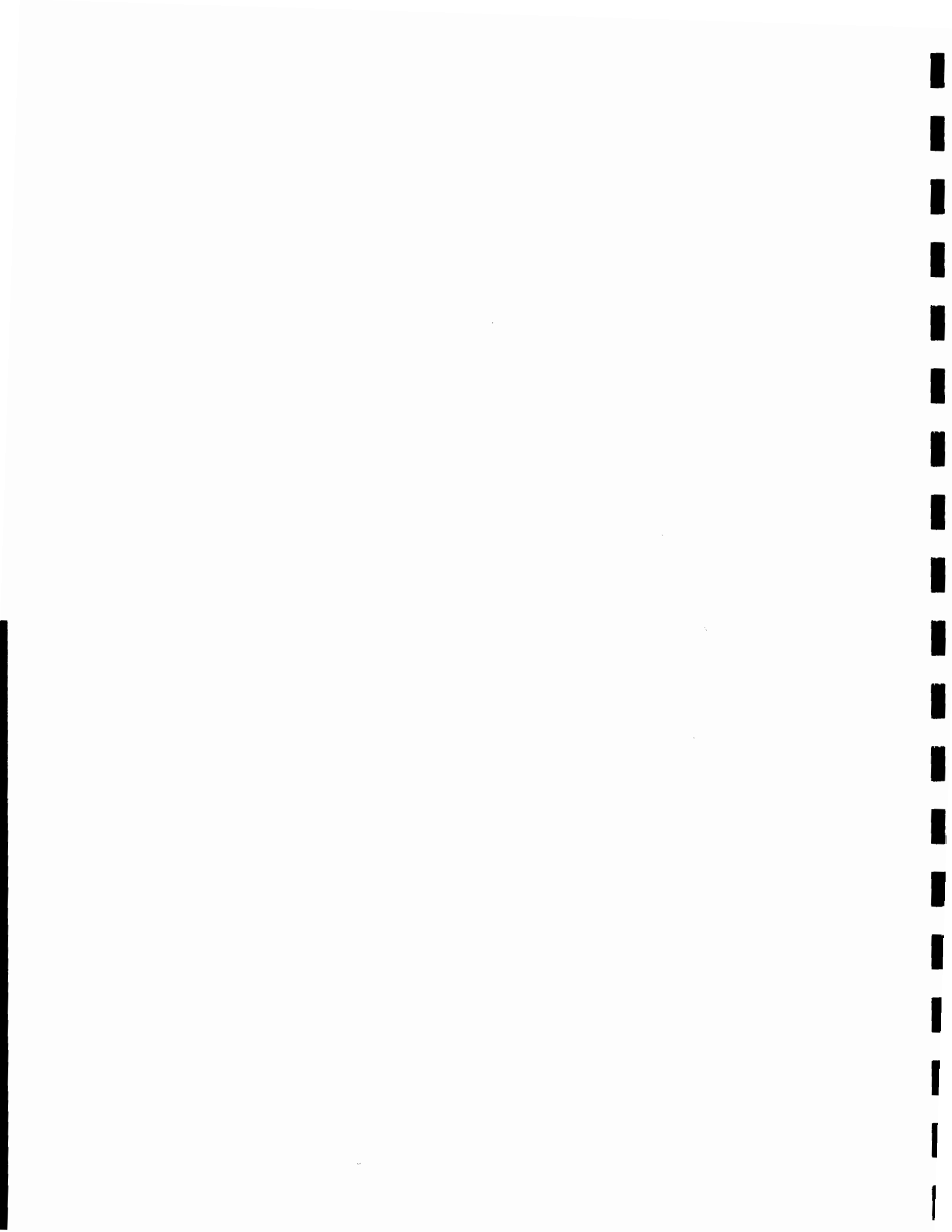
24 MS. BOCHNOWSKI: The other thing I
25 would like to know, again legality wise, if funds



1 are being given to the city, if it's in the
2 development -- the city. I mean, the development
3 agreement is not a one-sided document. It's a
4 two-sided document. So the city agreed and the
5 gaming operator agreed. So if the funds are
6 being given to the city, and the city is not
7 spending them the way they agreed to in the
8 development agreement, would there be a way that
9 the money that the casino gives would be directly
10 allocated some how would have to be spent that
11 way? So if they're just going into the city
12 coffers and spent any way possible, is there a
13 mechanism by which the casino could write that
14 check to specific items? And that would take
15 care of it, wouldn't it? If that's legal. I
16 don't even know if that's legal.

17 MR. DABERTIN: It's in the city
18 ordinance. It's an actual law that says that
19 money was to be spent within the project site.

20 MR. VOWELS: As far as our power
21 pursuant to a city ordinance, you understand that
22 that's now where we're from. I mean, the State
23 Board of Accounts gets involved in this. And I
24 understand you said earlier this is not your
25 full-time job. And you're looking at me like I'm



1 giving you a stone wall, which I'm not. The fact
2 is that this is a maze you have to go through, as
3 you well know and everybody in this room knows,
4 that when you're dealing with government, you
5 have to know where to go to. And you came to the
6 right place to address us. And I'm directing the
7 Executive Director to have contact with you to
8 get this information, relay it to us so we know
9 what's going on. If we have control in this
10 situation which we may or may not, if we do, then
11 we'll address it. And if not, he is well versed
12 in the ways of the government and which
13 government office and department would have
14 control and oversight about this.

15 I don't know. I don't know what the answer
16 is. I don't know if it's a situation where it's
17 down to democratic process where you disagree
18 with the way these things spent, whether there's
19 an allegation of corruption. Those aren't things
20 I know.

21 And I'm gonna cut you off now. Because
22 I've given you plenty of time here and we're
23 going to move along to our next speaker. And Mr.
24 Lawrence can be reached and do you have some card
25 that you can leave with us?



1 MR. DABERTIN: If I may, I know you cut
2 me off. Perhaps I can summarize.

3 MR. VOWELS: No, we're finished.

4 MR. DABERTIN: I've asked --

5 MR. VOWELS: No, you give him your card.
6 And we do appreciate your time. And I don't mean
7 to cut you off but if I don't then I've got a
8 whole bunch of other people coming up here and
9 it's not fair to them. And so Mr. Lawrence will
10 do that. Can you give him a card.

11 MR. DABERTIN: Thank you.

12 MR. VOWELS: All right. The next person
13 that we have is Vic DeMeyer. Mr. DeMeyer.

14 MR. DeMEYER: Good afternoon. I'm Vic
15 DeMeyer and I am the Chairman of the Board of the
16 Lake County Convention and Visitor's Bureau. And
17 our purpose is to look at attractions in
18 Northwest Indiana, how do you bring people here
19 to spend their money on our businesses and our
20 community, and improve the quality of life in
21 Northwest Indiana.

22 I'd like to welcome you to our facility.
23 Those of you who have driven by here and wondered
24 what this building is, and now you know. We look
25 at raw data at the bureau. And I'm going to

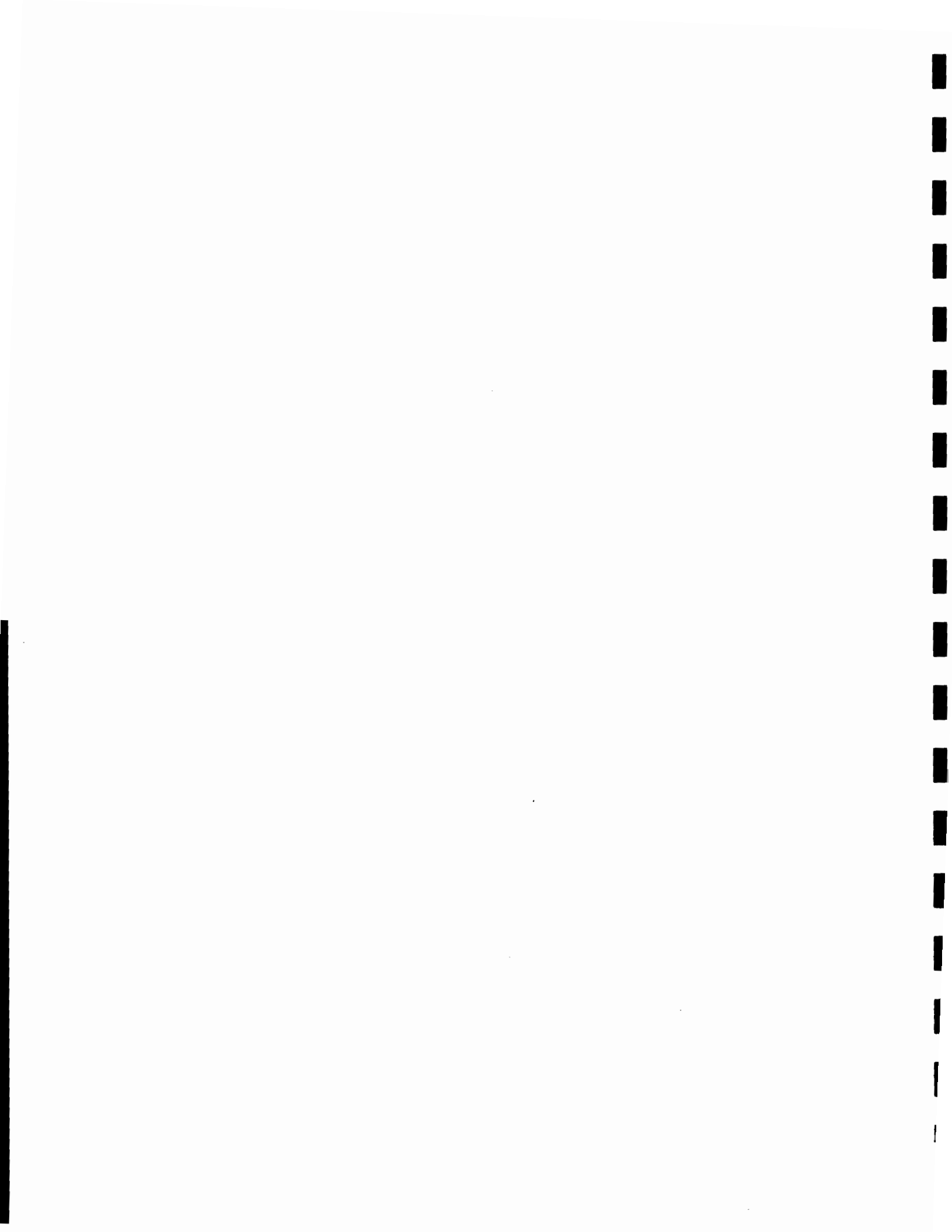


1 repeat some figures that Mr. Mazer said. But I
2 think they're significant.

3 In the past eight years the Horseshoe
4 Casino has drawn nearly 25 million guests, 89
5 percent of these people have crossed state lines
6 to come to Northwest Indiana. Horseshoe's
7 marketing strategy appeals to a global market.
8 We have players -- and they have players
9 regularly coming in from all over the world on a
10 regular basis. I think that's critical to what
11 we are trying to do at the Bureau. And that's to
12 sell Northwest Indiana.

13 Crane's Chicago Business report on the
14 largest attractions in the Chicagoland area
15 indicates that the Horseshoe Casino is the second
16 largest. The largest is Navy Pier. If you've
17 ever been to Navy Pier, you've seen the impact
18 that that has. Translate that to Northwest
19 Indiana at the second largest attraction and I
20 think that's significant. In 2000 -- in the year
21 2000 alone, as Rick said, the casino hosted over
22 3.7 million guests. Transpose that to 90
23 percent, you got three and a half million people
24 coming to Northwest Indiana.

25 The economic impact is immeasurable to our



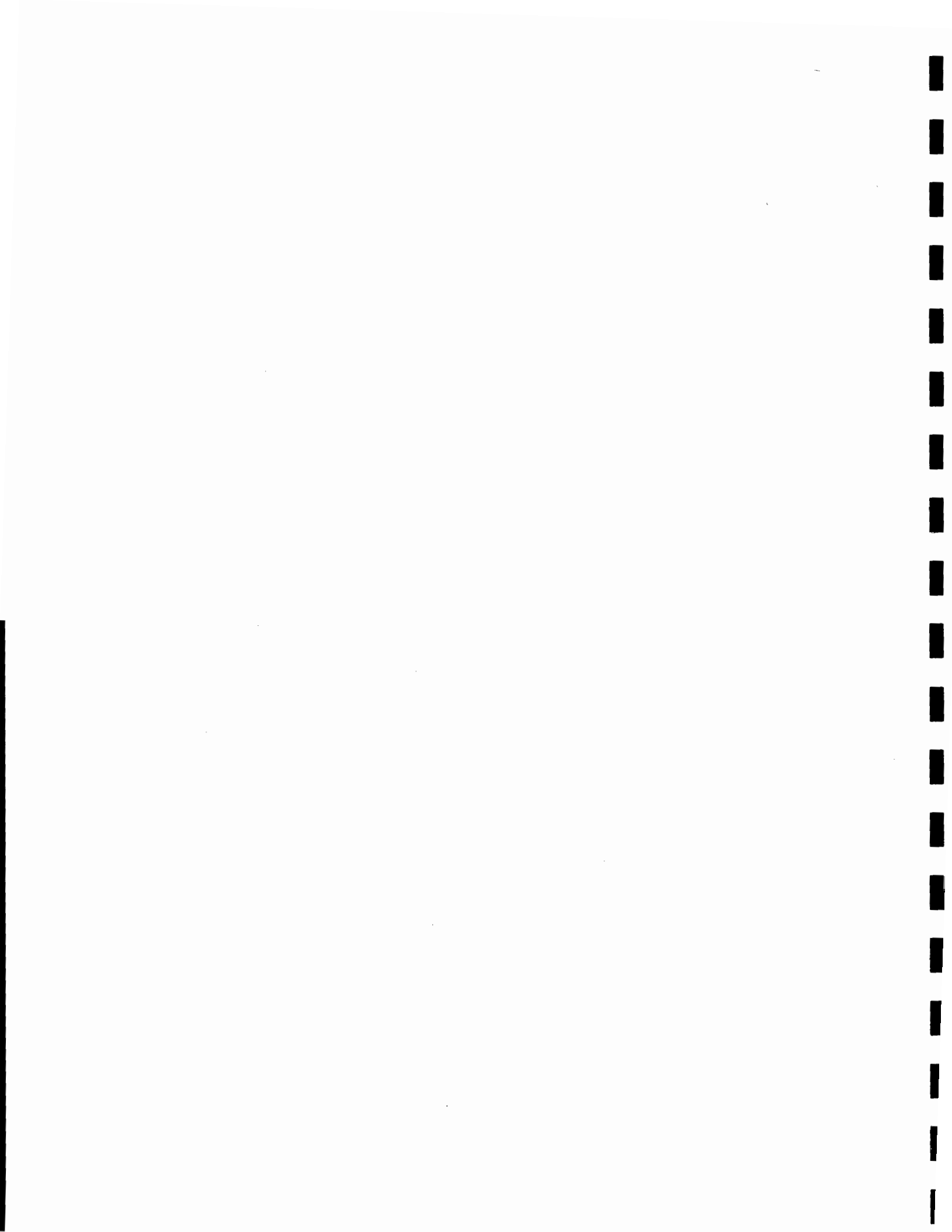
1 businesses and to our community. Combine these
2 statistics with the civic commitment of
3 Horseshoe, starting with Rick Mazer on down to
4 the employees and he listed the employees here
5 and many are in this room. And we certainly
6 appreciate your efforts as we promote this area.

7 what it has is an impact on the quality of
8 life in the whole area. In conclusion, and I'll
9 be brief, the Bureau looks forward to a continued
10 partnership with Horseshoe Casino. They step up
11 to the plate as Rick talked about the Futures
12 Golf Tournament. We as a Board cannot put a
13 value on the publicity that we got. CNN carried
14 it, Channel 7 carried it. It promoted the local
15 area. 200 young ladies came in to our area. So
16 anything that we can do to help Horseshoe we're
17 there because they've always been there for us.
18 And we look forward to ongoing relationship.
19 Thank you.

20 MR. VOWELS: Thank you. I just have to
21 tell you, when you talk about golf and bringing
22 ladies in to the area, we get a little antsy.

23 MR. DeMEYER: If you see them play,
24 you'll never go on a golf course again.

25 MR. VOWELS: Okay. Lou Martinez.

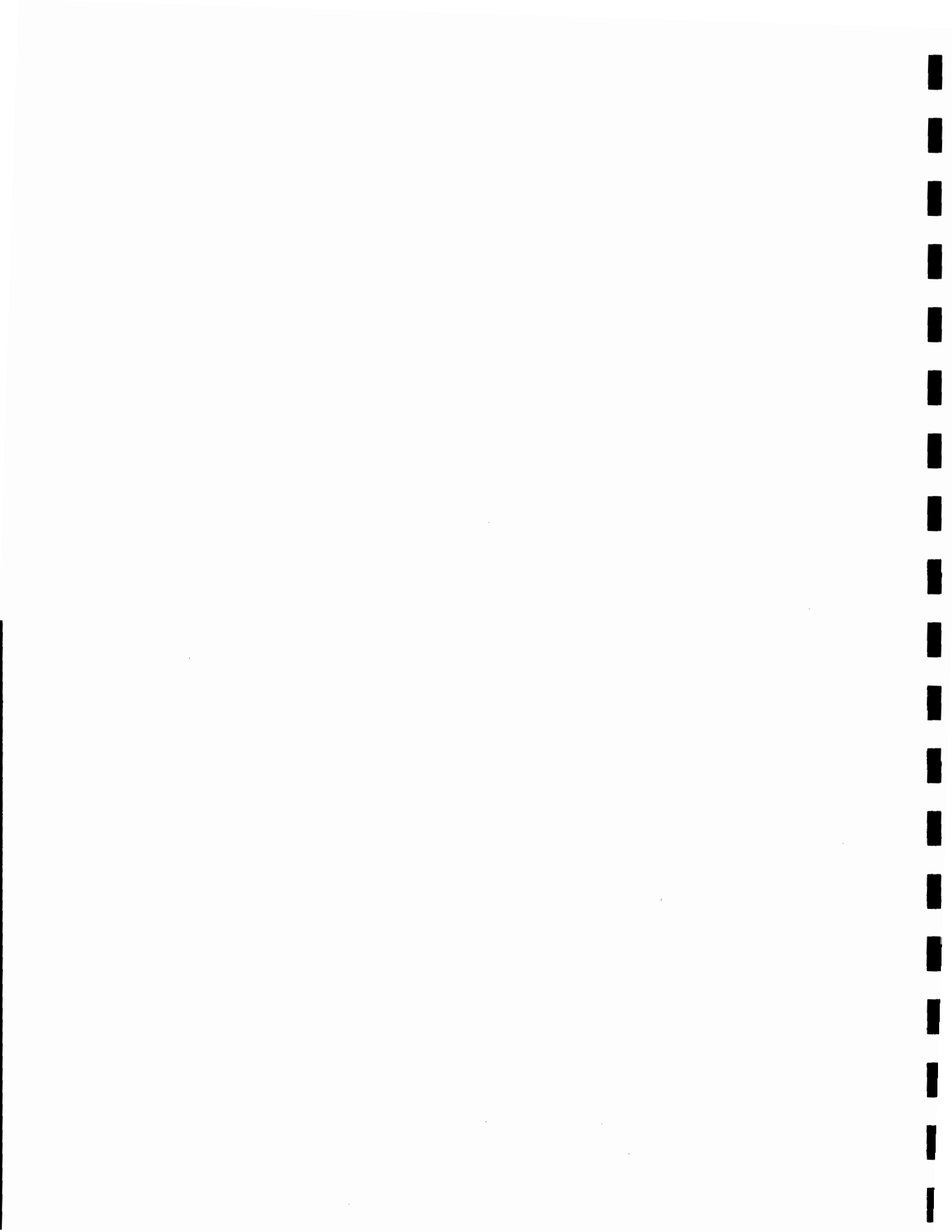


1 MR. MARTINEZ: It's hard to follow that.
2 Members of the Commission, my name is Lou
3 Martinez. I am the president of Lake Area United
4 Way. Let me thank you first for coming to our
5 Northwest Indiana. I was with you at the Jenson
6 Center in Indianapolis. But coming up here to
7 Northwest Indiana affords the unique opportunity
8 and that's because the employees are here and so
9 many members of staff and such.

10 Very seldom does the United Way get to
11 thank those contributors who are giving to United
12 Way. So this the opportunity to recognize,
13 thank, and demonstrate our support for the
14 Horseshoe Casino for its commitment and its
15 support of our United Way. So thank you for
16 giving me that opportunity.

17 We have a unique relationship with the
18 Horseshoe Casino and it starts with Rick Mazer.
19 It doesn't end there because we've had great
20 relationships with a variety of staff there.
21 Monica Payton comes to mind in terms of the
22 Futures Ladies Golf.

23 But Rick is the Board President for Lake
24 Area United Way. And you might think I'm
25 compelled to be here because of pressure. Not at



1 all. Rick got to be Board President of United
2 Way because of his commitment to the community.
3 The past President of the Northwest Forum, member
4 of the Quality of Life Council. Our Board
5 members, our 25 Board members saw fit to let Rick
6 Mazer lead them in a discussion about what is
7 good for Lake Area Indiana. The financial
8 commitment we received from Rick's leadership and
9 support that we have gotten over the years tops
10 over 600,000. For which we are greatly
11 appreciative.

12 But it's more than that. Rick has hosted a
13 series of meetings for us. From staff meetings
14 to staff training to board training. For the
15 remainder of the year we will host all of our
16 board meetings at the Horseshoe Casino. And
17 we're very pleased with that opportunity to bring
18 our group together to talk about the decision
19 making that needs to go on with our United Way.

20 Beyond that, we have partnered with
21 Horseshoe. And there are a couple initiatives
22 that you need to know about. One of which is
23 called the Quality of Life Indicator Study which
24 they help underwrite and sponsor which really
25 kind of set the community, hear the issues that



1 permeate our community in Northwest Indiana.
2 Some of which are social, some of which are
3 civil, other which are governmental. But from
4 our showcasing standpoint for the United Way, we
5 said, look we got to do some things about
6 poverty. We've got to do some things about
7 childhood education. We definitely needed to do
8 something about unwed pregnancy. So the list of
9 issues that germinate out of this report was the
10 need for a report for Northwest Indiana. And at
11 least gave us the direction to say these are the
12 issues you need to start working on.

13 Complimentary to that was a study recently
14 completed by the United Way called the State of
15 Giving Report which we try to get a sense of what
16 the philanthropy challenge for raising dollars.
17 What are we doing in this community to raise
18 those dollars? How do you attract governmental
19 dollars to back in to the community? Kind of
20 fixing the strategy by saying here are the
21 issues, but in terms of revenue, how are we
22 spending the revenue we have today? The Board
23 Complimentary Reports for Northwest Indiana to
24 figure out what it needs to do for itself.
25 Addressing the pressing issues that it faces over



1 time.

2 We're thankful for the Horseshoe for taking
3 leadership and being a sponsor and underwriting
4 for those kind of efforts. I can go on and on
5 about what Horseshoe has done for Northwest
6 Indiana. Its position, its position of
7 leadership, its possibility and so on. We are
8 glad to partner with them and look forward to
9 years of partnership with Horseshoe Casino.

10 MR. VOWELS: Thank you. And then Gina
11 Sanchez.

12 MS. SANCHEZ: Good afternoon. My name
13 is Gina Sanchez. I'm an employee with Horseshoe
14 now for seven years. I'm actually just rushing
15 from work because I wanted to come. They asked
16 me to speak and I thought it was the least I
17 could do. I was part of the GED program that
18 they offered. It was really just a great
19 program. They offered us everything from the
20 books, paper, pencils, even the calculator. We
21 had a wonderful instructor. I didn't even
22 realize that I had been out of school for six
23 years. And I did not realize how hard this test
24 was going to be. And his instructions were just
25 great.



1 This program, I just can't thank the
2 Horseshoe enough. And I know without them I
3 would have never obtained my GED. I'm a
4 full-time employee, I'm a mother of two and they
5 even worked around my schedule to get me in to
6 those classes. And I can't thank them enough.

7 And now because of them I am going to
8 attend college this fall. And I am going to
9 pursue it. And I love it because they really ask
10 for nothing in return. It was just solely to
11 benefit me and my family.

12 MR. VOWELS: Did you do the GED on site
13 there.

14 MS. SANCHEZ: Yes, it was on site. The
15 instructor came to the site.

16 MR. VOWELS: Did you have to pay for it?

17 MS. SANCHEZ: Nothing out of pocket.
18 Not even my pencil, paper, folder. Everything
19 was included. It was fabulous.

20 MR. VOWELS: How many people were in the
21 class.

22 MS. SANCHEZ: There was ten. I believe
23 there were eight of us that successfully got our
24 GED. It was great.

25 MR. VOWELS: When did you do that?



1 MS. SANCHEZ: 2000. October of 2000.

2 MR. VOWELS: I'm sorry. I interrupted
3 you.

4 MS. SANCHEZ: No, that's fine. That's
5 pretty much all I really just wanted to thank the
6 company in the best way I know. I can't say
7 enough. It's a fabulous company and I really
8 love it.

9 MR. VOWELS: well, thank you.

10 MS. SANCHEZ: Thank you.

11 MR. VOWELS: Lewis Smoote, Senior. Just
12 in case junior was here, I didn't want him
13 jumping in front of you.

14 MR. SMOOTE: You're talking about my
15 younger brother. Commissioners, thank you very
16 much for the opportunity to speak to you. My
17 name is Lewis Smoote, Senior. I'm president and
18 CEO of Smoote Construction of Indiana. And it
19 was our pleasure -- we had the opportunity to do
20 some construction work here on the most fabulous
21 parking garage I've ever seen.

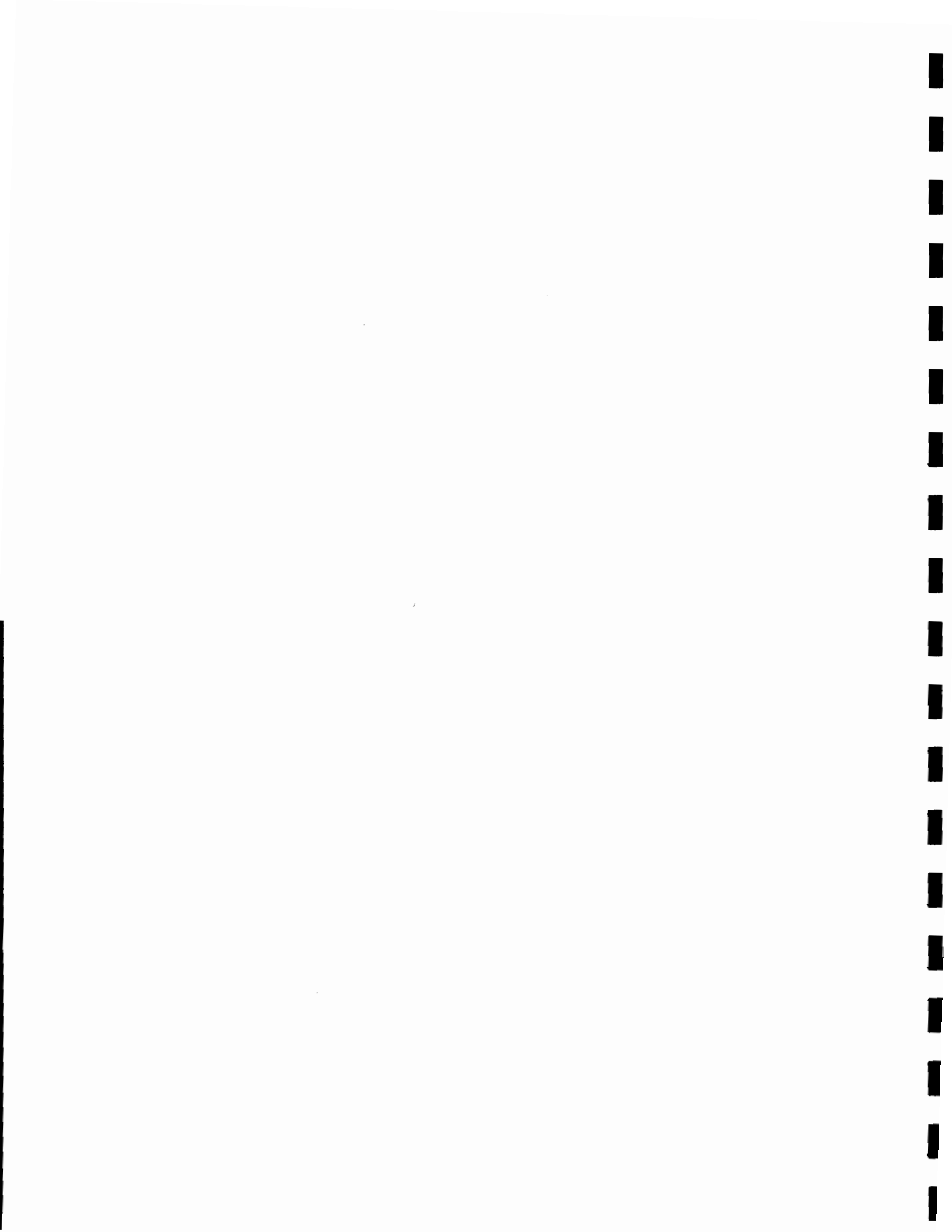
22 Needless to say, right now it's gone in the
23 top of our portfolio. But above all, we were
24 successful with that as well as having an
25 opportunity to do some reconstruction on some of



1 the existing facility.

2 And what we are asked to do, because there
3 is, I don't know if it's a chemistry or just
4 exactly what it is at Horseshoe. It was made
5 explicitly clear we would like to have inclusion
6 in this project. And we thought we were included
7 and they said doesn't count anymore. Now let's
8 go out and let's make it happen. It was
9 approximately \$50 million that was expended over
10 there. And we were fortunate in Northeast Ohio
11 with union help to have a fantastic project. But
12 30 percent of those dollars stayed within that
13 county. Many people, where we go and work
14 because we work in eight states and the District
15 of Columbia help keep the money in the community.
16 But you can't keep the money in the community if
17 you don't have someone who was sincere that
18 believes in inclusion. And that's what we found
19 at Horseshoe.

20 what we found was a seamless operation that
21 we felt concurred with our methodology on what we
22 should do about community. It happened here at
23 Horseshoe. I hope that I have the opportunity to
24 continue as they continue to build this facility.
25 And I guarantee you that we will continue to try



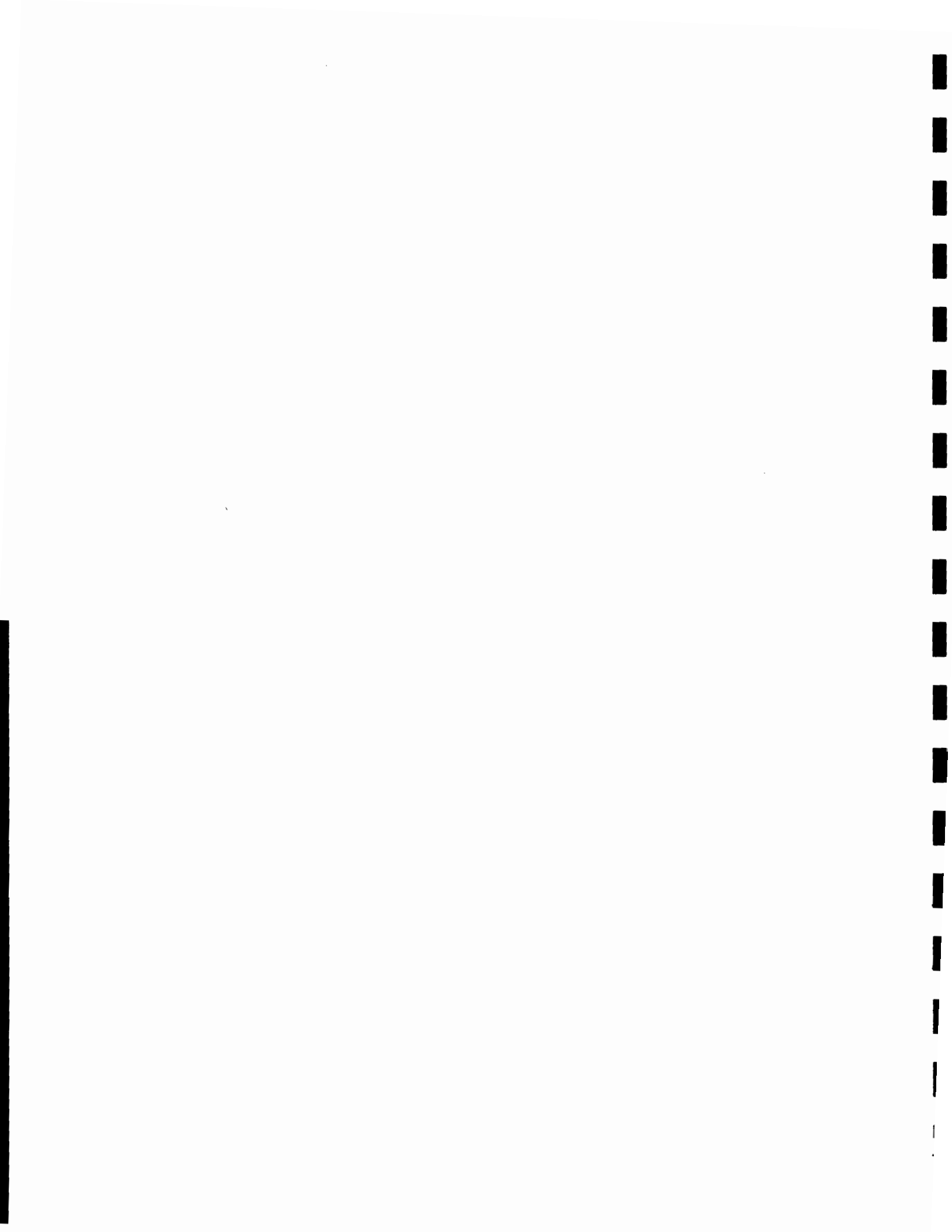
1 and make inclusion part of the overall in this
2 community. And before the Mayor left, he offered
3 me free office space for relocation.

4 I have to tell you, in reality it has been
5 been a pleasure. And I told the unions on
6 opening day, of all the projects that we've had,
7 this is of course from 101 to 501 to teach our
8 construction people about how people can work
9 together. It was fabulous. I was blessed to be
10 a part of it. And I thank you for the
11 opportunity to address you. Thank you.

12 MR. VOWELS: Lampton Jones. Lampton
13 Jones.

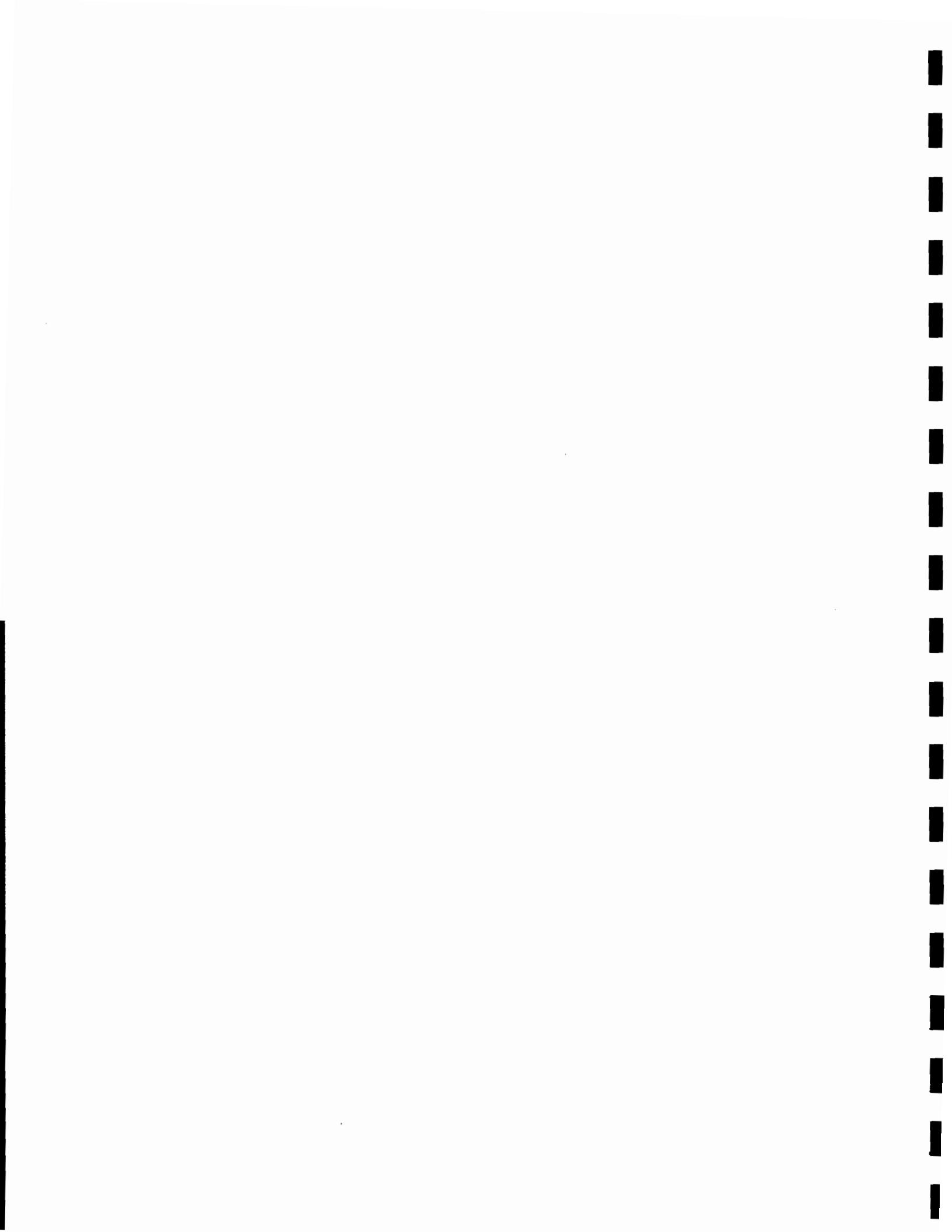
14 MR. JONES: I'm an old guy. I got to
15 try and get all the way around. Thank you. I'm
16 sure it's afternoon now, so good afternoon to the
17 Commission. My name is Lampton Jones. I'm a
18 food distributor from Munster, Indiana. And to
19 look around I know how Barack Obama felt. This
20 is just great that I could speak before you.

21 I went in to the food business five years
22 ago. And I met the people of Horseshoe and
23 Harrah's. And today I have a warehouse, freezer
24 that encompasses 15,000 square feet. We're doing
25 a good business and thanks to these people, that



1 they help me do this. They got me out of my
2 truck, sleeping in my truck and delivering. Now
3 I have nine employees and a lot these people are
4 from depressed areas that otherwise couldn't get
5 the good job that I give them. They get good pay
6 and someone spoke about, before me, about the
7 funds to pay your bills and what you have to do
8 to make it. In a nutshell, these people, they
9 pay me on time. I mean, I'm getting down to the
10 nitty gritty of it. I'm not a speech maker, I'm
11 a talker.

12 This is what it's all about, bottom line.
13 You get that check from the product that you
14 deliver to these people, you can pay a
15 manufacturer, and therefore you can build your
16 business. And over five years, they've helped me
17 build my business. And what I've gotten from
18 them with the new administration and what have
19 you, we will continue to help me build my
20 business. And that's what I'm all about. The
21 bottom line is money. It is what it is. I'm an
22 old farm boy, it took a lot of mules in
23 Mississippi to stand up here and say this. It's
24 just the greatest thing that happened to me to be
25 honest with you. And I appreciate everything



1 from them. And I would say that they should have
2 a license. When they got a license, I got a
3 license.

4 MR. VOWELS: We're going to go about
5 here and do our vote thing. So hold on. All
6 right. All I have to do is find it. Okay.

7 We have in front of us this order of the
8 Indiana Gaming Commission regarding renewal of
9 the riverboat owner's license of Horseshoe
10 Hammond Incorporated. And this is for the
11 one-year period from June 20, 2004 to June 19,
12 2005. We've heard a number of public comments
13 here. And are there any general discussion
14 anyone has in regards to the renewal of this
15 license?

16 MS. BOCHNOWSKI: I think it sounds like
17 they've been good corporate citizens. And you
18 know through the years we see all of the
19 disciplinary actions and so on. I don't think
20 there's been anything particularly unusual. I
21 would see no reason -- overall we got positive
22 comments. And they renew.

23 MR. VOWELS: Today, through the three
24 presentations this gentleman kind of summed it
25 up. As far as the idea of gaming in Indiana, as



1 I said in Orange County, I'm not a big fan of
2 gaming which I'm surprised because I'm the
3 chairman of the Gaming Commission. I can't
4 gamble legally and if I wasn't on this
5 Commission, I wouldn't do it myself, it's not
6 anything that ever interested me. And the way
7 that I look at gaming in this state is that it
8 brings money in. They may shift it around a
9 little bit but from what I hear today about
10 infrastructure improvements and there's concern
11 about what Mr. Dabertin brought up and our staff
12 will look into that. And if we have any control
13 into it or another state agency, then hopefully
14 that will get straightened out. If it's
15 something we can deal with, then we will
16 straighten things out like that.

17 But the idea of taxes coming to this state,
18 employment, and you know they -- I think from
19 when Mr. Plazick, Drew Plazick who comes in front
20 of us from Speeya, couple years ago he started
21 hitting on people being able to buy houses who
22 never had houses before. And it's when Miss
23 Sanchez comes up here and said and that she got
24 her GED. And those of us who -- I grew up in
25 lower social economic circumstances and was able



1 to go to college and law school because of help
2 from the government. But that's what this whole
3 thing is about to me. When somebody can get up
4 there and say I'm taking steps to improve my mind
5 and speaks positive that some of us take for
6 granted. You know when I hear from these gaming
7 companies this and that it's all great. When I
8 hear that people were able to buy houses, people
9 were unemployed before they started working
10 there, people were able to get their GED and go
11 forward. That's the plus of this stuff to me.

12 So with all that in mind and those people
13 from the various gaming companies from the State
14 of Indiana that's what pleases me. And you
15 concentrate on those kinds of things and it's for
16 the benefit of everybody.

17 Is there any other discussion about
18 Horseshoe in particular?

19 MR. MILCAREK: well, I'm happy to see
20 that the Horseshoe and the Mayor have been able
21 to get together with a little bit of our help.
22 And I think communication is very important on
23 all levels. And down in Orange County, the Trump
24 organization moved right into the city and right
25 on the map. That really impressed this



1 Commission. And I think that's a good thing for
2 the other gaming companies to know they must be
3 able and should be able to deal with the local
4 people right off the bat and then it doesn't
5 become a problem. And I'm glad that's taken care
6 of.

7 MR. VOWELS: Doctor, anything?

8 DR. NDUKWU: Nothing.

9 MR. VOWELS: All right. Well, let's
10 talk about renewing this or not. Anybody have
11 any thoughts on a motion?

12 MS. BOCHNOWSKI: I would be happy to
13 move that we grant -- what do I need to say here?
14 That we renew their license for another year.

15 MR. VOWELS: Okay. Is there a second?

16 DR. NDUKWU: I'll second that motion.

17 MR. VOWELS: Any further discussion?

18 MR. MILCAREK: I'm just glad to see that
19 they're getting license for this gentleman down
20 here is going to get a license.

21 MS. BOCHNOWSKI: We want you to keep
22 working.

23 MR. LAMPTON: At least for another year
24 I'm in.

25 MR. VOWELS: All right. We have a



1 motion to second. Anything further?

2 (No response.)

3 MR. VOWELS: All those in favor say aye.

4 ALL: Aye.

5 MR. VOWELS: Show that it is renewed.

6 Congratulations.

7 INDIANA GAMING COMMISSION RIVERBOAT OWNER'S

8 LICENSE RENEWAL HEARING ADJOURNED.

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C E R T I F I C A T E

I, Faith M. Bennewate, a Notary Public within and for the County of Lake, State of Indiana, do hereby certify that the record of proceedings of the Indiana Gaming Commission Riverboat Owner's Licensing Renewal that was taken on my shorthand machine and transcribed from my shorthand notes is true and accurate to the best of my ability on the 6th day of August, 2004, taken at Indiana Welcome Center, 7770 Corinne Drive, Hammond, Indiana.



Faith M. Bennewate

My commission expires: May 26, 2012











