

**INDIANA GAMING COMMISSION**

**PUBLIC HEARING**

**HELD ON JULY 19-20, 2004**

**AT THE FRENCH LICK SPRINGS  
RESORT AND SPA  
FRENCH LICK, INDIANA**

## TABLE OF CONTENTS

	<u>Page</u>
Introduction.....	1
Lost River Development Presentation.....	2
Orange County Development Presentation.....	42
Trump Indiana Casino Management Presentation.....	75
Public Comment.....	125
Commission Comments and Interaction with Applicants.....	167
Best and Final Offer from Lost River Development.....	225
Best and Final Offer from Orange County Development.....	232
Best and Final Offer from Trump Indiana Casino.....	234
Closing Argument Orange County Development.....	235
Closing Argument Lost River Development.....	237
Closing Argument Trump Indiana Casino.....	238
Comments by Steve Ferguson.....	239
Comments by Robert Boykin.....	244
HHPC Recommendation.....	255
Commission Discussion and Decision.....	260

**INDIANA GAMING COMMISSION**  
**TRANSCRIPT OF PUBLIC HEARING**  
**HELD ON JULY 19-20, 2004**

The Indiana Gaming Commission held a public hearing on July 19-20, 2004 in the Hoosier Ballroom A & B at the French Lick Springs Resort and Spa located at 8670 West State Road 56, French Lick, Indiana. The purpose of the hearing was for consideration of applicants and the selection of an operating agent for a gaming facility to be located in Orange County, Indiana. The following is a complete transcript of said public hearing.

**DONALD VOWELS:** I'll call the meeting to order. Show that it is about 10:40 local time. Show that the Commission has a quorum and Commissioner Gettlefinger has previously recused himself because of a conflict in reference to one of the applicants, so although he is here, he won't be participating. I believe we're ready to begin. Mr. Lawrence, is there any preliminary matters we need to deal with?

**GLENN LAWRENCE:** Mr. Chairman, other than we did have an Executive Session previously, prior to this meeting to discuss confidential information concerning the applicants and the process that will be going on, and that's basically in memorandum for the Executive Session. Other than that, you have the schedule. We will have presentation by Lost River and then we'll take a break and then we'll have another

presentation as the schedule goes, and then tonight we will have public comment from seven to nine, and there will be a sign up sheet for people who would like to speak this evening. We will try to keep that to a two minute minimum and the discussion will be basically about the applicants and your pros and cons relative to the applicants. We are not here to discuss morality or legality of gaming that has been decided by the Legislature of the State of Indiana, so basically we would like for the public comments to be concerning the applicants and why you think one of them should get the license or the operating agent's agreement or not. Thank you.

**DONALD VOWELS:** For informational purposes, for the other commissioners, the other microphones that we have in front of us are in the down position. I believe they're all off right now, so if you need to speak, just make sure that your microphone is on. The only other preliminary matter is I will lead the charge in all cell phones off. Now we will turn to Lost River Development, LLC, for their presentation, which started about fifteen (15) minutes late, and they have an hour and a half for their presentation, so that fifteen (15) minutes is not cut out, so you will have your hour and a half. Mr. Lauth, I believe you're first up as a presenter.

**(Video played.)**

**BOB LAUTH:** Good morning, Mr. Chairman, members of the Commission. My name is Bob Lauth. I'm one of the managing

principals of Lost River Development, and I'm also Chairman and CEO of Lauth Property Group. I hope this video gives you just a small sense of both our energy for this project as well as our enthusiasm for it. As you know, our group wants to develop a casino here in the Springs Valley, and in fact, a whole lot more, and if selected, we will do it in a way that makes a powerful and positive impact on this community and its economy in a way that will also meet the expectations of the Indiana Gaming Commission and the people of Orange County. With me today are some very talented people who will assist in making this happen, and during the next ninety (90) minutes we hope to convince you that our team in fact is the best team and the best choice for this project. We have three goals to accomplish this morning. Number one, to fully introduce our team to you. Number two, to thoroughly review our proposal with you, and lastly, to answer all of your questions. With me today are all of the managing principals of Lost River: Greg Gurnik, President of Lauth; Joe Canfora, CEO of Merit, and Pete Ferro, Founder and Principal of Merit. The four managing principals of Lost River control the two companies which will be instrumental in our success, Merit Gaming Group and Lauth Group. Both of our groups have been involved in this project for a long time now, and we truly believe we are the best group to fulfill this county's dream of renewed economic prosperity. Lost River Development is one hundred

percent (100%) American owned, one hundred percent (100%) Midwestern owned, and we are sixty-one and one-half percent (61 1/2%) Indiana owned company. This makes us the only applicant who is majority owned by Hoosiers. Lost River Development and our affiliate companies are all privately held companies, which means we don't have to worry about pressures from Wall Street to make decisions that are bad for the long term simply for short term gains. It also means we don't spend our time trying to be taken over or merging with other public companies. That usually leads to jobs being eliminated, and we're all about creating jobs. Being privately held means that we do concern ourselves with what's right for the long term and what it takes to be successful over the long haul. Our team has a tremendous amount of experience in both gaming and project development, and we've been doing both for a long time, right here in Indiana and around the country. We believe that, in fact, to be successful in the gaming business, it takes two skill sets: It takes both gaming and project development and know how. We believe this is especially true in smaller markets, like this one, since our customers will have to be drawn here and they will need some good reasons to come, like great facilities. We are an entrepreneurial group, so we're used to making decisions both quickly and correctly. Our decision makers are all here in the room today, and we are ready to put our

entrepreneurial spirit and can-do attitude to work. The State statute tells me that, among other things, you will consider four qualities when you decide which applicant to choose. They are character, reputation, experience and financial integrity. Let's talk about character. Personally, I think that character applies to both people and companies. In either case, one measure of character is doing what you say you will do. Making a promise and keeping a promise. Nowhere is it more important to keep your promises than when you are at home. Indiana is our home, and we keep our promises. Reputation. In our business, and this is especially true here in the Midwest, it's everything. Without a good one, you're either out of business or you will be soon. It's that simple. Good reputation will lead to long term relationships, and we pride ourselves on the relationships, the long term relationships we've built with our clients, financial institutions we do business with, our suppliers and contractors, the professionals who serve us, and of course, our employees. Experience. Again, we believe that experience in both gaming and real estate development truly is the key to this project's success. Our group has both, and lots of it, both here in Indiana and around the country. We're proud of our track record, and we have lots of valuable experience to draw upon. Financial integrity. To me, financial integrity speaks to both financial capability and financial

responsibility. You have our balance sheets. You know the facts. Collectively, our group has completed well over three billion dollars in project financings. Our track record is excellent, and we are more than capable of funding this project. We don't use junk bonds or pay unreasonably high interest rates for financing. It's bad business. We use competitive, proven lending institutions that we know, and we invest our own money in our projects. We think that's being financially responsible. In short, our group has the sound character, the hard earned reputation, the solid experience, and the requisite financial integrity this project deserves. Before I turn this over to Pete Ferro, who will talk a little bit about Merit Group, let me take just a minute to explain who Lauth is and what we do. We are the largest privately held development and construction company in Indiana and we were founded here over twenty-seven (27) years ago. Today we have offices in five other states and we are headquartered in Indianapolis. Lauth Construction is one of the top three hundred (300) construction companies in America, out of some fifty thousand (50,000), and we are only four contractors in the country which is licensed in all forty-nine (49) continental United States. Today we have built projects in thirty-five (35) states totally nearly two billion dollars, and at Lauth we build all types of commercial projects, including retail and entertainment. Here we have a clip on a



project that we're about to complete called Clay Terrace, which is located in Carmel, Indiana. Clay Terrace is a five hundred and seventy thousand (570,000) square foot open air lifestyle center. We are investing one hundred and eight million dollars in this project, and it, in fact, will be Indiana's preeminent lifestyle center. Again, it will be complete within the next ninety (90) days. We also build office parks. This is Intech Park in Indianapolis, which is Indiana's largest office park. When complete, it will contain over two and a half million square feet of office space and will represent a two hundred and fifty million dollar investment by us. We also build distribution centers, like this one in South Bend, Indiana. This is a five hundred and sixty thousand (560,000) square foot facility for TJX, the parent company for TJX and Marshall stores, and it is one of two that we have built for TJX here in Indiana so far. We also develop health care facilities. This one is a medical office building in ambulatory surgery center in Anderson, Indiana, and it is an example of the type of facilities we build across the country. Lost Resorts and Casinos is the newest member of the Lauth Group, and its purpose is to develop first rate hotel and casino properties. It's number one priority is right here in the Springs Valley to develop Fortune Springs Casino and help rejuvenate Orange County. Already we've attracted some very talented people, and we are

very excited about the future and opportunity to participate in this expanding and dynamic industry. Now I'd like to turn this over to Pete Ferro, who will tell you about his group. Pete.

**DONALD VOWELS:** Mr. Ferro, before you begin, I was remise earlier in not acknowledging the Local Historic Preservation, which is over here to our right, and they are here today with us.

**PETE FERRO:** Thank you, Bob, Mr. Chairman, members of the Commission. Good morning. My name is Pete Ferro. I am a Managing Principal of Lost River Development and a Principal and Founder of Merit Management. Merit's principals have been licensed in Indiana, Illinois, Missouri, Kansas, Nevada, Louisiana and Washington state. I was also a founder, director and chief executive officer of Empress Entertainment. I would like to give you a little bit of history about a couple of our gaming experiences that I think are very relevant to this contract. Empress Entertainment owned and operated two of the most successful riverboat facilities in the country. One in Joliet, Illinois and one in Hammond, Indiana. The Joliet facility opened in 1992 and the Hammond facility opened in June of 1996. Both facilities were sold to the Horseshoe Gaming Company in December of 1999. I became involved in the gaming industry fifteen (15) years ago. Previous to that, I worked for thirty (30) years in my own

family owned construction company. When you own your own company, when your name is on the door, you learn very quickly that the most important asset you own and the key to success is your reputation. Your reputation stands or falls on your word. When you give your word, you better honor it. When you promise something, you better deliver it. When you tell a customer that you're going to complete a project by a specific date at a certain price, you have given your word, you have made a promise, and you better keep that promise. That same concept of our name being on the door, our reputation being at stake, and our promises being kept is what we have brought to all our gaming endeavors. Fifteen (15) years ago Illinois legalized riverboat gaming. Myself and six other local business owners formed a company later to be called Empress Entertainment to pursue a license in Joliet, Illinois. Joliet was a typical Midwestern town. It prospered in the '40's and '50's, it leveled off in the '60's, and then it began a steep decline, so that by the mid '80's the unemployment rate in Joliet was twenty-six percent (26%). The downtown was deserted. As a personal anecdote, my brother built his house in November of 1985. His building permit was number six at the time. It was hoped that riverboat gaming would help revitalize itself. We believed it would, but we were just about the only ones who did. We had discussions with several major Las Vegas gaming companies. They all said

the same thing, "We're not interested. It won't work." But we didn't listen to them. We believed it would work. We were willing to put our reputations on the line. We stood in front of the Illinois Gaming Board and we promised to build a six hundred and fifty (655) passenger vessel, fifteen thousand (15,000) square foot pavilion and invest twenty-five million dollars in the project and open it in nine months. We were awarded that license in December of 1991. Six months later we opened. We had delivered what we had promised. We immediately began to reinvest. We built a second vessel, we added twenty-five thousand (25,000) square feet of pavilion space, we added restaurants, we added night clubs, we built a hotel and an R.V. park. We reinvested over seventy-five million dollars into the original twenty-five million dollar project. We had promised to build a first class facility that would help to restore Joliet's economic vitality. We delivered a one hundred million dollar facility, we delivered two thousand (2,000) jobs, we delivered over forty million dollars a year in tax revenues. By the year 2000, Joliet's unemployment rate was five percent (5%), and there were over one thousand five hundred (1,500) housing permits issued that year. Quite a turn around. Meanwhile, as you know, Indiana legalized riverboat gaming. In 1995, we competed for the Hammond license against several highly respected Las Vegas based gaming companies. We stood before this very Commission

and we made many promises. According to the SPEA Evaluation, we kept those promises. We promised that we would open the Hammond facility within nine months of being issued the license. We kept our promise and opened the facility in eight months. We promised we would invest a hundred and twenty-six million dollars in the project. We kept our promise and invested over a hundred and sixty million dollars. We promised to implement a good faith affirmative action program. We kept our promise. As of December, 1999, fifty-nine percent (59%) of our employees were women, fifty percent (50%) were minorities and thirty percent (30%) were Hammond residents. We promised to create seven hundred (700) jobs. We kept our promise, employing over two thousand (2,000) people, which translated into an additional twenty million dollars in wages and benefits. We promised to spend 9.6 million dollars on infrastructures and sewers. We kept our promise. We promised to fund a economic incubator program with one million dollars. We kept our promise. We promised 2.1 million dollars in community donations. We kept our promise. We made over three million dollars in donations to over three hundred (300) organizations, and our senior management was personally involved with over fifty (50) local organizations. Our reputation was on the line in Hammond. Again, according to SPEA, "Empress met or exceeded the requirements of its Certificate of Suitability in the following areas:

Development, project investment, employment and earnings, other commitments and community activity." We kept our promise. We delivered. We delivered for Indiana, for Lake County and for Hammond. By 1997, Empress faced fierce competition in both Indiana and Illinois. To continue honoring our promises, we needed to obtain a higher level of operational expertise. I hired Joe Canfora in June of 1997. Joe brought expertise and a skilled, professional management team to Empress, from marketing to human resources to casino operations to food and beverage. In just two years, Joe and his team increased revenues by thirty-five percent (35%) and profits by sixty percent (60%), making Empress Hammond a leading operator in northwest Indiana. We are very proud of what we accomplished in both Joliet and Hammond. We are very proud that we did what we said we would do. If we are fortunate enough to be awarded this contract, you can be sure we will deliver what we promise. Thank you. I would like to now introduce Joe Canfora.

**JOE CANFORA:** Thank you, Pete. Good morning, Mr. Chairman, members of the Commission. I am Joe Canfora, CEO and Principal of Merit Management Group and Managing Principal of Lost River Development. I'd like to take a few minutes and tell you about my background. I was born and raised in an economically depressed steel town in western Pennsylvania. I'll never forget the time my father told me to leave. He

told me to get out of Dodge, not because he didn't love me, but because of the lack of opportunity. So in June of 1978, I got in my car and I drove to Las Vegas, where my gaming career began. I worked full time and went to school full time, earning a degree from the University of Nevada Las Vegas. I lived and worked in Las Vegas for over seventeen (17) years in a very highly competitive market. I worked in many positions of responsibility, starting as a clerk on the docks at the Aladdin Hotel and Casino to a chief operating officer of Station Casinos. My life changed dramatically when the expansion of gaming occurred in the early '90's. For the first time, the State of Illinois posted monthly gross gaming revenues. No one in Las Vegas could believe the numbers. Ironically, it was the Empress numbers that caught our attention. Station Casinos decided to get in the race. In 1995, as President, I opened St. Charles Riverfront Station in St. Charles, Missouri. After exhausting travel and an absence from my family, we moved from Las Vegas to Kansas City in 1995 to build and open the third largest gaming facility in America. The explosive riverboat gaming expansion of the early '90's added a different type of experience and dimension to a Las Vegas gaming executive like myself. By living and breathing the Midwest culture, I learned what worked and what didn't work. Most operators were unaccustomed to being involved and understanding Midwest communities. For example,

they thought a Las Vegas style prime rib special would attract many customers on a Thursday night, not realizing that nothing would replace the tradition of a child's Thursday night soccer game. There's a big difference living and breathing in a community than hurriedly running to and from the airport. Being there means having lunch with business owners, employees and customers. Being there means being involved in local organizations. Being there means responding to charity requests, participating in speaking engagements, explaining the effect of a new industry, and the perceived and real impacts on our daily lives. I can't emphasize the importance of respecting and honoring the special feel that each community has. We are your business partner, but also your guests with a privilege license that only a few may have. In June of 1997, I moved to Chicago as the President of Empress Entertainment. My wife and I agreed that we didn't want to raise our children in Las Vegas and that Chicago would be our last move. We wanted Midwest stability and roots for our girls. I have now lived here long enough for our daughters to have a Chicago accent. I committed to my family that I would not move, because Midwest values are priceless. I am very proud of the team that I assembled during my tenure as President of Empress Entertainment. I am proud of our team's accomplishments. We increased revenues, which translated to more tax revenues for the state and community. We increased



operating margins. We increased market share. We increased shareholder value, and we increased personal income for our employees. We initiated company picnics, employee talents shows, and simple things, like eating with the employees in the employee cafeteria to listen to their daily challenges. We remodeled, reinvested, expanded and grew with lots of smiles. Most importantly, we kept our promise to our employees and the community. We did such a great job that fortunately, or unfortunately, we received an offer to sell the company. My dream to grow Empress Entertainment to its potential was not completed. In 1999, we sold to Horseshoe Gaming. We sold the Joliet property to Argosy, and we recently sold the Hammond property to Harrah's. In 2000, I formed Merit Management group with several of the founders of Empress. Our first opportunity was the Silver Reef Casino, which we developed and managed for the Lummi Nation of Indians in Bellingham, Washington. The most important factors for community leaders, regulators, commissions, and in this example the Lummi Nation, are the relationship between the gaming company and the community, and the trust in the gaming company to develop a project appropriate for the market. Sizing the casino for the market is the keystone for immediate success. Two quick examples. The first, as previously mentioned, I was involved with a project in Kansas City, Missouri. The project started at a hundred and twenty-five

million dollars and ended up well over three hundred million dollars. The size of the project was too big for the market to absorb in 1997. Lay offs occurred, the pressure on the public company for earnings was immense. Short term decisions were made. Other companies overestimated the market, too, but shared misery was not comforting. I pledged to myself that I would never be part of that experience again. Orange County cannot risk its future on companies that do not share a strategic, planned and common vision. The second example, prior to Merit's involvement, the Lummi Nation had a casino that fell. It closed up. They regrouped and teamed up with Merit, because our philosophy of staged growth were aligned. If we built a casino that was too small and too cheap, we couldn't compete. On the other hand, if we built a casino too large and too expensive, we could fail for oversizing the product for the market. Neither scenario was an option, neither scenario was acceptable. The Lummi's future for all economic development was based on our shared visions and our formula for controlled, persistent and phased development. We promised the Lummi's that Silver Reef would succeed where others had failed. We promised that a phased, controlled expansion plan would succeed. We kept our promise to the Lummi's. I'm happy to tell you that we opened Silver Reef Casino in April of 2002 and just completed an eleven million dollar expansion in April of this year. We are currently

working on our third phase of expansion. We have exceeded revenue projections, and we were under budget and on time in both phases. What does Lost River Development see in Orange County? Is our philosophy and vision aligned with Orange County and the State of Indiana? Have we estimated the market correctly? Have we considered the current products that exist to enable continued growth? Have we planned for future expansion beyond a casino? I believe so. In fact, I know so. Everyone in this room knows that economic revitalization and diversification translates to jobs. Jobs in Orange County means not having to leave to find opportunity elsewhere. I can tell you how that feels. No one wants to leave their hometown. All the applicants will succeed with this vision initially. Lost River Development will succeed exponentially. Why? Because our vision is truly aligned. We see much more than a casino with a restaurant. We see the transformation of Orange County's charm to reintroduce the nation to Orange County as a tourist destination while creating a comfortable place for locals to enjoy. Let's review our steps that Lost River Development has taken to evaluate this opportunity. What did we do? The first thing we did, we reviewed the history of Orange County. We all know the special memories and characteristics that many share of the history of this place. Growth will depend on the ability to coordinate and accelerate many attractions beyond a casino. The gems need to

be polished so many customers see Orange County as an attractive alternative destination. We then assessed the existing amenities and products. We live in a highly, highly competitive environment. Hotel rooms need to compete with hotels in other markets. The food needs to be exceptional. The value of all offers must be beyond anyone's expectations. The vision of the current and future amenities must be aligned with a community vision, and more importantly, timed to accommodate sustained growth. We then got in our cars and we drove, and we evaluated all the various routes to Orange County. We all know there are many ways to get here. Driving can involve ice, rain and possibly sun, all in the same trip. Weather needs to be respected; seasons need to be understood. Both midweek and weekend business must be maximized. We then analyzed the competition. What is the quality of our competitors? What will make us different from our competitors during those icy days or on weekends or on midweek? Our product must be better and more consistent. Our employees must have a passion and a commitment to service. Our customers will see and feel the difference. We then reviewed, analyzed and conducted several market studies. The ranges are significant. Timing of amenities and products will have a significant impact on the revenue ranges. The quality and timing of the hotel room development is significant. Additional amenities, such as movie theaters, bowling, shops

and restaurants will accelerate the growth of revenues to make Orange County an attractive alternative to other vacation and convention destinations. We must keep in mind the competition will react. They will react fiercely by increasing their advertising and promotions. They will add more amenities to their current products. Kentucky may legalize someday. That is why a true entertainment and vacation destination must be developed methodically and in concert with the community. This casino is similar to an anchor shopping mall store, such as L.S. Ayres. The experience of the mall is a walk through the mall, from one end to the other. You may stop at Radio Shack or the Gap, pick up a pretzel at Annie's to complete your experience. The casino is an anchor. It's only part of a recipe of many ingredients. The recipe for success is the sum of the parts. This equates to revenues, jobs and growth. We believe a casino resort development designed with a common vision for a sustained, long term growth will be a huge, huge success for Orange County and Indiana. You've seen our track record, you know our successes. Our future and our business is only as good as our word. We keep our promises. We have kept our promises, and we will keep our promises that we have made today. I'd like to turn the next part of the presentation over to Greg. Thank you.

**GREG GURNIK:** Thank you, Joe. Good morning, Mr. Chairman and members of the Commission. My name is Greg Gurnik. I'm a

President and Principal of Lauth Property Group, and I'm also Managing Principal of Lost River Development. It's my pleasure to tell you a little bit about the physical fulfillment of our vision for Orange County and the dreams that we're making and the promises we're making and the promises we are to be keeping. With that, I'll be talking about the casino facility itself, as well as related amenities we are proposing, various site options, exterior architectural options, as well as schedule. Before I get into that, I want to point out a few things about our proposal. First of all, we submitted five site options. I'm going to be talking today about just two of those, based on input and direction from the HHPC, but I want to make it clear that the other three site options are still available and I'll be happy to answer any questions about those, if you'd like. Those include the original site recommended by the HHPC, as well as two alternative sites along Highway 56 between the two hotels that were included within our proposal. The other thing I'd like to point out is that all of our site options include all the immediate infrastructure necessary for a successful operation. That would include new and reconstructed access roads to the facility, as well as signalization and intersection improvements of those access roads to State Road 56, and whatever utility infrastructure extensions are necessary, as well. We're, therefore, requesting no municipal assistance in

regard to those infrastructure improvements. You'll also hear later from Vernon how we're going to assist with county wide infrastructure needs as part of our proposal. Lastly, I'd like to reiterate what Joe has just been telling you, and that is that our project will be performed in a phased manner. With that, let me move forward with the first phase. The casino facility itself will be fifty thousand (50,000) square foot, one story facility, designed to be expanded. There will be multiple restaurants, from fine dining to delis, two cocktail lounges with an entertainment component, nine hundred (900) slot machines, twenty-four (24) gaming tables, a gift shop and adequate parking. It will all be nautically themed and period theme designed. The interior of the facility will also have the same thematic scheme to continue the experience realized outside upon arrival, so as the exterior architecture of the facility is decided upon, that then will be carried into the interior architecture. However, under all circumstances it will still highlight the early 1900 architectural standards, the design of high ceilings will promote a grand presence. In addition within the first phase, we are proposing several related amenities: Up to fifty thousand (50,000) square feet of retail development, a high tech theater and state of the art bowling center. These facilities would also have designs that will maintain the period theme that will showcase the entire project. The first of the two sites I'd like to talk

about for a minute would be immediately adjacent to the historic West Baden Springs Hotel. In this regard, it's my pleasure to announce that as of yesterday, we reached an agreement with the Cook Group and Historic Landmark Foundations of Indiana to purchase and acquire - to purchase and renovate the West Baden Springs Hotel. This is a very significant development. This allows us to speak with confidence how we will complete the rebirth vision that the Cook Group, Historic Landmark Foundations of Indiana and the community have seen for this very significant landmark. It also ensures the long term viability of this asset to the community. In this regard, we recently acquired the services of Bill Brown and (inaudible) Architects, who have significant historic renovation experience, as well as George Ridgeway, the architect who is overseeing the renovations that have occurred to date. Upon completion of this magnificent facility, we'll have over two hundred and fifty (250) rooms and suites, with retail and restaurant space, as well. The casino will be located immediately north and east of the historic Dome, with restaurant and retail located within a connected building to the historic Dome itself. The movie theater and bowling facility and additional retail is slated to be located south and east of the historic Dome along State Road 56. The reason for that location is to allow this to be a catalyst to instigate the redevelopment of the State Road 56



corridor. I would like to say, however, that we are open to other options for locations. There's been some desires expressed that perhaps some of these amenities might be located farther south, perhaps even in the central business district of French Lick, and we remain very open to these other options as the community decides makes the most sense. The other location I'd like to talk about today would be immediately adjacent to historic French Lick Springs Resort. In this case, again, it would be located north of and adjacent to the hotel in a layout that would be very similar to what is depicted for the West Baden Springs Hotel. As this would lie on ground leased from the Boykin Group, the owners of the hotel, we've had discussions with them and agree that we would reconfigure or replace any affected facilities of the hotel, and of course, we have included all the infrastructures associated for a successful operation. This site option would also include the same related amenities discussed earlier, and those could be located along State Road 56 or again in an alternate location, should that be deemed appropriate by the community in its best interest. Regarding the exterior architecture of the facility, I want to focus on just two options today, but again, I want to make it clear that we're open to any options that may be desirable, including a third that we've submitted within our proposal, but the intent is to compliment and preserve the architecturally unique historic

Valley. The first would be a design drawn from images similar to these of a classic entertainment pier. This design concept is rendered here adjacent to the West Baden Hotel would fit well anywhere in the Valley, but the ability to compliment the West Baden architectural with domes and similar architectural styles makes it particularly desirable in that location. This design concept is also more flexible to design around the interior function and aesthetic concerns of the casino itself. It's also more efficient and can be much easier to expand. The other exterior design concept that has been favorably received will be one that draws from the classic riverboat era, as depicted on the rendering in front of you. This concept has a faux two story appearance to achieve the high ceiling required or desired inside the facility while being architecturally correct on the exterior. Depending on the site selected, the total investment for the first phase of our development would be up to a hundred and fifteen million dollars. That's fifty million for the casino and sixty-five million for the acquisition and renovation of the West Baden Hotel. Again, depending on the site selected, there will be up to seven hundred (700) construction jobs created as a function of this phase 1 development only. It's also important to note that we have executed a union project labor agreement, should we be selected for this contract. In addition, our proposal also includes thirty-five million

dollars worth of future expansion commitments as the adjusted gross income grows. These commitments, combined with other future opportunities we've identified, include not only expansions of the casino but new and expanded restaurants, retail and entertainment amenities, new and renovated golf courses with a PGA learning center, residential development and new and expanded corporate meeting and convention space. Upon completion of the phased development, we would expect our total investment to be in excess of one hundred and fifty million dollars. One significant strength of our team is internal development and construction expertise, experience and horse power. We're committed to put this force to bear as we fast track the development of construction of the Fortune Springs Casino to ensure an expedited opening, and should we be awarded this contract this month, we're committed to an October, 2005 opening of the facility. With that, I'd like to turn this over to Duff Taylor, who will share some of our ideas about advertising and marketing.

**DUFF TAYLOR:** Thank you, Greg. Mr. Chairman, members of the Commission, good morning. My name is Duff Taylor. Many of you may know me as the first Vice President and General Manager of Hyatt's Grand Victoria in Rising Sun, Indiana. More recently, I've joined Lauth Merit team as the Opening General Manager of the Lost River Development project, Fortune Springs Casino. I'm particularly pleased to be able to work

with experienced casino veterans such as Joe Canfora, Pete Ferro, John Costello and many more members of the Merit team. All of us are pleased to share some of our operating experiences from when we ran our former properties here in the state of Indiana. As you know, Pete Ferro, and later Joe Canfora, were instrumental in the design, development, opening and ongoing operation of the Empress Casino in Hammond, Indiana. While I was Vice President and General Manager of Hyatt's Grand Victoria in Rising Sun, I participated in every phase of development, purchasing, staffing and operations, including the acquisition of the boat and the design of the temporary and permanent facilities. All of us are approved level 1 employees or licensees, and both of our operations were viewed as excellent examples of the partnership between respected gaming operators and their local host communities. Both were respected for meeting their commitments to their communities and the State. Promises made and promises we kept. As operators, we are constantly balancing the needs of our customers, our employees, our communities, our owners and our regulators. The first thing I'd like to talk to you about is the advertising and marketing of this operation. I think we all agree, as the last gaming operation entering the market five years after other established gaming riverboats on the Ohio River, we are at a disadvantage. There are no interstate corridors passing through the area, and the population base is

one of the smallest in the sixty (60) mile radius amongst all Indiana riverboats. However, we are confident of the gaming revenues we can produce. We've done extensive demographic studies of the area. Joe Canfora and I have both had experience in competing in low population areas with established competition, and we view this as an exciting challenge. The first challenge will be to position the casino's amenities to attract tourists. The hotel rooms must compete on a level with Belterra and Caesars. The buffet must offer the variety of cook stations which are incorporated in other competitors' extensive offerings. The other dining outlets must be conceived and priced to cater to our market. Naturally, we want to create a strong customer base within our thirty (30) to forty-five (45) driving distance. Then we will move to expand to a ninety (90) minute drive market and to market to the greater Louisville, Bloomington, Indianapolis and Terre Haute areas. We will partner with local attractions, such as Lake Patoka, Paoli Peaks, the golf courses and the many historic attractions. We will use market specific tactics which Joe and I have already found successful in the Midwest and smaller markets. We won't necessarily be using programs that have been used in Atlantic City, Las Vegas or even in the Chicago area. Our marketing mix will include advertising, which is broadcast, print, outdoor and electronic. This market lends itself particularly well to

public relations. The legislation, the referendum, the hearings with HHPC and even this forum have all created a P.R. momentum. The people of Indiana and Kentucky want to know what is happening in this historic jewel. We'll use data based marketing, both internally from our Player's Club, by segmenting and communicating with our most productive players, and externally by purchasing established lists and prospecting through direct mail or e-mail. The Player's Club is a foundation of every modern casino's marketing program. The technology of slot machines and player tracking has enabled us to measure over fifty percent (50%) of our gaming revenues. This powerful function enables us to focus our marketing efforts and dollars with extraordinary efficiency. We will create special events and promotions, such events as player tournaments, player dining invites, golf tournaments and the like; promotions such as automobile give-aways and seasonal incentive prizes as well as daily baseline promotions, such as triple point days and senior days. Our player development team will identify and cater to our most productive players, whether we use our Player's Club and database or whether we host parties and events in other cities. As you know, our group sales effort will focus on driving traffic during off peak hours, and particularly Sundays through Thursdays. We will cater to clubs, tournament groups, family reunions and corporate business. We will seek overnight stays. We will

work with tour and charter operators in the multistate region. In your proposal response submittal, we have submitted financial projections and have allocated approximately 9.9 million to our marketing efforts. Please note that we've set aside promotional allowances of approximately 2.5 million, hotel room guarantees of 2.8 million, affording us at least seventy (70) room nights every night of the week. Our media advertising budget is 1.85 million and promotions, events, player development, tour travel and sale efforts will approximate 2.75 million dollars, for a total of 9.9 million dollars. Marketing tourism in Orange County is far more than just marketing the casino. The nature of the market is such that we will encourage and seek overnight stays. Orange County is blessed with many attractions: The lake, the historic venues, the museum, the hotels, the golf courses, Paoli Peaks and much more. We will aggressively promote all these local venues. It is in our best interest, because the greater length of stay we can create, the better opportunity we have to enjoy this customer as a customer of the casino. Further, Orange County offers excellent recreational divergence beyond the casino and the nightlife entertainment, just enhancing the total recreational experience. We want to sponsor a regular program of nationally recognized performers, such as Crystal Gale, KC and the Sunshine Band and Kenny Rogers. This program will create and reenforce a locational

identity with Orange County and Springs Valley, just as entertainment has done for Little Nashville, Indiana. Further, entertainment provides an event activity to assist us in our player development and database marketing activities. We can package other activities around these entertainment events. The star performers give us an excellent instrument to package our advertising efforts and for broadcast and for print media. Our comarketing partners will include, for lodging, the French Lick Springs Resort, Ballard Mansion and Wilstem Ranch; for recreation, Patoka Lake, Lindley House, Paoli Peaks, the Winery and the Hoosier National Forest; and for historical attractions, the hotels, the Orange County Historical Museum, the Indiana Railway Museum and the Pioneer Mothers Memorial Forest. We believe Orange County has some significant competitive advantages. We're all excited about the community's vision and our ability to springboard the development of the area. There is tremendous popular curiosity about the area, as many recall the days when Orange County was viewed as a hotel and recreational spot with national notoriety. The many venues enable us to create a more complete recreational package for our customers. The design characteristics of the facility will enable us to offer a casino venue different than the classical riverboats. We can create higher ceilings with a positive environmental comfort and smoke reduction effects associated therewith. A



single level gaming floor will help eliminate confusion for our guests, and a more spacious layout which creates better circulation pattern and enhances safety of the facility. All these features will give us a competitive differentiation. As in Rising Sun, the local population is strongly behind and supportive of the project. I can only attest to the strength of this partnership as I've experienced the positive competitive advantage that this gives as each member of the community promotes our common interest. Orange County has hosted numerous conventions and business meetings over time, and these group events give us tremendous opportunity to extend our marketing efforts. The historical value and heritage tourism value of the area is unique in the state and has created a significant curiosity factor. We have the opportunity to recruit and train a five star work force, creating service levels that will become a major element of public perception of our area and our facility. With respect to Orange County, the secret to the successful operation will be an aggressive marketing, advertising, and sales plan, a focus on employees providing superior customer service, efficient management and a strong community based partnership. I've already described our aggressive marketing plan. Our next challenge will be a major investment in our employees. We will give preference to local residents. We will afford promotional opportunities with a heavy investment in skills

and customer service training. The majority of our employees will live in the Orange County area. Training will be coordinated with local institutions. As in Rising Sun and Hammond, we will meet or exceed our commitment to employing minorities and women. Our commitment to affirmative action will be another promise made and promise kept. The casino operation alone will employ over five hundred and fifty (550) employees, generating over fourteen million in wages and benefits. The average wage and benefits will be twenty-five thousand five hundred (25,500) per person annually, not including tip income, which, as you know, is quite substantial in the casino business. The young men and women of Orange County will no longer have to leave their homes to seek a career and financial security. The casino will be an employment foundation for the community. Even more jobs will be available through the prospective hotel operation and ancillary amenities. With respect to our commitment to purchasing from minority and women owned businesses, we will divide this task into the preopening construction phase and then the ongoing operations phase. For the construction phase, we've engaged the firm of Scott, Hilyard, Cosene, a certified minority business enterprise construction company, to assist us in exceeding our purchasing goals. During the ongoing operations, we are fortunate that so much work has been done in this area in the past, not only by Empress and

Grand Victoria, but also the many other Indiana riverboats. We will use many of the minority and women owned business companies already certified in doing business with other riverboats. We will communicate with these businesses and volunteer to host forums and workshops to assist other minority and women owned businesses to interact with the gaming community. We will appoint an individual to be responsible for achieving our goals. We will establish an environment internally that maximizes minority and women owned business participation, and we will require our suppliers to be compliant with these requirements. We will measure our program success and communicate to the Indiana Gaming Commission and through appropriate P.R. mechanisms. Finally, with respect to purchasing, we will offer business benefits to our Orange County suppliers. We will create a preference order locally with contiguous counties and within the state of Indiana. This just makes good business sense. In summation, we have twice proven our operating capabilities at Empress and Grand Victoria, two of the country's and Indiana's most successful riverboats. The same top management is here before you today to demonstrate that we can make Orange County and the State proud again. Promises made and promises we will keep. Thank you. I'd now like to introduce Vernon Back.

**VERNON BACK:** Thank you, Duff. Mr. Chairman, members of the Commission, I am Vernon Back, General Counsel for Lauth

Property Group. In addition to the significant business and employment opportunity Fortune Springs Casino will provide to Orange County, the casino will also generate significant gaming and admissions tax revenue for the State of Indiana and Orange County. Approximately seventy-five percent (75%) of the eighteen to twenty-seven million in gaming and admissions tax revenue will come back to Orange County in one form or another. In addition to the gaming relating taxes, Fortune Springs Casino will generate approximately 1.4 million in property tax revenues for Orange County in the future. Further, the wages and income from the Fortune Springs will generate approximately one million in state and local income taxes, including the income tax paid by the Indiana owners of Lost River. Lost River, in meeting with the Historic Hotel Preservation Commission, recognizes the infrastructure needs in Orange County related to the casino development. As Greg previously mentioned, we are committing to bringing all the utilities to the casino and making certain other access improvements as part of our casino budget. In addition to that, in talking to the Historic Hotel Preservation Committee, there are certain other infrastructure needs: Sewage treatment facilities need to be upgraded, boulevard improvements, streetscape improvements, promenade potentially between the two hotels, law enforcement and emergency services need to be upgraded. Orange County Convention and Visitors

Bureau needs additional funds to drive the tourism. The French Lick Airport needs improvement. There are also infrastructure needs in Paoli and Orleans. With respect to these infrastructure needs, Lost River has committed 7.5 million in grants and financing, if the West Baden site is selected, and 6.5 million in grants and financing, if the French Lick site is selected. In addition, Lost River has made the commitment to work with Orange County and French Lick to ensure that there are no rate increases related to any financing of such infrastructure improvements. With respect to the hotels, Lost River has also made significant commitments there. The hotel that is not located adjacent to the casino will receive a hotel room guarantee in excess of 2.8 million dollars. In the case of French Lick, if the casino is adjacent to the West Baden Springs Hotel, this represents a significant portion of their current room revenue. In addition, if the casino is next to the West Baden Springs Hotel, we've provided certain competitive assurances to the French Lick Springs Hotel. These restrictions relate to the use of the guaranteed rooms, not developing additional rooms at the West Baden Springs site. In addition, we've committed to holding our large entertainment type venue and activities at the French Lick Springs Hotel and directing all convention business to the French Lick Springs Hotel. With respect to the Orange County vision of economic revitalization

and diversification, I grew up in Yorkville, Indiana, in Dearborn County. Yorkville is a very small community, very similar to West Baden and French Lick. It's a small, economically depressed community in southern Indiana with limited opportunities. I am familiar with the challenges in Orange County. By creating economic diversification, Orange County has an opportunity to improve on what the other Ohio River communities have created to date. Orange County's vision of economic revitalization and diversification is critical to the long term opportunities in Orange County. With this vision in mind, Lost River has proposed to create an economic development foundation. The purpose of this foundation is economic diversification and revitalization in Orange County, and also to improve the quality of life in Orange County. The economic development foundation will focus on economic diversification by attracting new businesses to Orange County, assisting start up businesses in Orange County and helping to grow existing businesses in Orange County. The foundation will use grants and no interest loans to help these businesses succeed and develop in Orange County. With respect to this foundation, Lost River has committed five hundred thousand dollars (\$500,000) in seed money, a guarantee of seven hundred and fifty thousand (750,000) annually, that could grow to or exceed five million dollars, based on the adjusted gross revenue of the casino. As I said, this is

based on the adjusted gross revenue of the casino, not EBITDA or cash distributions. This is the promise Lost River is making to the residents of Orange County; a promise Lost River will keep. Thank you. I will not turn it back over to Bob Lauth. Bob.

**BOB LAUTH:** Thank you, Vernon. Before we wrap up, I'd like to show you a recent news clip from CNN. It's about what Pete and his team did while at Empress in Joliet. Now we'll roll the tape.

**(Video played.)**

Well, I don't know if we can get Pete's group to build another minor league baseball stadium here in the Valley, like he did in Joliet, but I do see some similarities between Joliet, Illinois and Orange County and the opportunity to breathe new life into this Valley. Now that you've seen and heard what the Merit people can do, I'm sure you can understand why they are such an integral part of our team and why we are proud to have them as our partners. By now you have heard and read a lot about us and about our plans. You'll have to draw your own conclusions, but what I hope came through during our presentation is that, number one, our team has the skills, the abilities, the resources and the experience necessary to make it as successful as it can possibly be. Second, that our group is blessed with a unique mix of both gaming and real estate expertise and experience. Thirdly, that we are

committed to this project's success, both short term and long term. Finally, that we, in fact, do have a very good plan for this project's success. As I was preparing these remarks, I was thinking about the things that differentiate us from the other applicants. To be candid, all three of us have the experience and the knowledge necessary to deliver and operate a successful casino. All three candidates could create jobs in the process, generate the much needed additional revenue for this city and create the economic benefits that Orange County needs. There are several things, however, that distinguish us, Lost River, from the others. First, we're the home team. We are the only applicant which is majority owned by Hoosiers. If we're awarded this contract, Fortune Springs will be the only casino in Indiana history that is majority owned by Hoosiers. We are the only group whose majority ownership has a vested stake in this state's economy, and we have had for a long time. We are the only group who has invested consistently over one hundred million dollars a year in Indiana, created new jobs here in Indiana, and paid taxes here in Indiana, all long before this opportunity came along. Second, creating jobs, providing benefits for the local community and generating new gaming revenue for the state, while all very important, are only part of the story. If Lost River is selected, the majority of the casino and related business profits will be taxed here in Indiana, reinvested



here in Indiana and stay here in Indiana. The economists call it the multiplier effect, and it's powerful. Third, we're the only applicant who has the all important small market and development know how necessary to make this project successful. As charming as it is, Springs Valley is neither near a major population center nor is it particularly easy to get to. Visitors will have to be motivated to come here, and that will require, at a minimum, small marketing experience to draw them, a superior gaming facility and additional investment and development activity to keep them coming back. We have all the necessary resources to accomplish all of this and more, and we have said from the beginning that we are committed to put them to use here and now. Finally, on a personal note, I'm the majority owner of the Lauth Group, who, if we are selected, will play a major role in this project's success. Since my name is on the door, our performance will reflect on me personally and on my company. Once this project is finished, I won't be going home to either New York or Nevada. I am home. Indiana has been my home my entire life. You have my word that we will do everything humanly possible to make sure this project is a success and something which everyone in this room can be proud of for a long, long time to come. Thank you for your attention, and we would now be happy to answer any of your questions.

**DONALD VOWELS:** Thank you, Mr. Lauth. Before I forget it,

when we finish with your group here this morning, if you'll be certain that your presenters give the reporter your cards so that she'll have your names correctly. Tomorrow is the day that we'll ask you questions, but because of this new development that you presented to us here about the possible purchase of the West Baden Hotel, I think the Commission needs to know the answer about whether this purchase of the West Baden Hotel is contingent upon the Commission going with your West Baden proposed site. Is that a yes or a no?

**BOB LAUTH:** Yes, it is contingent upon us being awarded the contract.

**DONALD VOWELS:** Only if the Commission goes along with your proposal that the casino be next to the West Baden Hotel will you buy the West Baden Hotel?

**BOB LAUTH:** That's correct.

**DONALD VOWELS:** It's going to be important for the staff to be able to review that. Is that something you can get to the staff this afternoon?

**BOB LAUTH:** I think so. Can you be more specific as to what you need?

**DONALD VOWELS:** In reference to the purchase of the West Baden Hotel, what sort of financial structure did you have in mind? You can speak to Mr. Lawrence during the break and he can give you more specifics.

**BOB LAUTH:** Yes, sir.

**DONALD VOWELS:** This particular group is admirable. They wrapped up before their allotted hour and a half, so there's about fifteen (15) minutes left, if any of the other commissioners would like to ask some questions.

**ROBERT BARLOW:** I have a question on why do you project different revenues for one site versus the other site?

**DUFF TAYLOR:** The reason is because, if you look at the West Baden site, the hotel rooms there are going to be very competitive with the Caesars market and also with the Belterra market. We know what the quality of rooms are going to be there, and we feel that quality of room is needed to derive those revenue numbers. At this site, the quality of rooms, we do not know what the quality will be, but most likely will not be the same quality as Caesars or Belterra, which are your prime competitors.

**DONALD VOWELS:** Does anyone have anything else? This worked out perfectly. The agenda calls for lunch break now from noon until 1:30, so we'll come back here for the Orange County Development, LLC's presentation at 1:30. Thank you.

**OFF RECORD FOR LUNCH BREAK.**

**DONALD VOWELS:** We'll go ahead and call the meeting to order. We'll show that we do have a quorum; all commissioners are present, and again, Commissioner Gettlefinger is recusing himself from this and will not participate, but he is here. The next matter on the agenda is the presentation from Orange

County Development, LLC. As I mentioned before, after Lost River Development's presentation, make sure that if you give a presentation here, if you will give the reporter your card so she has you down accurately as having been the person who spoke. Having said that, all cell phones off so as to not interrupt the applicant's presentation. We will not begin with Orange County Development, and it's approximately 1:37, so they have an hour and a half for their presentation.

**HARLAN BRAATEN:** Mr. Chairman, members of the Commission, my name is Harlan Braaten. I am the President and Chief Operating Officer for Coast Casinos and I want to thank you all for inviting us here today to speak to you about our ideas about the project here in Orange County. I'd like to make some introductions of our team. If you would all raise your hand as I announce your name. I have Michael Gaughn, our CEO of Coast Casinos; Brian Larson, the Senior V.P. and General Counsel of Boyd Gaming; Lu Meis, an Indiana businessman and partner in Orange County Development; Ron Frye, Vice President of Construction of Coast Casinos; John House, an Indiana businessman and partner in Orange County Development; Bill Kelsey, an Indiana businessman and partner in Orange County Development; Mike Messaglia, our Indiana General Counsel; Jill Leone, a representative for Larry Bird; Allen Rachles and Brad Grabow of the accounting firm of Crowe Chizek; Jimmy Beard of J. Beard Management; and Matt Carden of 1220 Exhibits. At

this time, I'd like to go through the presentation summary of what we're going to talk about today. We're going to talk about the origin of Orange County Development, how it started. We're going to talk to you a little bit about Coast Casinos and Boyd Gaming. We're going to go over the design and development of our facility. We're going to talk to you about minority and women owned enterprises. We're going to talk to you about our employers and vendors, our marketing strategies, a Larry Bird Museum that we plan to establish. We're going to go through a market analysis and the financial benefits to the community. We'll talk to you about the Larry Bird Foundation, and then we'll wrap things up with a summary of our presentation. At this time, I'd like to introduce Lou Meis, who will talk to you about the origin of Orange County Development.

**LOU MEIS:** Mr. Chairman, Commissioners, my name is Lou Meis and I was born in Terre Haute, Indiana. I was in the retail business for many years with twenty-three hundred (2300) employees, and our headquarters was in Terre Haute, Indiana, and I still reside there. I thought I'd just take a minute and introduce a little further the minority partners of Orange County Development, LLC. John House is sitting back here, I've known for forty (40) years. His family was in the trucking business, he's in the financial services business, he was raised in Terre Haute and he presently lives in

Indianapolis. Bill Kelsey is also sitting in the audience behind me, who I've known for ten (10) plus years. He was born and still resides in Indianapolis. He was in the banking business and he's presently on the Indiana Boxing Commission. Not with us today is Bob West, who had family commitments, could not be here. He spent eight years as Attorney General of Nevada and four years as Governor of Nevada. Bob has an Indianapolis, Indiana connection. He was married to a Terre Haute native for many years. Last but not least is Larry Bird, who you all know. We think that we have the right chemistry for minority partners, and I say minority partners because we studied this before we got together with Coast and Boyd to be minority partners because we felt that we don't know anything about the gaming business. We are all business men, we've all had responsibilities, but we're not experts in gaming, so we feel that we have the right chemistry. My relation with Larry Bird started when he was at Indiana State in 1977, and we've been partners in various business endeavors ever since. When we spoke to Larry about getting involved in this casino application, he was really excited. He made it clear that we did not - that he did not want to take any profit personally and that he wanted to give his share of ownership to the people of Orange County. You will hear details about this later. He made it also clear, and we agreed, that we should select a casino company that is

financially sound and in good - in good economic times and bad and has the staying power and that the people of Orange County would be proud of. Additionally, the company we picked had Hoosier values and had gaming operations currently and ran a good ship - no pun intended. He also expressed employer relations, reputation ethics and honesty of the company. After talking to all the original applicants and many, many more casino operators and after doing our due diligence, we decided that Coast Casino/Boyd was a company that fit the criteria that we were looking for. They have a reputation for underpromising and overperforming. You will hear, in the next few minutes, over and over and over again the criteria Larry and our team, I just explained to you.

**HARLAN BRAATEN:** Thanks, Lu. We have a couple videos we'd like to share with you about Coast Casinos and Boyd Gaming.

**(Video played.)**

**HARLAN BRAATEN:** Thank you for enduring that long video of our two companies that have now become one. Coast Casinos with its four properties in Las Vegas has a sizable presence. Currently, we are in our fourth expansion of the Orleans Hotel and Casino, which consists of a four hundred and sixty-two (462) room tower, bringing our rooms at that property now to over eighteen hundred (1800), almost nineteen hundred (1900) rooms. We embarked, as the video said, on our newest project, the South Coast, which is a four hundred and fifty million

dollar project on the south side of Las Vegas Boulevard. Together now with Boyd Gaming, the merger effective July 1st, we have eighteen (18) operating casinos in the United States. We are the fifth largest hotel/casino company, and with the two pending mergers that have been announced in recent weeks, when those are complete, we will be the third largest gaming company. I'm sure you saw on the video that they have a very successful Indiana property in the Blue Chip. Looking at the company from a financial perspective, Pro forma or the combination of the two companies, have over two billion dollars in revenues, 462 million in cash flow EBITDA, a leverage ratio at the height of the merger, before you start benefiting from the merger, 4.7 times. Many cases, you'll see merger leverage ratio of five or six times. Pro form interest coverage 3.7 times and an existing availability in borrowing capacity of five hundred million dollars on top of the two billion three hundred thousand of debt that exists today. I'd like to tell you a little bit about the leader of Coast Casinos, Michael Gaughn. Our chief executive officer has been in this business forty-four (44) years. All of his adult life has been in the gaming business. He's been a leading innovator in the industry. His was the first company to put movie theaters at a hotel casino. Started to pick the pros football contest, was the first real user of slot clubs, although wasn't the first slot club, but probably the first



successful slot club in Las Vegas. He has designed, developed and operated all four of these hotel casinos. He's also been a part of a development of a riverboat in Illinois. He operates the slot concession for Clark County in Las Vegas. He is truly one of the most respected community leaders in Las Vegas. When you talk about working with local government, the Clark County Government has entrusted Michael Gaughn with the slot concession for the past thirteen (13) years. He has over two hundred (200) employees there, five million in payroll and has provided the county last year with over thirty-four million dollars in revenue. Michael was the managing partner of the development of the casino riverboat in East St. Louis, the Casino Queen. That riverboat employs over eleven hundred fifty (1150) employees, has a thirty-four million dollar annual payroll and provides the city, state and county with over sixty million - sixty-five million dollars in gaming taxes each year, so Michael has been around and done many things in this industry and is the leader that is here today to convince you that our company is worthy of doing this project. At this time, though, we want to talk about the design and development of the gaming facility, and to do that is Ron Frye, our Vice President of Construction.

**RON FRYE:** Thank you, Harlan. You saw the video of our properties in Las Vegas, and I'd like to tell you a little bit about our design team. Our architect is Leo A. Daily, whose

main office is in Omaha, Nebraska. Leo was licensed in fifty (50) states, Europe and Asia. Leo Daily Firm is the fourth largest architectural firm in the world, and they have extensive gaming experience. Our interior designer is Yates Silverman, Incorporated, and they're known as the foremost design company for gaming properties. They developed, in Las Vegas, the Luxor, the Excalibur, the New York New York, the Paris. They've done work in virtually every strip casino and Indian casinos, as well, including Bachang and Foxwoods. As for myself, I'm a licensed able architect. I designed the first gaming vessel in history, including Mr. Gaughn's Casino Queen, and a number of others that followed. I joined Coast ten (10) years ago and have helped to develop and build, along with the team, three of his major casino projects. The fourth one is underway right now for me. I hold four unlimited contractor's licenses in the state of Nevada, and together with the Coast staff, with the design team, we build casinos. We understand the details necessary to make them work, we know how to design and create a space with the correct level of comfort for our customers. If you visit any of the casinos that you saw on the Coast video you would have come away with that feeling, that it is, in fact, a very comfortable space. Let me begin with our overall aerial view. You can see the historic hotel district, the West Baden Hotel over here, State Road 56, State Road 145. You can see our proposed site

adjacent to the French Lick Springs Resort. This is the site that we have designed our proposal around, but we are also open to other site locations, as well. Here's a little more detailed aerial view. You can see the French Lick Springs Resort and some of its outlying amenities: The expo hall, the tennis court and the villas, and as well you can see the Indiana Railway Museum over here. In our site plan, we're proposing a thirty-five (35) acre property. Our water feature is approximately two acres. You can see it's a little more narrow at the bough and at the port side, a little bigger at the stern right here, and that's really for two reasons. One, we didn't want to disrupt the golf pro shop you see right here, and it also gives us the opportunity, when we expand, to push the stern into the water feature right there as part of our expansion plans. Parking calculations you see, for public parking, all surface parking, one thousand seven seventy-five (1,775), employee parking six twenty-two (622) for approximately twenty-four hundred (2400) spaces. As we expand the casino, we would contemplate putting a parking structure over in this area. Parking structures cost between seven and ten thousand dollars (\$10,000) a space, and our minimum parking needs for this project is approximately two thousand (2,000) spaces, so that would add an additional fourteen to twenty million dollars to the project, so it's not currently part of this project. Here's our first floor plan, and I'll

start with our port facility. You can see it highlighted in blue. The port facility consists of a gazebo porte cochere for drop off and pick up, a covered bridge across the water feature into our entry vestibule with a coat room and security checkpoint. At the security checkpoint, customers will be checked for eligibility to enter the vessel. There's only one entry into the vessel for ticketing purposes. We do show a couple of other entries over on the sides right here. That's just for emergency escape purposes. In our casino, our total project is a hundred thousand (100,000) square feet, and forty-eight thousand (48,000) feet of that is strictly casino, and that's all the area you see highlighted in red here. We're proposing eight hundred (800) slot machines, twenty (20) table games in our pit area here in white, two island bars on either side of the pit. Here's our cashier's station here. We have a slot club, as mentioned before. We have two sets of very elegantly appointed restaurants. We're very proud to include the Larry Bird Museum as part of this project. The Larry Bird Museum will be located on the second floor. It's the only amenity we'll have on the second floor, and it will be accessible without entering the casino, so under age guests can come across the covered bridge, along the outboard deck, and it will have its own stairway and elevator up to that facility, and it will feature highlights of Larry's fantastic career and also a collection of artifacts and photos, and

you're going to hear more about the museum in just a moment. I'll go through our restaurant offering, starting with our twenty-four (24) hour restaurant. You can see it highlighted in green here. We're proposing a hundred and twenty-five (125) seats, we'll have a wide variety of menu items, and the theme of the space will be traveling America, harkening back to the time when the Springs Valley area was a destination resort. It will include elements of auto era, with a special emphasis on rail travel. This is our way to bring the Indiana Railway Museum into the casino, and we would look to them to provide us with some artifacts and photos and sort of cross promote that facility, as well. The style will be of the '20's and '30's, really the heyday of the Spring Valley area, so we'll see some art nubo and some art deco styles. Here we have our steakhouse restaurant, highlighted in pink here, a hundred and fifty (150) seats, and the theme of the space will be the sports history of Springs Valley. As we looked around, we saw so much rich history to pull from with golf, tennis, equestrian sports, hunting, of course Larry Bird, and the style of the space will be very elegant, Victorian 1890's era, and we're looking at dark wood paneling, very plush upholstery, crystal chandeliers, fireplace, just a very warm and very romantic space. You can see our buffet restaurant here, highlighted in blue, two hundred and fifty (250) seats. The theme of this space will be the opulence of a Victorian

garden. We're very impressed with what we saw on the grounds of both hotels, and also the photographs that we reviewed, and we want to bring some of that majesty into the casino in this location, and in contrast to the steakhouse that is very romantic and inviting, this will be a very bright space, very floral, stone statuaries, stone trim. We'll feature live cooking stations with food from around the world where food is prepared directly in front of the guests, and in some cases to order. We'll have Italian, Mexican, seafood, Chinese and American barbecue station, and we hope to import some dishes from the Indiana countryside. Here you can see highlighted in yellow our showroom, six hundred (600) seats, and in this we're looking at a legitimate theater, so the style will be an opera house of times past, so floor to ceiling velvet drapes, carved molding across the stage, very plush seats. With that style, we will also incorporate state of the art light and sound system, which is something we're very famous for in Las Vegas. We'll also provide a digital light cannon for large screen format video, and that allows us to show Kentucky Derby, Monday Night Football and other sporting events in a cinemagraphic presentation, which is really something to see, great parties, but the main focus of this space will be live entertainment. We have two very, very successful lounges or showrooms, I should say, in Las Vegas. One is eight hundred and fifty (850) seats and one is four hundred and fifty (450),

and I want to read to you just a few of the people we have appearing this year at the Orleans: Clay Walker, Debbie Reynolds, Englebert Humperdinck, Lou Rawls, Louie Anderson, Randy Travis, Smothers Brothers, Beach Boys, Jerry Lewis, and there's really quite a list. These are people that have done business with us for quite a number of years, we have great relationships with them and we hope to bring that entertainment to French Lick. Here's our interior rendering. The theme is to capture the elegance, again, of the West Baden and French Lick Hotels. It's very easy to create a casino that's all glitz and glamour, and that's not our intention here. We've seen so much that we can borrow from, that we can bring into this casino to make it fit this locality and make it really have a feel that it belongs, and that would be our aim. The style, of course, is to match the Queen Ann and Victorian periods. We have a dome center pit, as you can see right here, with ionic columns, which would be similar to the West Baden Hotel, and we've used materials common to the Spring Valley Hotel, such as wrought iron. There's some fabulous examples of stained glass over at the West Baden. There's mosaic floors that we've seen in both hotels that we think are very unique and we'd like to mimic, and plaster and other materials of the period. Here's our vessel exterior. This is meant to resemble a three level river steamer of the early 1900's. The restaurant and back house structure would

be behind the facade, so it would not be noticed very well, except for certain angles. Victorian ornamentation, lots of gingerbread, the gazebo porte cochere in the center here is influenced by the French Lick Spring enclosure. Real quickly, I'll go through our development budget. We estimate the design cost to be 1.2 million dollars, our site development, including the cost of the water feature, is approximately 6.7 million, casino structure about twenty-five million. The cost to furnish and equip the casino, including the cost of gaming equipment, is fourteen million. Preopening costs, which include the cost of training, the cost of advertising and personnel, is three million. Our opening bankroll is two million, and an SID bond for local projects, including the cost to bring the utilities to the site at eight million, for a total development budget of approximately sixty million. In closing, I'd like to just give a note on our union relations. Coast has spent eight hundred billion dollars in development in the past nine years. Of the work that can be contracted, over ninety-six percent (96%) of that work has gone to union contractors. Any work that doesn't go to union contractors is special technical trades and the artists that we hire that just simply are not represented by unions. Coast has a reputation of being a friend to the Building and Trade Unions. It's our goal, it's been our goal for a long time. Our history bears that out. It's verifiable and it's something



that we're really very proud to say. Any contractor that works on this project for us, we know, if they're large enough to do the work, is going to be a union contractor. That's something that we look forward to working with, and we also look forward to negotiating a project labor agreement with the Buildings Trades Council. I'd like to introduce Jimmy Beard, with J. Beard Management.

**JIMMY BEARD:** Good afternoon. My name is Jimmy Beard and I'm President of J. Beard Management Company. We're a construction management firm in Indianapolis, and I had the opportunity to be the MBE/WBE coordinator for a small project called Conseco Fieldhouse. We're excited about Conseco at the time. The goals for MBE participation was thirteen percent (13%), for WBE was two percent (2%). At the end of the day, when the project was completed, we had achieved twenty point one one percent (20.11%) MBE and three point nine three percent (3.93%) WBE, and we did that through some creative packaging and also some relationship building. I think we have that same opportunity to do that here on this project, and I'd like to bring my expertise obviously to that. My relationship with the Coast Group did not just begin as part of this team to pursue this project. A number of years ago I traveled to Las Vegas, and we had friends in Las Vegas, and we were wanting a place to stay, and they recommended the Sun Coast, and my first response was "Why the Sun Coast?" The

answer to that was "Because they are the ones that will make you feel the most at home." The people that I'm referring to in Las Vegas were from the Midwest, and they say Midwesterners are different, and what separated, I think, Sun Coast from the others were the people, their ability to develop people, and with all that we've seen here today, when we talk about beautiful structures, at the end of the day it will be the people here in French Lick and the people that are associated with the Sun Coast Group that will give that customer that feeling of home, of Midwest. Those are the memories that we had. We had a family reunion there. It was very comfortable. It's been the only casino that we've ever taken our children to, and I would say that the faces of this casino will be people like Denise, at your counter, Nate, the first person that you see when you come here, and in Las Vegas that counterpart to Nate would be the bell captain, Chris and Jamie, those are the people that will end up creating this atmosphere for people to come to French Lick, and this team has the ability, I think to develop talent and develop people. Thank you for the opportunity.

**HARLAN BRAATEN:** Thanks, Jimmy. It's a company like his that will help us be successful in ensuring that we exceed the goals for MBE and WBE. He mentioned our employees. It's the most important thing that we have to offer. Whenever we try to develop a new property, the first thing we think about is

"What's going to make it successful?" It's the people. It's your employees. It's the front line. And people are important to us, so we're going to be employing approximately six hundred and fifty (650) full time equivalents here in Orange County and providing them with nineteen million dollars worth of pay and benefits. We're going to be hiring locally. Orange County residents are going to be our first priority. Southern Indiana will be our next priority. The State of Indiana will be our third priority. It is important that we get people that will be recognized by the people that are coming here. I can't tell you how many of our customers know our employees by name, and that's what we want to do here, have that family feeling when someone comes here that they know they're going to be treated like they're at home. The employee benefit package will be similar to what we employ in our Nevada properties. We will have health insurance, medical insurance, and that includes vision, eye care, dental, a 401K program that will provide for your retirement years. Important things to people. We're going to provide training, and we're going to start by having dealer school training for employees that are going to be dealing on gaming tables. That's not a skill that you can just gain on your own; you have to have professional teaching, and we're going to provide that. When you're employed by Coast Casinos, you get further training. We want to continue to educate and teach our

employees how to be better, how they can gain the opportunities for advancement. We like to promote from within. We want to teach them to be better, and when they become better, give them a better job. We want to reward them. Then we'll be looking at utilizing a lot of local businesses as we develop this casino and as we operate it. We will be buying various inventory, supplies, products, and our first priority, again, will be to give that business to local Indiana companies. It's important that Indiana has a lot more success out of this casino development, and by giving preferences to the local and state wide companies that provide the kind of products and resources that we need, we feel we can further provide prosperity to the state of Indiana. I want to talk to you a little bit about marketing, because even though you may hire the best employees, you still have to market, and it begins by identifying your markets. Our three primary markets are going to be those that, first, drive within an hour of this hotel. They will be the more frequent visitor, because of the proximity. Secondly, we will go another hour further out, those people living within a hundred (100) miles of this area. Then lastly, we will look for the overnight visitor, people that live a hundred (100) to five hundred (500) miles away. Typically, these are the people that have a higher gaming budget. One of the key things that we believe will allow us to be successful in marketing is

utilizing database marketing. It has become a very important tool of successful gaming companies. Together with Coast Casinos and Boyd Gaming, we have tremendous databases. Not only do we have databases in Nevada, for citizens of the Midwest, that maybe within that five hundred (500) mile range of this area, but our other casinos that Boyd Gaming has brought in with them in Louisiana and New Jersey are also having customers that come from the Midwest, so we've got a tremendous database of customers that enjoy gaming, the entertainment of gaming, and we can market directly to them. We do not have to wait to begin marketing to them. We can do that before this property ever opens. And of course, we'll be developing our own database as Orange County Development. People that respond to our initial inquiries, people that call us, wanting to know what we're doing, when we're going to open. We'll be establishing quite a list of potential guests. During preopening phases, we'll do a number of things. The first thing that we did here was to start a grassroots effort, and we hired the Acres to do that for us in town. We wanted them to convey the story of Coast Casinos and Orange County Development, and we want to thank them for their efforts on our behalf. Going forward, if we are the operator of choice, we'll do a number of other things. Events. One of the things that we'll do is, on an annual basis, the Larry Bird Celebrity Golf Tournament, which could conceivably have its first

tournament next summer. We will use the internet. We'll establish a web site and cross link it to the Boyd Gaming and Coast Casinos web site. Again, direct mail. I want to emphasize that because it's so important. We will be reaching out on these lists and inviting people to come, asking them if they're interested in coming, finding out where our likely target customers that we already have a database on. And finally, prior to opening, approximately forty-five (45) days out or so, we'll begin a media blitz that will include T.V. and radio and newspaper advertising. We would expect to spend five to seven hundred and fifty thousand dollars (\$750,000) in our preopening marketing and advertising. Once we got open, the marketing becomes even more extensive. One of the most popular things in casinos are slot promotions, and what you try to do there is structure your promotion to encourage repeat visitation by giving them rewards. Direct mail offers. This has become so important to find your best customers and continually reach out to them on an ongoing basis, tell them that you want them to come back, provide them incentives to do that. Headliner room, showroom entertainers, we'll advertise them on a regular basis. Events and parties, again, your high worth customers are somebody that you want to invite as frequently as they can manage to come, and you do that with special events. It could be New Year's Eve parties, it could be a Superbowl party, various events. It could be a special

dinner, but we will have parties and events to attract those people to our facility. Of course, we'll have the Larry Bird Museum, and we'll talk a little bit more about what that's about, but we'll market that museum to attract as many people to the area as we can. And as I said, the Larry Bird Celebrity Golf Tournament, which will be conducted annually. We'll expect our marketing and advertising and promotions towards - in the way of room guarantees to exceed six to seven million dollars on an annual basis. Finally, we're going to do some joint marketing with the community. We've committed to spend, on an annual basis, two hundred and fifty thousand dollars (\$250,000) in matching funds to market this community together. We wouldn't be coming here if we didn't believe that this market was viable, and helping the local community market themselves will be something that we feel will benefit everyone involved. Marketing doesn't end once you get them here, but really, when they leave, we want to continue to market to them, so we'll be offering coupons to departing guests. Hopefully the local retailers in the area will want to incentivize people that are visiting the casino by making offers in this coupon book. We certainly will do so, by offering return visit incentives. We think it's a great way to thank a patron for coming and telling them that we want them back. Now I'd like to introduce Jill Leone. She has represented Larry Bird for the last twenty-five (25) years,

and she will talk about the Larry Bird Museum and celebrity golf tournament. Jill.

**JILL LEONE:** Thank you, Harlan. Good afternoon, Chairman and members of the Commission, members of the Committee. It's a great honor for me to be here with you today. I'm more than a foot shorter than the person that was hoping to be here with you today. Larry, in his position as President of Basketball Operations for the Indiana Pacers is in Salt Lake City supervising the free agent and rookie draft picks in a basketball camp scheduled by the NBA, so that is why he couldn't be here with you today. He's very, very, very excited about this opportunity. You can see from our narrative that he is from this area, and when he called me about this project, he didn't call me and say, "Jill, there's a great opportunity for a business venture and I can make a lot of money." He said, "Jill, this is a chance for my friends and I to help Orange County develop and to create jobs and to give something back to my home town community," so he has a sincere interest in the people here and the long term economic development, and I think Lu and his partners did a great job in partnering Larry with Coast Casinos and Boyd Gaming, because of their very, very long record of stable, successful financial success in combination with giving back to their communities, being very good to their employees, and very, very established in customer service. I have another



personal recommendation to add to Jimmy Beard, because my girlfriend that I met thirty (30) years ago, when I was working at Bob Wolf Associates, who was the pioneer in sports representation, Attorney Bob Wolf, and she and I worked together there thirty (30) years ago, so we're still friends, more sisters, and she subsequently went to Las Vegas and worked at very high levels of database marketing, executive positions for Hiltons and Harrah's, and she was very privy to the interworkings of the various gaming corporations, and when I mentioned Coast Casinos and Michael Gaughn, she immediately said, "Oh, they are so well respected and they have been so successful and they are so good to everyone here in Las Vegas," and she also said the same thing about Boyd Gaming, so for me personally to know that Larry has the opportunity to partner with people that practice and have practiced for thirty (30) or forty (40) years the same values that Larry has, as a Hoosier, that makes me feel really excited. When you start to associate with the name Larry Bird, it brings the international attention that he has garnered, not on purpose. Larry never wanted to be a sports hero, a big celebrity. He just wanted to do the best job that he could do at whatever he was doing, and from doing that, his God given talents, he rose to national and international attention, and every organization that he's ever been associated with has met with record breaking success upon his arrival. It started at

Springs Valley High School, it went on to Indiana State University, and they were fifty-five (55) and zero when they went into their 1979 game against Michigan State, and that game is still the highest rated game that's ever been watched on television in college basketball, and then Larry went on to the NBA, which he is credited, along with Magic Johnson, of reviving the economic success of the NBA. What I find interesting that a lot of people don't realize is that after the 1979 collegiate game, that brought the networks' attention to the value of airing college basketball games, and that was the first time they started offering television network contracts to colleges, so he had a big impact on the growth of college basketball, as well. As we all know, he brought world championships to the Boston Celtics, and when he was coach of the Indiana Pacers, he won the NBA Coach of the Year in his first year of coaching, and now in his executive position with the Pacers, we're certainly hoping he'll bring that to the championship level, so when you say Larry Bird's name, it connotes a very positive response. People expect the people that he's involved with, as well as himself, to work hard, bring integrity to a project and stick to your word and reach your goal, stay very focused on your goal, and this is what Larry's group would certainly bring to this project, and they're really excited about that opportunity. Certainly, if you were able to bring Larry Bird Museum to this area, it

would be a unique, one of a kind attraction, and adding to the other attractions in this area. Larry's known throughout the world because of his Panamerican experiences, his Olympic participation, Gold Medal winning participation, and I received a letter from the president of a bank in Chicago a few years ago. He was in the mountains of Tibet on a retreat meditating, and he was walking down a little road and he heard "Larry Bird, Larry Bird," and he looked around and he couldn't imagine, and there was a Tibetan monk looking for his dog that he had named Larry Bird. There really is no limit to where Larry is known, which it's really interesting. When you become a sports hero, it's endearing. People have a fascination with it, and it will go on probably forever. Sports Illustrated is bringing out their fiftieth anniversary issue this year. They'll be featuring Larry and Magic as one of the greatest sports rivalries of all time, so it's the attention that comes to anything that Larry's involved with does receive this constant attention, and that's what would come along with the Larry Bird Museum. When I was on the plane coming here, I was sitting next to a man from Vietnam, and I had brought along just a couple of samples of types of beautiful artifacts that we would display in the Larry Bird Museum, and I was repackaging them, and I unfolded this photo of Bobby Orr, Ted Williams and Larry Bird originally autographed by all three, and the man from Vietnam said, "Is

that Larry Bird?" and I said, "Yes," and everybody got up from their seats and wanted to come and look at this picture. People are fascinated with this sports memorabilia and this is the type of thing that we could place in the museum. In addition to the artifacts, it's also an opportunity for a 3-D interactive picture postcard of all of the wonderful attractions in this area, because growing up as a child, Larry enjoyed fishing at Patoka Lake and skiing at Paoli Peaks and playing golf on the Hill Course, so we envision beautiful audio visual exhibits where we would have video of Patoka Lake with the birds singing, and you would be able to cast a line and Larry would be talking about his fishing experiences at Patoka Lake. We would envision a putting green, and you could try to beat Larry's longest putt, and we would have visual surround of the Hill Course, talking about his favorite golfing experiences there, so there's a lot of cross promotion for the local area. Also, I was in Steinmart in Fort Lauderdale and was at the checkout counter and I saw this sports trivia fortune cookies, so I could do a licensing agreement with this company to do Larry Bird Museum sports trivia fortune cookies and place them in Steinmarts across Indiana, so there's really no limit to the amount of marketing and promotion that you can create when you start working in the sports field, so it's a fun and exciting field, and it can really open up a lot of attention to the museum and to this

area. For instance, if we were going to have the opportunity to do this project, we could run a national contest for creating a Larry Bird Museum logo. It would create a national customer database just from that. Larry would personally attend the grand opening of the museum. We could do a sweepstakes contest, win a free weekend in French Lick and enjoy all the attractions and attend the press conference with Larry Bird. That would create another national customer database, all information that you can draw from for visitors from really across the country. The Louisville Slugger Museum in Louisville gets two hundred thousand (2,000) patrons a year, so there are a lot of opportunities for cross promotion. We could put Larry Bird Museum brochures in all the museums and we could share exhibits with other museums. We could have radio sports talk show hosts to come and air their program from the museum. There's just so many things that you could do with a Larry Bird Museum adjunct to this project that would be fun and exciting and benefit all of the other attractions in the area, as well. In closing, I'd like to tell you that I've learned quite a lot from Larry Bird in the last twenty-five (25) years, and one of the most important things I've learned from him is something that his parents and his grandmother taught him, and they told him, "If you surround yourself with good people, good things will happen," and I've watched Larry surround himself with good people over the past

twenty-five (25) years that I've known him and I've seen how well he has done, and I really feel that he has surrounded with the right people and good people in this group, and I think they would be a great fit for this area. Thank you so much for your time. I'd like to introduce Matt Carden from 1220 Exhibits. He'll give you a little taste of the type of exhibits we could produce for you.

**MATT CARDEN:** Thank you, Jill. Mr. Chairman and members of the Committee, I'm Executive Vice President of 1220 Exhibits, a family owned business located in Nashville, Tennessee. Since 1976, we have designed and built exhibits for such internationally recognized museums as the National Civil Rights Museum in Memphis, Tennessee, the Museum of Natural History at the Smithsonian in Washington, D.C., the Country Music Hall of Fame and Women's Basketball Hall of Fame, just to mention a few of over forty (40) that we've built. The Larry Bird Museum will be designed to be a destination for visitors around the state, around the nation and around the world. It will present Larry's life and illustrious career through exhibitry, state of the art visuals and hands on interactives geared to those of all ages. It will be experiential. Each visitor will take their own personal memory away from the museum. We are very excited and honored to be asked by Orange County Development to exhibit Larry's story. I'll turn it back to Harlan.

**HARLAN BRAATEN:** I want to quickly do a preintroduction of Alan Rachles and Brad Grabow from the accounting and consulting firm of Crowe Chizek. When we decided to get involved in this project, we felt we needed to have an independent study of the market, so we commissioned them to do that study, and they're here to give you some of the highlights of the market analysis and financial benefits.

**ALAN RACHLES:** Thanks, Harlan. I'm Alan Rachles, a partner with Crowe Chizek in Indianapolis. With me is our senior gaming consultant, Brad Grabow. We are aware that we are running late and probably not being as efficient time wise as the excellent presentation you heard this morning. We're going to be flying through this, because I just found out that the man who pays our bills is going to be speaking at the end, and I'm not going to cut him short.

**DONALD VOWELS:** My intention was, it's about seven minutes till three and that we would end your presentation at five after three, unless you've got a really good reason to go forward.

**ALAN RACHLES:** That's the total time we have left?

**DONALD VOWELS:** That would be an hour and a half.

**ALAN RACHLES:** What I'm going to suggest is that all the information we have is available to you on the market. We think the market is very important, and we would respectfully request that you take a good look at how we've identified the

market and economic impact and the taxes, and if you have any questions, we'd be delighted to answer them tomorrow. We apologize to the people who have come here who won't get to see all of our presentation, but we'd be very glad to stand by and answer any questions when we're done with our presentation, during the next break.

**MICHAEL MESSAGLIA:** Mr. Chairman and members of the Commission, thank you. I want to discuss the Larry Bird Foundation in greater detail. Larry Bird will contribute his ten percent (10%) equity interest in Orange County Development to the Larry Bird Foundation. In essence, the community will have an ownership interest in the casino through the Foundation. To our knowledge, this is the first time that a community has owned a riverboat casino. The Larry Bird Foundation will also operate in conjunction with the Orange County Community Foundation and the grants during the first ten (10) years should approximate 10.5 million dollars. The Foundation will not be an endowment type foundation, but rather distribute the money as soon as it can. The Larry Bird Celebrity Golf Tournament, this event will serve as a signature event for the Larry Bird Foundation. It will be an annual event held in the Springs Valley area. The proceeds will go to the Foundation that will be, in turn, used in the community through charitable grants. We estimate these proceeds to be fifty (50) to seventy-five thousand dollars



(\$75,000), which are conservative compared to the other charitable golf outings that Mr. Bird has done. The organizational structure of the Foundation involves the Larry Bird Foundation, which its purpose will be to own the ten percent (10%) interest in the casino and to distribute its net income to the Community Foundation. The Community Foundation will establish a donor advice fund. This advice fund will have a committee of three nonpaid members. Those members would be the trustees of the Larry Bird Foundation, the executive director of the Community Foundation and a person appointed by the HHPC. It is very important that there is local input to where these monies go for charitable causes in Orange County. The charitable grants will include education. In the lines of that, it could be support of the Springs Valley School Corporation technology fund, capital building fund and bus transportation fund, school book fees, student loan relief, job retraining and the other areas noted up there, such as child care, public safety, health care, historic preservation, tourism, economic development and other charitable causes. Orange County Development is committed to allowing for infrastructure improvements in Orange County. We will serve as the repayment source for a ten million dollar bond offering for infrastructure improvements. Two million dollars of that ten million dollar bond offering would be repaid by the community out of gaming taxes over the term of

the bond. The initial bond proceeds will be used to bring utilities to the site. The HHPC will then have discretion in terms of the projects to fund. These projects may include the sewer treatment plant upgrade, Highway 56 streetscape project, French Lick West Baden Promenade, law enforcement and health care upgrades, Paoli and Orleans infrastructure improvements and tourism and parks. Through our negotiations with the local commission, we have identified three alternatives for an incentive payment. It is up to the HHPC as to which alternative they would prefer. One favors initial gaming - proceeds from the initial dollars of gaming revenue. The others favor a higher percentage on later monies. The ranges on these incentive payments, by the tenth year, on an annual basis, will be between 1.4 million and 1.8 million, and a cumulative payment over the initial ten (10) year period would be between ten and eleven million dollars. I want to go over a quick summary of our proposal from a financial aspect. Estimated gaming taxes first year, 14.4 million. Estimated gaming taxes for the first five years, eighty-four million. Our share of the infrastructure improvements, eight million dollars. We're also making a significant commitment to the West Baden Springs Hotel. Initially we will pay one million dollars into their maintenance fund upon signing the operating contract. The first year room guarantees and discounts of two million dollars. After that, we are committing two point four

percent (2.4%) of our gaming revenue towards room guarantees and two hundred and forty thousand (240,000) towards room discounts. Also, our taxes will go toward the West Baden Springs Hotel maintenance fund. We estimate those to be, on an annual basis, between 4.4 million and 5.8 million. Projected gaming revenue for the first year, sixty-one million. Our projected EBITDA for the first year, sixteen million dollars and our incentive payments are estimated for the first ten (10) years on a cumulative basis to be between 10.1 million and 11.3 million. Thank you very much.

**HARLAN BRAATEN:** Thanks, Mike. Before our CEO of Coast Casinos, Michael Gaughn, comes up, I want to say a couple other things in closing. We think there's some things that Coast brings to this, and Boyd brings to this project. Tremendous history of success. One of the strongest and longest running companies with the history of gaming expertise. A tremendous amount of financial strength. We're here for --

**DONALD VOWELS:** Mr. Gaughn is your superior and your boss; isn't that correct?

**HARLAN BRAATEN:** Yes.

**DONALD VOWELS:** You're in the last five minutes of this presentation, so you might want to keep that in mind. (Laugh)

**HARLAN BRAATEN:** He's a man of few words. (Laugh) We have local Indiana ownership, the Larry Bird Museum will bring in

a quarter of a million to four hundred thousand (400,000) people a year. It won't bring fifty thousand (50,000) like a golf course; it will bring a lot more than that. Again, the Larry Bird Foundation will make this community a ten percent (10%) owner. With that, I'll bring Mr. Michael Gaughn up.

**MICHAEL GAUGHN:** Myself and my partner, Bill Boyd, would like to thank the Board, the Historical Commission and the citizens of French Lick and West Baden for letting us be here. I'll take only a minute or two to conclude our presentation. I came here over four months ago and decided to join with the local group to bid on this site. I saw many things I liked and a few things I did not like. Everyone was first to realize that this is not a field of dreams. You build this, but they don't necessarily have to come. This location would take a great deal of thinking, hard work and capital to build something that everyone can be proud of. From day one we have tried to solve the many problems that exist here, and we will believe in most cases we have. Our site is decent, our exterior design, which I don't like. Our relationship with the French Lick Hotel is in very good shape, and I'd like to add that we both realize that our ideas and goals are somewhat the same. We both know we have to work together to make this a success. In conclusion, whether you choose me or someone else, there's four things, or there are four requirements that a State owned project has to have to succeed. You need

someone with money, you need someone that knows what to build, you need someone that knows how to operate and someone that knows how to market. And I thank you. Any questions? I'm in my last thirty (30) seconds.

**DONALD VOWELS:** Actually, you finished with three minutes to spare. I think we'll probably hold off for questions until tomorrow, unless someone has a question. Thank you. We will now take a fifteen (15) minute break, so we'll start back up at about 3:20.

**OFF RECORD.**

**DONALD VOWELS:** We'll go ahead and call the meeting back to order. Next on the agenda is the presentation of Trump Casino Hotel.

**GREG HAHN:** Good afternoon. For the record, my name is Greg Hahn. I'm with the Indianapolis Law Firm of Tabbert Hahn Earnest and Weddle. Mr. Chairman Vowels, Commission members, Mr. Lawrence, Ms. Bird, Mr. Osborn, IGC Staff Members, Historic Hotel Preservation Committee, the Advisory Committee, the Orange Shirts, I see they're here, and Representative Jerry Denbo, and all the other Orange County residents and guests. As I've indicated, my name is Greg Hahn. Along with me are my cocounsel, Darla Williams from my law firm, and Mr. Matt Blanton, who is our local counsel from here in Orange County. We all want to thank you for the opportunity to be here today and also thank all of you for the hard work and the

very smooth process that has transpired during application and negotiation phases. Many of you know, especially on the Commission, that I have represented the Trump Casino Group for over ten (10) years. I've been before you many times and worked through many situations and problems. As you know, we were awarded the Gary license, which was one of the first license awarded in the state of Indiana. Many people didn't believe at that time that the site or the casino would ever be built or it would prosper. However, Trump had made an impossible site work and has made that casino very successful, as you know. It has taken a tremendous amount of effort and marketing, but Trump made it happen. Trump has also been a great corporate citizen and has fulfilled all of its commitments and has exceeded its original capital investment guarantees in the Gary project. This record is substantiated by State Senator Lee Rogers of Gary in a letter that she wrote to Mr. Lawrence dated July 14th, 2004, and I believe you all have a copy of that letter. Matt Blanton, Pat Terrell, a consultant on this project from the Winston Terrell Group, and Pat grew up in this area, over in Paoli, and myself have been working in Orange County for the last year and a half, along with the rest of the Trump Group, and have held numerous meetings with various groups all over Orange County. We have done this in an effort to fully understand and appreciate what the citizens of Orange County would like to see in this

project. We believe that we have captured those concepts and correctly identified what this project should encompass. Based on all that information and incorporating all the experiences that have been brought to the table, there's no question that the Trump team has the name, knowledge, the proven development skills and the financial ability to make this project a reality. This project will be a tremendous success based upon the credibility of the Trump team, the expertise of the construction company and the addition of Southern Indiana Golf Great Fuzzy Zoeller. We would now like to show you a short video, after which I'll introduce the rest of our presenters and the rest of our team members.

**(Video played.)**

**GREG HAHN:** I would now like to present our presenters and we'll go on with the program. Mr. Mark Brown, who is President and CEO of Trump Casinos; Joe Polisano, Vice President of Project Development, Trump Casinos; Chris Leininger, General Manager of Trump Casinos Gary; Robin Winston, President of Winston Terrell Group; Jackie Pinner, Director of Marketing, Trump Hotels and Casino; Marina Angelo, Media Director, MZD Advertising; Dave Lobeck, President of Fuzzy Zoeller Productions; Bob Pickus, Executive Vice President, General Counsel, Trump Hotel Casinos; and Scott Butera, Executive Vice President and Director of Corporate and Strategic Development, Trump Casinos. Also, we have with us

Charlotte Cook-Hawkins, Director of Human Resources, Trump Gary; Tim Cavanaugh, Director of Finance, Trump Gary; Pat Terrell, Principal Winston Terrell Group; Darla Shields will be running the program here today, Account Supervisor of MZD Advertising; Harry Davis, President and CEO of MZD Advertising; Drew Crockett, Director of P.R., MZD; Dave Ford, Executive Vice President of Geupel DeMars Hagerman. He'll be one of the general contractors and who guided the building, Circle Mall downtown and all the historic renovation that was done on it, and with him, another great group, Smoot Construction, and with them are Terry Parrot, who is Senior Vice President, and Ray Cramp is also Senior Vice President. Smoot Construction is the largest minority contractor in the United States, and Ray and Geupel DeMars has also worked together on several other projects and are working on some now. George Rideway, who we've worked with, who is the architect for West Baden Hotel; Jeff Reynolds, who is President of Reynolds, Inc.; Joe (inaudible), President of DLZ Engineering; Butch Morgan, V.P. of Marketing, DLZ Engineering; Gary Fiss, Director of Transportation, DLZ; Charlie Day, the Area Coordinator, DLZ; Mike Jabo, the Divisional Manager at DLZ; Bill Shrewsberry, President and CEO of Shrewsberry and Associates; Blake Wilson, Director of Environmental Services, Shrewsberry and Associates; and Roger Kemp, Secretary-Treasurer of Labor Union Local 741; and Bobby Minton, Field



Representative of Labor Local 741. All of these folks have been working together on this whole thing for over a year, so they've all worked together, they know how to get along, they know how to get a project done. With that, I will introduce our first presenter, Mr. Mark Brown.

**MARK BROWN:** Thank you. Mr. Chairman, members of the Commission, thank you so much for having us here today. I'm going to briefly talk about my career, where I came from; actually, the very first casino in Atlantic City, New Jersey, Resorts International, I was there for ten (10) years, coming up through the gaming side. Part of the opening team of the Trump Taj Mahal in 1990, I worked my way up to Senior Vice President, Casino Operations, leaving in 1993 to '95. I worked for Caesars World Marketing. Mr. Trump brought me back to then it was called Trump Castle, over in the marina district in Atlantic City. Changed the name in roughly the beginning of 1997 to Trump Marina, rethemed it, made it a fun property for the younger, hipper; outside concerts, entertainment. Mid 1997, Mr. Trump put me in charge of the property where we took the property and within two short years doubled the gross operating property at that property, going from twenty-six million to fifty-three (53) in two years. In the beginning of 2000, Mr. Trump put me over Trump Taj Mahal as the President of Trump Taj Mahal and in mid 2000 put me in charge of the whole company. We created a management team

that kind of, a lot of them came from Trump Marina, and just how I operate and how I work, I always say there's no egos in the company, there's only one ego in the company, the big man, he's allowed to have an ego, and that's it. We work very hard. We work great as a team, and we just control the cost and we worry about the customers coming in the building. That's why we've been so successful with our numbers. With that, let me talk about our company, and I'll start with the history of Trump, with Mr. Trump. Donald J. Trump established the Trump Organization in 1980. Trump's ability to carry out complex projects, including historic restoration, is well known and respected in the building profession. Donald always says, "I'm a builder. I'm a developer. That's what I do best." Trump manages more than three thousand (3,000) units in thirteen (13) residential condominium and rental properties, 3.22 million square feet of office space, five hundred thousand (500,000) square feet of retail space and four golf resorts. The foundation of Trump's success is based on solid management practices: Working very hard, working as a team, and striving for only the very best. That's what Mr. Trump demands. Some of the projects that we'll talk about: Trump Tower, Trump International Hotel and Tower, Trump World Tower, Trump Golf Resorts, there's four of them: Trump National is in Palm Springs, I'm sorry, that's in Florida; Trump National is in New Jersey, Westchester, New York, and

also Palos Verdes, California is working on a golf course there right now. Trump West Side is a project that's going on right now in New York. When it's all complete, it will be twelve (12) large scale residential buildings. Historic restoration, Trump Building at 40 Wall Street in New York, Mar-a-Lago that Mr. Trump bought from Margerie Post, which is an exclusive club like no others, it's incredible. Trump Park Avenue, which is the Delmonico Hotel, and also the Mayfair Hotel in New York. Here's just some slides. You can see Trump World Tower, which every celebrity and every top athlete pay millions and millions of dollars for these apartments, just to be in Trump World Tower, because that's Mr. Trump's building. Trump International Hotel and Tower, beautiful, overlooking Central Park in New York, and obviously Trump Tower, you've seen that on the Apprentice, where Mr. Trump lives at the very top of that building. Very beautiful. Here's our casinos we talked about. Trump Taj Mahal, Trump Marina and Trump Plaza in Atlantic City, Trump 29 Casino in Coachella Valley in California, and Trump Indiana, obviously in Gary, Indiana. Let me go through the properties right now. Trump Plaza Hotel Casino, directly straight into Atlantic City's expressway, directly to Atlantic City's boardwalk. The first property you see basically is Trump Plaza. Upscale, New York theme, great restaurants, opened in April of 1984, eighty-eight thousand (88,000) square feet casino, twenty-

eight fifty-eight (2858) slot machines, ninety-one (91) table games, almost thirty-three hundred (3300) employees on that property, nine hundred (900) hotel rooms and suites, has been known to have top entertainment. In the early '80's Mr. Trump had all the top fights there: Sphinx, Tyson, and again, a lot of the top entertainment still perform there at Trump Plaza.

Trump Marina: Opened in June of 1985. Like I said, we changed the name in mid 1997 to Trump Marina. IT used to be the Trump Castle. Seventy-three thousand (73,000) square foot casino, twenty-five twenty-one (2521) slot machines, seventy-five (75) table games, thirty-one twenty-four (3124) employees, seven hundred and twenty-eight (728) hotel rooms and suites, a six hundred and forty-five (645) slip marina, which is actually ranked second on the East Coast, next to Florida, because of the access to the shipping lanes. Like I said, what we created there at Trump Marina, we turned that property around as far as making it young, more hipper, first to have the outside concerts, first to have the nightclubs. We created an outside deck with outside entertainment with two thousand (2,000) people there every weekend. It's a great property to have a lot of fun. Again, we took that property from a twenty-six million dollar gross operating profit to sixty-seven million in a couple years. Trump Taj Mahal opened in April of 1990, a hundred and thirty-five thousand (135,000) square feet casino, forty-four hundred and nineteen (4419)

slot machines, a hundred and ninety-three (193) table games, over six thousand (6,000) employees, twelve hundred and fifty (1250) hotel rooms and suites, penthouses like you've never seen before, fifty-two hundred (5200) multipurpose arena. We've had every entertainer you can possibly think of in that property, from Brooks and Dunn to Andrea Buchelli, top fights. Again, that property came off the gross property profit of a hundred million; within two short years went to a hundred and forty-six million. Trump Casino Hotel in Gary, Indiana. Opened in June of 1996, forty-three thousand (43,000) square foot casino, seventeen hundred and twenty (1720) slot machines, fifty-six (56) table games, nine hundred and ten (910) employees, three hundred (300) hotel rooms and suites. Again, taking the same principles and concepts that we did in Atlantic City, and with this magic team we went from seventeen million, approximately seventeen million evened out for three years in a row, and we went to thirty-three million in two years. Trump 29 Casino in Coachella Valley, California is a management agreement that we have. Opened in April of 2002. The second phase, we opened up a showroom in September of 2002. Fifty thousand (50,000) square foot casino, two thousand slot machines, seven hundred and fifty (750) employees, thirty-five (35) table games, bringing up the brand and the Trump name. This is a property that's right off the highway, kind of in the middle of nowhere, and because of the

Trump name, it draws a lot of people. Actually, month after month this year, we've been breaking records of the previous year. It just continues to do very well. Overall, we have three hundred and eighty-nine thousand (389,000) square feet of casino space, thirteen hundred five hundred and eighteen (13,518) slot machines, four hundred and fifty-six (456) table games, over fourteen thousand (14,000) employees. I like to say that's fourteen thousand (14,000) families we take care of. Thirty-one seventy-eight (3178) hotel rooms and suites. We are licensed by the New Jersey Casino Control Commission, Indiana Gaming Commission, National Indian Gaming Commission, and the Nevada Gaming Commission. All three casinos in Atlantic City also are the only properties in Atlantic City with a five star five diamond award. The Trump Brand Advantage. We keep talking about Trump, Mr. Trump, the name. No other casino has the brand recognition, as you know, of Donald Trump. The Trump properties generally command a higher price per square foot than any other developments. In New York City, whatever the going rate of square footage is, because it's a Trump building, he gets double on every property. The Trump name carries a strong brand recognition. Therefore, many outside vendors seek to be with us and to be partners. We're great partners. Partners want to be with us, just because of the Trump brand. Continued success of Trump television and radio presence will enhance the Trump brand

name. I don't have to go into saying the man is everywhere. The man is on every magazine cover. Apprentice I, thirty (30) to forty million viewers watched this show. Apprentice II just got done filming. It will be starting up in September again. Auditioning for Apprentice III. His radio show, he has four hundred and thirty (430) stations every morning. It's two minutes of wisdom of Mr. Trump every morning. His books. The man now was just nominated for four Emmies for his show. If this man wins an Emmy, there will be no living with him at all. (Laugh) It's hard enough. My point is the man is everywhere, and in our casinos, that's what happens. When he comes to the property, you cannot believe what happens when he shows up. There's no bigger celebrity than Mr. Trump. Plus the fact that he's friends with all the celebrities. One phone call gets them to come to our properties. Every weekend in Atlantic City right now we have three or four celebrities in each property, at a party. They attend his parties. At the grand opening of the Taj Mahal, we had Elton John perform. At the grand opening of Trump 29, like I said, in the middle of nowhere, Mark Anthony did the grand opening, just by one phone call by Mr. Trump. That's what we have here, and because of that star power that he has that creates excitement at our properties. He has a great management team that just run the casinos for him, and everything works well, so it's great. Next up, Joe Polisano.

**JOE POLISANO:** Good afternoon, Mr. Chairman, members of the Commission, members of the HHPC. My name is Joe Polisano. I'm the Vice President of Project Development for Trump Hotels and Casino Resorts. I've been with the company for seventeen (17) years, and my primary responsibility for planning and development of the hotels and casinos. Earlier Mr. Hahn alluded to the fact that the development in Gary was quite impossible, keeping an industrial wasteland and turning it into an operable casino. I'm proud to stand here before you and tell you that I was responsible for that development, and I'm also here to tell you that I had a full head of hair at that time, too. (Laugh) The point is we do what we have to to make it work, and we're quite successful at it. I'd like to take a moment of your time and run through our proposed development for this site. As I thought, I can't see it. I can't see it, but I'm familiar enough to know what I'm looking at. We've elected to place the gaming facility adjacent to the French Lick Springs Resort, which is right here. The gaming facility itself sets right there, surrounded by a lake. This small structure there is a twenty-five thousand (25,000) square foot multipurpose arena that we think offers the property a lot in terms of entertainment and other venues. Adjacent to it right here is a twelve hundred (1200) space garage. There's a connection between the hotel, the multipurpose arena, the garage and the gaming vessel. This



right here is the existing tennis arena. Right back in here would be employee and bus parking. Our concept here is that you would approach on S.R. 56, come in, you can either go to the hotel, you could park right here. You'll have to pardon my shaking; I can't hold this thing straight enough. In any event, you can come in, you can enter our garage, and we think the garage is a key element in this design. It provides protection from the climate. You can enter the hotel. From the hotel, you can enter the multipurpose arena or you can go through the garage into the gaming vessel. You can enter the garage, go into the gaming vessel, pretty much any direction you'd like to go all in an enclosed environment, protected from the elements. We know this is important in Gary, Indiana. We know this is important. We've recently completed, within the last two years, a garage there. It's helped the business substantially. This is the main casino level of the gaming vessel. It's approximately thirty-nine thousand (39,000) square feet. This plan shows nine hundred (900) slot machines, thirty (30) table games. This area right here, you would enter from the valet and bus drop off at the ground level. The main door is right there. There's a grand staircase. I'd like to point out, I don't know if you can see the dotted line all the way around the perimeter there. If not, you'll see it better in the next slide. This is a multistorage space. It's twenty-five (25), thirty (30) feet

high from this level to the roof above. There's a small lounge right here with about ninety (90) seats, a small stage. We have support cages located here and here. Marketing and promotional space allotted there. The main cage right there. This is a small deli, restrooms. Right in here is the buffet, and as I'll point out later, the buffet is also a two story space and has some spectacular views, taking advantage of the manmade lake and the scenery. This back here is employee entrance and back of house. This is the second level. If I can get back to the garage, you can approach - you would enter through the garage. You would come into the casino through the second level across this bridge right here, enter into this balcony area. Up here we would have poker. Here we have room for additional slots. The area depicted in white is one, big, huge, open space, so you would actually enter, look down upon the casino. There would be a grand stairway that swoops you down, and over there are elevators and escalators to get you there. Up in the top here, this is again back of house and employee support space, and this right here is the multistorage space for the buffet. The interior of the casino, which is shown right here, is reminiscent of the French Renaissance Era. Our vision of this is to be elaborate, gracious with ornate finishes, and as I said earlier, high volume ceilings. We have a sweeping staircase, which I believe is depicted right here, with forged ornamental

ironwork, and one of the main features of the casino itself taking advantage of those high volume ceilings would be a signature chandelier. Finishes to the interior would include wood panel, textured wall coverings, ornate moldings, arches, marble columns and corniced accents. We also plan to introduce Indiana limestone and French Lick brick with the design. Next is the interior of the buffet, which, for the most part, will follow the notion of the casino in terms of design. Again, it's located lake side. It's a two story space and will have a lot of glass, a lot of natural light and it will seat about two hundred and fifty (250) people and will have a magnificent buffet line that offers all sorts of wonderful food and be done in warm colors and have a very relaxing atmosphere. This is a quick shot of the lounge from the casino. Again, it's got a small stage up in there, seating for ninety (90). It's got a full service bar, and its design will also blend with the casino. This sort of gives you a feel for when we started the design, where we began in terms of the exterior elevation. The design invokes the grandeur of the 1890 and 1910 period when buildings were sophisticated, ornate, spacious and elegant. We believe our design incorporates all of these qualities and also compliments the existing landmarks with both literal and indirect references. A lot of these references can be seen particularly in the garage, with the domed capitals, the

ledged windows, repeating arches, all which elude to the existing architecture of the existing resorts. The gaming facility itself was sort of designed with a combination of the Delta Queen, the Island Bell and the Steamer (inaudible). We've got a great mix of all three of those and came up with what you see. This is a perspective view of the parking structure here, the connection from it to the gaming vessel. This is sort of the hub of all the transportation activity, the valet drop off, shuttle busses to and from the resorts. Motor coaches would disembark inside here, walk across. Again, the coaches are inside, the vehicles are inside. If there's inclement weather, we could go up an escalator, across the bridge, so there's access to and from all in an enclosed environment. This depicts our proposed expansion. This would be the existing casino. This green right here is what will be the buffet. In terms of expanding the casino, we can simply add on this portion, turn what would be the buffet into gaming and create a new buffet here, and this is the second level. Gaming here, open above, as this would be a two story buffet and support space right here. With that, I'd like to introduce Chris Leininger.

**CHRIS LEININGER:** Good afternoon, Mr. Chairman, members of the Commission. My name is Chris Leininger. I have about fifteen (15) years of experience in gaming. It started out in Lake Tahoe with, at the time a little company called Harrah

Entertainment. It's no longer so little, but I spent the first seven years of my career working for them out in Lake Tahoe. I had the opportunity to come back and open the Blue Chip Casino in Michigan City back in '96. I was familiar with the area because my mom and dad both grew up in Indiana in Fulton County, Akron, so I knew what I was getting into, and I came back to the Midwest to be a little closer to my family. I spent about three and a half years with Blue Chip organization until the Boyd Gaming folks came in and took over that property. Subsequent to that, I went to Harrah's for a couple years and I have been the general manager at the Trump Casino in Gary for about the last year and a half. I'm going to talk today about our revenue and tax projections first. As you have heard, we intend to have a thousand (1,000) slot machines at opening. We have the ability to easily expand to twelve hundred (1200) over time, if our business demands that. We will also offer thirty (30) traditional table games and a twelve (12) table poker room, which has become the new national phenomenon for us. We opened the poker room up in Gary in December of this past year, and over the course of this twelve (12) months will contribute five million dollars in new revenue to our facility up in Gary. Based on that layout, we anticipate first year gaming revenues to be eighty-five million dollars, a win per patron of sixty-nine dollars (\$69), which will give you a little over 1.2 million visitors

in a year, a win per slot machine of a hundred and ninety-four dollars (\$194), and a win per table of about eleven hundred dollars (\$1100). The taxes in the first year are calculated to be 25.6 million dollars. Of that, there will be three million benefit to Orange County and another 2.6 million for French Lick and West Baden. Our projection for staffing is six hundred and forty-eight (648) full time employees in the first year of operation. We anticipate twenty percent (20%) of those employees to be in supervisory and management roles. Our commitment for the first year payroll is eighteen million dollars, including benefits and taxes. We anticipate salary ranges for hourly employees to be between fifteen (15) and thirty-four thousand dollars (\$34,000) a year, and our management positions should be between twenty-six thousand (26,000) and eighty thousand (80,000), plus benefits for both of those. Our commitment to local hire is forty-five percent (45%) of our employees will come from the Orange County area, and another twenty-five percent (25%) will come from the surrounding counties. Of each of those, ten percent (10%) of those individuals will fall into management or supervisory roles, and one thing that we feel strongly about is our location up the road about four hours allows us to opportunity to provide cross training experiences to incoming Orange County residents that want to be fully acclimated to the gaming environment prior to the opening down here, and we

anticipate bringing up a select number of those people to not only train them as typically you would do at dealer schools, but also give them the benefit of being out on a live casino floor, because any of us that have been involved in that, until that employee takes that first hundred dollar (\$100) bill from a customer, there is no simulation in the back room that ever gets them over that type of stage fright, so we feel that that's going to be integral to our opening success in relation to our facility down here. In terms of our practical experience, you heard Greg talk about it in his opening comments. We've been in the state operating for eight years, we've demonstrated the ability up in Gary to deliver on all of our economic development commitments, and to illustrate what Greg said about taking a project and an opportunity that everyone thought was impossible to do, we have retained a high percentage of long term employees. Twenty percent (20%) of our work force in Gary has been with us since the day we opened, which is in excess of eight years, and in addition to that, thirty-five percent (35%) have been with us for longer than five years. In demonstrating the positive impact we've had on the community, forty-two percent (42%) of our employees live within the Gary city limits and another eighty percent (80%) live within Lake County, so we feel that we have delivered upon our promises to provide that economic development and opportunity to the individuals of our

community, and we anticipate the opportunity to do that down here in Orange County. I would like to turn it over to Robin Winston from the Winston Terrell Group.

**ROBIN WINSTON:** Good afternoon, Chairman Vowels, members of the Commission. Thank you for letting us address your panel. I come before you to represent the Winston Terrell Group. My business partner, Pat Terrell, is behind me. Pat, would you please stand? He's from Paoli, Indiana. We do know this county very, very well. We do know where Orleans is. We do know where Paoli is. Obviously, we know where French Lick and West Baden are, but more importantly, we know where English and Shoals and other places are in this area. We're going to use that knowledge to help build a capacity for local employees to be hired on this project, and I want to say one thing that should not go unnoticed. Thank you to the people of Orange County, because without your support, your vote, your leadership by Representative Denbo in the capital, we wouldn't be down here today, and that is fundamental about what we're talking about in moving this community forward. We're really proud to be associated with this team, because our firm has really built a good record on minority involvement. We're involved with the I-69 project, we're involved with the airport improvement project in Indianapolis, we're part of the effort to expand water service to the people in the contiguous counties around Marion County, and in every



one of those endeavors, we've made the steadfast commitment to expand the minority involvement and minority commitment to record levels. On this project, we're proud to be part of the effort of Donald Trump. His record in Gary and across the nation is unprecedented in the use of minority contractors and in the hiring of minority employees. Part of our effort on this will be a minority business development action plan. All too often minority firms, yes, they're brought in on projects, but nobody's around to help them on specifications, on mentoring and development. Those three components are absolutely essential for the success of minority firms, and we look forward to being involved with that. Earlier it was mentioned that Bill Shrewsberry is part of our team. Mr. Shrewsberry has extensive background in government service but now is in the private sector. We'll utilize his knowledge, his skills, his skill set as we develop opportunities for minority firms. We will create a strategic sourcing plan. You've got to know where the business is. A fundamental thing is if you don't know where the business is, you cannot develop any of the things to make your business successful, so we'll utilize data base work, we'll do online work, and we'll make direct contact with these firms. Our participation plan is based upon participation, not goals. It's based upon results, not promises, and we'll continue to do that. It's really good to work with the Trump people because, when you talk about a

department orientation and a commitment to diversity, it's not something that we had to look up before we came down here; it's something that's part of their creed and the way they run their operations. That will be a hierarchical mandate, from the department heads all the way down to the lowest person at the place, to make sure there is involvement by minority and women owned firms in this project. We'll do diversity training for all the management, all the employees of our facilities because, in many ways, we believe that a minority and women owned business involvement is somewhat of a mirror to Indiana to the people that come to our casino and come to our state. Benchmarking will be based upon realistic goals. I want to commend the Commission for establishing a goal of ten percent (10%) minority participation, five percent (5%) women owned participation. We'll meet and exceed those goals. In communications and outreach, we mentioned before, we know this county, we know this area, we know this state, so we're going to be active members in the French Lick/West Baden Chamber of Commerce. We have affiliations with the Regional Minority Supplier Development Council. We understand that there's an African American Chamber of Commerce, and we're a member of it, and we're also a member of the Hispanic Chamber of Commerce, and we're a member of the National Association of Women Business Owners in our state. We'll work with certified SBA, Small Business Administration, 8A Firms to get their

involvement, and we will provide you with quarterly reports, or even more often reports, to tell you what we're doing and how we're making progress on this endeavor. In innovative programs, I'm proud of our firm. We represent a company called (inaudible). Before we started working with them, minority and women firms were doing two percent (2%) of the contract work. Today they do forty-six percent (46%). We're part of the I-69 Project Team, which means that you've got to solicit public opinion. We'll do that as we move forward to craft a plan. We build our success upon partnerships, upon bringing mentoring development to the forefront of working relationships, and we'll do that here. To hold ourselves accountable, we'll establish an extramural and independent oversight panel to make sure that we meet the goals of this project. I realize the significance of French Lick. If you go next door to West Baden, you'll see the long history of African Americans and others in this community. You have a hundred and twenty-three (123) African Americans living in this county out of nineteen thousand (19,000) people. Yet the landmarks and historical significance of this county resonates with our team, and we're going to make sure that we meet those goals. Booker T. Washington once said that you have two ways of exerting your strength. One is to reach down and pull people up; the other is to use your strength to push people down. At Trump, we'll always be a partner; we'll always be

reaching out. I'd like to introduce Jackie Pinner, our Director of Marketing, to move forward.

**JACKIE PINNER:** Good afternoon. It's certainly a pleasure and a privilege to be here today, as we seek your approval for this most exciting project. Just to tell you briefly about myself, I have an extensive background in hospitality industry as well as the gaming industry. Many years ago, I began as Director of Tourism for the Memphis, Tennessee Convention and Visitors Bureau, and I had the good fortune of opening Elvis Presley's Graceland to the public for the first time, as well as the historic Peabody Hotel, the National Civil Rights Museum, the Beale Street Historic Entertainment District and many others. I was at the CVB, as we've come to know it, for several years and learned much about building and selling a destination as a tourism region before you got to the individual amenities within that destination. In 1997, I had the good fortune to begin working for Harrah's Casino in Tunica, Mississippi, and I've opened two casino properties there as well as two hotels and a theater entertainment building. But let's talk about this property. It's very exciting to open a casino. If any of you have not been involved, start taking your vitamins right now. I'll tell you a little bit about our preopening plans. We certainly will not wait until the casino is ready to open before we start telling people about it and giving them information. We'll

start with the groundbreaking ceremony, including Mr. Trump and other celebrities that will be participating with our project. We'll offer project briefings on a regular basis to keep people apprised of the stages of the construction. We'll send out features to the media to keep them posted of our progress. We'll also institute a Trump hotline so that the community can call and check on construction updates as well as ask questions about "What is it going to mean? What is going to happen?" People who are unfamiliar with casinos in their community can call this hotline; we'll be there to answer them. Our Trump team will offer representatives to speak at local community and civic organizations to start to educate them on the opportunities of a casino in their community. Continuing on with the grand opening, you've heard already today several comments about how important the data base is for a marketing program, and certainly it is the foundation of a marketing department at any casino. We're not, again, going to wait for the casino to open to begin our marketing data base program. We're going to institute a mobile Trump Club. We're going to take the Trump Club to events that are already taking place in this community so that we can presell the benefits of membership in the Trump Club so that we can hand out literature about the facility so people can start thinking, planning, scheduling their calendar and understand the value of using the Player Tracking Card. In

addition to that, a heavy media buy will take place approximately four to six weeks prior to opening. Our media plans will include broadcast T.V. as well as cable T.V., newspaper, radio, outdoor, and of course, data base marketing, not to mention that we also have other Trump properties that we can send features in those data base programs to tell them and alert them about the new property in southern Indiana. We'll have a very comprehensive public relations effort that will start again prior to the opening of the project. We'll have groundbreaking with Fuzzy Zoeller and the golf project that's assigned here. We'll offer hard hat tours for the media, again, reaching out, selling the story, the feature stories to the travel writers and media about this as a new and emerging resort destination. We will also be making pitches with our partner agency to the local and national media. As we lead and get a little bit closer to the grand opening, we'll have a series of on site events, probably a week or two prior to the actual opening date. Certainly, we'll have a party for you guys, we'll have a party for the VIP's of this community, we'll have a party for the wonderful group, the Orange Shirt Brigade that I've come to know and appreciate very much, and we'll also be doing some preselling with meeting planners, tour operators, travel agents to give them an inside peak at what they can start looking, once the casino and facility opens. Then we're going to open this

casino. We're going to do it Trump style. Mr. Trump will come to the opening, and as you heard Mark Brown speak earlier, it is something to behold. We'll plan a spectacular event, including dining, headline entertainment, Mr. Trump and other celebrities, as we can also celebrate all the many, many months of hard work and come to fruition, but let's not stop there. We'll go to the comprehensive, the real guts of the marketing program, and it is very comprehensive, and I'll just brush over some of the highlights. As I mentioned earlier, we're going to market this as a collective resort destination. If there's one thing I learned in the hospitality industry, you can't fight over selling a hotel versus an attraction. You have to sell the region first. Then you sell the destination within the region, and then you start selling the individual amenities, and we've made a commitment to you that the Trump Casino property will incorporate that in a comprehensive marketing strategy to sell this as a casino and a resort destination. There's more to do in Orange County than go to the casino, and all of our media and advertising and marketing programs will encompass that, because we understand that's what it takes to be successful when you're building an emerging destination. We'll use a multifaceted approach to include both qualitative and quantitative research. Certainly, we have a very aggressive media plan, a very full blown public relations plan where we have an entire

program addressing tour operators, travel writers, trying to build some coverage from publicity and contacts, as well as keeping our creative fresh and new, utilizing Mr. Trump in all aspects of our literature and programs, as well as a series of unusual special events. As I mentioned earlier, we think it's very important to work with the local community, and we've already started to build some of the relationships with the area attractions. We will be partners with these people. We can't do it alone and they can't do it alone, so we'll be partners. We'll, in fact, be a sales team together as we go out to sell the Orange County resort destination. Our target audience is adults twenty-one (21) to sixty-five (65), middle to upper income, gamers, potential gamers, tourists, potential tourists, almost everybody, because this area will soon offer things for everybody to see and do. Some of our key strategies: We intend to focus initially, certainly, on a five hundred (500) mile radius within the casino as the primary market. We want to capture the cities that have a viable base, a population that has the discretionary income. Yes, local people will come to this property and local people are likely to be very aware of it, but we want to reach those people who are looking for other options of things to do, places to go, time away, and the Orange County is something new that we can sell and people in Cincinnati, Columbus, as far as Chicago, will be hearing about Orange County. We're



going to develop an integrated campaign that will include all the media vehicles I mentioned, as well as the grass roots effort. Our campaign will be comprehensive in that we won't just talk about one thing, the casino; we will talk about the other amenities, and hopefully the other tourism partners in the community will also talk about us, so that we will comprehensively leverage both the budgets and amenities that we have so that we can sell further. We will work with the media to utilize the promotional vehicles that they have available and expand the opportunities to package with the other amenities: The Paoli Peaks, the Patoka Lake, the Railroad Museum, the Bed and Breakfast Inns, and possibly create some new attractions in this area. Some of the specific tactics that we plan to use are the internet. Certainly, that's becoming more and more popular. Already our Trump properties are just as close to being able to have customers book their hotel rooms online, to be able to RSVP invitations to special events, to be able to look up and see what offers they have once they arrive at the casino. We can put links to all the area attractions on our web site so that we can continue to cross sell this area as a destination with more than just a casino as something to see and do. Another area that we think has a great deal of opportunity is the motor coach marketing and group sales, synergy group programs, convention groups. The Orange County CVB has done a good job

starting the effort to build a motor coach group market, but they can't do it alone. They don't have the funding that they desperately need, and the casino intends to come in and partner with them to expand their budget and to help reach mature operators and let them know what wonderful opportunities they have here. We have resources already available within the Trump companies. One of our Atlantic City properties alone already has ten thousand (10,000) names of group leaders in a data base that we can access to spread the word about a new destination. Certainly, special events, entertainment and promotions are key standard components of a marketing strategy of a casino. We want to take special events a little bit further. Yes, we have special events targeting low level, mid level, high level gamblers, but we want to take special events out into the community. We have some seasonal concerns here. We don't want certain months to be the only time that we have customers coming, so why not create a special event during what's traditionally an off season period? I think coming up with Pluto's birthday that might grow to become an annual event that all the partners in this community can build so that we can shore up what's typically been an off season period, and a casino tends to do that, of course working with the other partners in the community. Casino promotions. Our intention is to have "There's always something going on at Trump," a variety

scheduled format so that there's something special going on almost any day of the week. Player development programs, significant, certainly. We pride ourselves on having a genuine and sincere touch. When we meet people, we know that's the opportunity to make a lasting impression. We look at the life span of a gambler, and we know that that opportunity is right when they come through the door through the player development programs. We have an added advantage of the cross property opportunity where not only our Gary customers can come here for golf outings and special events, but other properties in Atlantic City and the folks who come here become regular players here can then be given opportunities to go to some of the special events at other Trump properties, so some cross marketing within the data base is certainly at our finger tips. One of the things that I believe is very important, as we talked about the destination over and over again, we are certainly willing to operate the Visitor's Center within our complex that allows people coming to this area to find out about all the things there are to see and so, give them an opportunity to extend their length of stay, so we'll house and create this Visitor's Center that I think will serve the rest of the community very well. I could talk all day, but I know you're probably getting tired, so at this point I'm going to introduce Marina Angelo, an Extension of the Marketing Department through MZD Advertising, to tell

you a little bit more about our tactics and our media plans.

**MARINA ANGELO:** Thank you, Jackie. Good afternoon, Mr. Chairman, members of the Commission. Thank you very much for having us here today. My name is Marina Angelo and I am the Vice President and media Director at MZD Advertising. Our partnership with Trump provides Indiana expertise in media, both paid media dollars as well as public relations as well as public marketing and general marketing support. Just to give you a little bit of history about our agency, it is fifty (50) years young. It is a full service agency with such former clients and such current clients as Coca Cola, the Hoosier Lottery, the Indiana State Fair, the Indiana Tobacco Prevention and Cessation Agency, and even a small one called Ritter's Frozen Custard. Currently, we are the agency of record for the Orange County Convention and Visitor's Bureau and now a proud team partner with the Trump Organization. I'm going to touch a little bit on a couple of additional marketing tactics. The national exposure of the Trump name is going to enhance all of our public relation efforts, and that's going to get additional media coverage through editorial and news, keeping the local and regional news associations abreast of all the exciting events that are happening not just for Orange County and the casino, but for the fun atmosphere that we are creating is a great form of free advertising. In conjunction with the press releases

regarding all these activities that are going to be happening, this will make it a destination point, as we have all addressed before. The main tactic I think we want to sort of address is making that consumer, enticing them to come back to Orange County again. A lot of that happens through cross promotion once they get to Orange County. Vacation planning really does happen consistently within the home, with children, with parents, through media, but most importantly through the source of the destination they have just returned from; that's the cross promotional opportunity that I think Jackie is referring to as well. Another reason to return and visit Orange County or Paoli Peaks or Patoka Lake. You do have to tell them so that they will come. Therefore, an annual media plan is being planned for the casino as well as a tie into Orange County. Our team is bringing years and years and years of experience of buying media and implementing media promotions by virtue of all of our current clients. We do plan to meet not just the day customer that will come from Louisville and Evansville and Owensboro, but also the long distance customer that comes from Indianapolis and Cincinnati and Lexington that needs to stay overnight, that make it an extended vacation for themselves. The media relationships that we have here in Indiana will open doors for Orange County. We also have some strong connections to the editorial content that will give that curiosity factor back in an earned

fashion. I want to touch on one thing that Mark mentioned about the branding of the Trump name, and maybe I can relate it to the show of the Apprentice. In Indianapolis, for instance, Mr. Trump is branded quite heavily. Two hundred and twenty-six thousand (226,000) viewers tuned in to the Apprentice this year as it ended in May, whereas if you look at filling the Conseco Fieldhouse, you would only have eighteen thousand three hundred and forty-five (18,345) basketball fans, so I wanted to make a small comparison that every week we reach hundreds of thousands of Hoosiers with the Trump name. Therefore, it is an established brand already in Indiana. We also want to notice that the competitive placement of other casinos is very important to us. They are also other vacation destinations in Indiana, and what we are looking to do is to finite those opportunities by looking where our competitors are. For instance, outdoor advertising has the ability to zip code gambling or gaming participants, down to the zip code of a city or town. We plan to utilize that kind of qualitative and quantitative information to help place our boards and advertising in places where the fish are biting. Finally, with a monthly media that we will place, more importantly, radio and T.V., will come to Orange County and also appreciate some of the things that happen here. On a monthly basis, it's more important to reach them. The next slide I'll show you is sort of an idea on how we plan to place

a monthly media flight. Two weeks of television with some cable, radio and newspaper. Outdoor is always placed on a consistent exposure level, so it's an annual negotiation and year round. Active media every week is very critical to a casino. It's also through promotional extension of value added promotions that the media will give exposure to Orange County that it so needs. It is my pleasure today to introduce to you Dave Lobeck with Fuzzy Zoeller Productions to finish up.

**DAVE LOBECK:** Good afternoon, Mr. Chairman, members of the Commission, members of the HHPC. My name is Dave Lobeck, President and COO of Fuzzy Zoeller Productions in Sellersburg, Indiana. Today Fuzzy is in Indianapolis for a charity outing. He wanted to be here, but he committed to it earlier in the year, but he's looking forward to being here tomorrow to share his vision and excitement and enthusiasm for what we can do here for Orange County. Continuing on the marketing theme, it's our opinion that for Orange County to really regain its position it once held as a national resort destination, golf has to be more than a bullet point in a power point presentation. It has to be the centerpiece of the marketing strategy. Trump Casino has agreed with us, and for that reason, Fuzzy is moving forward on the plans as they move forward with the Trump Group. I'd like to touch real briefly on the demographics of golf. People wonder why golf is such

a great demographic. This is the demographics of the Golf Magazine Readership, the people that subscribe. They have an average household income of a hundred and thirty-two thousand dollars (\$132,000), average age of fifty-five (55) years, total investment portfolio of eight hundred and twenty-two thousand (822,000) and their average home has a value of three hundred and fourteen thousand dollars (\$314,000). I think this is the sort of people we'd like coming to Orange County as frequently as possible. Golfers travel. Eighty percent (80%) of all golfers plan to travel on vacation next year. Forty percent (40%) plan to tailor their golf travel plans around a golf destination resort. There's twenty-six million golfers in the U.S. This is a figure that's very important. I know you guys are getting tired, but this is a big one. Golfers spend 26.1 billion, with a "b," every year on golf travel. Fuzzy has a saying, maybe you've heard it in southern Indiana, "Pigs get fat; hogs get slaughtered." One tenth of one percent of that is twenty-six million dollars in golf travel coming to Orange County. I think that's pretty significant. Why is golf a great marketing strategy for Orange County? I'm from Washington, Indiana. Fuzzy has lived in southern Indiana all of his life. We've always loved the history of Orange County and the history of golf in Orange County. I think that has to be an integral part of a marketing strategy. You had the 1924 PGA Championship at the



Donald Ross course. How many people actually know that? Walter Hagan won. It's great history. U.S. Golfer demographics, which we just touched on, they have money. The age of participation. People play golf into their sixties, seventies and eighties. Again, 26.1 billion dollars a year in travel. All we want is one tenth of one percent (1%). We'll be the pigs; let somebody else be the hog. An association with Fuzzy is also important. A little bit about Fuzzy. Most of you probably know about him. He turned professional in 1973, he's won three majors today, including the '79 Masters, the '84 U.S. Open and the '02 Senior PGA Championship. He has a total of ten (10) wins on the PGA Tour and he's considered by many to really be one of the more popular and gallery friendly professionals in the history of the game. Just as importantly, as many people move to Florida once they get into the golf business, Fuzzy is a life long resident of southern Indiana. His saying is, "Why would I move? I'd never be there, either, so it really doesn't make much difference." He's also one of the premiere players on the Champions Tour, currently in his third season. He's active in the world of professional sports. He won the Inaugural Event this year, the Master Par Championship in Hawaii. How would Fuzzy benefit Orange County? Fuzzy is one of the most sought after golf professionals in the world of golf, in terms of personal appearances. He's going to make personal appearances annually

here at the Orange County property. He wants to design some of the golf courses. We'd love to bring the Hill Course back to the original Don Ross design, taking into account changes in technology. We'd like to look at the possibility of building a second course, possibly a par 3 golf course, similar to what Augusta has. Fuzzy has designed eighteen (18) hole golf courses, three of which are actually used on the PGA Tour today. We will be involved in the creation of a Fuzzy Zoeller Golf Learning Center, a way of learning golf that's actually fun. Fuzzy encompasses fun, and we think there's a real market for that. We'll help with managing the Trump properties in terms of golf, creation and management of golf tournaments. We have an idea of possibly bringing a nationally televised golf event to one of these golf courses once things get up and running. He can also be the Orange County Casino Ambassador. Give you an example. Fuzzy plays on the Champions Tour and every week they play in Pro Ams to entertain the top executives. Fuzzy's reputation as being an entertainer is so well known that the title sponsor for that event always picks Fuzzy, because they get to pick because they're writing the big check. I went through his last ninety (90) days of golf tournaments and I wrote out the CEO's that Fuzzy has played with: Ford, Master Card, American Express, Wal-Mart, SBC Communications, Outback Steakhouse, Kraft Foods and Toshiba. Those people are looking for places to take

customers and their best employees. What a great place to point them in this direction. They have corporate jets; they can fly right in. Our vision is a national golf resort that centers around golf, a corporate entertainment venue for the Fortune 500 with Fuzzy as your ambassador spreading the word, a world class golf experience, a tournament venue, hopefully a nationally televised event at some point in time, and very aggressive penetration of the golf demographic. In closing, a world class golf experience centered around Fuzzy, which is aggressively marketed to the golf demographic as well as corporate America will extend the reach of the Orange County Casino into the United States and Canada. A marketing strategy lacking a serious commitment to golf, in our opinion, will not achieve a national resort destination status. At that point, it's just another riverboat. I'd like to introduce Bob Pickus, Executive Vice President and General Counsel for Trump Hotels and Casino Resorts.

**BOB PICKUS:** Thank you, Dave. Good morning, Mr. Chairman, members of the Commission. I noticed a few of you flipping through to see how many pages are left, and let me just assure you that we're getting near the end, and we'll be quick. By way quickly of a little background on myself. I'm an attorney at law. I've been practicing law for some twenty-five (25) years. I started in Atlantic City with a small law firm in Atlantic City in its infancy stages, and the firm I was with

was retained by a New York Real Estate developer named Donald Trump, and I actually remember telling people we were representing Donald Trump and they would ask me how to spell that. In June of 1985, when he purchased what is now Trump Marina, Mr. Trump gave me a call and asked me to leave the law practice I was in and come work inhouse for him, and nineteen (19) years later I'm still here, still doing the same thing. One of the more rewarding and challenging efforts that I did on his behalf was the application that we made for the riverboat in Gary, Indiana. I know there are at least a few of the commissioners still here from those days and can remember the challenging experience it was. I think it's fair to say that there were a number of questions at that time, both about the location and frankly about our ability to get that job done. Needless to say, we got it done. It's been operating very successfully, as Mark described earlier, and I'm most proud to say that we're still there operating it. I'd like to take a few minutes to tell you about the strong beliefs we have with respect to the Orange County opportunity, and that is with respect to the renovation of the historic treasures of this Valley and how important they are to the collective destination resort that we feel is important here. In addition to the actual cost of the construction of the gaming and related facilities, we have also made an agreement to provide five million dollars of contributions to each of

the West Baden Springs Resort and the French Lick Springs Resort to assist them in their obviously, I think, needed renovation of their facilities to get them ready for the amount of visitors that this area will receive. Included in the five million to the French Lick Springs Resort is one million dollars to upgrade the Donald Ross Hill Golf Course, as Dave described earlier. In addition to that, because where we are proposing the facility be located is where the current event center is here at the French Lick Springs Resort, we also agree to provide an additional two million dollars for construction of a new event center, which Joe described earlier, which will be incorporated into the design of the overall facility and I think best utilizes the resources of both the gaming facility and the resort facility here. We also will contribute two hundred and eighty-seven five hundred dollars (\$287,500) to the Indiana Railway Museum, which will allow them to receive Federal matching funds of an additional 1.15 million dollars. As important as we know that the historic assets are, we also know that the community here has certain needs that need to be met, not just on an initial basis but on a regular ongoing basis. To that end, we have also proposed to provide a one time up front payment of three million dollars to the local community to help them with the needed infrastructure and other improvements in anticipation of the gaming facility. On an ongoing basis, we have also

proposed in accordance with the schedule up there, and I won't go through it line by line, an additional percentage of the AGR that the facility generates and would guarantee an annual minimum payment of 1.25 million dollars. Those amounts can be utilized by the local community basically for any needs that it deems appropriate, including, we would expect, grants and low interest loans for local businesses. Finally, and I think I drew the short straw because I have to talk about sewers for a moment. In order to help remedy the sewer capacity shortfalls here in the Valley, we have also agreed to provide a 1.85 million dollar fund to remedy that current situation, and that is based on a study that was done by Reynolds, Inc. for us. Finally, I want to provide a quick overview of the total costs involved in our proposal. The actual construction of the facility, including the casino and related amenities, the site improvements and the lake, the parking garage are approximately sixty million dollars. The infrastructure is essentially what I just mentioned, which is the money to the resorts, the local community. Furniture, fixtures, and equipment, slot machines and related equipment and preopening start up expenses for a total project cost of 108.5 million dollars. At this time I'd like to introduce Scott Butera who will describe the ongoing overall recapitalization of our company and the benefits that it will provide, not only to our company but also to this project. Thank you.

**SCOTT BUTERA:** Thank you, Bob. Mr. Chairman, members of the Commission. I am Scott Butera. I am Executive Vice President and Director of our Corporate and Strategic Development. It's a great honor to be here before you in Orange County this afternoon, although I feel a little disadvantaged having not achieved any significant athletic accomplishments since my Little League State Championship in 1979, but I'll try to get through that. By way of background, I joined the company just under a year ago after having been an investment banker on Wall Street (inaudible) gaming and lodging and real estate business for approximately fifteen (15) years, in which capacity I covered just about every major gaming and lodging institution in the United States and abroad, and the reason I decided to switch my career and join this organization is many of the same reasons I believe the people of Orange County should choose Trump. As a lot of folks have said today, the brand really is second to none in terms of our global reach, and the thing that I think is very special about the Trump brand, what Donald does, is he brings luxury, a luxury experience, a quality experience, an exciting experience to the average man. That's his talent, and I think that's very unusual. You don't need to be a multi millionaire to be treated like a high roller at Trump Casinos. The second thing I think is very important is we're also second to none in development of asset quality. At the time that we opened each

of our properties, they were signature properties in their markets, and this property will be no exception to that. As Mark indicated, we are a true team. This company is run like a partnership at every level. There are no egos, as Mark said, and there also are no egos externally. In working with the communities and the law makers in the markets that we're in, I've seen a group and an interaction that I had not seen with any other companies I've covered, and I think that's very special. In terms of having a big name experience, Trump is the right choice. The one thing that I came to work on in the Trump Organization is how do we grow this brand. For us, it was just a matter of getting the right capital, and really for the past twelve (12) months we've been working on doing just that. In February of this year we announced a comprehensive recapitalization plan for our company. I think it will be record breaking in many regards. Its primary goal was to reduce our leverage and our financing costs. When we're complete, we'll have a balance sheet that's as strong as any in the business. We obviously wanted to increase our liquidity and position ourselves to take advantage of our great brand and grow geographically, and there's no better place to start than right here in Indiana, where we already exist. Our primary investor will be DLJ Merchant Banking Partners. They are an affiliate of Credit Suisse First Boston, one of the largest banks in the world. They'll be



making an initial investment of four hundred million in common equity. The proceeds of that investment will immediately be used to deleverage the company and exist in our existing assets, but it will have an effect of giving the company a lot of additional financing capacity for future projects. DLJ will become our majority shareholder, but Mr. Trump will remain our chairman and a large shareholder, as well. We talked about the benefits of the transaction. Obviously, deleveraging is the big one. We'll reduce our principal indebtedness by approximately forty percent (40%), our financing spending will go down about fifty percent (50%). We'll basically be freeing up about a hundred million dollars a year annually in cash flow. That cash flow will be used for growth. Obviously, our investors want us to grow. We want to take advantage of our brand and be a preeminent gaming company. I think some of the major transactions you've seen in the gaming recently have created somewhat of a homogenization of the business, and we're going to slide underneath those groups right now and take advantage of some displaced business, and that's what our capital is going to be used for, so I really think that in a short period of time we will be one of the preeminent gaming companies certainly in the United States. Our transaction is consensual in every regard. That's why it's taken us some time to do, but I think the good news is we're on a very tight time frame and we

should be done sometime in the fall. Just to spend a few minutes on who our partners will be. DLJ Merchant Banking partner. I mentioned their leveraged buy out fund within Credit Suisse First Boston twenty million dollar private equity business. Credit Suisse obviously is a substantial institution with three trillion of assets under management, and (inaudible) we believe there's a lot more behind it. DLJ has been a significant investor. They have invested approximately seven billion dollars since 1985. One of the good things about being affiliated with them is they hold approximately sixty (60) companies under their management right now, and we'll have the ability to partner on an inside track with all sixty (60) of those companies, many of which can help us right here in Orange County. DLJ is very familiar with the gaming business. They've been an investor in the gaming business in the past, both in the United States and abroad. They have incumbent industry knowledge. They believe in our management team, and we think that they're going to be a great partner for us and they have a great track record and we look forward to continuing it right here in Orange County. With that, I'll turn it over to Mark Brown.

**MARK BROWN:** Thank you. After all that, you say "Why Trump?" That's what I'm going to talk about, why Trump. Besides the commitment of the millions of dollars up front, community commitment, we get a lot of our employees involved in the

community with local charities. I headed up an organization last year which raised close to 3.7 million dollars for a lot of local charities, which is a record in Atlantic County. Also, the governor of New Jersey just appointed me the Chairman of the Atlantic City Convention and Visitors Authority, which is a five year term, which again, we know what it takes to get the community going, what everybody wants and what we need to get to improved levels. Due diligence. We've had over a hundred (100) meetings so far to get to this point where we're standing here today. Proven successes conducting business in Indiana are Gary Casino. Like Bob said, we've had offers out there from other companies to buy this casino. We did not sell. We are still here. Strong partners. Loyal customers, expected service. Our customers who come to a Trump property, like Scott said, it's the average man who walks in and wants to be treated like a high roller. They expect quality, they expect first class service, and when they walk into a Trump casino, that's what they get. A marketing plan to position Orange County as a comprehensive entertainment destination. Without a doubt, that will happen. The Trump brand. We could keep hammering that home all day, and you know - I don't have to go into it any longer. You know what the man is all about. He is a celebrity, without a doubt. The Trump team, what we are. We're all saying the same thing. We are hard working, we work together as a team,

we know what it takes to get to record levels. We took a company that was basically doing two hundred forty million in GOP and in a few short years went to three hundred and twenty-two million, just on hard work and knowing what to do and treating employees the way they should be treated. My philosophy is the employees come first. When they're happy, the customers come second. The customers see what's going on on your properties and they love working for you, they love working at your facilities, everything else just kind of falls into place. With that, we would love to be here in Orange County. I appreciate it. Thank you very much.

**DONALD VOWELS:** Ms. Bochnowski, I believe you have a question.

**ANN BOCHNOWSKI:** Yes. I don't want to carry this on too long. I realize we're going to have a chance to ask questions tomorrow, but I just want to follow up with Scott Butera on some of the reorganization just a little bit, because I think that some of the questions we'll have tomorrow maybe we'd like to hear a little more about now. You said that recapitalization should be in place by fall. Is that a pretty firm time table? Is this a done deal, basically, or is it still out there?

**SCOTT BUTERA:** The transaction, as it sits today, is not a done deal. That having been said, we've been working on it for approximately nine months. I think we're looking at a very short time frame of getting to a point where we'll know

exactly where we stand with the transaction, and it would probably take another sixty (60) to ninety (90) days to close, once we come to a handshake with all the parties, so by saying early fall I really mean between now and full close of the transaction, of which I expect ninety (90) days to be somewhat procedural.

**ANN BOCHNOWSKI:** But you'll know for sure just in a short time frame?

**SCOTT BUTERA:** I would estimate three to four weeks.

**ANN BOCHNOWSKI:** In three or four weeks you think you'll know when --

**SCOTT BUTERA:** Correct.

**ANN BOCHNOWSKI:** What happens if this doesn't work out?

**SCOTT BUTERA:** This wasn't the only option. When I started with the company, I spent about four months - prior to joining the company, I spent about four months studying all of our strategic options, and if we do not complete this transaction, we'll go forward with a transaction that I believe will be somewhat similar in nature.

**ANN BOCHNOWSKI:** In your proposal you have - I don't have it in front of me, but I think you have assumed interest rates for the money that you'll have to be borrowing around seven percent (7%). Am I correct in that? What I'm getting at is: Do you think that's an accurate estimate, or because of the credit history do you think you'll have to pay higher interest

rates than what you've assumed in your calculations?

**SCOTT BUTERA:** I think in terms of our company and will we have to pay higher interest rates, I really don't believe so. This has been a very comprehensive program, very comprehensive approach. I think all of the concerns that prior investors may have had or bond holders might have had or shareholders might have had has been fully addressed by this plan, and that's why we've made it a consensual plan and not forced things on people, so I think that in terms of our ability to finance, we should be very much in line with our competitors. I think in terms of our proposal, our proposal that we submitted is on sort of a stand alone basis, and anything we're doing with our company should hopefully enhance what we're able to do in terms of financing costs.

**ANN BOCHNOWSKI:** I'm just wondering if lenders might be wary because they're not going to get - the industry organization people are not going to get a hundred percent (100%) of their loan back. Am I correct in that?

**SCOTT BUTERA:** I can't get into any details, but basically, we believe in this reorganization all of our investors will receive a very substantial recovery and one in which they'll be pleased with, so again, I can't get into any details because we're subject to a vast amount of confidentiality, but it is a consensual transaction. It is something that has gone up and been on a prenegotiated basis.

**ANN BOCHNOWSKI:** Thank you.

**DONALD VOWELS:** Anything further? We'll have questions tomorrow. Thank you. SPEA has put together a form that we would like each of the applicants to come up to Mr. Lawrence after the recess here in a moment to pick up. These are forms that have listings for the first five year projections of wins, admissions, hotel guarantee, win per patron, et cetera, just so we have it in writing from what we heard today, so if you'll get those to Mr. Lawrence here in a moment. In reference to the public comment that will begin at seven o'clock and go to nine o'clock, there are sign up sheets on the table outside the doorway, or there will be. There will be sign up sheets for the public comment session. We will now recess until seven o'clock.

**HEARING IN RECESS UNTIL 7:00 P.M.**

**DONALD VOWELS:** This is the time for the public comment. We've got a number of people who signed up for the public comment, and as the sign up sheet said, the comments will be limited to two minutes in fairness to everybody so that they will be able to address the Commission. For the court reporter's purposes, when I call your name, hopefully I'll say it right, come up to the podium and say your name and spell it for the reporter so that she can get that information down. The first on the list here, Senator Hume.

**SENATOR LINDEL HUME:** Thank you very much. My name is Lindel

Hume, L-i-n-d-e-l H-u-m-e, State Senator representing this - a great part of Orange County and just thrilled to have the opportunity to be here tonight and for you to be here. We have worked a long time to come to this point, and there's been a tremendous amount of work done by a lot of people, and I want to make sure that I mention one in particular, who I think was instrumental in giving Orange County this opportunity to have gaming here in this area, and that is State Representative Jerry Denbo. I have been concerned for many years about the West Baden Springs Resort Hotel and watched its demise and was very concerned about that, and we were looking at all kinds of ways to try to save it, and Jerry Denbo said, "We need to have casino gaming in the Springs Valley area, and we can save that hotel with casino gaming." I thought at the time when he first suggested that that he was a little bit nutty, and still think he is, but he is so tenacious, so hard working, and I'm just proud to have had the opportunity to work with him on this project. He would sponsor it at the House and I would sponsor it in the Senate. We did that for years, and finally we were able to get it through, and we're so pleased to have you hear. I'm not here to speak for or against any of the casino operators. I know that your decision will be the right one. I am here to speak for the people of Orange County, and I think it's important that we keep that in mind; that this gaming operation for the



West Baden French Lick area and Orange County is for the people. We have two goals in mind here, or at least I do, and one help provide a way to save the West Baden Springs Resort Hotel and make sure that it never ever falls into the kind of disrepair it was in before. That is not only a historic landmark; it is the Eighth Wonder of the World, and we want to make sure that it stays and is maintained, and that's part of what the money from the casino will do. Secondly, and probably now more important than ever before, is to help generate this economy in Orange County. The unemployment rate in Orange County for a long time has been the highest in the state. Right now, if you look at the statistics, you'll see that Orange County ranks second highest. I think it's Randolph County that's highest now. Orange County has nine point three percent (9.3%) unemployment, but if you look - you know, you've always heard that statistics don't lie, but I think sometimes statistics can be misleading, because if you look at the reason that Orange County is no longer the highest unemployment rate in the state, you'll find it's because there are a lot of people that have dropped out of the work force. The numbers of people who are seeking jobs has decreased, and that's because they've drawn all the unemployment, they've quit looking. We need desperately to help this county with jobs, and casino gaming will do that. I, again, appreciate very much your being here. I know you'll make the right

decision. We want to make sure that as you make your decision that we keep in mind that we should look at various locations, we shouldn't rule it to one specific location, but somewhere right here in this area around the hotels, because we don't want to find out after we've said it's going to be in one specific location that we may have some kind of environment problem or something, so we want to have some flexibility there, but let's make sure that it's right here in this area, that it provides jobs for the people of Orange County and that we save the West Baden Springs Resort, and thank you very much for being here.

**DONALD VOWELS:** Representative Markt Lytle.

**REPRESENTATIVE MARKT LYTTLE:** Thank you, Mr. Chairman and members of the Commission. I, too, want to say it's very good to have you here. I also want to take this opportunity to point out you have a new commission member from the same town I'm from, Madison, Indiana, which is Rob Barlow. It's good to have him on the Commission. He's one of the favorite sons of Madison. You might wonder why someone from Madison would be here to support the casino, but I was picked five years ago to be a neutral fact finder in the legislature so the legislators would have someone to come to and find out the facts about gaming. As I went through that process, I worked with Representative Denbo. I fulfilled that role within about a two year period of time, but I saw that there was a need, and

the only way to save West Baden Hotel and also to help this community was to get a casino. Jerry Denbo, Representative Denbo, worked on this proposal for twelve (12) years. He was the lone voice in the woods starting out. I saw things that happened to his vision that should never happen to any legislator who has that vision through that period of time. Like Senator Hume said, he stuck with it, he worked hard to help this community out, and I want to praise Jerry for all his hard work. But now the time is set out that you make the decision, and I know you're going to make the right decision. I just ask that you, too, when you do make that decision that you really do what's in the best interest of this community. This is set up where the State is protected. They will hold the license, as you well know. A lot of people were involved in this process to make sure it was done right, but you have a tough decision because you have three good proposals. Within those proposals there's strengths and weaknesses, and you have to decide which is in the best interest of the community, and I hope that you can come to a good decision as soon as possible. I know that you have the possibility of making that decision tomorrow. I hope you can do that so they can go forward after all these years of work, but if you're not really sure, I would rather you waited one more month to make sure the decision was right, and I, too, would like to ask you to consider the possibility of an alternative site to

where whoever is selected as the applicant can move quickly so we don't have a situation like we did in Harrison County with Caesars where you have environmental problems and you couldn't move real quick and it delayed the process. I think this community has worked hard, the people of the community, and the Orange Shirts, they're the best lobbyists who ever came to the State House. They've worked hard, and to delay this process without, you know, kind of factoring in everything would be a shame, so I appreciate you coming and your hard work and what you do for the State of Indiana, and I appreciate the fact that you're considered one of the best commissions in the United States with the best regulations, some of the toughest regulations that regulate this industry. Thank you very much.

**DONALD VOWELS:** For the court reporter's benefit, his last name is Lytle, L-y-t-l-e, and Markt is M-a-r-k-t. Working in the courthouse, I learned a long time ago to be scared of reporters. I always try to make their lives happier. Judges are a dime a dozen; reporters are very sensitive. Is there someone here on behalf of Representative Crawford? I know somebody was on their way, but maybe not yet.

**ROBERT BARLOW:** For the reporter, his first name is M-a-r-k-t. Not too many people get that.

**DONALD VOWELS:** Yes. Representative Denbo.

**REPRESENTATIVE JERRY DENBO:** Thank you and welcome to French

Lick. This has been a long battle, and it's great to have you here. I'd like to start out by saying I'm not here speaking as an advisor of the local commission, which I am, but as the State Representative of the area. I'm going to try to keep this, Mr. Vowels, within two minutes. After fourteen (14) years...

**DONALD VOWELS:** I'll give you some leeway.

**SENATOR JERRY DENBO:** Okay. I never write notes down, but this time I did. I'd just like to talk about the importance of a French Lick West Baden casino. It started out this was the gaming center of America until 1949, when gaming was shut down. That's no coincidence; that's when Las Vegas took off right after that. I always tell a little story that not too many people are aware of. French Lick and West Baden are directly responsible for the other ten (10) riverboats being here, because it wasn't until West Baden and French Lick were added to the legislation that they ever got a bill through the legislature, and there was also six or eight votes to vote for gaming, if French Lick West Baden were included; otherwise, they wouldn't vote for it, so we have the heritage, we deserve it, and this has been a long, long process, and I want to stress the fact that it's been driven by the people you see sitting behind me, plus a lot more than just this. We had a vision several years ago of restoring our community to become one of the top destination resorts in the Midwest, as we once

were. This used to be the top destination resort. In fact, I always said through the '40's, the '50's, you'd be hard pressed to find ten (10) rich or famous people that didn't stay right in this very building. All the presidents, all the movie stars, they all stayed here. Now, we're probably the poorest county in the state with traditionally the highest unemployment rate and we have the lowest per capita jobs. But through all of this, the people here had hope when the casino issue came up, and they kept it alive for fourteen (14) years. What's amazing about these people that I think is so admirable is the fact that they weren't in it for themselves. When you came to the State House, you would see people that were retired, you'd see ones that, you know, really weren't looking for a job themselves. They just wanted to help their neighbors out, their children, their grandchildren. They wanted to leave a legacy for their children, their grandchildren and their great grandchildren. This has been a very lengthy and a very gruesome process. It took this total community effort. We were joined along the way by some very good help. First of all, Bill Cook came aboard to help us out with West Baden Springs and added a lot. We have Bob Boykin, who with the Boykin Hotel, helped with the lobbying effort, and I thank both of these individuals for stepping forth. I was most fortunate to have eighty-three (83) of my colleagues that voted for this bill. It was an eighty-four (84) to

thirteen (13) vote, and as you know, in the past we had always had trouble mustering fifty-one (51) votes sometimes. Actually, we had a total of eighty-seven (87) people who voted for it, because there were three people during the Conference Committee who came forward, but we had some excellent help. Governor O'Bannon saw the vision, as did then Lieutenant Governor Kernon. We faced that hurdle and got over it. It was a tough one, and it was a total joke when I first got to Indianapolis. The referendum came, and this referendum passed by far the largest margin of any referendum in the state of Indiana. In fact, I think six of the thirteen (13) here in southern Indiana had failed, if I'm not badly mistaken, Vanderburgh County passed maybe by fifty-two percent (52%), Harrison by fifty-one (51). We passed with a sixty-six percent (66%) effort, and again, this was driven by the people and with the aid of the Cook and Boykin group. Everybody said that it would never happen, and here we are. It was a joke back in '91. They said the referendum would fail, they said we would self-destruct. Sometimes I wonder locally if we are self-destructing, but we're on target. They said we would never get three good applicants. I was told over and over, "Jerry, you'll get all the small applicants. Just hope you get a midsizer, too," and look where we are. We've got three outstanding applicants for you to choose from. We wanted to create a win-win situation where everybody benefited: The

casino, the two hotels, to restore these treasures, but above all, the people. This wasn't made just for a handful of wealthy business people to get wealthier. As somebody said today, pigs get fat; hogs get slaughtered. We don't want to be slaughtered. We want this to still be people driven where it's win-win for everybody. Unfortunately, we still do have some that don't see the vision of the people. We're also unlike the other Indiana casinos. I think if you look at the other Indiana casinos, they come from large population centers. We don't have anybody living too much around here. Thanks to the media, and I do want to thank the media for the good job they've done. They've given us millions of dollars worth of advertising. We had our victory celebration on referendum night right here in this room. We had four T.V. stations with their satellite trucks out there broadcasting live. Another two were running around here. The attention we've got, and all eyes in Indiana are upon what we're doing here tonight. People are going to come once, but unless we've got something better to offer them, they're not going to come back, so we need to really make sure that we have a total destination resort. In concluding, I look at you and you've got a job I wouldn't want. I've had reporters all day long ask me who's the best. I can honestly take all three and see a major good point in all three. I can also see maybe some faults. You've got the job. As I've told people many times



before, I've just got a vision. I don't know how to get there. You people are the ones that help us get there. I would just like to read a little bit from the statute, just a couple lines that I think are important and I think is your main job, and something I sure hope you really concentrate on heavily. It says, "In determining whether to grant an Operating Agent Contract to an applicant, the Commission should consider the following: Character, reputation, experience, and financial integrity." That's going to be a tough job, but I've got confidence that you're going to do it right. I'd also like to point out one other piece of legislation, also law, something that maybe our local commission has deviated from greatly, but I would like you to consider this, that our local commission's job is to promote the most economic development in the area surrounding the hotel district, and we need that. Like I said, to make this a complete destination resort and to make it one of the most successful casinos in the state, we think we can do this. It's already a destination resort. I hear words like mystique when you're talking about French Lick and West Baden, it's romantic. We've got something to offer people here, and I thank you for the job you've taken. I thank you for the time. This isn't easy. You've got a lot of pressure on you, and speaking from experience in the State House, I hear complaints about every commission you can imagine, but I never hear a

complaint about the Gaming Commission. You do a good job. On behalf of the people, I'd ask you to continue to do a good job. Provide us with the best deal you can, provide us with a vehicle to reach our vision, help us help ourselves. Thank you and God bless you.

**DONALD VOWELS:** My understanding is there's someone here on behalf of Representative Crawford? If you would, just let the reporter know your name, please?

**TURAE DABNEY:** Sure. Hi, my name is Turae Dabney. It's T-u-r-a-e D-a-b-n-e-y, and I'm here on behalf of Representative Bill Crawford. I'm here representing Representative Bill Crawford, who is the Chairman of Ways and Means, and the purpose of my being here today is to strongly encourage the Gaming Commission to include - keep close in mind Representative Denbo's vision of minority business participation. As you are aware, in 2000 Indiana underwent a disparity study, as required by the 1989 Supreme Court Crewelson Decision, Richmond V. Crewelson, in the determination of the State's minority business participation numbers. In doing this, the State had to build a disparity study to figure out the numbers for the rigorous standards of the Crewelson decision, and the results of that had to be a race conscious remedy. The analysis included contracts (inaudible) dollars from Indiana Department of Administration, the State Office Building Commission and the Indiana

Department of Transportation. The riverboat casinos were not regulated - the river boat casinos, which is regulated by you, the Indiana Gaming Commission, and the Lottery Commission were not included in the study. However, the Gaming and Lottery are required by State statute to participate in State's upcoming MBE/WBE program, and as a result of House Bill 1436, they are required to include minority and women owned business numbers. Now, even though it is required by State statute for the riverboats to comply and have numbers, we know that they don't always reach their goals, which causes the legislature concern and causes my boss, Chairman Bill Crawford, concern. Therefore, when Representative Denbo included language that would ensure minority and women business participation in the contract and programs of Orange and riverboat counties when he introduced legislation last session, and that legislation was in front of the Chair of Ways and Means and the Ways and Means Committee. I encourage you, on behalf of Bill Crawford, Chairman of Ways and Means, to keep close to Representative Denbo's vision of diversity and inclusion. Thank you.

**DONALD VOWELS:** Now we move to the citizens' comments. Again, the limit will be two minutes, because there are a number of people who wish to speak, and in fairness to everybody, we want to keep that down to the two minutes. This isn't a time to argue to this Commission about the morality of gaming. That decision had been addressed by the legislature, and we're

here to do as the legislation has directed us. The first name on the list is Geneva Street. If you'll spell your first name and last name for the reporter.

**GENEVA STREET:** My name is Geneva Street, G-e-n-e-v-a S-t-r-e-e-t. I want to thank the Gaming Commission for coming. I've enjoyed them being here because I think they're going to do the right decision. I want to thank the HHPC group. Without them, we couldn't do anything. I want to thank the advisory board and the negotiating group. I know we have three applicants that's very important, but most important of all is Jerry Denbo. He has brought us this far. Without him, we would be nothing. I want to thank Markt Lytle for coming. He represented us, too, and Lindel Hume, our State Rep. We need really bad help, Orange County, what you guys would choose for the best. I have a choice, but you know, that doesn't weigh anything, but I really would like to see Trump get this group and take care of our county. He's offered so much for us. His proposal that was mailed to me showed he offered more than anyone else, and I wish we'd all get behind him and back him. Thank you.

**DONALD VOWELS:** Michael Jones.

**MICHAEL JONES:** Good evening.

**DONALD VOWELS:** Michael Jones. Could you spell that?

**MICHAEL JONES:** Yes, Michael Jones, President of the Switzerland County Council. I am not a stranger to the Gaming

Commission. I think with at least three members, I go back at least ten (10) years when we, in Switzerland County, were working, as the good people of Orange County have for many years. I traveled down Indiana 56 today to share with you my experience as a community leader in Switzerland County working with two of the principals of the Orange County Development Group. Listening here today, you have three good applicants, but I can speak with experience with these two leaders. Governor Bob List and John House were part of our team with Pinnacle Entertainment, the parent company of Belterra Casino and Resort. Governor List and John House were committed to our local community and its needs. I come from Switzerland County, a county very much like Orange County, with many of the same problems, and I know from experience the importance of a partnership between the gaming applicant and local leaders and citizens. Governor List and John House worked with our community to help us prepare for the casino to come, and that relationship continued. I can say today if I were to start, as I did eleven (11) years ago, the casino effort again, knowing what I know from my experience as a community leader, I would again want them on my side. Their commitment to the local community, I feel, would be of a great benefit to the citizens and local leaders of Orange County. Thank you very much.

**DONALD VOWELS:** Jeff Reynolds. Jeff Reynolds. Sir, if you

would, spell your first and last name, please.

**JEFF REYNOLDS:** I'll do that. Jeff Reynolds. J-e-f-f R-e-y-n-o-l-d-s. I am President of Reynolds, Incorporated. We're a family owned construction company based here in Orange County. We employ about seven hundred (700) employees. We're one of the larger employers in the county. We specialize in water resource management; essentially anything that gets water out of the ground and puts water back in the ground. I'm the sixth generation of Reynolds to live in Orange County. My ancestors actually homesteaded property about three or four miles from here. We were asked by the Trump Group to propose recommendations to solve problems associated with the area waste water system. We offered input not only on the waste water system but also on site selection and lake construction. What I witnessed in dealing with the Trump Group was an openness, a courtesy, professionalism, but what impressed me most was an overwhelming commitment to the details of the project. Mark Brown, in his closing, mentioned a due diligence that that Trump Group went through with over a hundred (100) meetings. Using the waste water issue as an example, they probed into details including cost feasibility, analysis for three different options, meetings with the town, the town's consulting engineers, plant operators, even regulatory authorities, and what is included in their proposal is a phased approach which is realistic and truly addresses

the issues that the town faces. I believe this effort to be characteristic of the approach they took for the entire project. Trump was the only group to contact us, and in the event they are selected, have committed to work with us on those portions of the project with which we're qualified to perform. To ensure success in our community, this project needs to happen in a big way, and that's the only way Donald Trump does things. Thanks.

**DONALD VOWELS:** Steve Crabtree. Sir, if you would spell your name, please.

**STEVE CRABTREE:** It's S-t-e-v-e C-r-a-b-t-r-e-e. Commissioner Vowels, the rest of the Commissioners, I'm also from Switzerland County. Mike Jones and I sat on the County Council together and I feel sorry for these people over here. I've been through this many times. The one thing I would like to echo is what Mike said, that Governor List and John House are super people. What they say, you can just about set your watch to it. One thing I was disappointed in was that Allen Rachels didn't get to give you the numbers, because he has been dead on in our community, as well. The one thing that did concern me today, when I was watching the presentations, was on the comments that I would like to make. Number one: How are these applicants going to finance this? Commissioner Bochnowski brought a little of that up. Is being on the Committee to actually pick our applicant, that was one of the

first things that we asked our applicant was "How are you going to finance this?" and I think that's very, very important, not only for you all, for the future, but for the Gaming Commission in their efforts to get this done. Thank you.

**DONALD VOWELS:** Marilyn Fenton. Marilyn Fenton. To sound like a broken record, I will ask you to please spell your name.

**MARILYN FENTON:** My name is Marilyn Fenton. It's M-a-r-i-l-y-n, F as in Frank, e-n-t-o-n. I hear all the wheels that came up. I'm a little cog in a machine. I have a very small business in French Lick, and unfortunately it's nonprofit. It's not meant to be nonprofit, but it is. I really don't feel that I will benefit from this, but we will when more people come. By the influx of more people, we'll get our share. We started first lobbying in Indianapolis to save the West Baden Hotel with Historic Landmarks, and after that fell off onto Jerry's plan, and I think that people really do work. As I talked with some of the people with the groups that were making proposals, I really was concerned about the stability of the people that we would partner with, because it has to be a partnership. You can't do it alone, and being a small business, it's retail, and I deal with tourists that come from out of town. After Larry Bird has been retired for ten (10) years, people are still coming to buy little things to take to



their children because he's a good role model. I don't think we could choose a better flag carrier than someone like that. You have the stability of a Midwest company who had Midwest values, you've got somebody who's planning to be here for the long haul. Finally, the State of Indiana established that tourism was an industry because even that changed how you could get loans, because when you had an industry that didn't need to borrow money, by the time it got down to the little guy, they couldn't give it to you until the State changed the language and tourism became an industry. That helps a great deal. I think Larry helps our cause, because if you want a role model, you want a guy that gives a hundred and ten percent (110%). I came to Orange County thirty (30) years ago from the Chicago area, and sometimes when I see the work ethic in our young people I see kids that have no dreams. Larry gave them dreams. I have four kids; none of them live here; there were no jobs, so I want that for our people. I want the stability that five years down the pike, they're still gonna be here. Maybe the glitz is not gonna be as classy as Las Vegas, but our people want the stability that comes with doing well in your area with what you have for the long haul. Thank you.

**DONALD VOWELS:** Rob Denbo.

**ROB DENBO:** R-o-b D-e-n-b-o. Thank you, Mr. Lawrence, for allowing me to come up here. However, I must warn you that

the trait of being able to talk for a long time at a podium is inherited in my family, so feel free to cut me off whenever you need to. I think my father understood that. You have a hard job, but after hearing all of these proposals, whatever you decide is going to be really, really positive for Orange County. After hearing, finally, nine months later, hearing these proposals, I have to say this is probably the most exciting day of my life, with the exception of my two girls being born. This is just incredible, and all I ask is when you are considering these proposals, please consider the casino company that is willing to work and provide resources, especially, for the Orange County Convention and Visitors Bureau. I think through all this we realize that tourism is the future of this county, without a doubt. This county is going to be made or broke on tourism, and we are the only agency that actively and very proactively markets the county as a whole, from this fabulous place to West Baden to Patoka Lake to Paoli Peaks, we're the ones out there every day working on it, and we've got four excellent people who I'm sure that you've already been working with. We've got two members on the HHPC here that are Visitors and Convention Bureau members. We've also got a representative and our board president is also on the negotiating team, so at a time when tourism is going to be the most exciting thing in the county, our agency, unfortunately, is going to take a twenty-five

percent (25%) budget decrease for next year, so I just hope that whoever you pick you think of kindly when they consider the Orange County Convention and Visitors Bureau as far as working cooperatively and resource wise. Thank you.

**DONALD VOWELS:** Alan Brand. Alan Brand. Sir, if you would spell your name, please.

**ALAN BRAND:** My name is Alan Brand. A-l-a-n B-r-a-n-d. Good evening, Mr. Chairman, Commissioners, Staff, HHPC. It's my pleasure to come before you tonight and speak on behalf of the French Lick Springs Resort. The last four years I've had the pleasure of working and living in this community. I'm currently functioning as the Area General Manager for the hotel. I've come to know and love this grand historic resort and the people of our community. The legislation that created the opportunity for us to come together today was specifically passed to preserve the historic hotels in our community and hence revitalize our local economies. To that end, I urge you to act tomorrow promptly and with great consideration and select an operator who is experienced and qualified to execute their plan. Today I've heard numerous mentions of creating a destination resort. Ladies and gentlemen, we have one. We just need help. Prior to the addition of the three casino hotels on the Ohio River, we were quite successfully growing market share in this resort. We had a plan for the future. Unfortunately, that's been interrupted, and now we need the

support of a casino operation to help return this community to its former glory. The types of groups outlined in today's proposal are who we market to today. We spend 1.3 million dollars every year marketing to those types of groups and we stand ready to support the operator selected with our extensive data base and our experience and our financial commitment to help make this the success it can be. Ladies and gentlemen, our one request is we urge you to act promptly. Time is of the essence. Our future is still at risk until such time as we get a casino opened in Orange County, and we need your help. Thank you very much.

**DONALD VOWELS:** Kevin Carnes. Kevin Carnes. Sir, if you would spell your name, please.

**KEVIN CARNES:** Yes. Kevin Carnes. C-a-r-n-e-s. As you can tell, I'm nervous. I'm not much of a public speaker, but I'm here representing the Southcentral Building Trades Unions and what we bring to offer as far as construction on these projects down here. Through apprenticeship training, drug testing, all of our members, and for minorities, also, that we have in our locals, and I would just like to say I think project agreement would be good on the construction down here. Also, I'd like to say I'd like to thank all the members that have served on this board in this community, because it's very tough serving on boards like that and making decisions that's going to affect all of our lives, so whatever your decision

is, it's going to benefit our area. I'd like to thank the Board, and also these orange shirts back here that Mr. Hume mentioned. They've just done a fantastic job, and every morning I get up and look out of my house and see that dome the way it's fixed up, and whatever we get done here is gonna help us out so much. Thank you.

**DONALD VOWELS:** Neil Gath. Would you spell your name, please?

**NEIL GATH:** Sure. It's Neil Gath, last name is spelled G-a-t-h. I'm an attorney for the Southcentral Indiana Building Construction Trades Council, which consists of thirteen (13) separate crafts in Orange County and surrounding areas. The Building Trades urges the Gaming Commission to award a license to an applicant who has entered into a Project Labor Agreement with the Building Trades. As of this date, two applicants, Trump Indiana and Lost River Management, have entered into such a PLA. The Southcentral Building Trades believes that a PLA is an essential requirement of a successful construction for a number of reasons. First, over one billion dollars of work has been done throughout Indiana over the past ten (10) years under Project Labor Agreements, including almost all notable projects, including Circle Center Mall, Conseco Arena, the State Museum. Among the benefits of a PLA are timely and efficient completion of construction work. There's no strikes, no picketing, and there's alternative dispute resolution procedures which avoid any lengthy or delay in

litigation. Furthermore, union referral procedures maximize the opportunity for local residents in Orange County and surrounding areas to work on the job. Lastly, there's the apprentice programs, as Mr Carnes eluded to. These apprentice programs provide an excellent chance for young people and others to obtain critical skills in construction that can serve them well throughout their life. Fortunately, within the past week, the I.U. Labor Phase Division has completed a study of apprentice programs within the state, and with your permission, I'll distribute at the end of my remarks a document that assesses these programs. These programs provide training at no cost to residents in communities in construction at a fair wage. The union programs have a high record of diversity, which includes both minority and female applicants, which far outrank and surpass any other competing programs. Therefore, the Southcentral Building Trades respectfully request the Gaming Commission award the license to one of the two applicants, either Trump Indiana or Lost River Development, which have entered into such Project Labor Agreement. Thank you.

**DONALD VOWELS:** Is it Pete Rimsans? I'm sorry if I'm butchering these names. We started at nine o'clock this morning, so I'm doing the best I can. We're whittling down to the point where our fifty dollars (\$50) a day has now fallen below minimum wage. (Laugh)

**PETE RIMSANS:** My name is Pete Rimsans, and the first name is P-e-t-e, last name spelled R-i-m as in Michael, s-a-n-s. I am the Associate Director of the Indiana Building Construction Trades. I am here on behalf of Ben Ramsey, our Executive Director, who could not be here today. We represent approximately sixty-five thousand (65,000) union construction workers in the state of Indiana, and our main goal always is to build things. We're after infrastructure wherever we can get it, and that's why, for a long time, this organization has worked with Representative Denbo to make sure that French Lick did in fact have a casino. We strongly believe in the importance of the casino to French Lick, to Orange County, and to the state as a whole. We also believe that this project should include a Project Labor Agreement, as Mr. Gath spoke of. It's important because it insures the project is done on budget, on time, and more importantly, it insures that this job, when it's built, has good wages where the employees can get a benefit package which benefits the community. Today, two of the three licensees have signed such agreements: Lost River and Trump Indiana. We believe the faster this project is completed, the sooner the community can reap its benefits. Our members are not only excited about the casino itself; we're also excited about the infrastructure it's going to bring the community in the way of roads, supporting industries, hotels, restaurants. This is going to be a boom

to the economy of southern Indiana and will benefit French Lick as we know it now but it's going to benefit the surrounding communities, and for that our members are grateful because they will be the ones that are employed, and we'd love to see a Project Labor Agreement installed in this project. We also believe that the people in the orange shirts back there have worked too long and too hard. I'm somebody that's from Indianapolis, and I know that some people will say, "What are you doing down here?" Well, I've seen these people year after year at the State House just come there and beg and beg and beg, and finally the legislators have seen fit to give these people a casino, and I'm just happy this day is here. Thank you.

**DONALD VOWELS:** Steve Wilson. Steve Wilson.

**STEVE WILSON:** Steve Wilson. S-t-e-v-e W-i-l-s-o-n. One of the things I want to bring to the Commission today is thanking Jerry Denbo for having a vision. Forty (40) years ago when I was a little boy, French Lick was a much prettier town than what it is now, and West Baden. As you drive through town, you noticed how pretty it is. Today, about eighty percent (80%) of it is gone, and we're trying to rebuild it. What we need to do is pick a company that has a vision. The French Lick Springs is a destination resort. We draw people from hundreds of miles away, and we were told at the State House that if we didn't have just local people, this wasn't going to



survive. We need a company that's not just going to build a box and set it on a river. We need someone that can restore the opulence that once stood here. Some of you may know which company I'm thinking about, and I think that may be good, and I know it has some questions to it, but I'm real proud of Jerry having a vision and sticking to that vision, and I think if we're gonna survive, we're not gonna survive on the people within fifty (50) miles of this casino. We have to have a company with a vision and ability to produce more than just a box and a casino. I hope - I know it's a tough decision. I know there's good things about each company, and we want you guys from Indianapolis to make a decision so we've got someone to blame. Anyway, thank you for Jerry Denbo. Thank you.

**DONALD VOWELS:** Just for the record, hardly any of us are from Indianapolis. (Laugh) This Commission is made up of three commissioners from the Ohio River and three from Lake Michigan and one the statute says from neither place, so we're not from Indianapolis. (Laugh) bob, you wrote your name sort of sloppy here, so I'm going to do the best I can. Bob Schlensker, maybe. Would you spell your name?

**ROBERT SCHLENSKER:** It's Robert Schlensker, S-c-h-l-e-n-s-k-e-r.

**DONALD VOWELS:** That's a "r" on the end?

**ROBERT SCHLENSKER:** That's a "r."

**DONALD VOWELS:** That's not a "r"; it's an "s." (Laugh)

**ROBERT SCHLENSKER:** I'm here tonight on behalf of Local 84 HERE. It's been a long time having a union position in this place. The union has been here for a long time, I guess is what I'm trying to say. This is kind of a union town, kind of a union company, and we have an agreement, I guess, in several other places with Trump. It's a known quantity. It's something we think we can do business with, and we would appreciate your consideration of Trump. Thanks, Jerry, for all your hard work. I tell you, without you, we wouldn't be here tonight. Thank you. I'll be brief.

**DONALD VOWELS:** Scott Shuster. Sir, if you would spell your name, please.

**SCOTT SHUSTER:** I actually spelled the one before me. I'm a lefty. My name is Scott, S-c-o-t-t, Shuster, S-h-u-s-t-e-r. Good evening, ladies and gentlemen, Commissioners and Union Brothers and Sisters. I currently live in New Albany, but I have a background in analyzing the gaming industry, and I have a background in assessing gaming as a unique form of urban redevelopment. Project Labor Agreements and the Trump outreach to the Laborers Union is a good start, but that is not enough. To ensure the long term redevelopment of this community, you must insist that the workers here have the dignity and respect of the person they work for. You must insist that the workers - any workers displaced by the construction and renovation are rehired after that is

completed and you must insist that the lowest wage workers here, the people that do the worst jobs here, are earning a living wage and have access to health care for themselves and their families. The easiest way to do that is to make sure that this casino resort is a union casino resort. Thank you.

**DONALD VOWELS:** Angel Robards. Angel Robards. If you'll spell your name, please.

**ANGEL ROBARDS:** A-n-g-e-l R-o-b-a-r-d-s.

**DONALD VOWELS:** Did he write your name down, too? (Laugh) He wrote "Angel" and then he scratched it out.

**ANGEL ROBARDS:** Actually, that was me. I don't want to make it hard on you. There's an "i" at the end of my name. My actual name is Angeli, but I said, "I don't want to make it hard on him, because it's hard telling how anybody would say it."

**DONALD VOWELS:** I would have liked Angeli at this time of day. (Laugh) I could have handled Angeli. Thank you very much. (Laugh)

**ANGEL ROBARDS:** First of all, I'd like to tell you how happy I am to be here tonight and away from my kids for just a little while and to tell you a little bit about myself. I'm a long term resident of the state of Indiana and I go to college here in Indiana as a criminal justice major. I'm sure you can appreciate that. My concern is not only with who receives this license but with this community. These people



deserve the jobs with fairness and security. I have been involved with an organizing of unions in three different places of employment. The most recent was in the casino industry in which I have been working for the last five years. My first two experiences with organizing were made harder than my most recent because the employers were - did not agree to a Neutrality Agreement. They did not stay neutral. We had to hide our involvement by meeting in secret places, and our employers used scare tactics to sway our involvement. Now I've experienced how pleasant it is to have the freedom to organize with a Neutrality Agreement, and now I'm proud to say I'm union and not afraid to fight for my rights or the rights or my fellow workers. Voting in the casino was a huge step by the residents of this county to ensure the economic growth and prosperity of not only this community but also the ones that are surrounding it. One of the greatest freedoms in this country is the freedom to vote and decide our own futures without intimidation. That's why I would like to communicate to everyone that's here tonight how important it is to keep that freedom in the workplace, as well. Not only is the security and prosperity of our community important, but also our job security. After 9-11 our country united to secure our prosperity and freedoms, and union meets to unite. In this world, fighting for what is right and fair is almost impossible when you're doing it alone, but you are doing here

now - what you're doing here now is not just voting for who receives this license, but we're voting for the future of our community. As you may have heard, Mr. Trump has already signed a Neutrality Agreement with our union, making it easier for us to work with dignity, respect, and affordable benefits for our families. I urge you to keep our voting rights and choose unity and job security. Last, but not least, I have faith that this Commission will make the right decision for our community with the union jobs in mind. Thank you.

**DONALD VOWELS:** Mark Firla. Mark Firla.

**MARK FIRLA:** Scott wrote my name, too. (Laugh)

**DONALD VOWELS:** How close did he get on that one?

**MARK FIRLA:** He nailed it. Mark Firla, F-i-r-l-a. I am here on behalf of what was formerly the Hotel Employees Restaurant Employees Union. We merged last week, so now we're (inaudible). I would just like to echo a few comments that my brothers and sister mentioned, both in the Building Trades and the HERE members. There has been a lot of discussion, and clearly this community is incredibly concerned about economic development. That comes in many forms. Certainly there's the idea of infrastructure, new buildings, new roads. There's also economic development. The union I represent represents probably somewhere around seventy-five thousand (75,000) members in casinos all over the country: Las Vegas, Atlantic City, here in northern Indiana. We have found, and many

people have found, that unions are one of the few ways to people to both maintain a voice in the workplace and to secure good wages and good benefits. A contract goes beyond mere words. Our union has a very good working relationship with the Trump Organization, and that organization has actually committed to extend that relationship here into Indiana in the French Lick area. They have, in fact, signed a Neutrality Agreement, and if they are awarded this license they have committed to remain neutral in the face of whatever decision the employees make. I wanted to make sure that the Commission was aware of that. Thank you for your time.

**DONALD VOWELS:** Norma Cox. Norma Cox.

**NORMA COX:** N-o-r-m-a C-o-x. It would be impossible in this short time to thank everybody who has worked on this to this point. We do appreciate you all for being here and taking your time to do this for our community, and welcome to our community. The Historic Board that has worked all these months to get us to this point has volunteered many hours, and I know it's not been an easy job, but we do appreciate you for that. Also, I would like to thank our senators and representatives who gave the voters of Orange County a chance to have a voice in our future. Fortunately, we voted correctly. A very special representative grew up here and watched, as many of us did, as our many hotels and other historic buildings deteriorated and were demolished. Today we

should recognize and honor Jerry Denbo for working tirelessly for many years to change this situation. I think the people of the Valley owe Jerry a big group hug. The Orange Shirts made many trips to Indianapolis to visit the State House and lobby for our casino. The driving force behind the Orange Shirts, in addition to Jerry, was Geneva Street. The number of hours Geneva spent on the phone arranging those trips is inspiring. Geneva wants jobs for her community. It takes money to raise a family, and too many children have grown up here for the past few generations with too little money to meet their needs. The money a parent can earn is much more valuable than any social program can give to them. We appreciate the fact that that is now possible for our community. Not only will our children be covered by money that is earned by their parents, they will be covered by insurance that up to this point many businesses could not provide because it is a low income area. That is what this casino means to our children. To our retired people, it means retiring on something more than just Social Security. We do have a large number of retirees who live on a Social Security check alone because they have lived here their whole life and do not have access to retirement benefits. This is another thing this casino is going to bring to our community, and we appreciate the fact that we are getting this now. Lost River Development did a wonderful job of showing us what they would



do for this community. I was very impressed with all three presentations today, and frankly, I'm amazed at all the work that went into that. I did like their Indiana connection. Orange County Development has Larry Bird. Now, this is French Lick, so you know, Larry Bird is very special to us. As an athlete, he is outstanding, and I hope that whoever gets the casino will work very hard to make sure that we get our Larry Bird Museum. However, I have to say that when I heard that Donald Trump was interested in opening a casino in French Lick, I was just ecstatic, because I grew up here and I remember the buildings that were here in my childhood that are no longer here, and they rivaled anything anybody could build today in beauty. Unfortunately, the money was not here to support them, but we do have this hotel and the West Baden Springs Hotel to remind us of what was here. I think that Donald Trump's vision for our community fits with what we have had in the past and what we would like to see here again. I would like for my grandchildren to grow up in this community in that grandeur, and I hope that you will give special consideration to Mr. Trump. I do look forward to the opening party of the casino, whoever is the operator, because at that point there will have been money made here in this community by hard working people that has not been available for many years, and that will be the opening of our new future. Thank you.

**DONALD VOWELS:** Butch Cox. Butch Cox. Mr. Cox, do you know Norma?

**BUTCH COX:** We're acquainted.

**DONALD VOWELS:** Because she cut into your time a whole lot.  
(Laugh)

**BUTCH COX:** My name is Butch Cox, B-u-t-c-h C-o-x. I'd like to thank all you folks for being here tonight. It's a hard job you've got. Everybody's got a hard job. I was real surprised to see so many union representatives here, because I think maybe I'm the only union member. I hope to get something going. Mr. Lytle said be sure and make the right choice. I hope you do make the right choice. I know you will, but so far I'm having to put four hours a day on the road to make a living, so I hope you make a choice tomorrow and don't put it off another month. There's three people I'd like to thank especially. There's a lot of others, but there's three people I'd like to thank especially. Jerry Denbo. He's put in a lot of time. Geneva Street, she has put in more time than anybody can imagine. I would also like to thank somebody, Mr. Bill Cook. He got the Dome started over there, and that helped get the ball rolling. One thing about it, my dad is sitting here. He's eighty-three (83) years old. One of his wishes was to see this town to be restored back to what it was when he was a kid. My youngest grandchild had to be escorted out the door crying. I would like to see him not

have to put four hours a day on the road. I would like to see him be able to have a job here in French Lick. One thing about it, after the referendum, Mr. Trump was the only one that put a full page ad in our paper thanking us and wanting to work with us in the future. At one time, up at the State House, when you folks seen this orange shirts, everybody ran, tried to get away from us as quick as you could. (Laugh) That was funny. Then later on, later on, you all got to kind of like us, and then you --

**DONALD VOWELS:** I don't think that was us. (Laugh) That was the legislature. (Laugh)

**BUTCH COX:** Anybody in a suit is a politician to me. (Laugh) With the casino here I do, I really, really do, and several of the attorneys over here can testify to the fact that I get myself into trouble for saying what I think off the top of my head, and I do hope Mr. Trump is really, really considered for this, because he did put the ad in the paper, wanting to work for us. This Fourth of July, he did give American flags to the people in French Lick that would go get them. I didn't see anybody else do this. When I think of basketball, I naturally think of Larry Bird. When I think of flashing lights and big hotels and stuff like that, I think of Donald Trump. Maybe I'm wrong, but that's what I think of. So I just really hope and pray that you do make the decision tomorrow evening, and unfortunately I won't be here. I'll be

at work, but my wife, she will tell me what's happened. Thank you for your consideration.

**DONALD VOWELS:** Carol Qualkenbush. Is that right, or close?

**CAROL QUALKENBUSH:** You did good.

**DONALD VOWELS:** If you would, spell that.

**CAROL QUALKENBUSH:** C-a-r-o-l Q-u-a-l-k-e-n-b-u-s-h. Good evening, members of the Indiana Gaming Commission and our Local Commission. I am a life long resident of the Valley. I have worked at the same bank for thirty-three (33) years. I have enjoyed living here. When I was asked to be the treasurer for the Citizens of the Future of Orange County, I agreed to fulfill this post for one reason: Jobs for the residents of Orange County. I have four daughters and I want them and their families to have the opportunity to live in Orange County. I want them to make a good living, not a meager existence. I have listened today to three wonderful presentations. All of the presentations have brought several good points forward, but it's hard to evaluate the true scope of what a fifteen (15) second flash on a projection screen means for the people who live in Orange County. I am asking the members of the Gaming Commission to do the best thing for the citizens of Orange County. Your expertise in the gaming game allows you to know what the figures really mean. You know if something has been presented with smoke screens or is unrealistic or something has been said to influence you by the

applicants, something they thought you wanted to hear. Please look at the overall future of Orange County; not just who offers the biggest bucks up front, knowing it will take a commitment for the future of Orange County for this to be a success. Thank you.

**DONALD VOWELS:** Thank you. Nick Breedlove. Nick Breedlove. Got all dressed up tonight, didn't you? (Laugh)

**NICK BREEDLOVE:** Just came from work. Sorry. I just came from work. I put thirty-four thousand (34,000) miles on my truck since February, so it's a little bit of a trip. I didn't have time to get my Sunday best on. It's Nick Breedlove. N-i-c-k B-r-e-e-d-l-o-v-e. I just wanted to talk to the three applicants. I see a lot of people saying that we're going to give books to the different schools. What are we going to do for the youth, because they spend what, about thirty-five (35) or forty (40) hours a week in school? Why can't we put a teen center together? Something for the kids to have during the times they're not at school or in the summertime, because the kid that's bored is going to get into trouble. The other thing I'd like to do is thank Jerry Denbo. He - if it had been ten (10) years earlier, Jerry, we would have had Dutch Mueller here, Earl Wilson, all these people that passed before they could see this awesome thing that's happened here. And the Orange Shirts and just the people that's come out from French Lick, West Baden, Orleans and

Paoli. This is a great turnout to make sure you guys know how much we'd love this thing and we need it. I just wanted to ask that about the kids. I went to college for a Youth Minister Christian education and my main concern is we've got this destination place here for everybody, but I see a lot of adult oriented things with the gambling boat and everything else. Can we do something, maybe a youth center, maybe for the kids just to help out with them, because they take care of us when we're old? Thank you.

**DONALD VOWELS:** Thank you. Judy Gray. Judy Gray.

**JUDY GRAY:** Mine's easy. J-u-d-y G-r-a-y. Good evening. My name is Judy Gray and I'm the Executive Director of the Orange County Economic Development Partnership. First, I do want to thank the Gaming Commission for holding these public meetings here in Orange County and inviting the public to speak. My comments are in regard to several conversations I had with the Trump casino group when they contacted the Orange County Economic Development Partnership to meet and discuss how they could impact economic development in Orange County. They were holding meetings with community leaders. Some of the issues that we discussed included hiring as many local people as possible, contracting services with local businesses, creating career paths in the hospitality industry, work force training for the employees but including continuing life long learning utilizing our community learning center. We also talked about

creating the acronym is CTA, but it's a Certificate of Technical Achievement for the hospitality industry. Partnering with Vincennes University and Ivy Tech where V.U. already has a hospitality management program. Both of these institutions are very interested in working with the casino in training opportunities specific to the casino but also in the hospitality industry. We talked about developing hospitality programs for the local high school vocational programs, perhaps including internships. We also discussed, which has been mentioned today, local training programs for minority businesses and other businesses on how to work with the casino. There are other resources in Orange County that could possibly help our employees, and we discussed those things, such as the Orange County Transit Program or the Orange County Childcare Program. We talked with, we call it DWD, the Indiana Development Workforce Development Office, who would assist hiring the employees using our local Work One office. DWD can assist with job fairs as well as employ assessments. It's very important that the hiring and the training take place here in Orange County. We also discussed additional tourism opportunities with our existing festivals, events. Unique attractions such as the Lost River, the underground railroad and our new scenic byway we hope is going to happen that includes U.S. 150 and the Buffalo Trace, and of course, we're trying to develop our arts and culture. We also talked

about our community and getting the casino employees involved with community organizations, lending their leadership skills to these organizations. We also thought bigger. We talked about regional opportunities in tourism and forming partnerships in the community to create additional tools for economic development efforts. Tourism is certainly a part of the economic development strategy in Orange County, but it's not the whole strategy. In closing, I would like to say that the Trump Casino Group was the only casino applicant that contacted Orange County Economic Development Partnership, the county economic development organization. Thank you.

**DONALD VOWELS:** Is it Tim Leehe (La-hee)? L-e-e-h-e.

**TIM LEEHE:** It's Leehe (Lee).

**DONALD VOWELS:** Leehe (Lee)?

**TIM LEEHE:** Yeah. T-i-m L-e-e-h-e. A couple extra letters there to confuse you. There's been some eloquent speakers this evening, so there's not a whole lot new to say, other than I do represent the President - I am the President of the French Lick West Baden Chamber of Commerce. The Chamber membership as a whole has gotten behind this, along with the Orange Shirts, the community, the county, and they fought for this, the referendum came, everybody worked together to make this happen. All I ask of you as a Commission is as you review these proposals that we as a community, and especially the business community, know that we need the applicant that's



going to give us the best opportunity to sustain long term economic development and growth so that we can get that whole package going, because we know that just a boat in the moat is not going to be a success for us. We do need to be able to put that whole package together, and people like Marilyn can have a for profit business in the future instead of everybody holding on by shoe strings now, and I sure appreciate your time.

**DONALD VOWELS:** Thank you. Erma Dillard. Erma Dillard. Is it Erma or Emma?

**ERMA DILLARD:** Erma. E-r-m-a D-i-l-l-a-r-d, and Mary Gilliatt wants me to talk for her. She doesn't want to get up here.

**DONALD VOWELS:** Well, that makes you the last speaker.

**ERMA DILLARD:** I want to thank you all for coming and taking the time to hear us. I want to thank the HHPC and the Advisory Board, the Negotiation Board, and Jerry Denbo, who has really stood by us and gave us a little courage, too, a lot of courage. If we didn't do right, he'd kick us once in awhile. I want to thank all of the people that helped with our referendum, and most of all, I want to thank my dear friend, Geneva Street, who brought us this far. I'm just speaking for us and thank everybody. Thank you.

**DONALD VOWELS:** Some of us have been doing this for ten (10) or eleven (11) years now, and this was the most efficient

public comment session we've ever had.

**GLENN LAWRENCE:** We're actually going to adjourn.

**DONALD VOWELS:** I think we sort of recess, don't we?

**GLENN LAWRENCE:** No, we adjourn.

**DONALD VOWELS:** Is there a Motion to Adjourn?

**MARYA ROSE:** So moved.

**DONALD VOWELS:** Is there a second?

**ANN BOCHNOWSKI:** Second.

**DONALD VOWELS:** Is there in opposition to it? All those in favor, say "aye."

**ALL COMMISSION MEMBERS:** Aye.

**DONALD VOWELS:** We shall show that it passed, and we are adjourned. We'll all be back in the morning at nine A.M.

**HEARING ADJOURNED FOR EVENING.**

**DON VOWELS:** We'll call this meeting to order. We'll show that the Indiana Gaming Commission is now in session. We have a complete forum. All commissioners are present. The record will reflect that Commissioner Gettlefinger has previously informed us that he will recuse himself and he will not participate. He is present. This is the time for the Commission comments and interaction with the applicants, which means that this is the time that we ask them questions, and this is not a cocktail party, and there are questions that we have and we will expect the responses to those, and it's more of a stream of consciousness as the Commission ask these

questions, we try to stay within a particular topic, but sometimes we will go one way or the other, and that's just the way it works, and that's the way we've always done it, and it's always worked that way. We're scheduled for an hour. Hopefully, that will be enough time. If not, we're the Commission and we can run over that time, if we'd like. The next part of the agenda then, it is about 9:17 or so, and we're seventeen (17) minutes late, so we'll take an hour to do this; the next portion of the agenda is for an hour and a half, there will be a break for the applicants to formulate their best and final offers. After that hour and a half, we will reconvene and listen to their best and final offers, and then an hour for lunch, and then the local Commission, the Historic Commission, will meet to discuss the offers. The agenda has been posted and I won't go over it any farther on that. What this essentially is is this Commission is charged with the responsibility to follow the statute, and the beginning of the statute talks about maintaining the integrity of the gaming business within the State of Indiana through the investigative procedures and the resources that we have, primarily the Indiana State Police and informally other agencies throughout the country. At this stage, no one who is a real - who would be a problem being licensed makes it this far, so all of the applicants that we have in front of us, we've had full and complete background investigations, and

they, to the best of our knowledge, which is extensive, have passed that test, so we're now at the point of deciding which one of these proposals best fits in with Orange County and is best for Orange County and the State of Indiana. In this way, we're sort of - this is the eleventh license here in Indiana - we're sort of like parents of adult children. We have ten (10) children and the eleventh baby is on its way, and we love each of them equally, and our goal is to secure things in their lives that are in their best interest, and as parents, we have no vested interest in it except the best interest of Orange County and the State of Indiana. At this stage, what we're doing is telling our adult children that the suitor that they want to hook up with, now it's time to get down to business, and we get to say whether they get to marry that particular person or not, and sometimes things are shiny and when you look behind it, they aren't so shiny, and that's what we're here to do, is take the shine off and let you all see it. We've had extensive investigations. The best things that we get are these red books that are stamped "Confidential," which tells us everything about all the people in front of us, and we know how much pocket change they have, we know how much their house costs, we know all sorts of things that are confidential, and we have a lot of information up here that we are not able to make public, and we won't make it public. Yesterday was presentations to the Gaming Commission, but it

was really a presentation to the crowd because everything that was presented to us, we already know. We've seen it, we've got it in front of us, so today is French day, and so we will now begin. Does anyone have any particular questions they want to direct towards any of the applicants, to start? Ms. Rose, you look like you have something?

**MARYA ROSE:** Thanks, Mr. Commissioner. You know I always have something to say.

**DONALD VOWELS:** Yes.

**MARYA ROSE:** I want to talk a little bit, ask some questions of each of the applicants about the site and the hotel that would not be attached to the site. For example, Lost River, you have submitted two proposals. One which is attached to the French Lick Hotel, the other one to West Baden, and I wanted to hear a little bit about, for example, if the site selected were the West Baden Hotel, about the room guarantees for French Lick. Can you describe that to us in a little more detail?

**DONALD VOWELS:** If you would, identify yourself for the reporter, please.

**VERNON BACK:** Thank you, Commissioner. My name is Vernon Back, I'm general counsel for Lauth Property Group. The hotel room guarantee that we're working on for the French Lick Springs Hotel is right now 2.8 million. We're in ongoing discussions with them. It is sixty dollars (\$60) per night

for a hundred and forty nights (140) during each week day, eighty-five dollars (\$85) per night for seventy (70) rooms on weekends.

**MARYA ROSE:** That is contingent upon the hotel - the room guarantees, as I understand it, are contingent upon the hotel refurbishing - being refurbished to a minimum standard. Is that right?

**VERNON BACK:** Yes. We feel very strongly that there are certain minimum safety standards and accommodations that our guests would need at this hotel, such as a sprinkler system, making sure the electrical wiring is to code, the bathrooms and certain refurbishments inside the rooms.

**MARYA ROSE:** And if the hotel is not able to refurbish it to those standards, my understanding is you've asked for a release of your minimum guarantee in twenty-five (25) room increments. Is that right?

**VERNON BACK:** If - the room guarantee is for refurbished rooms. We feel that it's very important for the safety of our guests and the comfort of our guests that they are in a building that has an adequate fire suppression system.

**MARYA ROSE:** So it's mostly about the sprinkler system. Is that right?

**VERNON BACK:** Yes, it is about the accommodations and the safety and the health of our guests.

**MARYA ROSE:** But you have asked for a release of the guarantee

in twenty-five (25) room increments, and how is that - is that twenty-five (25) room increments a week, a month, a year? What is that?

**VERNON BACK:** No, the release is not in twenty-five (25) room increments. The release is - the room guarantee is we will only guarantee refurbished rooms. The release is if the French Lick Hotel is not able or they book other guests and cannot deliver the hundred and forty (140) rooms to us, we requested that instead of being told, "We can't give you five rooms," we need to be released in twenty-five (25) room increments, because a lot of our guests that we would use these rooms for is part of our gaming tour bus program, and typically when you've got forty (40) guests on a bus you need approximately twenty-five (25) rooms, so if we lose five rooms, in effect, we really need to cancel a whole bus, so that's where the rationale behind that is.

**MARYA ROSE:** I guess the question is, is it possible that the French Lick Springs Hotel would receive no money under your proposal for room guarantees? Is that possible?

**VERNON BACK:** It is possible, if there is no fire suppression system and there are certain minimum standards that are not met with respect to guest safety and accommodation.

**MARYA ROSE:** Do we know right now, and I don't know if you're the right person to answer this question, what it would cost the hotel to put in that fire suppression system?

**VERNON BACK:** We have done some preliminary estimates and believe that the cost to refurbish approximately a hundred and fifty (150) rooms is somewhere in the neighborhood of ten million dollars, including a fire suppression system. Part of the rationale behind our rooms guarantee is that the amount of the rooms guarantee, when you take out the variable costs, would more than adequately cover the debt service on that level of refurbishment.

**ANN BOCHNOWSKI:** Have you talked to the hotel people? Are they amenable to this? Do they feel they can get this done? Is this a reality?

**VERNON BACK:** We have had extensive discussions as part of the HHPC negotiations and that has always been one of the requirements around our hotel room guarantee, the refurbishment has.

**DONALD VOWELS:** What's their position on that? I didn't hear an answer to her question.

**VERNON BACK:** I think the primary issue that we have remaining is the dollar amount of our room guarantee. It is not the refurbishment requirement. We had extensive discussions the last time we met regarding - around what was acceptable and what was not.

**DONALD VOWELS:** The bottom line here is, it seems to me to be a catch twenty-two (22) situation where, unless this is brought up to the minimum standards that you require, you're



not going to guarantee any rooms, and if the French Lick Hotel does not have income from your room guarantees, are they going to be able to pay to refurbish these rooms?

**VERNON BACK:** That's, I think the whole reason behind room guarantee, is to give them and guarantee them the income so that it enables them to do the refurbishment.

**DONALD VOWELS:** How can they do it if you're not going to give them room guarantees if they haven't done it?

**VERNON BACK:** They've got a year to do that prior to the opening, and they can use that cash flow stream to finance that refurbishment.

**BOB LAUTH:** Let me take a crack at this.

**DONALD VOWELS:** In that year period of the room guarantees, will it come up to the ten million dollars it takes to refurbish a hundred and fifty (150) rooms? It won't, will it?

**VERNON BACK:** I'm not sure.

**DONALD VOWELS:** You said it would cost ten million dollars to refurbish a hundred and fifty (150) rooms to your standards.

**BOB LAUTH:** Yes.

**DONALD VOWELS:** In a year, if you get this license and you opened your casino within whatever date you said, they would have to have these rooms refurbished within a year of the date that your casino opens?

**BOB LAUTH:** Yes.

**DONALD VOWELS:** And in that year period, you will guarantee

them "x" amount of rooms and pay them money, right?

**BOB LAUTH:** Not until the casino opens.

**DONALD VOWELS:** I was talking about the casino being opened.

**BOB LAUTH:** Correct.

**DONALD VOWELS:** And they have to have these rooms refurbished within a year of the date the casino opens, right? If that's right, how many rooms are we talking? The whole thing?

**VERNON BACK:** We're talking about a hundred and fifty (150) rooms. This is really no different than if you were going to - if someone was going to build a hotel to supply room guarantees, they're not going to be paid during the refurbishment or the building of the hotel. It's when those hotel rooms are available that they receive the revenue.

**DONALD VOWELS:** How is it that French Lick is going to be able to do that? They've not been able to do it yet.

**BOB LAUTH:** With this revenue stream, they should --

**DONALD VOWELS:** What's the revenue stream? You said you're not going to give them any money until they get the rooms refurbished.

**BOB LAUTH:** We can't speak to the hotel owner's business decisions. It seems to me, however, that it's a slam dunk decision. If there's a new 2.8 million dollars in revenue being guaranteed, it would be prudent to make the ten million dollar investment if, in fact, that is the amount to garner that.

**DONALD VOWELS:** Which means going out and borrowing it based upon the fact that you're going to have this. Is that what you're saying?

**BOB LAUTH:** Yes, and also I should make the point that if we are selected and if, in fact, the West Baden site were selected, we view this hotel as an integral part of this entire project's success. Clearly, for the success of - for the casino to be as successful as everyone in this room expects it to be, both hotels will be needed. The additional room nights generated by the casino will far outstrip what will be put in place over at the West Baden Hotel, and in fact, our numbers indicate that it will double the occupancy in this hotel, in addition to that.

**DONALD VOWELS:** If you were in their shoes, and being a successful person that you are and know how to do things, the way that you see it is that if you were in their shoes, you would be able to go out and borrow money knowing that any credit facility would be willing to come forward with that money because of what's going to occur in the future. Is that what you're saying?

**BOB LAUTH:** Yes.

**MARYA ROSE:** May I ask another question, Mr. Chairman?

**DONALD VOWELS:** Yes.

**MARYA ROSE:** I'm not trying to pick on you. Can you talk a little bit about your vision for the retail development? You

had something in the proposal about retail development, and then I think there was something else about an expanded version of that, as well, so can you talk a little bit about that?

**BOB LAUTH:** Sure. From the beginning we've been on record as saying that for this casino to be the success that it needs to be, French Lick in many ways has to change and change - by change I mean become the destination that it has been historically. We think that includes a lot of different things. Retail is simply one component. Part of that retail would include shops, as well as additional restaurants, ice cream, those types of venues, and as you read, that's in addition to a theater, a bowling center. As to how exactly that's going to unfold, that's a function of leasing and how much demand we can create and how quickly, but this is our business and we will continue to develop both the casino and the retail and ancillary uses just as fast as the market...

**MARYA ROSE:** You do have a plan in your proposal now to actually build some retail outside the casino, wherever it might be located?

**BOB LAUTH:** Yes.

**MARYA ROSE:** Something, right?

**BOB LAUTH:** Yes.

**ROBERT BARLOW:** Do you know where that might be?

**BOB LAUTH:** Well, it would depend - at the end of the day it's

going to depend on what we hear from the community. As I hope we said yesterday, we are very sensitive to the central business district of French Lick, and I know we went on record in stating that when we made our earlier presentations down here. This is a small enough town that the specific location of those retail shops is not all that critical, so we're happy to put them wherever it makes the most sense.

**ANN BOCHNOWSKI:** I think that we were reminded yesterday about what the legislation actually says and what it is for and the whole point of the legislation is to help the historic district, so it would seem to me that the downtown would be more logical than somewhere out.

**BOB LAUTH:** That would be fine with us, but to be completely candid, I would expect there would be some small measure of shops adjacent to the casino in addition to what we do in the central business district, just because there's a certain need to have a small amount proximate to the guests.

**ANN BOCHNOWSKI:** This is kind of a question that came up yesterday, and this will be kind of a softball. Can you tell me what the heck a lifestyle center is?

**BOB LAUTH:** I would be happy to. (Laugh) You aren't the only one who doesn't know what that means. It's an inside out mall. It's a relatively new concept. There are probably fifteen (15) in the whole country as of now. You would find the same tenants that you typically find in an enclosed mall,

only it's outside.

**DONALD VOWELS:** While you're waiting for somebody shopping, you're gonna get rained on? Is that what I'm hearing?  
(Laugh)

**BOB LAUTH:** Believe it or not, I don't want to get off on a tangent, but it's a well known fact that conventional mall sales have declined each year for the last five. The American shopper has, in some ways, turned on the malls. I don't know exactly why, but people like being outdoors and if they can get the same shopping experience, the same restaurants, the same shops, and be able to park more closely to their intended destination, they do it. It's a very hot concept.

**DONALD VOWELS:** Does that answer your question about what that is?

**ANN BOCHNOWSKI:** A strip mall.

**DONALD VOWELS:** Strip mall, yeah.

**BOB LAUTH:** Inside out mall.

**THOMAS MILCAREK:** A follow up on the retail. We're talking pretty much in generalities here. Do you have anything specific that you would envision for retail off site?

**BOB LAUTH:** In terms of design?

**THOMAS MILCAREK:** No. What is your plan for off site, other than when someone comes up at a later date and has an idea? Do you have anything?

**VERNON BACK:** What we would anticipate going into the downtown French Lick area would be jewelry. Typically, when you look at retail development around casinos you're looking at jewelry, women's clothing, children's clothing, those types of stores. You would bring in a unique blend of those stores that would cater to the twenty-five (25) to fifty-five (55) year old female.

**DONALD VOWELS:** Was that your question?

**THOMAS MILCAREK:** Yes.

**MARYA ROSE:** I noticed also you didn't have a parking garage in your proposal. Is that something that you would be willing to consider?

**BOB LAUTH:** I would think we're willing to consider anything, and we have given that matter a great deal of thought. I think probably the best answer I can give you is as this facility, as it grows and the demand grows, a structured parking tower is probably in the cards.

**DONALD VOWELS:** If you noticed, of the ten (10) casinos in Indiana, I believe all of them have parking garages. We hate parking spaces. If you've ever been to our meetings, we absolutely hate them.

**BOB LAUTH:** That's good to know. (Laugh)

**DONALD VOWELS:** We like parking garages. Trump is the only one who has proposed a parking garage, and I think that's probably because they know how much we hate parking spaces.

The idea that we would roll in here and you guys are at twelve hundred (1200) parking spaces and then Orange County Development, yesterday we learned, with the employee parking, is up to twenty-three hundred (2300) parking spaces, it looks like Kings Island, and the idea of, as Commissioner Bochnowski just talked about, the intent of this legislation to get this place going again and eating up that much land that could be used for some other business to be near the casino defeats that purpose, so as these progress and as we go into the best and final offers, keep in mind we hate parking spaces.

**BOB LAUTH:** Duly noted. (Laugh)

**DON VOWELS:** And these guys over here know that we hate parking spaces, and Mr. Hahn is sitting there, I've seen him for years, and Mr. Pickus, and they knew that we would be asking that question to them, so they threw a parking garage in. With Orange County Development yesterday, you said it would cost fourteen million dollars to put a parking garage in? Did I hear that right?

**RON FRYE:** Yes, that's right.

**DONALD VOWELS:** From what I've seen in the correspondence that you've had with our Commission staff, your proposal was a sixty million dollar proposal, and you're not interested in expanding that anymore, and that's basically it, and if you have to spend fourteen million dollars on a parking garage, that will be fourteen million of the sixty million that won't



be spent somewhere else. Am I wrong?

**HARLAN BRAATEN:** No, you are not.

**DONALD VOWELS:** Our love for parking garages would only mean so much to you. Is that fair to say?

**HARLAN BRAATEN:** That's fair.

**ANN BOCHNOWSKI:** Back to the hotel issue, I think you've addressed what - Lost River we've heard from, but I'd like to hear from the other two applicants, also, what your part and what you're willing to do to help these hotels, depending on where you happen to be located.

**HARLAN BRAATEN:** Well, our proposal is adjacent to the French Lick Hotel.

**ANN BOCHNOWSKI:** Right.

**HARLAN BRAATEN:** And last night we came to an agreement with West Baden Springs to provide twelve thousand (12,000) room night guarantees over the course of thirty (30) weeks of their choice, which will probably be between the fall and the winter periods, at a room rate of a hundred and ten dollars (\$110), which means a room guarantee of a million three hundred twenty thousand. I might add that that leaves twenty-two (22) weeks of the year that we won't have any room nights paid for already, so we will certainly be purchasing a lot of room nights, as well as all the weekends throughout the whole year, so although we're making a one million three hundred twenty thousand dollar guarantee, there will certainly be a

significant amount likely to be similar or if not more throughout the year at both hotels.

**ANN BOCHNOWSKI:** I know you're located right next to this hotel. Do you have a guarantee in place, I don't remember, for this hotel?

**HARLAN BRAATEN:** No.

**ANN BOCHNOWSKI:** But you feel that the proximity would help them?

**HARLAN BRAATEN:** Absolutely. We'll be filling a lot of rooms here, as well.

**ANN BOCHNOWSKI:** Then Trump, what is your plan? I know you're located next to this hotel. How do you intend to --

**CHRIS LEININGER:** We have likewise reached an agreement with the West Baden facility. The breakdown of our commitment is for weekday nights, we will commit to an average of eighty (80) room nights. For weekends, we will commit to thirty-five (35) room nights, and through a nine month period we will commit to an additional thirty-five (35) room nights on the weekends. The assessed value is about 2.4 million dollars.

**THOMAS MILCAREK:** Could you get into a little more detail about the room guarantee? Let's say, for example, the hotel is busy and it meets your minimum. If they sold enough rooms, do they still get the guarantee?

**CHRIS LEININGER:** We would work out a block arrangement with them where we would have the right to reserve our rooms up to

a certain point in time, and if we didn't have the demand for it, we would turn it back over to them for opportunity for them to rent it at retail.

**THOMAS MILCAREK:** This wouldn't be dependent on any other thing that they did? If they rented out two hundred (200) rooms on their own, you would still guarantee - your guarantee would still be in effect?

**CHRIS LEININGER:** Yes, but they would need to make those rooms available for our use.

**ANN BOCHNOWSKI:** You would have those rooms?

**CHRIS LEININGER:** Correct.

**THOMAS MILCAREK:** You would guarantee those rooms?

**CHRIS LEININGER:** Yes.

**THOMAS MILCAREK:** And after the one fifty (150) or whatever the room guarantee is, they can do anything they want with the balance of the rooms?

**CHRIS LEININGER:** We would encourage them to do so.

**DONALD VOWELS:** While we're with Trump, your proposal is the smallest square footage and you have a similar number of employees as to the other two applicants, but yet you plan to attract and serve forty percent (40%) more patrons than the average of the other two applicants. How is that possible, if you've got smaller square feet, the same amount of employees, but yet forty percent (40%) more patrons will come see you?

**CHRIS LEININGER:** We can give you the thought process we went

through. We had an outstanding consulting firm provide us with a market assessment. From there, we looked at the performance of the competitors in this area relative to the statistics that they've been able to produce over the past few years, and we felt confident that in relation to what we talked about yesterday with our marketing strategy and the brand value that we have, we could draw patrons past those other facilities that they currently are frequenting and leveled it and we arrived at that 1.2 million. Towards that, we do have Fuzzy Zoeller here today, and that was intricate to our strategy to create this regional appeal and identity, and if he would like to make a couple comments, we'd be happy to have him do that.

**DONALD VOWELS:** I think there may be some questions about the golf course here in a minute. Essentially, what you're saying is you're going to be able to attract forty percent (40%) more patrons because you're Trump and they're not? Is that the bottom line?

**CHRIS LEININGER:** You can get away with saying that. I didn't want to come across sounding flipped. (Laugh)

**DONALD VOWELS:** I'm flipped all the time. (Laugh) That's the bottom line?

**CHRIS LEININGER:** Yes. We believe our brand value is the driver to that additional visit.

**ANN BOCHNOWSKI:** As long as we've got - are you done? Okay.

I would like to hear more about the plans for the golf course and what the golf school is all about. There were some comments this morning at breakfast that the Hill Course is in bad shape, the other course is not in great shape. What are your plans? It seems like you were intending to put a million dollars into it. Is that really enough? Can you make this happen on a million dollars?

**FUZZY ZOELLER:** Yeah, that's - excuse me. Juts let me say first of all that it's a pleasure for me to be here, and I'm glad I was in town to enjoy this session, but that question should be delivered to the table, not to me, because I haven't been here. But I will get back to you.

**DONALD VOWELS:** I just thought the court reporter here doesn't know who's talking, so could you tell her your name? The reporter over here.

**CHRIS LEININGER:** Chris Leininger.

**DONALD VOWELS:** Did you get that?

**COURT REPORTER:** Yes, I have them.

**ROBERT PICKUS:** Just for future reference, Mr. Chairman, the court reporter got everybody's name before we started.

**DONALD VOWELS:** She told me that. I should have learned never to underestimate a court reporter. In other aspects of life, I've learned that the hard way.

**ROBERT PICKUS:** With respect to the golf course improvements, what we have submitted in our proposal is essentially enough

seed money to get the Hill Course back into its original shape and make it an initial attraction, and based on our discussions, we believe the million dollars for that is adequate for that purpose. As we proceed and move forward, obviously where we've proposed to locate our casino is going to impact, to some degree, on the Valley Course. We will work, and part of our agreement with Fuzzy and his team, is to look at alternatives for the remainder of the Valley Course: A par three course, a golf school, and we have an arrangement with Fuzzy to help us with the design of that overall facility, to make the best use of it with respect to those various alternatives.

**ANN BOCHNOWSKI:** Thank you.

**DONALD VOWELS:** This is a question I'm going to ask each of the applicants, about employment. I want to know how many full time employees with benefits, how many part time employees with benefits, and how many part time employees without benefits, and when I'm talking about benefits I'm talking about health insurance and/or 401K pension plans. Let's just go down the line here with the Orange County Development. If you would tell me, again, full time with benefits, part time with benefits, and part time without benefits. Do you have those numbers handy? (Pause) Does anybody have them right away? (Pause) Do you have them?

**CHRIS LEININGER:** I don't have the numbers you've asked for,

but I can tell you what we've provided, which was an overall head count relative to the sixty hundred and forty-eight (648) people we felt we would employ. Our ability to provide an accurate part time workload assessment would be on the difference in our peak operating weekends against weekdays and what opportunity that would allow for additional part time people.

**DONALD VOWELS:** Is the six forty-eight (648) number full time?

**CHRIS LEININGER:** It's both combined, so I don't have an accurate breakdown of the composition. Our experience in Gary is it's a relatively low percentage, because our business, while we are busiest on weekends, we still enjoy a level of business midweek that affords our ability to get people at least thirty-two (32) hours and bring them into a benefited position, so to respond to your question, we would anticipate of that less than ten percent (10%) would be in part time positions.

**DONALD VOWELS:** And the part time people would not have benefits?

**CHRIS LEININGER:** That's correct. They would fall below that threshold.

**DONALD VOWELS:** So the full time people would have benefits?

**CHRIS LEININGER:** Yes.

**DONALD VOWELS:** And those benefits would be health insurance? What do you have up in Gary?

**CHRIS LEININGER:** Health, full medical, dental, vision. We have a 401K program.

**DONALD VOWELS:** And that's for all full time employees?

**CHRIS LEININGER:** Yes.

**DONALD VOWELS:** Do you guys have your numbers?

**HARLAN BRAATEN:** Yes. We have six hundred and eighty-two (682) positions planned for, we have six hundred and fifty (650) full time equivalents, which we don't have an exact count here for part time, but I'm estimating based off of those two figures that we're probably looking at fifty (50) to sixty (60) part time positions. Some of those part time could qualify for benefits, if they work - our policy is if they work thirty (30) hours per week, they qualify for benefits, and we have employees in Nevada that work thirty-two (32) hours a week, thirty (30) hours a week, what have you, and they do qualify for benefits, but those that fall below that wouldn't.

**DONALD VOWELS:** When you say "benefits," obviously health insurance. What else are we talking?

**HARLAN BRAATEN:** Health, life, dental, vision, and 401K plan.

**DONALD VOWELS:** So all full time employees have those benefits that you just recited?

**HARLAN BRAATEN:** That's correct.

**DONALD VOWELS:** Lost River, do you have your figures?

**DUFF TAYLOR:** Yes, sir. Duff Taylor. In our Schedule 9,



you'll notice that we have five hundred and forty-seven (547) jobs, of which a hundred and forty (140) are identified as part time. Those full time equivalents amount to four hundred and seventy-seven (477). We would have a similar array of benefits, which would include the medical plan, with an average of thirty (30) hours employment per week, and the 401K plan. I want to point out also that this does not include any ancillary facilities or amenities, nor does it include any employment for a hotel operation.

**DONALD VOWELS:** Let me get those numbers from you again. Five hundred and forty-seven (547)?

**DUFF TAYLOR:** Yes, sir, five hundred and forty-seven (547) total jobs.

**DONALD VOWELS:** One hundred and forty (140) part time?

**DUFF TAYLOR:** Part time.

**DONALD VOWELS:** Out of that five forty-seven (547) is a hundred and forty (140) part time?

**DUFF TAYLOR:** Yes, creating equivalent full time employment work force of four seventy-seven (477).

**DONALD VOWELS:** My math may not be the best in the world, but five hundred and forty-seven (547) minus one hundred and forty (140) doesn't equal the number that you just gave me.

**DUFF TAYLOR:** Four hundred (400) will be full time, and effectively there will be seventy-seven (77) part time, full time equivalents. Does that help?

**DONALD VOWELS:** No.

**ANN BOCHNOWSKI:** That are thirty (30) hours or more, is that what you're saying?

**DUFF TAYLOR:** Yes.

**DONALD VOWELS:** I gotcha. I gotcha. That's the job I want, the part time that pays full time. (Laugh) The full time and part time are considered full time and they have all the benefits that you said, right?

**DUFF TAYLOR:** Yes, all full time will enjoy all the benefits, and those part time who have thirty (30) hours or more per week on the average will enjoy the full time benefits.

**DONALD VOWELS:** Is there health insurance?

**DUFF TAYLOR:** Yes, sir, health insurance; that is the primary one that is triggered by the thirty (30) hours requirement; 401K participation, which is a retirement benefit.

**DONALD VOWELS:** So everyone who works full time has that and people who work thirty-two (32) hours are part time but considered full time and have that, too?

**DUFF TAYLOR:** Yes, if, on the average, they work thirty (30) or more hours per week, then they'll be entitled to the full benefit package. In addition to those things, there are such things as vacation allowances, et cetera, et cetera. Also, Mr. Chairman, I want to make a point that with the ancillary and the hotel facilities there's upwards, while we haven't scheduled it, upwards of two hundred and fifty (250)

additional possible positions.

**DONALD VOWELS:** The hotel...

**DUFF TAYLOR:** Projecting to be at the West Baden.

**ROBERT BARLOW:** That raises a question for me. What will be the number of rooms that will be developed at the West Baden Hotel and what plans do you have to provide transportation for guests back and forth from West Baden to here?

**BOB LAUTH:** We project a number not to exceed two hundred and fifty (250) rooms in the hotel, and it is our plan to move guests between the two hotels and the other ancillary facilities via rubber tire trollies.

**MARYA ROSE:** Mr. Chairman, may I ask a question of the Orange County folks?

**DONALD VOWELS:** Yes.

**MARYA ROSE:** Can you talk a little bit about the Larry Bird Foundation and how the funding ultimately of that foundation is going to work and how it would flow to the community? What's the vision for that?

**MIKE MESSAGLIA:** My name is Mike Messaglia and I can address that question. Larry Bird Foundation will own ten percent (10%) equity interest in Orange County Development. We'll work in conjunction with the Orange County Community Foundation and be a supporting organization to them. At the Orange County Community Foundation level there will be a committee established of three persons. The first will be the

Trustee of the Larry Bird Foundation, second will be the Executive Director of the Orange County Community Foundation, and the third will be a person appointed by the HHPC. That committee will then be charged with deciding where to make charitable grants within Orange County, and as we discussed yesterday, we had a laundry list of items that they can make grants in, but it's going to be that committee's function, and it's predominantly Orange County based persons, making those decisions where those grants go.

**MAURICE NDUKWA:** Mr. Chairman, I'd like to address the Orange County Development.

**DONALD VOWELS:** Yes, sir.

**MAURICE NDUKWA:** Along the line of the Larry Bird Foundation, I realize in your documents your schedule to repay your debt is quite accelerated. Is there a guarantee that this foundation will actually realize some distribution early on?

**MIKE MESSAGLIA:** If we achieve our projections, we showed the foundation receiving money early on, but there's no guarantees as to what monies those will be, but based upon our projections, the first year there are distributions to the foundation. Also, the golf outing is going to establish proceeds into the foundation, so that's another source of income for the foundation.

**DONALD VOWELS:** My understanding is that Orange County Development intends to pay down their debt first, and Coast

Coast is, in fact, one of their creditors. Is that right?

**HARLAN BRAATEN:** That's correct.

**DONALD VOWELS:** With this Larry Bird Foundation envisioned and Larry Bird is an equity owner here and the company could decide when and if they pay an equity owner any dividends, so the first thing first is you're going to pay down your debt, which is to yourself, and then at some point in time make a determination when and if the equity owners get paid, so technically, possibly, the Larry Bird Foundation may get money at some point and may not for awhile. Is that fair to say?

**HARLAN BRAATEN:** I think, obviously, everything is dependent on actual performance of the company, and if the revenue are not there to support, and therefore you don't have the cash flows necessary to provide that kind of distribution, certainly you would have nothing to distribute. If our projections are reasonable and we make the kind of returns that we're expecting, the very first distribution that's made to anyone is a tax distribution. Since that particular entity is a... There's a distribution to all the owners for taxes, and that's an estimated forty percent (40%) of that figure, and Mike indicated to me that there is some taxation to the foundation but not to the extent that the individual partners, so therefore there will be twenty percent (20%) available to the foundation, but we expect, based off of the Crowe Chizek reports, that the Larry Bird Foundation will get distributions

immediately, and once the equity investment and the loans are paid off, which happen reasonably quick, the foundation gets some very sizable distributions, after, say, the fifth or sixth year.

**DONALD VOWELS:** The bottom line is you're going to make sure that that is paid down and Coast is one of the creditors, so before there's anything that goes into the Larry Bird Foundation, you guys are going to get your money back first. Is that fair to say?

**HARLAN BRAATEN:** That's correct.

**DONALD VOWELS:** Do you have a follow up question?

**MAURICE NDUKWA:** Yes, I do. I realize you don't have the ability to tell what Larry Bird is going to do in the future, but what if Mr. Bird decides no longer to be a part of this enterprise? Is there any thought as to what the foundation is going to look like without him? Is there going to be a foundation?

**MIKE MESSAGLIA:** There will be a foundation. It's not dependent upon Larry Bird being involved with it. It will have the ability to - Larry Bird will not be the initial trustee and it will have the ability to appoint successor trustees and continue to work with the Orange County Community Foundation.

**MAURICE NDUKWA:** Even if Larry Bird sells his ten percent (10%)?

**MIKE MESSAGLIA:** Well, once Mr. Bird contributes his ten percent (10%) interest to the foundation, it becomes an irrevocable gift and he cannot take that back and it becomes the property of the foundation and has to be managed and operated for charitable causes here locally.

**DONALD VOWELS:** If it is irrevocable, can he even take his name off of it?

**MIKE MESSAGLIA:** No.

**DONALD VOWELS:** So it will always be the Larry Bird Foundation, whether he wants anything to do with it or not?

**MIKE MESSAGLIA:** That's right.

**MARYA ROSE:** May I ask a question about utilities, Mr. Chairman?

**DONALD VOWELS:** sure.

**MARYA ROSE:** Under your proposal, Orange County, I understand that the City is to pay the costs of all utilities to the site. Is that right?

**MIKE MESSAGLIA:** Yes, that's correct.

**MARYA ROSE:** And any idea how you think they might do that?

**MIKE MESSAGLIA:** Well, the way we have it structured is we're serving as the repayment source for ten million dollar bond financing. Through that, we're asking in return for that that utilities be brought to the site, such as phone, data, natural gas, electrical, water, and sewer. Through various conversations we've had here locally with the various

providers, we believe two of these utilities will require some type of up front payment. Water, the estimates that we have are about three hundred thousand dollars (\$300,000) to hook that up. The sewer, we don't have the exact number on that, but in terms of what the HHPC has identified and what we've heard from their attorneys is that they feel that within that project that they're going to do for the sewer that they can work in a connection to the casino. The other area that would have an up front charge associated with it would be the electrical, and we're continuing our discussions with the local REMC, one of the electrical providers in the area. Their up front charges range from 1.1 to 2.8 million dollars, depending on the types of improvements they need to make. What we are willing to commit to is that we will take the initial 1.4 million dollars, if we get to that amount, as a surcharge on our rate and we'll not ask the local community to pay that. If, for some reason, we have to go over that amount, then we would deduct that from the proceeds.

**ANN BOCHNOWSKI:** Can we ask the others that?

**DONALD VOWELS:** Yes, I was just going to say that with Lost River, my understanding is that you will pay to bring the cost of all utilities to the casino site?

**VERNON BACK:** That's correct.

**DONALD VOWELS:** Whichever site it would be, whether the West Baden site or the French Lick site?



**VERNON BACK:** That's correct.

**DONALD VOWELS:** And that's just straight out, you guys are going to pay for it, right?

**VERNON BACK:** That is correct.

**DONALD VOWELS:** The Trump group, who understands in Gary that these kind of things are normal, that's part of your proposal, too, right?

**JOE POLISANO:** Yes, it is.

**MARYA ROSE:** But do you still see infrastructure improvements needs? I mean, you're going to - the load is going to be much larger, I presume, once the casino and the two hotels are here, so are you still seeing infrastructure improvements needed by the City as part of these utilities?

**JOE POLISANO:** Yes. As part of our commitment to the HHPC is with respect to the sewage treatment facility. There are going to need to be pretty significant upgrades at that facility, and we've made commitments around that infrastructure, improvements to the HHPC. Actually, we've met with the HHPC and the engineer for the cities of French Lick and West Baden. We realize that the sewer system, the infrastructure, needs work, and that, as you well know, is in our proposal. We also reviewed with them the availability of domestic water. We believe it's an inadequate supply. We know where the storage facilities are and we are prepared to run it to our site. Gas and electric, we've identified where

they are and we will get that to our site, as well.

**MARYA ROSE:** Has anybody thought about the cell phone reception? (Laugh)

**DONALD VOWELS:** You might want to think about that with the best and final offer. I found a light pole out there that I can stand by and get reception. (Laugh)

**THOMAS MILCAREK:** Mr. Chairman, could I ask a follow up on the Trump?

**DONALD VOWELS:** Yes.

**THOMAS MILCAREK:** On bringing the utilities: Electric, gas, sewage, water, what is your estimate of the total package to accomplish this?

**JOE POLISANO:** Off the top of my head, I can't tell you. I know it's in our budget and we've had our construction firm look at that.

**THOMAS MILCAREK:** A ball park figure.

**JOE POLISANO:** A ball park figure to get the gas and water, half million, seven hundred thousand (700,000) for all utilities. That does not include the million eight that we would do, of course, with the sewer. The million eight that we're contributing for the sewer, that's the capacity that the existing plant needs to handle the additional load not only of our facility but the anticipated occupancy of the two hotels, as well.

**DONALD VOWELS:** Here's another question that you may have to

look in your books for, and I'll ask this of all the applicants. Would you tell me what the typical cost to build a casino operation would be on a square foot basis, and I'm talking about the actual vessel and the necessary business offices that would be associated with it; not the parking garage or parking lot or anything else; just the casino operation itself, what the typical cost would be to build it and what that cost would be on a square foot basis? We're seeing different numbers from the different groups, and we've got three good applicants as far as their experience within this industry, and I'm curious about what those numbers are and how you arrive at those numbers. Does anybody have that number yet, or we can go on to the next question while somebody looks at that?

**VERNON BACK:** Can you clarify that a little bit? Do you want slot machines included, FF&E included?

**DONALD VOWELS:** Just building.

**VERNON BACK:** Pure shell building?

**DONALD VOWELS:** Yes, or the vessel, as we like to call it in Indiana. (Laugh)

**RON FRYE:** It really varies, based on the use of the space, but our budget for this project ranges from backhouse area of approximately a hundred and forty dollars (\$140) a square foot, and this does not include FF&E; this is construction cost, and main casino, roughly two hundred and sixty dollars

(\$260) a square foot, and restaurant and some other areas, three hundred and twenty dollars (\$320) a square foot.

**DONALD VOWELS:** What's the hundred and forty (140) square foot for?

**RON FRYE:** Backhouse, like storage areas and things like that.

**DONALD VOWELS:** Tell me again just what the casino is, without all the stuff in it.

**RON FRYE:** Two hundred and thirty dollars (\$230) a square foot.

**DONALD VOWELS:** All I'm interested in was the offices, the casino itself, so we're at one hundred and forty (140) a square foot for the offices, two hundred and thirty (230) a square foot for the casino?

**RON FRYE:** That's right. Restaurants are a little bit more per square foot.

**DONALD VOWELS:** Lost River, do you have any numbers for me yet?

**GREG GURNIK:** Yes. The vessel itself is around three hundred (300) per square foot for the construction itself.

**DONALD VOWELS:** That's just the vessel?

**GREG GURNIK:** Correct.

**DONALD VOWELS:** What about offices?

**GREG GURNIK:** That's included within the vessel structure. It's a blended number.

**DONALD VOWELS:** Okay. Trump?

**JOE POLISANO:** Our number is blended, as well, and we're about three to three fifty (350) a square foot.

**DONALD VOWELS:** So you all are in the same range. It looks like Orange County Development, you're at one forty (140) and two thirty (230), so that's three hundred and seventy (370) a square foot for the casino and the offices. Lost River, you're at three hundred (300) for the offices and the casino, and Trump, you're at three hundred to three hundred (300) and fifty (350) for the casino and the offices. Is that right? Am I missing something? You're shaking your head.

**ROBERT PICKUS:** Have you got the total... You were adding the square footage of the casino to the square footage of the backhouse, when in fact --

**DONALD VOWELS:** Let's back up. I'm sorry. I thought you said a hundred and forty (140) a square foot for the office and two hundred and thirty (230) a square foot for the casino. Let's do this. Let me ask you a question. Give me a blended rate here.

**ROBERT PICKUS:** (Inaudible)

**DONALD VOWELS:** Okay, three hundred (300) a square foot, so you all are pretty much in the same ball park. There we go. When I took the LSAT, they didn't have math on it. (Laugh)

**ANN BOCHNOWSKI:** Can I move away from that?

**MAURICE NDUKWA:** I have a construction question.

**ANN BOCHNOWSKI:** Go ahead.

**MAURICE NDUKWA:** Mr. Chairman, if you will, I'd like to ask a construction question to Orange County Development. In the time line to construct the vessel, I'm just wondering how you came up with twenty-four (24) months or so, and also how are you going to deal with the local unions?

**RON FRYE:** I'll answer the union question first. As part of our presentation yesterday, we mentioned that we spent eight hundred million dollars over the past nine years in development, and of that, the work that was contracted, ninety-six percent (96%) of it went to unions, and it's our history to use unions, and in all of our construction that's something that we'll do. We heard some of the comments last night where the Building Trades Council said we had not signed a Project Labor Agreement, which is true. We haven't signed a Project Labor Agreement, and that is a vehicle that just - where the developer guarantees they'll use union contractors in exchange for a no strike no walk out clause, and it's not something that we are not going to do. We went on record saying we would like to negotiate that. It would certainly be something that we would consider. We think that our history shows that we use unions in everything that we've done. We stipulate on record that we intend to use union contractors for this project, if selected, and we think that they're raising perhaps a specter of problem that doesn't exist. It's certainly not something that we would intend to do. As far as

the schedule, the schedule that we presented includes factors for approvals from government entities. For example, all of the sites that have been selected are within floodways and flood plains, and we've interviewed three civil engineering firms, and all of them have told me that the process of getting that approved is actually quite lengthy. In fact, they all told me it's going to be a minimum of six months, so I'm not sure, in fact, I'm going to have to assume that from some of the time lines that we've seen from the other applicants that they haven't taken that into consideration, and what they're probably expressing to you is actual construction time. Ours would include some of those agency approvals.

**MAURICE NDUKWA:** One follow up. Time over delays and et cetera, there's no penalty in your proposal as to what to do if you go beyond twenty-four (24) months. Is there a thought?

**RON FRYE:** We didn't offer a penalty upon ourselves and it was not part of the RFP, so that is our projected schedule and we think that it's realistic, given the difficulty of sites.

**DONALD VOWELS:** Your proposal is a sixty million dollar proposal, as we said, and what would happen if you would run into problems like Caesars ran into in Harrison County, where there were archeological concerns and it delayed for a significant period of time, and also amounted to a number of cost over runs? What would be your reaction to that? If

you're only going to spend sixty million and something like that happens, what's your contingency plan?

**HARLAN BRAATEN:** Well, it's hard to, you know, develop a contingency plan when you don't know the impact of such an issue. If it's a half million dollar issue, you know, it's probably pretty easy to move on. If it's a fifteen million dollar issue, it may be something that you just have to reevaluate the whole project.

**DONALD VOWELS:** Like maybe sell the casino to somebody else at that point?

**HARLAN BRAATEN:** That's possible.

**DONALD VOWELS:** Any other questions on that topic?

**ANN BOCHNOWSKI:** Well, maybe we could ask the others. The others haven't seemed to be quite as hard and firm about their bottom line, but I imagine they have a budget. If you could also address what happens if you run into artifacts or whatever, something that delays it, and we've had that happen.

**JOE POLISANO:** Obviously, we would have to deal with that in as an appropriate manner as you can. That is possible on any site, and we would certainly do so as quickly as possible. We haven't built that kind of delay into our project. We are constructing our facilities outside the floodway, and that's the area that requires lengthy approvals, and we're very comfortable with our schedule, other than perhaps an Indian artifact issue.



**DONALD VOWELS:** Orange County was speaking in very realistic terms. The Corp of Engineers gets involved in this situation and then Mr. Lawrence gets involved in this situation and then time tends to get away from you. Have you taken that into consideration as far as the fact that you have agreed to pay a penalty if this is not up and running by the date that you've said? You understand that as powerful as we are, we're nothing compared to the Corp of Engineers. (Laugh) Is that taken into consideration? You've dealt with them --

**JOE POLISANO:** Actually, we've dealt with them at our project in Gary, Indiana, and we were highly successful in getting that done in nine months and that included dredging and IDEM, same issues. Believe it or not, there were some endangered species on that site. My view was, if you found them, they deserved to live there. (Laugh) We'll do whatever we can to avoid them.

**DONALD VOWELS:** Three eyed fish that glow in the dark. Yeah, I remember that. (Laugh)

**JOE POLISANO:** The kid from New Jersey, I was like "Wow!" (Laugh) But our plan is to, and we believe we've got the right team in our consultants and contractors to address those issues long before, or you know, through the process before we put the shovel to the ground, so to speak, so if there are issues that will delay the process, we'll know that up front and we'll be able to deal with them accordingly. Also, in our

proposal, there is a backup to that, as you well know. We have liquidated damages which we are willing to pay, and that's if we are in fact late with our schedule.

**DONALD VOWELS:** Lost River, you're developers, so I'm sure you've had to deal with all sorts of situations like that. Have you taken that into consideration as far as your time line?

**GREG GURNIK:** Again, that is one of the unique strengths of this organization is we have a lot of inhouse engineers and technicians, and this is one of the things we do for a living. We certainly encountered a number of just about every possible type of issue that you can come across. It's impossible to factor unforeseen conditions into your schedule. You factor in conditions that you expect to occur, and we certainly factor all those in, and to the extent we come across unforeseen conditions, I think we have the ability to jump over those hurdles as quickly as possible.

**THOMAS MILCAREK:** Are you pretty much committed to open this casino regardless of problems you may encounter?

**GREG GURNIK:** Yes.

**THOMAS MILCAREK:** And Trump?

**JOE POLISANO:** Yes.

**THOMAS MILCAREK:** And Lost River? Not to exceed sixty million.

**HARLAN BRAATEN:** Could you repeat the question, please?

**THOMAS MILCAREK:** Are you committed to this project, to have a casino here regardless of what problems may occur?

**HARLAN BRAATEN:** Again, I'd have to say that it really would depend on the problems. If it's a major problem, I'm not committed to spending our company's money and our partners' money, you know, without knowing the real detail of that, so again, I'd say it's just a matter of materiality. If it's an immaterial amount, that certainly isn't going to bother us, but if it's a very significant amount, it's going to bother us.

**DONALD VOWELS:** Mr. Zoeller, you're here and there was a lot of discussion about you and your role in all of this yesterday. We've already asked the question about the million dollars that would go towards the golf course, and you know this stuff better than anybody in the room. Is a million dollars - I was talking to one of the golfers up here. I only play golf during working hours, so I'd say at least it's better than work, but somebody I was talking to in the last day or so was talking about half a million dollars was what it took to change the stuff that makes the water - water the grass. What can a million dollars do? Like I say, you know this stuff better than everybody in this room put together. Is that going to be sufficient, and how do you fit into all of this?

**FUZZY ZOELLER:** Yes, a million dollars would be sufficient.

For example, like the Hill Course, bringing the Hill Course back to the original design with a little addition of length for today's golfers. We have some tired iron up on the Hill Course. A renovation of maybe the old club house with the main structure still staying; putting just a basic face lift to it. For the Valley Course, let me give you my little visions of what I see. I see instead of a nine hole golf course that doesn't do much for the people, I see more of an executive fun type center with a driving range, with a teaching center, so that's what I see with an additional new eighteen (18) holes coming in somewhere down the future.

**DONALD VOWELS:** Any questions of Mr. Zoeller?

**ANN BOCHNOWSKI:** I actually happen to think that the teaching school is a good idea. People even go to Plymouth, Indiana to get taught golf, so I think that is an attraction. It's a good idea. I wanted to switch gears from that, if I could.

**DONALD VOWELS:** Go ahead.

**ANN BOCHNOWSKI:** I know that Trump, you talked about minority hiring. I didn't get quite as much detail from the others, so I'd like to hear what your commitments are to not only minority hiring of your own employees but also minority contracting during the construction phase. And when we talk about minority and women - hiring minorities and women, I'm not just talking about people doing waitressing jobs or whatever. I'm talking about meaningful jobs.

**DONALD VOWELS:** Not that those aren't meaningful.

**ANN BOCHNOWSKI:** Yeah, but I don't want people to be typecast. I'd like to see some real meaningful employment for all kinds of people, a real diverse group, and what is your plan then, you know, if people have to come in at a lower level, for educating them and helping them to move up and to improve their lot?

**DUFF TAYLOR:** Duff Taylor again. I think this will be very similar to the experiences Joe and I have had both in Hammond and in Rising Sun. We have undertaken extensive training and the primary career path that occurs here is all these casino jobs. That is something that is normally unfamiliar with this particular area, so we go into extensive training. In the first stage, we go out and recruit, and we will recruit consistent with the demographic makeup of the area. To the extent that we can't find that demographic statistical match, then we will broaden our circles and go out and recruit in larger and larger circles, but as both Joe and I found in both of these other jurisdictions we've been in, it's been a wonderful experience to set up these training schools and watch all these young folks learn this new skill and then move on with their lives and have substantial incomes. As you know, much of the salaries and wages that we demonstrated or described in these schedules do not include the tip income that comes associated with the casino jobs. Separate and

apart from the employment of ongoing employees in the facility, our commitment on the MBE/WBE is two fold. It's in the construction phase, for which we've hired Scott Hilyard and Cosene to assisting in exceeding those goals, and then secondly, or secondarily, on the ongoing, and the specific response to your question is yes, we will require our suppliers to be compliant with our requirements to achieve the minimum or better levels of minorities and women owned business purchases.

**ANN BOCHNOWSKI:** How about you?

**HARLAN BRAATEN:** My good friend Duff Taylor said it very well. One of the first things that we've done is realize that we're not experts in this field and we're certainly new to Indiana, although Boyd Gaming has been here for quite awhile and now we'll be able to rely on their experiences, as well, but we've asked Jimmy Beard to be part of our team, should we get this operating agreement, and rely on his expertise in leading us to make sure that we exceed the minimums that we've laid out for our targets in both minority and women; hiring, as well as contracting. Employees, I do want to make the point that, again, it's the most valuable thing that we have to offer, and making sure that we have the best employees we can get, keeping them trained, letting them develop, becoming better and better and growing, and with our large organization, we have a lot of opportunities for them to not just be successful

here in Indiana but to be transferred to Nevada or other states and have opportunities to grow within the larger Boyd company, so we think that's a great opportunity for the people that we hire here in Orange County, is that we have a great training program, a development program that allows them to succeed, and a wealth of opportunity throughout the United States to get better jobs and more success.

**ANN BOCHNOWSKI:** I see that you're there. Yesterday you were talking about some of the projects you've worked on, and actually the percentages that you talked about were not as high as the percentages that we typically expect, ten percent (10%) minority, five percent (5%) women owned business. Are you prepared to get to those levels?

**JIMMY BEARD:** Yes, we are prepared to get to those levels, and I think, as I stated yesterday, the way that we achieved the levels on Conseco Fieldhouse was that we were very creative in how we packaged and how we made relationships work. I think there's an opportunity for some, let me say, established minority business folks to partner with folks here in Orange County, contractors.

**ANN BOCHNOWSKI:** And you understand that we won't accept shell organizations; we want true partnerships, right?

**JIMMY BEARD:** Believe me, ma'am, I probably understand shells as well as anybody in this room. More so, I've been self employed for twenty-eight (28) years, and I've had

opportunities to be part of shell operations, and I've not taken those, so I understand those very well. I will say, as it relates to Coast, my stay at Sun Coast Casino, I saw people of color in management positions, and I don't think it was necessarily a requirement there, but they did it, and I assume they did it because those people were qualified for the work, and they just happened to be people of color. My first introduction to Coast was by an African American who said, "This is the place that you want to stay in Las Vegas," and he lives in Las Vegas, so I believe that this team will support me in that effort, and if you'll look through the information that we've shown you on the Conseco package, that was my total responsibility, was MBE/WBE participation, and of the thirty (30) some packages, there may have been one that did not have both MBE and WBE participation, and it is broken out by name and dollar amount, that none of the smoke and mirror percentages, we told you who got the money.

**ANN BOCHNOWSKI:** Thank you. I think you pretty well addressed that yesterday, Trump.

**DONALD VOWELS:** Go ahead.

**THOMAS MILCAREK:** I have a question about the local people being involved in opening a business to benefit from the casino. Do any of you have any plans to help the locals actually develop a business or explain to them what's required and how they can get in on the action?



**VERNON BACK:** I think with respect to our related amenities that we talked about putting in downtown French Lick, the movie theater, we have had discussions with a local individual about codeveloping that project with us. We feel that for the retail to be successful, we do need local business partners. To help them get started, as with any retail development in a developing area, we believe that we're going to have to abate rent payments for a period of time to ensure their success. The one thing we do not want to see is a retail shop open up and then fail, so we view them as our partners and it's critical that they succeed as we succeed.

**THOMAS MILCAREK:** Anyone else?

**HARLAN BRAATEN:** I'd be very hesitant to try to become, you know, try to help people in developing businesses. That's not our expertise. We're not in the business of trying to create entrepreneurs and that. You know, I think that's dangerous ground to try to start giving advice to people on how to create something of an opportunity. I would be very hesitant to try to do that. I certainly would encourage people to look at the opportunities that may be presented as a result of successful development of a casino, and I think there will be a lot of tremendous opportunities in this area for new businesses to be developed, but I certainly don't want to go on record as saying we're going to try to help people and give advice. I think that's just something that we're not prepared

to do, and I think it's something that we would try to really avoid.

**ROBERT PICKUS:** I'd like to address that in a couple of ways. We described yesterday the commitment we've made to providing a percentage of our AGR to the local community, and it has always been our hope and understanding that at least a portion of that would be made available in forms of grants and low or no interest loans to local folks who want to start new businesses or expand existing businesses. We also, and we've done this in other jurisdictions, will make some of our professional staff available to local businesses in terms of helping them mentor or get started, find out some of the pros and cons of what they need to do to get things underway. We also, in follow up to the earlier question about the number of visitors that we've projected, we believe that attracting more people to this area, to this casino, will best ensure the viability of those sort of start up operations. Finally, although some of this is still in process, there will be a number of small retail and food and beverage opportunities both within the casino facility itself and also within the connection that we are planning to develop between our proposal and this facility, and we believe that there will be a number of opportunities that we will make available to local businesses to come to the actual facility or that connector and take advantage of those opportunities, also.

**ANN BOCHNOWSKI:** I'd like to ask a couple questions of Lost River. One thing that you talked about, if I'm recalling right here, you said, "Customers will be drawn here by great facilities." I know the other two companies have existing data bases from their other gaming operations, Boyd and Trump, and do you feel that you have enough of an existing data base to not just have the facilities but to actually market those facilities ahead of opening? What are your marketing plans?

**DUFF TAYLOR:** Duff Taylor. I think there are two ways in which we'll also create the data base, and one way, of course, will be during the construction and preopening period. We'll be collecting names and entering people into a player's club and anticipating their arrival because they've demonstrated an interest, so that's one method. The other method, and probably the more prolific method, is that we've gone through some significant zip code demographic analysis within the seventy-five (75) mile circle of French Lick and West Baden here, and we will be prospecting through direct mail programs to the highest probability of households in that area and sending mailer offers, direct mailer offers, out there, expecting responses to create a data base, so we'll have a number of methods for achieve data base prior to our opening.

**MARYA ROSE:** Mr. Chairman, just one last question. I'm looking at the statute here, and this is actually unique. We're not awarding you a license; we are awarding you an

operating agent contract, so you will be the operating agent for a license that in fact is held by us, which we also regulate. I'm wondering if anyone has any particular concerns about that arrangement. I'll start with Mr. Hahn from the Trump Organization.

**GREG HAHN:** No, we do not have any reservations about that whatsoever. We feel very comfortable with the Commission, with the Commission holding the license, and the arrangements that have been set up statutorily. We've had a lot of conversations with Mr. Denbo and other representatives as this came down through the process, so I think we fully understand and appreciate what the situation is.

**BOB LAUTH:** We have no concerns. We trust our Indiana Gaming Commission implicitly.

**MARYA ROSE:** Good answer. (Laugh)

**MICHAEL GAUGHN:** We have several concerns. We've never seen the agreement.

**MARYA ROSE:** What kind of concerns are those?

**MICHAEL GAUGHN:** We don't know what the agreement is.

**MARYA ROSE:** You have an issue with what the Operating Contract might look like?

**MICHAEL GAUGHN:** Yes.

**MARYA ROSE:** And not having it held as a license? Is that right?

**MICHAEL GAUGHN:** No. We do not have a problem with being

under the Indiana Gaming Board. Our concerns are what is the agreement, because we've never seen the agreement.

**DONALD VOWELS:** The staff has asked me to ask these following questions, so that's the caveat on that. What percentages of machines do you anticipate will be ticket in ticket out machines? Trump.

**ROBERT PICKUS:** One hundred percent (100%).

**DONALD VOWELS:** What?

**ROBERT PICKUS:** One hundred percent (100%).

**DONALD VOWELS:** One hundred percent (100%). Okay.

**JOE CANFORA:** One hundred percent (100%).

**DONALD VOWELS:** And the people down here who speak honestly. If you'll listen to these guys down here, there's not...

**HARLAN BRAATEN:** We were the first casino in Nevada to go one hundred percent (100%) so we will do that, as well.

**DONALD VOWELS:** There you go. Do you intend to install digital surveillance? Trump?

**CHRIS LEININGER:** It's currently not in our plan but as technology continues to come down in price, we are certainly looking at the alternative it offers.

**DONALD VOWELS:** Did you buy a DVD player right when they came out or did you wait a couple years, like me? (Laugh) Let's put this in perspective.

**CHRIS LEININGER:** I got one when I bought my big screen TV, so I was well behind the trend.

**DONALD VOWELS:** I'm sorry. Go ahead.

**JOE POLISANO:** Part of our hesitation, currently in New Jersey, they're not too sold on it, so that's why we haven't pursued it.

**DONALD VOWELS:** You're not too sold on it because of the technology or price, or both?

**JOE POLISANO:** The technology. It's my understanding that you can modify it or toy with it and it may not be what... Because it's digital, you can modify it.

**DONALD VOWELS:** Again, this is a staff question, so just...

**JOE POLISANO:** I'm the last one who is an expert on CC TV, also.

**DONALD VOWELS:** What is your position on installing digital surveillance?

**DUFF TAYLOR:** Certainly, we want to get the best in the state of the art, and of course we always have to temper these things within budgetary consideration, but our inclination would be to get the digital.

**DONALD VOWELS:** You guys?

**HARLAN BRAATEN:** Yeah, we're going to do that. We're installing that in our new property in Las Vegas that's being developed right now, so we'll be doing that here, as well.

**DONALD VOWELS:** There was a question that was in the Request for Proposal. It was question number 43, and it requires a disclosure of any agreements related to land within three

miles of the casino. Have any of you entered into any agreements for land fitting this description, and I will read you question number 43. "Has applicant, any key persons of applicant, substantial owners or any member of the applicant's group or family created an agreement or covenant of any type whereby, either directly or through a lobbyist or lobbyists, consultant, consultants, or other nominee obtained land adjacent to or within three miles of the actual or proposed project site or obtained an Option to Purchase, Rent, Lease or acquire in any fashion an ownership or possessive interest in any of the adjacent parcels of land?" That was long, but you've all seen that before and you know what it means. Orange County Development, how do you answer that question? Have you entered into any agreements for land that fits this description?

**MIKE MESSAGLIA:** No, other than Mr. Bird's house locally and the information office that we have down the street.

**DONALD VOWELS:** Lost River?

**VERNON BACK:** We currently have three agreements. One would be for the West Baden Springs Hotel and the adjacent land thereto, which we disclosed to the Gaming Commission. We also, with respect to the two alternative casino sites on State Road 56, have option agreements on those properties, but those option agreements were entered into simply as possible casino sites.

**DONALD VOWELS:** And Trump?

**ROBERT PICKUS:** We have none other than the one that was disclosed in our application with respect to a small office in downtown.

**DONALD VOWELS:** I had a couple other sort of quick questions. The questions take longer than the answers. This goes to everyone. Do you commit to the Indiana Gaming Commission today that if you are selected to be the Orange County Operating Agent you will obtain financing adequate to meet the financial requirements of your proposal without altering your promise to be up and running by your target date? We'll start down here. Are you able to commit to that?

**HARLAN BRAATEN:** Yes.

**DONALD VOWELS:** Lost River, are you able to commit to that?

**BOB LAUTH:** Yes.

**DONALD VOWELS:** And Trump, are you able to commit to that?

**ROBERT PICKUS:** Yes.

**DONALD VOWELS:** Do you understand that if you fail to live up to your commitment to obtain adequate financing in a timely manner, the Indiana Gaming Commission may terminate your contract? Do you understand that, Orange County?

**HARLAN BRAATEN:** Yes.

**DONALD VOWELS:** Lost River, do you understand that?

**BOB LAUTH:** Yes.

**DONALD VOWELS:** Trump, do you understand that?



**ROBERT PICKUS:** Yes.

**DONALD VOWELS:** At the end of the day, when we all meet again to have our open meeting of our discussion on how to vote, we have a number of options. We can, of course, flat out pick one of you to be our operating agent and work from there, we may need to think about it more and discuss it at our next meeting. However we do, we have the option of postponing things to - there have been some developments in the last twenty-four (24) hours, and who knows what's going to happen in the next twenty-four (24) hours. My question is: In the event that we would postpone the decision, would each of the applicants still be in the game. Orange County, what would be your response there?

**HARLAN BRAATEN:** Yes.

**DONALD VOWELS:** Lost River?

**BOB LAUTH:** Yes.

**DONALD VOWELS:** Trump?

**ROBERT PICKUS:** Yes.

**DONALD VOWELS:** I have no other questions. Anyone else have any questions? (Pause) We will show it is now 10:45, so we're about forty-five (45) minutes behind in this agenda. At ten o'clock was the break for the applicants to formulate their best and final offers. Is there any thought other than our agenda is just forty-five (45) minutes off? Okay. So what we'll do here is for the next hour and a half, the

applicants will have a break to formulate their best and final offers, and then, let's see, that would be a quarter after twelve, and we will meet again to listen for an hour the best and final offers, and then an hour for lunch, and then the rest of the agenda, with that forty-five (45) minute delay added to the time, so you can all add it up. You're set for an hour and a half.

(Conversation among Commissioners regarding timing.)

**DONALD VOWELS:** You have an hour and a half. Do you need an hour and a half?

**HARLAN BRAATEN:** We do not.

**DONALD VOWELS:** Do you guys need an hour and a half?

**BOB LAUTH:** Yes.

**DONALD VOWELS:** You want an hour and a half?

**BOB LAUTH:** We would like an hour and a half.

**DONALD VOWELS:** Doesn't matter whether you want it, now that they want an hour and a half. (Laugh) We're going to recess this meeting until 12:15.

**HEARING IN RECESS.**

**DONALD VOWELS:** We'll call the meeting back to order. We're running a little bit behind, but we'll figure it all out here. This is the time for the best and final offers. What I believe has been decided that we will do, the Deputy Director I think has spoken with the applicants, so we will go in the order of the presentations yesterday, which means that Lost

River will give their best and final, then followed by Orange County, then followed by Trump, and then Lost River would be able to give us essentially a closing argument, followed by Orange County Development, followed by Trump, just to wrap it all up. It's arbitrary, but I think the way the presentations were chosen, the order for yesterday was pretty much the staff drew it out of a hat, so all is fair in love and war. We will reserve, even though one of you gets to go first and one of you goes last and one gives the first closing argument and one gives the last closing argument, this Commission has been through this stuff enough that we will compartmentalize these things in our minds until we've heard the final word and take into consideration that closing argument number two and three had the opportunity to hear those before them, and we will temper that unfairness in our minds, so just bear with us. With that in mind, Lost River Development would be first up for their best and final. We have an hour allotted to this, and the HHPC has a meeting that was posted for 1:30 that can't go any earlier than 1:30, and at some point in time the Deputy Director, Ms. Arnold, will whisper in my ear, I can see it in my crystal ball, and she is going to tell me what we're going to do next after this. I know her well. Let's begin. I guess what we ought to do, since this hasn't been discussed, is we've got three applicants and we have an hour, and we have three best and finals and three closings. I'll turn to Mr.

Lawrence for the math on that. How much time do you want to allot them for the best and final? Don't make fun of me; just tell me the number.

**ANN BOCHNOWSKI:** They have six things they've got to do and sixty (60) minutes.

**DONALD VOWELS:** Just give me the answer. What's the answer that each of them get for the best and final?

**MARYA ROSE:** Fifteen (15) each for best and final and five for closing.

**DONALD VOWELS:** She answered my question. Fifteen (15) each for their best and final, and then five for your closing, so that will add up an hour, I hope. Lost River, you're first with your fifteen (15) minutes.

**BOB LAUTH:** Thank you, Mr. Chairman, and I probably won't need all fifteen (15) minutes. We wish to address three specific issues. To begin with, parking. We listened very carefully to the commentary earlier about the desire for structured parking. While we have designed our project in a fashion that we believe will effectively alleviate the Commission's concerns about the appearance of parking, and bearing in mind that both sites are blessed with a lot of land. This is not the type of situation you see elsewhere with maybe five or ten (10) acres. I would also say to you that from a proximity prospective, we're not concerned about the ability to expand the gaming facility due to the parking being in the way. We

have listened to what you said and we will commit to, in our next phase, build structured parking, and we will do that on either site, whether the French Lick Hotel site is selected or the West Baden Hotel site is selected. Secondly, with regard to room guarantees, I want to point out again that we are at your whim. You will select which site this facility is going to be constructed upon, and we are obviously interested in either. We have - I think we are the only ones who proposed a room guarantee payment that works in either case. We're standing by that. We are prepared to, in the case of the French Lick site being selected, we will pay the West Baden Hotel 2.8 million dollars a year in room guarantees, and conversely, if the West Baden site is selected, we will pay the French Lick Hotel ownership 2.8 million a year in room guarantees. Thirdly and finally, after listening to not only this morning but concerns expressed by many, we have previously offered to loan the community five million dollars in the form of low interest rate loans. We have agreed that we will forgive that amount, so effectively that will become a five million dollar grant.

**DONALD VOWELS:** Anything further, then?

**BOB LAUTH:** No.

**DONALD VOWELS:** Are there any questions to Lost River at this point?

**ANN BOCHNOWSKI:** Do you have a time table for phase II or some

kind of triggers that will make phase II start?

**BOB LAUTH:** I cannot tell you that we have a time table that we have confidence in, because it's obviously market driven. I would only tell you that we're highly motivated, as I know you are, to do it as quickly as possible, but it's an AGR driven issue. As quickly as we can ramp up the AGR, we're more than ready, willing and able to move on to subsequent phases.

**MARYA ROSE:** Do you have an AGR trigger?

**BOB LAUTH:** Since we're over my head here, I'm going to pass the mike.

**VERNON BACK:** Yes, there are AGR triggers in our proposal. When AGR hits eighty million dollars, we are committing another five million dollar capital investment. When AGR hits one hundred, we'll commit to, or have committed, to another ten million, and it goes on up from there. It's all detailed in the proposal.

**DONALD VOWELS:** So when will we see a parking garage?

**BOB LAUTH:** I would say at the eighty million level.

**DONALD VOWELS:** The room guarantees, I don't know that I heard - I don't know the answer. The 2.8 million to French Lick, if you end up by West Baden?

**BOB LAUTH:** Yes.

**DONALD VOWELS:** Is it still based upon that refurbishing? How has that changed since what we heard awhile ago?

**BOB LAUTH:** It has not changed. Mr. Chairman, I do want to point out, at the risk of being redundant, that we feel at this table very strongly that for everyone's dreams to come true here, both of these hotels have to be brought back on line, and I personally believe that a rising tide floats all boats. Regardless of where the casino is sited, both hotels will not only benefit but they'll both be very successful.

**DONALD VOWELS:** Whichever hotel you will be next to will not have room guarantees?

**BOB LAUTH:** That's correct.

**DONALD VOWELS:** Then this five million dollar loan you said to the community, who is the community? What are you talking about?

**VERNON BACK:** As part of our original proposal related to the infrastructure needs, we propose 2.5 million dollars to outright grants to the community, 2.5 million dollars in tax exempt financing bonds that we would purchase, and another two and a half million in what we would try to attract in matching grants. If we were unable to attract the matching grants to support that project, we would purchase another two and a half million in tax exempt financing. Our commitment now around that financing is that we will make the debt service payments on that tax exempt financing with a credit for our sewage treatment bills, because we don't want to pay twice for the sewage treatment facility.

**DONALD VOWELS:** I'm the guy who a little while ago had a hard time figuring out how to divide an hour between three people, okay? (Laugh) So let's keep this in mind. You just told me that you're going to give a five million dollar loan to the community and that it will turn into a grant because that loan will be forgiven. Give me those numbers again about what they were an hour and a half ago and what they are now.

**VERNON BACK:** An hour and a half ago, it was two and a half million dollar grant and five million tax exempt financing where we would purchase the bonds and the community would be responsible for the repayment. Now, we are going to make the debt service payments on those.

**DONALD VOWELS:** On the bonds?

**VERNON BACK:** On those bonds, but also receive a credit against that debt service for our sewage treatment and utility bill.

**DONALD VOWELS:** Are you ponying up five grand, I mean five million, for something or are you moving numbers around?

**VERNON BACK:** No, we are ponying up five million dollars.

**DONALD VOWELS:** Differently than you were an hour and a half ago?

**VERNON BACK:** That's correct. The difference is before, we were not making the debt service payment on those bonds; now we are.

**DONALD VOWELS:** I once dated an accountant and we went to a



seminar that was called "Two Plus Two Equals Five," so...

**ROBERT BARLOW:** How long will it take to amortize the five million versus what your projected sewer bill would be?

**VERNON BACK:** We did not structure it such that there is a relationship between the two. They would be normal tax exempt financing bonds that we will make payments on. We're open to the structure of that.

**ROBERT BARLOW:** I'm concerned because it seems to me that they're going to be very short on revenue for their operating expenses with respect to their waste water treatment plant if their major customer is not paying any sewer bill until five million dollars has been forgiven.

**VERNON BACK:** We'll work with the community so that that does not impact them.

**MARYA ROSE:** What happened to the first 2.5 million dollars?

**VERNON BACK:** That is still there, so our commitment now is really 7.5 million dollars.

**DONALD VOWELS:** Is that clear as mud now?

**MARYA ROSE:** Yes.

**DONALD VOWELS:** It's one of those things that if you get the license, in two years somebody's going to come back to the Commission and say, "Back on July 20th, 2004, they absolutely promised us this," and this lady over here will have to type up the transcript and it will be totally ambiguous and nobody will be committed to anybody.

**BOB LAUTH:** Well, it is important that we do whatever we need to do hopefully here today to make sure everybody is crystal clear on what it is we're proposing, but it is in fact a new five million dollar improvement. One other thing, Mr. Chairman, I was asked to point out, our room guarantee, which I just outlined, is the highest of all three groups.

**ROBERT BARLOW:** Is it really five million dollars of new money, though, if it's going to be a credit against your sewer bill?

**BOB LAUTH:** It's not new money, and counselor is being a bit anal for my taste in that he wants to make sure we get credit against the sewer bill. But it's not new money. It's money that's been on the table all along.

**ROBERT BARLOW:** I'm a city attorney, and if I weren't here I'd be at the Board of Works Meeting in Madison, so this is very important for me for this community's future viability of their waste water treatment program to have a clear understanding as to what they're going to be receiving.

**BOB LAUTH:** As I said, I thought we were splitting hairs. We will not ask for a credit against the sewer bill.

**DONALD VOWELS:** Thank you. That makes it a lot easier.

**BOB LAUTH:** That's why I'm the boss. (Laugh)

**DONALD VOWELS:** In a couple years, that would just be a monster issue and we'd have to revisit it and all of that, and it wouldn't be worth it.

**BOB LAUTH:** This is the trouble you get into when your general counsel is also a CPA. (Laugh)

**DONALD VOWELS:** Oh, that's where the problem is. See, our CPA down there can't say anything. (Laugh) Anything else for Lost River? (Pause) All right. Orange County Development, LLC.

**MIKE MESSAGLIA:** Mr. Chairman, members of the Commission, we're pleased to make two changes to the proposal that we previously submitted. First, as Harlan indicated earlier today, last night we came to an agreement with the West Baden Hotel on the room guarantees. That structure is twelve thousand (12,000) room nights during a thirty (30) week period on an annual basis, for rooms Sunday through Thursday. The annual value of that room guarantee is 1.32 million dollars. Roughly, that thirty (30) week period will fall between the fall and the spring, during the winter months, during the slow period for the hotel. The other item that we reached an agreement last night was with the French Lick Hotel on the ground lease. We have agreed to take out roughly seventy (70) parking spaces that were in front of their hotel that were originally included on our site plan. We also agreed to relocate, at our cost, any golf holes that were disturbed in the construction of the casino. We also agreed to connect the hotel to the casino at our cost and agreed to pay a ground lease beginning the second year of operations at a hundred and

fifty thousand dollars (\$150,000) per year. We also, last night, in discussions with members of the Negotiating Team of the HHPC, have revised our incentive payment structure. First, we eliminated the EBIDA requirements, so there is no threshold in terms of making minimum EBIDA numbers. The payment formula changed, and I'll go through that right now. From zero to fifty million dollars, one percent (1%); fifty to a hundred million dollars, and again this is adjusted gaming revenue, two percent (2%); one hundred to a hundred and fifty million dollars, three percent (3%); one hundred and fifty million dollars to two hundred million dollars, four percent (4%); five percent (5%) over two hundred million dollars. To give you an idea, first year AGR would be seven hundred and twenty-six thousand dollars (\$726,000), second year the incentive payment would be eight hundred and ten thousand (810,000). These are based upon our projections that we previously filed. Third year, eight hundred and ninety thousand (890,000), fourth year, nine hundred and seventy-six thousand (976,000), and by the fifth year it would grow to over 1.1 million dollars. Five year cumulative based upon our projections would be 4.5 million dollars, and for the first ten (10) years, based upon our projections, 11.3 million dollars. Those are our changes. Thank you.

**DONALD VOWELS:** Are there questions? (Pause) Let's move on to Trump. Mr. Hahn.

**GREG HAHN:** I've got to stand up. I can't sit down. Old trial lawyer. Chairman Vowels, members of the Commission, members of the HHPC, Representative Denbo. Also, thanks for Fuzzy for being here with us today. I know you've got a tremendously busy schedule and we appreciate your time. Again, thanks to all of you for all of your hard work and effort and the opportunity to be here and participate in this process. As I stated yesterday, we have worked with the Gaming Commission for the last ten (10) years and have always been very straight forward and honest with the Commission and told you exactly what we felt and what we thought. You also know from our application filed in April, we've tried to put forward a proposal that reflects the Trump quality, what we truly believe would be a project that is economically feasible and reflects what the community expects. We have done probably over a hundred thousand (100,000) hours of due diligence with all of our team members, consultants, and in meetings here in Orange County, and we have answered just about every question that is answerable at this stage of the project, and we know what we need to do to go forward. During the negotiation sessions with the HHPC, which were very fruitful, we fine tuned our proposal to reflect the ideas and concerns they had, and we filed those as amendments with the Commission and to our application. Based on all that and the hard work we have done and following the same straight forward

and honest approach we've always taken with you, we feel like we've already put forward our best proposal, and we have no amendments or adjustments other than we will build a cell tower. (Laugh)

**DONALD VOWELS:** Is that a Cingular cell tower? (Laugh)

**GREG HAHN:** Since I'm on Cingular, it's Cingular. Since Pickus didn't give me approval, he said I have to pay for it.

**DONALD VOWELS:** Will you really build a tower, or are you kidding?

**GREG HAHN:** No, I'm serious. I would also add that if the agency decides that there are other sites you wish us to explore, then we would be open to those suggestions and aggressively and expeditiously look at all of those options. Thank you very much.

**DONALD VOWELS:** Anybody else want to throw in that Cingular cell tower? (Laugh) We're catching up on our time now, and now we can go into the closing argument, which was essentially what Mr. Hahn gave, since they didn't have much change. We'll go back to Orange County. If you'd just like to sum up where you're coming from and what you think and what you would like, et cetera.

**HARLAN BRAATEN:** Thank you, Mr. Chairman and members of the Commission. We appreciate the opportunity to come to Indiana and present our project to you. In conclusion, it's our evaluation that this is a very small market, and as such, we

believe that it's prudent to have a conservative development project for a market of this size. We believe that Coast and Boyd Gaming bring you the history of successes, the expertise and financial strength to make this a successful project. We've got local Indiana ownership, and the Larry Bird Museum that would be brought here, we think will be a great attraction for this environment, for this community to be proud of, their native son on display for a lot of people to come and enjoy. We're going to be providing the community the opportunity to make a number of infrastructure improvements, of which we will pay eight million dollars of. It includes all utilities that will be needed to be brought to the casino and a number of other infrastructure improvements that they would like to see completed. The Larry Bird Foundation will be providing, over the first ten (10) years, based off our projections, which may be deemed conservative by our coapplicants here, even in that view will bring ten and a half million dollars in contributions during the first ten (10) years. In conclusion, we'd like to say that we'd be proud to be able to develop this project for you and make a big change to this Valley that so many people want and look forward for that opportunity. Thank you.

**DONALD VOWELS:** Thank you. I didn't do that right, did I? Lost River was supposed to be next. It seems like days. Go ahead.

**BOB LAUTH:** Thank you, Mr. Chairman and members of the Commission. In closing I'd like to say that I genuinely believe that our proposal is the best proposal for the local community, both in terms of the incentives that we've offered and other benefits to the local community, but that also our proposal is the best in terms of long term success of a facility that we will all be proud of, both short term and long term. I also believe our team is the best. As I said yesterday, we have what I think is a unique blend of both gaming expertise and experience and development expertise and experience. This group is an entrepreneurial group who knows how to make decisions both quickly and correctly, which I think will not only be brought to bear on this project, but it will become obvious as everyone sees how quickly we make this dream become a reality. I also think we have the best plan. I think everyone agrees that this is a small market and it's one that needs to be grown into. No one wants the project to be oversized or undersized. We're all about right sizing it from the beginning and keeping it right sized as the market is developed. I will also tell you that I think we're the best group from Indiana's prospective. Like I said, I believe we are the home team, and I mean that. We are sixty-one and one-half percent (61 1/2%) Indiana owned. We're the long term residents of Indiana. We are the ones who have been here investing in our state, creating jobs and creating



opportunities, again, long before this opportunity presented itself, and we are the group who the money is going to stay here in Indiana. I want to reiterate that because of our real estate prowess, I suppose, we are the only group to submit as many sites as we did, both to show flexibility but to demonstrate that we know how to look outside the box. Again, I want to reiterate that we are more than willing, ready, and capable of bringing a successful casino to either of the two hotel sites. If the French Lick hotel site is selected, we would also agree to connect the casino to it, and we will also build a cell tower. (Laugh) I'm serious, of course, on both, and I thank you for your time and attention.

**DONALD VOWELS:** Mr. Hahn, is there anything you need to add? You pretty much gave your closing a little while ago. Do you need... Okay, Mr. Pickus, go ahead.

**ROBERT PICKUS:** You did correctly identify, Mr. Chairman, that Mr. Hahn, as he frankly has done over the years, has stolen my thunder to some degree, so I'll be even briefer than I was planning to be. On behalf, of Mr. Trump and Trump Hotels and Casinos, I want to thank, obviously, the Commission, the Commission staff, the HHPC and its advisors for the hard work and the process that we've all gone through. We believe that as a result of that process, we've developed a proposal that best meets the needs of Orange County and its various constituents. That proposal is based, again, I won't repeat

Mr. Hahn too much, but based on a lot of diligence. We met with a lot of local folks and we brought a lot of local Indiana team members into our group to help us do that. Also, it was based on the experience that we have. In addition to the real estate development experience that we have, and of course, Mr. Trump has throughout the world, we also currently own and operate casinos throughout the country, and based on that experience, we are able to develop a program both for the physical plan and the marketing of the facility that we believe best meets those needs. We are committed to the State of Indiana. We have operated our boat in Gary for eight years now, and have no plans to not continue to operate that for a long time to come. We've been before this Commission and plan to be here many more times, again, as we are committed. I know that you all, in the coming hours, if that's appropriate, will have a difficult job in assessing the proposals, and we hope that you will agree that the Trump proposal best allows Orange County to fulfill its dreams. Thank you. What we're going to do now is there's a representative from each of the hotels who would like a few minutes to address the Commission. Is there someone here from West Baden? Good afternoon. If you'll just let the reporter know your name.

**STEVE FERGUSON:** Steve Ferguson. F-e-r-g-u-s-o-n. I'm Chairman of the Board of Cook Group and we've been actively involved in the restoration of the West Baden Hotel and also

the legislative process. During the course of that process, we talked to the members of legislature about our vision, and a vision we've shared, and Representative Denbo has been an excellent spokesman for, but many people throughout the state supported that vision, not only editorially, but as Representative Denbo said the other day, with almost unanimous support in the House and substantial support in the Senate. That vision was not to compete as just a site here that grew out of the areas but to be a destination resort and return this area to the glory that it had at one point in time. As you stop to think about it, it was a three legged stool, and we looked at many options of trying to restore the West Baden Hotel and finally came back, "We're not a gaming company. We don't want to be involved" but came back to support gaming as the only option that we saw to save the two historic hotels, and that's a major distinction, and I think the legislature not only did they have an area of the state that was suffering economically, but also you have two historic properties that were of national significance. The West Baden Hotel was one of the top ten (10) endangered properties in the entire country when we started, so when you look at it you get two historic hotels and you get a casino and we see employment of five something to six hundred (600), and then you have a hotel here at French Lick and if it's active and full and reaches its potential, you have six to nine hundred (900) employees,

and at the West Baden you have another three hundred (300), and over the period of ten (10) years you have fifteen million dollars or more in property taxes, and more than a hundred and fifty million dollars of payroll, so it's much more than the fall out. If you look at the original vision of the Commission, it was to accomplish the jobs, to accomplish the payroll, accomplish the destination resort. When you look at the sites, I think, too, that's been a question, and we obviously agreed locally on the middle site, and then when the applicants came in and suggested other sites, we really left it to applicant choices of being the middle site or the two hotel sites, and everybody seems to have focused at this point on the two hotel sites. I would say in that process that prior to the middle site, we had done a lot of - as Cook, we paid fifty (50) or sixty thousand dollars (\$60,000) to do the preliminary engineering, to make sure that we were out of the floodway, and that was one of the reasons for the selection of the site. When we move to the other sites, there will be some of that research and engineering that's going to have to be done. But we've left it, really, to the applicants' choices as to the two hotels. Obviously, if they move sites because of some reason that develops, then they need to revisit the room guarantee, because our agreement was if it was next to West Baden Hotel, there would be no guarantee to the West Baden Hotel, the guarantee would be with French Lick; if it

was next to French Lick, then it would go to West Baden. If those scenarios change, then our view of that changes. Finally, also as Markt Lytel said, what was presented to the legislature as a middle site between the two hotels with the water feature and lake, but it's a work in process, and you learn as you go and you learn from the applicants, and that's what we've tried to do, to remain flexible on this as hotel people. I think the final message to me is that when I look at this, if you think it's a market of twenty-five (25) or thirty (30) or forty (40) miles and you advertise and promote in that area, that's what you're going to have, and if you think it's a seventy-five (75) mile market and you promote in that, you've got chances of gaining seventy-five (75), and if you think it's a Midwestern destination resort, which I do, that can revive this area, rival Greenbriar, there's no other place in Wisconsin, nothing in the Midwest matches this with that potential. We had the studies done, one, for the legislature, thinking it was forty some million, and at that point we were looking, too, to see what the argument was from Caesars and Aztar about the effect upon their market. Then we went back and had (inaudible) group and we were in the eighties plus, but one of the things I clearly believe is that the two historic hotels, everything that is offered here can be much more than just a casino. This can rival any place else in the country. This opportunity is extremely important

to the entire state of Indiana. We can talk about the life sciences, and you can do that in Indianapolis, but you can't do life sciences in southern rural areas. They have to be, and the Indianapolis Star supported this for that exact reason, it's a tourist destination. We have to look at other alternatives for economic development, and this is the key not just for this Valley, that if done right, this can impact this whole part of the state. When you look at this, the AGR dollars grow rapidly, depending on the success of that casino and what they can grow it to. The local tax dollars more than double, I think from four million to over nine million, depending on whether you're a fifty million dollar casino or a hundred million dollar casino. Obviously, the room nights impact on the Valley. When you consider this, I hope that you join with us in our vision. I want to thank the staff. Obviously, they've been wonderful to work with. I want to thank you for your time and attention to this. I want to thank all the applicants, because they've been marvelous to work with. It doesn't mean we always agreed, but marvelous. Representative Denbo and the Orange Shirts and the newspapers and editorial boards who have supported us, this is a true Indiana project, and we thank everyone.

**DONALD VOWELS:** Mr. Ferguson, before you leave us, real quick. Do you have any thought about what the expense would be to bring the West Baden Hotel, to finish it and bring it up to

par?

**STEVE FERGUSON:** It's fifteen (15) to twenty-five million.

**DONALD VOWELS:** I'm sorry. Say again.

**STEVE FERGUSON:** Fifteen (15) to twenty-five million. That, obviously, depends upon what all you do. The layout is about a four hundred (400) square foot room average in there, and you get two hundred and forty (240) rooms with twenty (20) suites, if you change that mix, and as you add health facilities and other facilities, then that price grows, but it's some place within the fifteen (15) to twenty-five (25). Doing it ourselves, we're probably looking at the twenty-five million dollar figure, if we end up doing it.

**DONALD VOWELS:** Thank you. Are there any other questions for Mr. Ferguson? (Pause) Then there is someone here from the French Lick Hotel?

(Applause)

**DONALD VOWELS:** That's a little confusing. I thought that applause was for you. (Laugh)

**ROBERT BOYKIN:** Actually, I'm a fan of Steve's, as well, so he well deserved that applause.

**DONALD VOWELS:** If you'll state your name for the reporter, please.

**ROBERT BOYKIN:** Robert Boykin, B-o-y-k-i-n. I'm the CEO of Boykin Lodging Company which owns the French Lick Springs Resort. Thank you, Indiana Gaming Commission members and Mr.

Chairman, and I want to thank all the people that Steve thanked. There are so many people that got involved in this project to get it to this day. We'd be here for a week if we tried to name them all. About our company a little bit. While we're not headquartered in French Lick or West Baden, we are Midwesterners, and we're people of pretty strong moral fiber. We've come to this town a number of years ago and we dug in with a job to do, but we also are people who exhibit our commitment by what we do, not what we say, and I think that's important as you look forward to this task to make sure that actions are what really speak. We've invested in this town, we funded the legislation, we funded ongoing operating losses, and we're concerned about this. This is a very fragile condition that exists here. This hotel made money when we bought it, and actually the thing that caused us great pain was the opening of casino hotels, so our challenge was how do we compete, and quite honestly, if this hadn't come about, this hotel would close and West Baden would never get built, and what state has a treasure like these two hotels? It just isn't out there, and we do business all across the country, and to find two unbelievable structures like this with the great hotel history that these have, it really is a treasure that Indiana has, and we really think the legislature did a smart thing by figuring out a way to allow these facilities to get preserved for future generations. That



really was the mission of the legislation. It was restore the hotels and thereby create jobs. I can't tell you how many meetings I went to where people talked about "There must be better industries. There's other things we can do down here," and for years other things left town and left the county, so what really remains in tourism. That's what's left in the Springs Valley. To restore this property is going to take many millions of dollars. But let's talk about the site. The town, the hotels, the casino itself will all benefit with this casino being located next to French Lick Springs Hotel. And that's not just my opinion. That was the analysis that came forth from the Crowe Chizek report, from Innovations, and from two of the three experienced gaming operators who have reviewed the situation. It's simply economics. There are many millions more dollars which will be garnered by putting the facility next to this property. Now as to the room guarantees, they are obviously an important component of how this has been structured, but remember, a room guarantee is not a room guarantee. A room guarantee depends on when it comes and what it displaces. Obviously, an empty room, that guarantee is valued very highly, but in weekends in July, a guaranteed room rate of eighty dollars (\$80) or any number, for that matter, probably is not worth anything. We would already have the business, so when you consider your deliberations, it's important to focus on how those dollars

come forth, and remember that in any room guarantee, that is not profit, it is not cash flow. There is a cost to hire staff to make the room, so the flow through that comes from that room guarantee is not one hundred percent (100%) cash to the hotel. Unfortunately, we can't know exactly the impact of the casino; we can only make great assumptions about what it will do, and while we're all optimists, we must be careful in our deliberations. If the casino were to be positioned next to the West Baden Hotel, the room guarantee, a 2.8 million dollar room guarantee is not something that we've accepted, or is it something that we think is sufficient, because we do believe that while the high tide will rise all the ships, that tide in French Lick has been pretty violent in its up and down swings, and I don't know that there's a guarantee that that tide gets high enough to fill all of the rooms in sufficient quantity. This is a very expensive property to operate, let alone maintain, so it's important to us to see some stability and some certainty of cash flow so we know we can keep this property operating. A successful project is what we all want, to us, we look at the applicants, who are all terrific, and we say, "Who can get the deal done on time and with certainty of execution?" Our analysis says that the financial commitment must be sound, the operating strength must be real, and the marketing poll has to be there. We think this is the criteria most important to you in your decision. Lastly, we're already

a destination resort. We spend well over a million dollars in annual marketing expenses here on the property. We look forward to coupling those dollars with a casino operator to really try to create an awareness of this destination. It's critical, but it's also critical that it happens soon. I don't envy your job. You have the opportunity here to create something in the State of Indiana for future generations that's really important, so I urge you to take these deliberations as seriously as you can, and I know you will, but consider this really can be a field of dreams, because what is here is not what will draw people here. What will be is what will bring people to this area, and there's a lot that hinges on it, so with that, I wish you god speed and I thank you all for your hard work. I know this is not easy. If you can't reach a decision, I would only ask one last thing. Please implore a lock down, make everyone stay, and we have a lot of rooms available. (Laugh)

**DONALD VOWELS:** Just quickly, I asked Mr. Ferguson this question about what the costs would be to refurbish, to bring the hotel up to certain standards. The three star standard, I believe, is what Lost River has proposed, and maybe the other two, also. With that in mind, what kind of costs are you thinking?

**ROBERT BOYKIN:** When we bought this property, we did an assessment of what was needed, and unfortunately, although

we've spent millions on the hotel, things like air conditioning units, roof tops, laundry equipment, the customer never sees, but they're necessary and they're important, and there's a lot of critical infrastructure to this property that is in need of attention. We believe you could make an impact, an important impact to the customer in areas that are the high touch areas that's probably going to cost between ten (10) and twenty million dollars, depending upon your level of fit and finish. Probably, though, with two hundred (200) plus acres, you could spend until - we probably couldn't spend all of Mr. Cook's money, but we could spend some of it, and we'd be able to really do a job here, but this is a very expensive endeavor, and it could go on forever.

**DONALD VOWELS:** Is it possible to have air conditioning, other than the window air conditioning?

**ROBERT BOYKIN:** Yes, it is, and we've talked about that. That's a big debate. That's probably a decision of replacing window units is probably going to run, you know, seven or eight hundred dollars (\$800) per room, whereas putting in a four pipe system, which would be the optimal solution, will run more in the neighborhood of three to four thousand (4,000) a key, so it's expensive, but you could do it.

**DONALD VOWELS:** Ventilation systems could be put in the building?

**ROBERT BOYKIN:** Yes. The great thing about the property with

its structure is you've got the high corridors and high ceilings in corridors and you can drop a lot of equipment and infrastructure in those spaces and feed them into the rooms, and it's very doable.

**DONALD VOWELS:** Are you talking drop ceilings?

**ROBERT BOYKIN:** You'd have to put in - what we would do in this age of structure is you would put in a hard deck ceiling, not a drop ceiling like --

**DONALD VOWELS:** I mean the ceilings would be lower?

**ROBERT BOYKIN:** Yes, you'd have to take some space out of the ceiling in order to get that in.

**DONALD VOWELS:** In the rooms or the rooms and the hallway?

**ROBERT BOYKIN:** More the hallway than in the rooms, although ceiling height really isn't a challenge in this property.

**DONALD VOWELS:** No, it's just that high ceilings are great and you hate to lose high ceilings.

**ROBERT BOYKIN:** Well, you only lose inches rather than feet.

**DONALD VOWELS:** Any other questions?

**ROBERT BARLOW:** Yes, I have a question about the golf course. Are you satisfied with the proposals that the developers have put forth with respect to the proposals that would impact on your golf course, the Valley Course?

**ROBERT BOYKIN:** Actually, we had the Donald Ross Society come out here a couple years ago and take a look at the Hill Course, and they believe the million dollar number is very

real. That's restoring traps that have been taken out and putting in new cart paths, et cetera, so I think that's a very - you can make a big impact with that investment. The Valley Course is more a question of what's the vision, and so, you know, whether it's Fuzzy's plan, which we think would be great, or someone else's, you know, I really don't have a scope on it, so I don't know what the answer is. I am convinced that making the Hill Course note worthy, a must play course in the state of Indiana, is important.

**DONALD VOWELS:** Anything else? Go ahead.

**MAURICE NDUKWA:** Mr. Boykin, what is the time line you would propose to refurbish the hotel to accommodate a casino in, let's say, about twelve (12) months?

**ROBERT BOYKIN:** Well, financing considerations aside, the time to do the renovation, we could be under - we have some preliminary design themes which have been developed, and we could begin renovation - I mean, the logical time would be to begin it in the winter, and you'd be able to turn a hundred and seventy-five (175) rooms around. Given the depth of the renovation this property is probably going to take six to eight months to do it, because there's some heavy lifting to be done in the bathrooms and whatnot, but you'd be able to finish it in well under a year.

**MAURICE NDUKWA:** Thank you.

**ROBERT BARLOW:** I have a follow up question to that. You're

not talking about the whole hotel but just a hundred and fifty (150) rooms?

**ROBERT BOYKIN:** Correct, but to that point, if you have the money, I don't know that it's unreasonable to expect that you couldn't do it all within a year; that's a function of crew size, but I think the financing question is the one that gets asked before that.

**MARYA ROSE:** May I ask a question, Mr. Chairman?

**DONALD VOWELS:** Yes, please.

**MARYA ROSE:** If the site selected is next to the hotel, are you committed to refurbishing the hotel such that it can be used for, you know, guests?

**ROBERT BOYKIN:** It's pretty important for what goes on here to be successful. It's, I think, pretty important that the, if there's a brand new casino and we bring people down here, that they have an experience that relates one to the other, and if we don't - figure out a way to get some key elements of this hotel renovated, then that's a problem, but I am not going to suggest to you that I'm not concerned about how this gets paid for.

**MARYA ROSE:** So your answer is not "Yes"?

**ROBERT BOYKIN:** My answer is that we'll work hard with the operator to figure out a way, and I believe we'll be able to do that. If you give us the casino next to the hotel, we will figure out a way.

**THOMAS MILCAREK:** If this operation is successful and the demand is there, will you refurbish the entire hotel?

**ROBERT BOYKIN:** Yes. But over time.

**MAURICE NDUKWA:** I'm sorry. Let me get something cleared. Did I hear you say you'll figure out a way if the casino is close to the hotel here? What if it's not? There is going to be a hotel in this area, --

**ROBERT BOYKIN:** Yes.

**MAURICE NDUKWA:** -- but what if it's not next to French Lick?

**ROBERT BOYKIN:** We'll do it out of cash flow.

**MAURICE NDUKWA:** That means?

**ROBERT BOYKIN:** As the hotel has the money to reinvest in itself, we'll put the money back in, but it's hard to, you know, with the room guarantees that we've seen that have been discussed, you know, if the property or casino is located away from this hotel, I'd be pretty concerned about it. I wouldn't be optimistic to suggest that we would want to put millions into this property in what I believe will be a secondary location, remoted from the casino, and bet that that's gonna work out. I think that's a big issue.

**ROBERT BARLOW:** What type of room guarantee would you think would be necessary if it wasn't next to French Lick Springs Hotel?

**ROBERT BOYKIN:** I think the room guarantee is probably, you know, it does get in again the question of when the guarantees



are provided. Like the guarantees that have been afforded West Baden if it's here, we would need to get into that, but you know, depending upon the time of year, it could be a three to six million dollar range, probably you know, you'd find a spot somewhere in the middle there that if you could agree on weekends and certain times of the year being exempted.

**DONALD VOWELS:** Anything else? (Pause) Thank you, Mr. Boykin.

**ROBERT BOYKIN:** Thank you.

**DONALD VOWELS:** The portion of the agenda now, if people look at the agenda and see how the rest of the afternoon will proceed, there was the SPEA, the School of Public Environmental Affairs Analysis of the Best and Finals. It's been decided, along with SPEA, that that won't be necessary, so that portion of the agenda will be deleted, so we'll be able to get close to on schedule here in a little while. As you see on the agenda, the Historic Preservation Commission has a meeting to deal with and then a presentation to us, so as far as the Indiana Gaming Commission is concerned, this agenda is going forward, the times are adjusted a little bit, nothing earlier than what the times are listed here, so with that in mind, we, the Gaming Commission, shall recess until 3:45 at which time we'll be back in here for the Historic Preservation Commission's presentation to us. We shall see you then. 3:45.

**HEARING IN RECESS UNTIL 3:45**

**DONALD VOWELS:** We'll go ahead and call the meeting back to order. We'll show that all the Commissioners are present. Once again, Commissioner Gettlefinger will be - having recused himself, will not be participating. The approach here is that I understand that the HHPC has made a recommendation and that will be reported to us, and then the Gaming Commission will then go down to this table here so that we can see each other to discuss what we're going to do. I understand Mr. Tucker?

**JAMES TUCKER:** Thank you, Mr. Chairman and members of the Commission. My name is James C. Tucker, J-a-m-e-s T-u-c-k-e-r. It's my privilege to be one of the attorneys for the French Lick West Baden Springs Historic Hotel Preservation Commission. I'm an Orange County resident by choice, having traveled through much of the world. Orange County, Indiana, is by far the most beautiful place there is. Part of the decision being made by the HHPC in their recommendation to you is to make others share my feeling and that of many of the other persons that are here today; that is to continue the vision of our legislature and those folks that are here from Orange County and southern Indiana to have the Springs Valley area back to a world class resort area. It is our privilege to have presentations made by three outstanding applicants. Over the past few months, as a member of the negotiating team for the HHPC, it has been my privilege to get to know these

applicants and to find that those persons are of outstanding character, zeal and commitment. To that extent, we were very thankful here as local folks that they would show an interest in our community. We're also thankful for the professional involvement by the attorneys for each of the applicants: Greg Hahn, Mike Messaglia, Tom New, Vernon Back, all were there to present their clients position in a very able manner and to answer each question that we had as it came up. We have three excellent applicants. The HHPC is not telling you that any one of them would not make an excellent operator for a casino here. The Orange County Development group featuring Larry Bird, Coast Casino and the local operators gave a very strong presentation. They have the excellence of operation that we're looking for. They have a commitment by a local legend, Larry Bird, to participate. Their proposal was quite excellent. Lost River Development also made an excellent proposal to you. As we came to the last and final offer, they made it even better in many regards. Bob Lauth and those other members, Merit Casino, are certainly in our gratitude for their presentation and their commitment. But the Commissioners of the HHPC made it clear in their motion, second and discussion that the Trump proposal is the best for us, because of vision, project size and scope, because of the Trump branding, because of the parking structure in the original proposal, because of the expertise that we learned in

dealing so often with Chris Leininger, who is the one committed by Trump to operate this particular casino. He clearly showed that, as did other operators; I'm not taking away anything from any of the other two that made their proposal, but it was clear to us that Chris Leininger added to the Trump proposal. The other aspects of the Trump proposal showed that what Trump is looking for is a world class resort status for French Lick and West Baden Springs, Indiana. That's what we're looking for, and the Commissioners for whom I work determined unanimously to recommend to you that Trump receive the agent contract; that the site of the casino be adjacent to the French Lick Springs Resort. That was also a part of the motion. To the extent possible, I will answer any of the questions that you have on behalf of the Commission, to the extent of the knowledge which I have.

**DONALD VOWELS:** Thank you, Mr. Tucker. So I understand you, the HHPC has recommended that this operator's license - operating license be awarded to Trump and implicit in that is that the site selection of which we must consult with you and you with us is that the casino would be located next to the French Lick Hotel; is that correct?

**JAMES TUCKER:** I'll have to defer to Mr. Lawrence or Mr. Osborn. I believe it would be an agent contract rather than a license.

**DONALD VOWELS:** I'm sorry, as far as the location is what I'm

mainly concerned about.

**JAMES TUCKER:** The HHPC unanimously, including the two that directly represent the West Baden Springs Hotel interest, voted in favor of the site adjacent to the French Lick Springs Resort. That was because - this was in our Negotiating Committee as approved by the HHPC, we determined that the applicant should be the driving force in site selection, because it would be up to them to make certain that the site selected was the best for us. Trump and Coast both suggested the French Lick Springs Resort site as the preferred site.

**DONALD VOWELS:** And the other portion of that is the design, that the Gaming Commission and the HHPC will be in agreement on the design. Your organization, your commission is in agreement with the Trump design?

**JAMES TUCKER:** They're in agreement with the Trump design as well as the Lauth design, the nautical one, and the final Coast design.

**ANN BOCHNOWSKI:** Should we choose not to award Trump this contract, would you still say that you would prefer the French Lick site, then? Dividing those two things out, let's say we went with another operator, are you saying you prefer the French Lick site?

**JAMES TUCKER:** No, ma'am, that is driven by the applicant.

**ANN BOCHNOWSKI:** So you want whatever they have chosen?

**JAMES TUCKER:** On site selection, it takes a unanimous

agreement among my Commission, your Commission and the two hotels, and we have a situation wherein the Trump French Lick site is approved by both hotels, the Coast site is approved by both hotels, the Lauth French Lick Resort site is approved by both hotels and our Commission, but the Lauth West Baden Springs site has not been approved by the French Lick Springs Resort. There's a difference on the guarantee on that.

**ANN BOCHNOWSKI:** I understand.

**JAMES TUCKER:** I'm like a lawyer; I answer too much. Occupational hazard.

**ANN BOCHNOWSKI:** That would be in all cases you prefer the one that has, obviously, been agreed to and that everyone's in agreement on?

**JAMES TUCKER:** Our negotiating team, as approved by the Commission, made it applicant driven, if it were approved by both hotels.

**DONALD VOWELS:** Any other questions of Mr. Tucker? (Pause) Thank you, Mr. Tucker. We appreciate it and we appreciate the work of the Commission. We started yesterday morning at nine o'clock and went until about 8:30 last night, and then this morning we had an Executive Session at eight o'clock, and the reason I'm saying all of that is because according to the agenda at 4 P.M. on July 20th, which is today, the Commission discussion and decision or announcement of future meeting date is what is next on the agenda, and we are perfectly on time,

and I want that noted. (Laugh and applause) What we are going to do now is operate in a fish bowl. The six Commissioners will leave these tables and head down to the tables in front of us, where we will be able to face each other and we have microphones in front of us, and our man over there is going to add two more microphones to the table there. What we've done in the past is similar to this, so that we can see each other, and it's a discussion amongst the six of us. We comply with the Open Door Law completely. You will see this as it happens. I have no idea what's going to happen. I listen to the others, I have some ideas in my mind, but I'm not locked in to anything until I hear their thoughts and their opinions, and we've always been that way with each other. There's not been a dogmatist, so you're going to see this in action, and it's always worked in the past, so just hang with us on this, okay? We are going to leave the table here. What we needed was the Jeopardy music, that dunt-dunt-dunt-dunt. Anyway, we'll see you in a second.

**(Off record while Commissioners are seated at table.)**

**DONALD VOWELS:** Here we are. We've got the four microphones here and we hope that they're strategically placed so you'll be able to hear all of us. We'll lean into these microphones as we discuss. To start off with, just in a nutshell, we obviously have the three applicants: The Trump Organization, Lost River and Orange County Development, and let me just look

at the statute here and talk to this just a moment so we can all focus and understand where it is that we're coming from here. Indiana Code 4-33-6.5-4 specifies factors to be considered in granting an operating agency contract, and I'm just going to go through this so everyone knows what our focus is. The first portion of this deals with the character, reputation, experience and financial integrity of the applicant or person who directly or indirectly controls the applicant or who is directly or indirectly controlled by the applicant. As far as their character and reputation, et cetera, as I said earlier, the background investigation that's done by the Indiana State Police and their contacts with various agencies around the country and elsewhere, no one would get to this point today if they were a person of unsavory character or associated with persons of unsavory character. Fortunately, during the course of gaming in Indiana, a lot of people have wanted to come to the sites that were available and we never had to really - never had to concern ourselves with a person of bad reputation or bad character because we always had so many choices, so they were filtered out early, so needless to say, the three candidates that we have in front of us have all passed muster there and that first portion of the statute is met by each of these applicants. The next part of the statute talks about the facilities or proposed facilities for the conduct of riverboat



gambling. It must be in a historic district, the applicant must submit to the Commission a proposed design of the riverboat, and that has been done, and the idea here, of course, is the historic hotel district, and that we're to take into consideration the highest prospective revenue to be collected by the State from the conduct of riverboat gambling. In reference to the Good Faith Affirmative Action Plan of each applicant to recruit, train and upgrade minorities in all employment classifications, there has been - that issue has been addressed. The statute requires ten percent (10%) minority business enterprises and five percent (5%) women business enterprises, and that's heavily encouraged and those companies in the state who have failed to live up to that have incurred the wrath of the Gaming Commission staff and have learned the error of their ways. The applicants here today, I'm certain, are well aware of the need to comply with that statute and they will be held accountable to that statute. The next portion deals with ability to obtain liability and casualty insurance, and that's nothing we need to worry about, because they will have that in place. Adequate capitalization to operate the riverboat for the duration of the contract, and the extent to which the applicant provides assurances that the applicant will participate in the funding of specific economic development programs or infrastructure improvements in the county in which the riverboat is located, and to the extent

which the applicant meets or exceeds other standards adopted by the Commission. So that's where we are. This is a little different from things we've had in the past where we awarded a gaming license to a company. This is a Riverboat Operating Agent Contract. The State of Indiana, the Gaming Commission, is somewhat the owner of this, and that's a little bit - well, it's a lot different than anything we've had in the past. We'll, at some point, almost be regulating ourselves, but what we're here today is to decide whether a Riverboat Operating Agent Contract shall be awarded to one of these three applicants. As I read through that statute, a couple things came to mind. The first being the applicant providing assurances that the applicant will participate in specific economic development programs or infrastructure improvements and the extent which the applicant exceeds or meets other standards adopted by the Commission. We've heard a variety of proposals yesterday, and then their final and best offers today. The Orange County Development, which is essentially Coast Casinos, was very refreshing in their lack of hyperbole. They operate in Nevada. I'm not familiar with them as far as having come to Indiana before. They - I recall years ago when we first met Donald Trump, and he was in Gary and they were making the proposals and the locals were wanting more than what the statute required, and Donald Trump was aghast at the fact that they wanted so much, and he eventually came around

to that way of thinking. That was sort of the impression I had today with Coast, was that "We have sixty million dollars, we're going to do this. Thank you for your opinion on parking spaces, but that's fallen on deaf ears, and here we are. Take it or leave it." I don't know - they're very good at what they do in Nevada and they run four very successful casinos in Nevada, and they're owned by Boyd, who we deal with in Michigan City, who were not represented here, which leads me to believe that Boyd's interest in their proposal here is minimal, at best. I like their honesty; it was very refreshing. I don't think that I could vote for them, which leaves me with the other two. Indiana is a lot different from Las Vegas in that gambling, we've become more dependant on it than I ever hoped we would, but this Commission's approach to gambling or gaming or whatever euphemism you want to use is that it is to enhance the life of the people who work there and live in that area, and it would be nice if Toyota would come here and hire eleven thousand (11,000) people and build a plant, but that's not going to happen, and I would much rather have Toyota producing something rather than a casino. Ironically, as Chairman of the Casino for seven years and on this Commission since 1993, I'm no fan of gambling. If I wasn't on this Commission and could legally gamble, I wouldn't do it, but there are people in this - I don't like green beans, but I'm not going to say nobody can eat green beans, so

the irony of this is when I look at this stuff, it's not my favorite idea of a money making venture for any part of this state, but I've always been involved in it and I've always had a hand in all of the casinos that are here. It's the reality of the situation, but my concern is I want these companies to be successful, but on their road to success, they need to make sure that the people who work there and the people who live in the area are brought up with as the water rises; that they're not out there with water going over their heads. In listening to Coast, it's a different animal out in Las Vegas than we are here in Indiana. I don't think that they would fit in. I don't know that they care to fit in. Listening to their presentation yesterday, I don't know from what perspective they were coming from. Like I say, they were very refreshing in that they were not here to suck up to us, which is different than everything else we've ever had. I don't know if any of you have any particular comments on that applicant. What I'm getting to is I'm left with two other applicants.

**ANN BOCHNOWSKI:** I think I would kind of be in the same position. I think the other two, though, are - both offer us good choices. I think either one, you know, both of them have a vision of this as more than just their casino, although I know that's what brings them here. They wouldn't come without that gaming contract, not license. Each has advantages and disadvantages. I mean, I think that Lost River comes with a

real development expertise and I like the retail aspect of what they plan, and I think that, you know, they have been agreeable to the parking garage and offering some more infrastructure improvement money, so that's good. I felt like Trump really got the idea about what the vision here was.

**DONALD VOWELS:** You do or you don't?

**ANN BOCHNOWSKI:** I do. I'm sorry. I think they really got the idea. I felt like there was a real vision for what this could be.

**DONALD VOWELS:** Through Trump is what you're saying?

**ANN BOCHNOWSKI:** Through Trump, yeah. You know, I have to take them on their word that their financial house is going to be in order. I don't know. But I think either one of those operators I could feel comfortable with.

**DONALD VOWELS:** The part of the statute that talks about whether the applicant has adequate capitalization to operate the riverboat for the duration of the contract, we've dealt with Trump for a long, long time. That was the first licensing hearing in Gary when we did Majestic Star. They had things slowed up because of the Buffington Harbor negotiations, so Evansville's boat was actually the first in the water, but we've dealt with them a long time, but we've also watched the financial straits that they've gotten into, where they've come and asked us to borrow money and they've deferred this and that. That's where my discomfort level lies

there, but the other - and I'm with you as Lost River has a good proposal. When we dealt with Trump in Gary, part of Dr. Ross, our fellow Commissioner who is no longer on the Commission anymore, made that motion for Trump, and part of the argument was a name like Trump is what can get people to come to Gary, Indiana, and I agreed with that and I think we had a unanimous decision back then, didn't we?

**ANN BOCHNOWSKI:** We did.

**DONALD VOWELS:** And he did bring the Miss America Pageant to Gary, Indiana.

**ANN BOCHNOWSKI:** Or Miss USA.

**DONALD VOWELS:** Whatever it was.

**ANN BOCHNOWSKI:** Yeah, they came to Lake Michigan Beach.

**DONALD VOWELS:** So what I'm thinking along that line --

**ANN BOCHNOWSKI:** Although I do think it cost the city quite a bit. (Laugh)

**DONALD VOWELS:** Go ahead, Marya.

**MARYA ROSE:** There's no question that Trump is the eight hundred (800) pound gorilla here, right?

**DONALD VOWELS:** Right.

**MARYA ROSE:** They've got the brand, they've got the data base marketing, you know, they've demonstrated success, except the financial stability of the casino operation is in question, I think, and I think because we have a responsibility to understand what that stability is, you know, that's a concern

to me. I also wonder if it's too much, you know. I think Orange County - I think that proposal has some flaws in it, and - but I think that in some ways they were - are trying to be realistic about what the possibilities are in French Lick, and when you look at French Lick and you think about what our objective is and what the objective of bringing gaming to the Valley is, it seems to me that the objective is to bring some jobs and economic development into this area. It is not a - it is secondly an objective to try to preserve some of the historic treasures in the community, right, but in some ways those appear to be - that's a very, very difficult thing to do with just this one project. Very difficult to do, and I'm concerned about trying to over reach here, and that's why the Trump proposal gives me pause, so I've got a financial concern about their stability, and then is it really just too much? Is it really too much to hope for that this can be? Now, that's not to say we shouldn't have vision, and I applaud the vision, but the combination of those two things together makes me uncomfortable.

**THOMAS MILCAREK:** I, too, feel we have two very viable candidates here, and I don't think that the project that Trump Organization is offering is too much. With the experience we've had at the other casinos, most of them were right on or pretty much underneath what we thought was going to happen. Michigan City, where I am from, was considered the weak sister

on the lake, and consequently our candidates or applicants came in at a little less than we would expect, but the market in Michigan City has just exploded and we've surpassed all the expectations.

**MARYA ROSE:** Isn't the population base different there?

**THOMAS MILCAREK:** Yes, it is, but in this area we're not expecting what we're doing in Michigan City, but I think the market he is suggesting is right for the area. I wouldn't want to underestimate. I think this is going to be good. Earlier in the day I asked if we would recondition the entire hotel if necessary, and the reason I said that is I believe this is going to be big enough that we are going to need all these rooms, and I really feel - and also, I kept track of the locals, and they might not be right, but they've almost voted three to one in favor of Trump, and with the Historical Association in the backing, I really think that we're on the right track with Mr. Trump.

**MARYA ROSE:** Do you have a position about whether or not you think they're financially stable enough to get, you know, the whole thing done?

**THOMAS MILCAREK:** Historically, Donald Trump has been counted down and out I don't know how many times and he continues to come back, and it amazes some people, but I believe if a team that he's put together states that the finances will be there, that's coming from Mr. Trump and I believe that it will be



here.

**DONALD VOWELS:** Part of the thing, too - I'm sorry, Doctor, go ahead. (Pause) Well, one of the SPEA people that I spent time with when we're all up here together, he said something to me yesterday or the day before whenever we were talking about how what Tom said, the projections of these companies that we've seen in the other locations around the state, we kind of took it with a grain of salt, but then in retrospect, they were not shooting high, but those numbers turned out to be low. Another thing that he pointed out was Pennsylvania is now going to have slot machines, which may affect Ohio, which if Ohio gets it and they're between Indiana and - if Kentucky is between Indiana and Ohio, and if Kentucky gets it, this place may be sitting pretty because it's insulated and it's not going to take the impact along the Ohio River. That's a lot of conjecture, but remember a few years ago when we thought there would never, ever be dockside gambling, and then boom, there it was. As far as future - my concern, too, is the financial capability of the Trump Organization. You know, the old saying that if you owe the bank a little bit of money and you can't pay, you have a problem, but if you owe the bank a whole lot of money and you can't pay, the bank's got a problem.

**THOMAS MILCAREK:** Don?

**DONALD VOWELS:** Yes.

**THOMAS MILCAREK:** One other thing I would like to add to the size of the market, Ann, in particular, was very reluctant to issue another license on the Ohio River, and we were all pretty nervous about that, and we thought we're doing maybe the right thing, maybe not, and even Belterra proved to be successful, so I believe the market is here.

**DONALD VOWELS:** It was. For those of you who don't know, Belterra in Switzerland County, that decision we put off for a couple years because Caesars Boat, which I didn't vote for because I thought it was too big and that it couldn't - that it was too big for the market, which I was proved wrong, we wanted to see what Caesars impact was going to be on the Ohio before we gave the license to Switzerland County, and we held off, and we made the decision after we saw what the market could do, and it took Belterra a couple years to break even, but they finally did, and now things are - and a lot of that has to do with the fact that the people who are now running Belterra know how to run a casino. The people who we gave the license to were developers.

**ANN BOCHNOWSKI:** And I'm not sure that the reason they didn't break even for the first couple of years was the market as much as their ability, which, you know, --

**DONALD VOWELS:** The fact that they weren't casino people?

**ANN BOCHNOWSKI:** Exactly.

**DONALD VOWELS:** Doctor, I interrupted you a second ago.

**MAURICE NDUKWA:** That's okay. I think the discussion here has been useful in straightening out some of my thoughts. I thought the Orange County Development Group made a cautious projection and proposal and they realized that the market might be what it is, small, and they wanted to stay safe with their calculations and risks. I personally thought they wouldn't be a good fix. I liked the idea of their foundation of a local legend being part of the mix and perhaps bringing to the community a large portion of the proceeds, but I found the details woefully lacking. I would have liked to see the Foundation control the destiny of that ten percent (10%) instead of the way they have it now, so my vote would be they're not a serious contender for this market, if we were to vote now. In terms of the other two, I think excellent proposals. The Trump Group did a masterful job in rallying local support, which I am amazed the other groups didn't try to do, and I think, if anything, that's where the Lost River Group may have come short, in that they didn't have the same local support. I counted only two people that spoke on their behalf. Either their supporters were intimidated to come forward or they just didn't have any, so it's a shame, because they actually had a very tight presentation and viable option for this community.

**ANN BOCHNOWSKI:** But it doesn't mean that you can't still support that operation.

**ROBERT BARLOW:** I was impressed with all of the proposals. I thought we were blessed to have three good proposals. I tended to like Orange County's the least because of some of the things that have already been discussed, but I think we have to have a pretty good reason to not follow what the local HHPC has recommended to us with Trump, in that I thought Trump had a very strong proposal. I think that the locals are going to have to live with this for a long time, and to me, if I were going to go against what they recommended, I'd have to have a pretty good reason, and I don't really see a good reason coming forth to choose Lost River over Trump, based on what the locals have recommended.

**MARYA ROSE:** So you don't view the financial uncertainty of the Trump Organization as a reason to --

**ROBERT BARLOW:** I tend to agree with Tom that they stood up this morning and made assurances that they are going to be financially able to do what they said they are going to do, and short of having them post a bond, I don't know what we can do to test that.

**MARYA ROSE:** Can I just talk a minute about the Lost River Proposal, because I think that really deserves - I think it deserves some discussion, and I recognize it's not what the locals have, you know, proposed, but I do think they have a unique blend of development and gaming possibilities. Now, Merit is not a big player, as far as I'm aware, in the gaming

industry, but I think that Lauth has done a great job in development. Certainly, I'm from Indianapolis, so I know that, so I think that I like the idea that they are sixty-one and a half percent (61 1/2%) owned by Hoosiers. They are also privately held, so that gives us some pause and some - because we don't have a view of their financials that we might have with a publicly traded company, but they don't also incur all those transaction costs like a public trade company, so there's that. I think they were flexible in their proposal about West Baden or French Lick, and by the way, I think it should be attached to French Lick, this hotel, that's my view, but - and there is something going on, something going on that I'm not aware of, but I can feel it, between that group and whether or not they are able to reach an agreement on the guaranteed room rate with the French Lick Springs Hotel. But I believe that that would work itself out in the end. I think it's all going to work itself out in the end visa via either one of the hotels, so, you know, I think that the uncertainty with the Trump Organization and the financial capability of the Lost River Development merits a discussion about whether or not they might be the right one.

**MAURICE NDUKWA:** I share the same uncertainty of the Trump Group financial capability at this point, but I think there's some reassurances from what Don says about Trump's ability to emerge from these difficulties unscathed and better. In terms

of what we're actually charged to do here, we're charged to consider financial viability, but this is an industry that changes hands and there are bigger fish out there that are ready to pick up the pieces, so I don't foresee the inability of Trump to start and end this project as a hinderance. I think they can begin it, meet their promises, and if they wind up selling to somebody, that owner, new one, may - I would have to leave it to our legal people - be obligated to keep their promise.

**DONALD VOWELS:** One thing that I was, and my concern, too, is the financial stability of Trump, and if it wasn't for that, with the local endorsement, as Commissioner Barlow just said, with all things being equal, I would easily go for Trump. There wouldn't be any reservations. The financial situation that we know of with Trump is why it's not a slam dunk for me. All the reasons that you gave about Lost River are the same reasons that I find them attractive. What we've seen in the last couple years is these different companies buying, which the irony of all that is you go through these days of hearings and these applicants are subjected to all this investigation and public, not humiliation, I hope, but flipped remarks from the Chairman of the Commission (laugh), and then another company comes in and wants to buy them and we just check out the company to make sure they're all right, you know, whether it's a Harrah's or whatever, or Horseshoe, and boom, they have

a license without having to compete with everyone. When - initially, when Trump had the hundred and eight million dollar proposal and we had Lost River at fifty million and then this kind of sixty-five million dollar purchase of West Baden, which I don't know if that means somebody gets a check for sixty-five million or there's some sort of balance on the books or how that works, but that jacks them up to a hundred and fifteen million, so given that, if worse case scenario, another company comes in to rescue this project and is obligated at the level that Trump has obligated themselves, or if Lost River, as developers, and the Lauth Group, decide that they want to make a healthy profit off this, which I couldn't blame them, and sell to another gaming company, part of the question for me before was at sixty million for Lost River and a hundred and eight million for Trump, is Trump going too high, and if they have to sell this thing to somebody who is interested in buying it, is a real gaming company going to come in and say, "The market's not big enough for us to be obligated at a hundred and eight million dollars"? Well, now that Lost River has come forward with the sixty-five million dollar purchase of the West Baden Hotel, that jacks them up to a hundred and five, hundred and fifteen... hundred and twenty-five....

**ANN BOCHNOWSKI:** But it doesn't because if they're next to this hotel, they're not at that point.

**DONALD VOWELS:** Right, but my point being is if - and that's what their proposal was, and we were talking about the reality of these businessmen knowing what markets are. My whole point of that is, my quandary, was is this thing worth somebody coming in and being obligated for a hundred and eight million dollars, you know, some fair market value arm's length transaction at some place down the road before this is completed, if Trump's financial condition would worsen. With Lost River being up to the degree that they were, at a hundred and fifteen million and then - that sort of evened it out for me, that they see the market in essentially the same terms as Trump, to want to obligate themselves to that degree. The bottom line is I think if somebody got this and somebody came along and wanted to buy the casino, it would still be going and it would still be going strong, even if the successful applicant here today was in good financial shape or not good financial shape.

**ANN BOCHNOWSKI:** Well, I kind of look at it a little differently, because I don't like to look at, you know, I want to see that the operator that we're going to give this contract to is going to be here and is going to be the one we're going to work with and we're not awarding a contract based on the fact that they're going to sell to somebody, or you know, that they might sell their interest to somebody else, but I know that's reality. I feel like the whole



financial issue is very, very troublesome. However, we have such a history with Trump, and they've been through bad times before, and I think that we were worried about their finances the last time we awarded them a license.

**DONALD VOWELS:** In 1994.

**ANN BOCHNOWSKI:** We sure were, and there were problems then, and you know, everything's worked out just fine. I think this time he's got to do something different. I feel - maybe I'm wrong and maybe I'm naive and I tend to trust people, but I feel like they have made a commitment to this community. I think they've come in here and they've really done their research, they've really worked with the community, and so I hate to think that we're awarding a license to somebody, or a contract to somebody whose main goal is to sell, and I wouldn't want to do that.

**DONALD VOWELS:** My thought - I was just thinking worst case scenarios, being a lawyer, I do that.

**THOMAS MILCAREK:** Plus having someone that has a license in Indiana, it gives us additional leverage to hold their feet to the fire a little tighter, and really, Lost River is an excellent company, and if you want to make a dream team, I think if Trump owned the casino and the construction company affiliated with Lost River, it would be a win win situation.

**ANN BOCHNOWSKI:** I agree. I agree, and then they could have the Larry Bird Museum. (Laugh)

**ROBERT BARLOW:** One thing that impressed me, sitting in the voting part of the HHPC meeting was that the West Baden representatives both voted in support of the Trump proposal, to put it right next to this hotel, too, and I think they see their ship rising on the rising tide.

**DONALD VOWELS:** I think - I don't know that any of us are in disagreement that whoever gets chosen, if in fact we do choose somebody here today, that the casino needs to be next to this hotel. Is there any dissent in that regard?

**ALL COMMISSIONERS:** No.

**MAURICE NDUKWA:** I think ideally putting the casino in between the hotels equal distance would be an ideal spot, but if a particular site needs to be chosen because of proximity to a hotel, I think French Lick would be the ideal site. Having said that, I have one other concern that we haven't touched upon. In listening to the community members, the hotel owners, I got the sense of urgency. They impressed upon me that time is running out. I don't know why I feel that. Mr. Boykin even sort of had that in his voice, that time is running out, and I'm wondering what would happen if the Trump financial situation is dragged out, as some of these big deals tend to be months, weeks, before they clear up, before he breaks ground. What's going to happen to the infrastructures or this hotel, for instance? I'm really concerned about a time issue.

**DONALD VOWELS:** Before we began, Mr. Lawrence told me that he had some discussion with Trump. This was after the HHPC endorsement of Trump, and that they would proceed as planned with all due diligence and begin, if they were given the operating agreement, begin right away. Is that fair to say?

**GLENN LAWRENCE:** Yes, Mr. Chairman. There's going to be a period of time of discussion about the contract. It's going to take us a period of time for the permit, signing. Everybody's going to have that. You've got to have the money to do it, obviously.

**ANN BOCHNOWSKI:** One thing we learned was - we've learned along the way is that the Army of Corp of Engineers, all these other, you know, DNR, all those departments really have a lot of authority over - beyond what we can do, and there's only so much we can do to speed these things up. I mean, it's just reality.

**DONALD VOWELS:** Are you adamantly opposed to Trump?

**MARYA ROSE:** No, I'm just concerned. No, I'm not. I mean, I'm not. I just am concerned, and I think there is at least one other viable candidate that doesn't pose the same issues. Now, maybe they don't have the marketing muscle. They don't have the name, right, and I recognize I'm being fairly conservative, and I don't live in this community, so I haven't dealt with these people for this whole long process and they have, so I grant them a lot of deference in the choice that

they have made, but I sat there and I listened to them defer to us specifically about the financial viability of the Trump Organization. They laid that squarely on our shoulders.

**DONALD VOWELS:** I heard that, too. It was pretty good, wasn't it? (Laugh)

**MARYA ROSE:** Yeah, and I feel a responsibility to have that discussion and think that through before we accept, if we accept, their recommendation.

**ANN BOCHNOWSKI:** You're absolutely right, and that's in the statute and that's something we have to consider, and it is a deep concern. It can't help but be.

**ROBERT BARLOW:** I think we all share that concern.

**DONALD VOWELS:** Let's talk about worst case scenario.

**ANN BOCHNOWSKI:** Okay.

**DONALD VOWELS:** If we took a vote here today and it was decided that we agreed with the local endorsement and by majority vote we went with Trump, and the staff worked out with Trump all of the finer points of this operating agreement and then they start breaking ground and they start doing this, and six months later they say, "We're going down the tubes and there's nothing we can do about it. We don't have anymore money. Nobody will loan us any money."

**ANN BOCHNOWSKI:** That's pretty bad. (Laugh)

**DONALD VOWELS:** What would happen? We would decide that they breached the contract and they don't have the operating

contract.

**MARYA ROSE:** Right. We would sue them and we wouldn't get any money. (Laugh)

**DONALD VOWELS:** We wouldn't sue them.

**MARYA ROSE:** Sure, we would. (Laugh)

**ROBERT BARLOW:** Basically what you said earlier; they would sell to someone else.

**DONALD VOWELS:** But we would be back here again.

**ANN BOCHNOWSKI:** I'm sure we would.

**DONALD VOWELS:** And a little wiser.

**MARYA ROSE:** And it would be a year down the road.

**ANN BOCHNOWSKI:** Because they'd have to go through...

**MARYA ROSE:** They'd have to go through the whole thing again. And these people, you know, have been asking for this for ten (10) years, you know, now it's just delayed more. That's the worst case.

**DONALD VOWELS:** Do you think that's going to happen?

**MARYA ROSE:** Gosh, I hope not.

**DONALD VOWELS:** Me, too. Part of the Trump allure is that this is not the easiest place to get to from Evansville or from up north. I don't know, Rob, it was easier for you. Was it?

**ROBERT BARLOW:** I just came straight over 56, and that's not the best road, but it's not the worst.

**DONALD VOWELS:** But from the other directions, it's not

somewhere that you're going through as you're going somewhere else, so there's going to have to be some reason that people come here. The cool thing about the history of this, unlike every place we've ever had, this destination resort is based upon its history of being an illegal gambling mecca, and back in the good old days, and somebody along the line noted that in 1949, when Las Vegas started up, is when this place got checked in.

**MARYA ROSE:** Aren't we just taking all the mystique away?

**DONALD VOWELS:** By creating it again? The mystique, the history of what's here.

**MARYA ROSE:** Right.

**DONALD VOWELS:** And was it you that said - somebody said that they were talking to - maybe it was one of the SPEA people - a relative in Florida who is following this. People have heard of French Lick, whether it's for the old gambling days or Larry Bird, because it's a great name.

**MAURICE NDUKWA:** That makes the argument really that people know about French Lick, people know about West Baden. They don't need Trump to let them know about it, and if you look at the enterprises of this sort in this state, who are their most - who are performing well.

**DONALD VOWELS:** Well, those that are performing well are nearest the largest population centers.

**MAURICE NDUKWA:** Well...

**DONALD VOWELS:** Chicago and Cincinnati.

**MAURICE NDUKWA:** But still, you were saying Trump's name is such a magnet to attract everybody's wallet to it, that one would be ahead of the bunch, because he is at the population center, too, and yet, he's not the number one, so the name doesn't impress me as much. I think the group did a masterful job with the local population. They feel comfortable with him, but I don't think his name is going to bring that many more people here.

**DONALD VOWELS:** What was it, forty percent (40%) more?

**MARYA ROSE:** Forty percent (40%). So all their numbers are based on forty percent (40%) more people coming in.

**DONALD VOWELS:** Based on the name.

**MARYA ROSE:** Based on the name.

**MAURICE NDUKWA:** And yet they're not outperforming the other casinos by forty percent (40%). There in Gary, close to Chicago, within twenty (20) minutes, the other casinos are matching them, so if Trump has a forty percent (40%) more edge, that casino should be outperforming all the other ones. It's not.

**THOMAS MILCAREK:** I think another consideration is how he's worked with the people. We've had operators that were really troublesome with the communities and very hard to deal with and we've really had to take some stern action to bring them in line to deal with people. I don't know how many times

we've took people to task over just ignoring the populace, and I don't think this would be the case.

**MAURICE NDUKWA:** Well, I guess I hate to differ with my friend Marya here that Trump is not the eight hundred (800) pound gorilla. We are, and if the other groups don't treat our friends in French Lick with dignity and respect, we're the eight hundred (800) pound gorilla.

**THOMAS MILCAREK:** This is true.

**MAURICE NDUKWA:** And I think the name that we're attaching to Mr. Trump and his group is overrated.

**ANN BOCHNOWSKI:** Can somebody remind me, with Lost River, if they're next to - that investment in the West Baden Hotel goes away if they're placed next to this hotel, so is there a replacement for that amount or is that just we're back to the original number?

**DONALD VOWELS:** I asked him a question and you all heard the answer, so correct me if I'm wrong, but was this deal off if they weren't next to West Baden, and from what I remember, they said they weren't going to purchase the West Baden Hotel --

**ANN BOCHNOWSKI:** They won't purchase it if they're next to this hotel, right?

**DONALD VOWELS:** So that puts us back to that.

**ANN BOCHNOWSKI:** Since this seems to be the preferred site and the site that everybody has agreed to, I think that issue --



**DONALD VOWELS:** To sum up where I am, their both essentially equal. My concern about Trump's financial situation is a negative in their column. The fact that there is a local endorsement, with the caveat about the financial concerns being something that we need to address, but that local endorsement is a plus in their column, so it's all sort of evening out for me, as far as Lost River and Trump. We have six of us here, so it's not an odd number, so we're going to have to have a vote of four to make any kind of decision, up or down. A three to three vote means we've done nothing, so nobody gets anything yet. Here's where I am. If we had a three to three split, and three people weren't budging and two weren't budging, I would budge and go for whoever has the most. See what I'm...

**ANN BOCHNOWSKI:** Yes.

**DONALD VOWELS:** I'm not stuck here. I could go either way. Trump is my first choice, and I guess part of the reason is this relationship with the locals and the number of people who spoke last night on their behalf, and that may have had to do with the fact that Trump might have gone out and shook the bushes more than the others, but the point of that is that they did go out and they did deal with them, and the local Historic Commission has endorsed them, with the caveat of the financial concerns that we have. So that puts them over the top in my book. It wouldn't kill me if the rest of you said

Lost River. You know, I could live with that. It does concern me that if we give Trump the license and a few months down the road all hell breaks loose, but I think in this environment somebody will come in and clean it up. This isn't going to sit here dormant and be dead, and it would certainly be on an expedited level. We would have to, if the other two applicants wanted to still be in the mix and not much had changed in way of investigation, if they were the same people, just update those things, so that's where I am. I can go either way.

**ANN BOCHNOWSKI:** People move on, you know, once... But who knows, maybe they would want to. The other thing that I think about is, because of a number of issues that have already been discussed regarding the market here and the location and the difficulty of getting here, I think marketing is really important, and I think Trump brings a better understanding of marketing.

**DONALD VOWELS:** I mean, they've got data bases and they cross market between their different facilities.

**ANN BOCHNOWSKI:** So that, I just think that the marketing is real important.

**THOMAS MILCAREK:** I think that we have a unique experience here, having two hotels; one very pricy and one very practical, and at most casino locations you either have a so so hotel or a great hotel, and here you've got an opportunity

to bring in people of all classes and financial abilities, and I can just see the marketing of the West Baden as the "Eighth Wonder of the World, you've got to see this." That is going to draw people, and then over the period of fifty (50) years that the French Lick Springs has been here, people are going to know that and say, "Yeah, that was a neat hotel. Let's go down there and see that." So I believe that the market is going to be here and we have a draw to bring it here.

**MAURICE NDUKWA:** When we had dinner last night, I was thinking, but we didn't discuss it much, but what would happen to these two hotels? Admittedly, by all account, they need a tremendous amount of work and there's some hesitations about the applicants to really guarantee in black and white what they will give to these hotels to stay solvent. If some of these Econo Lodges, not to name a brand name, moves in and offer quite attractive room packages, is this - is French Lick Hotel in danger of losing the clientele you mentioned? That's a real thought that while we're thinking about two hotels, pretty soon, once this proposal goes to somebody, there may be five hotels, six, ten (10) hotels to deal with, and that may impact the ability to revitalize these historical institutions.

**ROBERT BARLOW:** I got the impression that the operators of the hotels and the applicants all felt that the hotels would both end up getting revitalized once gaming came to the Valley, and

I suppose that would offer opportunities for other hotel operators to try and take advantage of that, but it's hard for me to imagine that somebody would want to stay in a budget hotel - I won't identify a brand - versus one of these magnificent historic treasures.

**MAURICE NDUKWA:** But we've heard numbers in the millions to restore this to a respectable hotel once again, and yet you can have one of these chain hotels be put up in about three months at a fraction of the cost, and that would definitely take away the potential for this type of hotel to survive.

**THOMAS MILCAREK:** I think that with the casino taking a lot of rooms, which they do, they're certainly not going to bring anyone down here and put them in a budget hotel of any kind, and if they did, people probably wouldn't come back. I mean, they're going to want to come down here and see this and want to stay here, and I think that's a big part of it. I don't think...

**MARYA ROSE:** I also think that's one of those issues that we can't solve, and I don't think we should try to. I think that's a local issue. I think they have to deal with it locally. I don't think - and I think they will. Those are the kinds of things - I just don't think, you know, we can, you know, we're going to award this Operating Contract to the right person, hopefully, or right entity, hopefully, and they'll have to deal with those issues as they come up, so

again, that's the whole - what you're talking about is the whole kind of, I don't want to say pie in the sky, but this whole big huge thing that we're trying to solve by bringing in gaming to the Valley, and we're just not going to be able to address all those issues.

**MAURICE NDUKWA:** Actually, what I'm talking about is competition.

**MARYA ROSE:** Right.

**MAURICE NDUKWA:** I mean, here we are by right and by legislature trying to bring to life these magnificent structures with the hope that tourism will appreciate our collective vision about the need to keep these institutions going, and yet there's a competitive edge to the hospitality industry. You know very well once this is said and done, somebody out there, hopefully an entrepreneur from French Lick, is going to get the idea of franchising one of these decent hotels, and that will require local solution, whether it's zoning thoughts or what else, but it will impact directly on the longevity of this project vision, because it doesn't do them any good to have restoration of a four hundred and twenty (420) room hotel and nobody stays in it, and the casinos are only willing to guarantee, the highest number I heard was one hundred and fifty (150) rooms.

**THOMAS MILCAREK:** But historic, this has not been the case at the other properties. There hasn't been any hotels that I'm

aware of that built along side, and in Michigan City we're doubling the size of our hotel and there hasn't been any activity in our area.

**ANN BOCHNOWSKI:** I understand Belterra is expanding.

**THOMAS MILCAREK:** Belterra just doubled.

**DONALD VOWELS:** There's nothing near Aztar in Evansville. If I was out in the audience, I'd be getting really bored.

**ROBERT BARLOW:** I'd be very comfortable with Lost River, as Don said and as you intimated that you would be, but I still think that I'd have to have a good reason to not follow the locals' recommendation, when I see them basically as equal or very, very close to equal, and that being said, I'd like to make a motion, since I think the people might get restless, and that would be to award the Operating Contract to Trump.

**DONALD VOWELS:** Before I ask for a second, I just want to, because if we do something here, there's going to be some people in the audience who won't be paying a whole lot of attention to us after that point; if a decision is made, Bob Boykin is going to announce that there's going to be a party later on, and I was asked to tell everybody that, so look for Mr. Boykin and he'll tell you all about that, but my point in telling you that now is knowing what happens after we make a vote, there will either be a lot of cheering or people throwing things at us, whichever way we have it go. There's a motion to award the Operating Agent Contract to Trump. Is

there a second?

**THOMAS MILCAREK:** I would like to second that motion.

**DONALD VOWELS:** Is there further discussion?

**ANN BOCHNOWSKI:** Could I just say one thing to our newer Commissioners who haven't been involved in this? I'm sure you know this; there's no pressure to go along, to have a unanimous decision or anything. You need to do whatever you feel is right.

**DONALD VOWELS:** What we'll do is by hand vote, so everybody will know where everyone is. We have a motion and we have a second. Is there any further discussion? (Pause) All those in favor of awarding the Operating Agent Contract to Trump, raise their hand.

**(Commissioners Barlow, Milcarek, Vowels and Bochnowski raise their hands.)**

(Applause)

**DONALD VOWELS:** We will show that the Operating Agent Contract - hold on just a moment, please. There's still some finer points we have to deal with - that the vote is a four to two vote with Commissioners Bochnowski, Milcarek and Barlow and myself, Chairman Vowels, voting yes and the no category would be Dr. Ndukwa and Commissioner Rose. There is - Mr. Lawrence, this Order of the Indiana Gaming Commission regarding the applications for an Operating Contract for a Project in Orange County, Indiana, is that something that I need to address with

Trump now, since it requires our signature?

**GLENN LAWRENCE:** Yes, (inaudible).

**DONALD VOWELS:** Do I need to address that through Trump?

**ROBERT BARLOW:** Do the other parts need to be part of a motion, too?

**GLENN LAWRENCE:** Yes.

**DONALD VOWELS:** Go ahead.

**ROBERT BARLOW:** I would further move that --

**DONALD VOWELS:** I'm sorry. What?

**GLENN LAWRENCE:** (Inaudible)

**ROBERT BARLOW:** I would further move that the awarding of the Contract is contingent upon the negotiation and execution of the Operating Agreement Contract and that the Executive Director have the authority to negotiate the terms of that contract, and I would further move that at all times relevant, Trump must comply with the statutory requirements set forth in IC 4-33 et seq., all project presentations, guarantees, and promises as set forth in the application and amendments thereto, presentations to the Commission and the HHPC, and all duties imposed on a riverboat licensee under IC 4-33 et seq. and 68 IAC et seq. and that they be required to acknowledge and agree to these conditions.

**DONALD VOWELS:** Is there a second in reference to that motion regarding this Order?

**ANN BOCHNOWSKI:** Second.



**DONALD VOWELS:** As further discussions, we need someone from the Trump Organization. Mr. Pickus, if you'll just come up to the podium. I don't know if you know, but we just awarded the Trump the Operating Agreement License. (Laugh)

**ROBERT PICKUS:** I kind of got that impression, yes.

**DONALD VOWELS:** Are you willing to accept that?

**ROBERT PICKUS:** We are, yes.

**DONALD VOWELS:** Commissioner Barlow just recited this Order of the Indiana Gaming Commission regarding the Operating Agreement, Operating Agent Contract for the project here in Orange County. Were you able to hear all of those specifications of what the Order requires?

**ROBERT PICKUS:** I was, Chairman, yes.

**DONALD VOWELS:** I'm sorry?

**ROBERT PICKUS:** I was.

**DONALD VOWELS:** And you can, on Trump's behalf, agree that you will comply with the conditions of this Order?

**ROBERT PICKUS:** Yes.

**DONALD VOWELS:** With that in mind, is there any further discussion? (Pause) All those in favor, say "Aye."

**ALL COMMISSIONERS:** Aye.

**DONALD VOWELS:** Show that it is adopted. Is there anything else we need to do except adjourn and talk about the next meeting? Okay. The next meeting of the Indiana Gaming Commission will take place in Hammond, Indiana at a location

to be publicly noticed on August 6, 2004, for the purposes of relicensing three of the riverboats up there.

(Discussion among Commissioners regarding dates.)

**DONALD VOWELS:** Is there a motion to adjourn?

**MARYA ROSE:** So moved.

**DONALD VOWELS:** Is there a second?

**ROBERT BARLOW:** Second.

**DONALD VOWELS:** Is there any further discussion? All those in favor say "aye."

**ALL COMMISSIONERS:** Aye.

**DONALD VOWELS:** Meeting is adjourned.

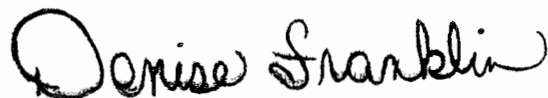
STATE OF INDIANA )

) SS:

COUNTY OF ORANGE )

I, Denise Franklin, a Court Reporter and Notary Public, duly qualified and commissioned for the State of Indiana and acting under commission expiring February 7, 2008 do hereby certify that the foregoing transcript is a complete, correct and full report of the entire hearing held on July 19 and 20, 2004 before the Indiana Gaming Commission.

IN WITNESS WHEREOF, I HAVE HEREUNTO SET MY HAND AND AFFIXED MY SEAL THIS 8TH DAY OF NOVEMBER, 2004.



---

Denise Franklin  
Notary Public  
Resident: Orange County  
Commission Expires: 2-7-08