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BEFORE THE MISSOURI GAMING COMMISSION

STATE OF MISSOURI

MEETING

February 23, 2011

Missouri Gaming Commission

3417 Knipp Drive

Jefferson City, Missouri

COMMISSIONERS PRESENT:

James L. Mathewson, Chairman

Darryl T. Jones

Noel J. Shull

Jack L. Merritt

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1 CHAIRMAN MATHEWSON: We will get
2 started. Angie, would you call the role,
3 please.

4 MS. FRANKS: Chairman Mathewson.

5 CHAIRMAN MATHEWSON: Here.

6 MS. FRANKS: Commissioner Shull.

7 COMMISSIONER SHULL: Here.

8 MS. FRANKS: Commissioner Jones.

9 COMMISSIONER JONES: Here.

10 MS. FRANKS: Commissioner Hatches.

11 (No response.)

12 MS. FRANKS: Commissioner Merritt.

13 COMMISSIONER MERRITT: Here.

14 CHAIRMAN MATHEWSON: Okay. First
15 thing on our agenda would be that we need to
16 approve some minutes from the January 18 -- can
17 we do both of them in one shot there, Angie?

18 DIRECTOR STOTTLEMYRE: You can.

19 MS. FRANKS: Sure.

20 CHAIRMAN MATHEWSON: All right.

21 COMMISSIONER SHULL: Move approval of
22 January 18, 2011, January 19, 2011, minutes --
23 be approved.

24 COMMISSIONER MERRITT: Second.

25 CHAIRMAN MATHEWSON: Any discussion?

1 (No response.)

2 CHAIRMAN MATHEWSON: Call role, Angie,
3 please.

4 MS. FRANKS: Commissioner Merritt.

5 COMMISSIONER MERRITT: Approved.

6 MS. FRANKS: Commissioner Jones.

7 COMMISSIONER JONES: Approved.

8 MS. FRANKS: Commissioner Shull.

9 COMMISSIONER SHULL: Approved.

10 MS. FRANKS: Chairman Mathewson.

11 CHAIRMAN MATHEWSON: Approved.

12 MS. FRANKS: By your vote you've adopted
13 the minutes of the January 18, 2011, and January 19,
14 2011, meetings.

15 CHAIRMAN MATHEWSON: I mentioned to Roger
16 and, actually, Angie yesterday on the phone that for
17 whatever reason, it seemed like this has been the
18 longest span of time since we've had a meeting since
19 I've been on this commission. I don't know why that
20 was, but my God, it seems like it's been a long time
21 since January. Maybe it's because the weather hasn't
22 been conducive to doing much.

23 DIRECTOR STOTTLEMYRE: You missed our
24 smiling faces.

25 CHAIRMAN MATHEWSON: Yes, I certainly did,

1 because I love you in a strange way, don't you know.

2 Okay.

3 Say, Director Stottlemyre, what do you
4 want to do now, boss?

5 DIRECTOR STOTTLEMYRE: The next item on
6 the agenda would be consideration of relicensure of
7 Class A and B licenses, and we have Pinnacle
8 Entertainment here. Mr. Godfrey, I believe you're
9 first, and then Mr. Walkoff.

10 CHAIRMAN MATHEWSON: Good to see you-all
11 again. Been a while.

12 MR. GODFREY: Yes, Mr. Chairman.

13 Good morning, Mr. Chairman, members of
14 the Commission, Mr. Stottlemyre and Staff. I'm Jack
15 Godfrey. I'm the executive vice president, general
16 counsel, and secretary of Pinnacle Entertainment,
17 Inc. It is my pleasure to appear in front of you
18 today. Like you said, Mr. Chairman, it's been a
19 while, and I'm very happy to be here today on a very
20 special occasion for Pinnacle Entertainment.

21 We're coming up on the first anniversary
22 of the opening of River City and, as you know,
23 Pinnacle Entertainment has made a strong financial
24 commitment to the state of Missouri and our local
25 partners, the latest commitment of which was River

1 City, which we're extremely excited about. We hope
2 that you will be extremely excited about our
3 presentation today as well and grant the renewal that
4 we're requesting.

5 With me today is Neil Walkoff, who's our
6 senior vice president and general manager of River
7 City, and Neil is also in charge of regional
8 operations, so he also oversees Lumiere Place. It's
9 headed up by Jeff Babinski, who's also here. I'm
10 going to turn it over to Neil, who joined us in late
11 August. He's a great addition. I'm going to turn it
12 over to Neil to introduce the rest of our team that
13 will be available to answer questions regarding our
14 presentation.

15 CHAIRMAN MATHEWSON: By the way, Jack,
16 when did we open? Was it in March or April?

17 MR. GODFREY: It was in early March of
18 last year.

19 CHAIRMAN MATHEWSON: Okay. I kind of
20 remember when we were down there the day before, the
21 Commission was, I think the day before you actually
22 had your opening.

23 MR. GODFREY: Yes, that's correct.

24 CHAIRMAN MATHEWSON: And --

25 COMMISSIONER SHULL: It was a nice day.

1 CHAIRMAN MATHEWSON: It was. It was, as a
2 matter of fact.

3 MR. GODFREY: It was a better day than
4 today.

5 CHAIRMAN MATHEWSON: And some you've had.

6 MR. GODFREY: Yes.

7 CHAIRMAN MATHEWSON: Okay. Thank you.
8 Proceed, sir, please.

9 MR. GODFREY: Well, Good morning. It's a
10 privilege to be here today to present the results of
11 River City after its first ten months of operation.
12 I'd first like to introduce members of the leadership
13 team that are here, both from River City and
14 Lumiere. Please stand up as I call your name so the
15 folks know who you are.

16 Chris Plant, vice president of finance
17 for River City and Lumiere Place; Michael Meager,
18 director of planning and analysis for River City and
19 Lumiere Place; Bob Albany, director of security for
20 River City; Brian Maloney, director of surveillance
21 for River City; Charles Felton, regional director of
22 procurement; Christine Lomas, compliance officer at
23 River City; Rob Boyd, employment manager for River
24 City and Lumiere Place; Jeff Babinski, our vice
25 president and general manager of Lumiere Place;

1 Dustin Zebold, compliance officer for Lumiere Place,
2 and also speaking after our portion of the
3 presentation is Denny Coleman, who is CEO of the
4 St. Louis County Economic Council.

5 CHAIRMAN MATHEWSON: Good. Welcome all of
6 you. Thank you for being here.

7 MR. GODFREY: Mr. Chairman, with your
8 permission, we're going to divide this presentation
9 up a little bit, and I'm going to take the first
10 couple of slides and then turn it over to Neil to
11 take you through the other detail.

12 I'm especially glad to see Denny Coleman
13 and Mark Brady here. And as you'll hear from their
14 presentation later on, they've been a great partner
15 for River City and Pinnacle Entertainment. When we
16 planned these projects all these years ago and I got
17 a chance to meet Denny and Mark, we really enjoyed
18 the working relationship that we've had with the
19 County. It's been very positive and productive.

20 When we have issues, we talk about them
21 and we resolve the issues in a positive and
22 constructive way, and I think you'll see from our
23 presentation the benefits that that has yielded, both
24 for River City, the County of St. Louis, and the
25 state of Missouri.

1 So with that, let me turn to our
2 presentation. This is a summary of our development
3 agreement that you actually reviewed last year when
4 you saw fit to license us. Phase I was a minimum
5 investment of \$375 million, which includes the
6 amenities we've referenced up there, a 90,000-square-
7 foot casino, nine food and beverage outlets, one
8 retail outlet, and a fairly complicated road grade
9 project and installation of related lighting,
10 fencing, and signage, including the replacement of
11 the Webber Road Bridge as required.

12 We also paid Great Rivers Greenway
13 \$500,000 for an easement. The port authority was
14 paid \$5.1 million in satisfaction of our obligations
15 for the community facilities. That's something that
16 we negotiated along the way and is an example of the
17 cooperative nature that we've proceeded with the
18 County.

19 And then we get to the most important
20 thing insofar as the County is concerned: The rent
21 that we have paid to St. Louis County. For 2010 we
22 paid \$3.5 million in rent, which was calculated based
23 upon the greater of \$3 million or 2.5 percent of 2010
24 adjusted gross receipts. For 2011 and thereafter,
25 the annual rent will be the greater of \$4 million or

1 2.5 percent of adjusted gross receipts for that year.

2 Also the City of St. Louis has benefited
3 from the opening of River City. Pursuant to our
4 agreement with the City of St. Louis, we paid them an
5 annual fee of \$1 million after the opening of River
6 City. We made that payment in January of this year,
7 and that payment will be an annual one to the City,
8 so the City and County sort of cooperated on that,
9 and it's been a benefit, not only to the County, but
10 to the region, in addition.

11 Phase II commitment: Minimum of \$75
12 million over a 36-month period. If we could go to
13 the next slide, you'll see a recapitulation of the
14 capital investment. Second phase is in the process.
15 We're considering that and discussing it, and we'll
16 have some more discussion with the County as how we
17 complete that, but that's something that we will get
18 done and hopefully -- we anticipate that will be very
19 value-added to the property and make it even a more
20 exciting and customer-friendly property than it
21 already is.

22 So with that initial information on the
23 way, I'm going to turn it over to Neil, who would
24 take you through the details of our renewal request.

25 CHAIRMAN MATHEWSON: Jack, let me ask you

1 something, because I forget, okay? Do you have a
2 sheet or do we have something that actually shows --
3 you were commenting about the percentage you paid to
4 the County. You were also talking about the amount
5 you paid to the City, that million, and then I see
6 where your property tax for the school district, the
7 fire district, St. Louis Coun-- do you have something
8 where you put all of that together, you know, like in
9 a line item so that we -- so I could get a little
10 handle on your total percentage of your adjusted
11 gross that you are paying out for the opportunity --
12 I'm talking about to the State, to all the political
13 subdivisions, so that -- you know, it looks to me
14 like, and you can correct me and point me in the
15 right direction, but we see all these things but they
16 aren't totaled up.

17 I mean, what's the percentage -- and if
18 you don't have that available right now, that's
19 fine. You can send it to us, and Angie will get it
20 over to me or something or to all of us, but I'd like
21 to see the total percentage of your adjusted gross
22 that you're paying out to the political subdivision,
23 including the State of Missouri.

24 MR. GODFREY: Okay.

25 CHAIRMAN MATHEWSON: Okay? As a

1 percentage of your adjusted gross.

2 MR. GODFREY: Okay, Mr. Chairman. Let me
3 make a suggestion: We're going to have Neil do his
4 presentation, and then we'll have our financial
5 people in the back see if we can come up with that
6 number for you today, if we don't already cover it in
7 the presentation, and if not, then we'll get it to
8 you after the meeting.

9 CHAIRMAN MATHEWSON: Okay. That's fine.
10 Commissioner?

11 COMMISSIONER JONES: Jack, just one quick
12 question: That rent payment to the City, is there
13 a sunset on it, because you said it's an annual
14 \$1 million --

15 MR. GODFREY: No, there's no sunset on
16 that. That was -- that was designed to sort of
17 equalize the economic benefits to the City and County
18 so that the first payment was due in January of this
19 year and will be an annual payment thereafter.

20 CHAIRMAN MATHEWSON: Now, the earnings
21 tax -- because I assume that's going to be coming up
22 as an issue before very long, okay, so -- say I live
23 in the country. I've never had a total handle on how
24 that all works, but if someone lives -- help me out
25 here. If someone lives in the City of St. Louis --

1 well, if they don't live in the City of St. Louis --
2 excuse me -- they don't live in the City of
3 St. Louis, then they're not paying earnings tax on --
4 if they work at River City?

5 MR. GODFREY: I believe that's the case.

6 CHAIRMAN MATHEWSON: Am I saying that
7 right?

8 COMMISSIONER JONES: I think you have to
9 work in the City of St. Louis. If you work in the
10 City, it doesn't matter if you live in the City or
11 the County. Anyone that works or employed in the
12 City of St. Louis pays the earnings tax.

13 MR. GODFREY: That's my understanding.

14 CHAIRMAN MATHEWSON: So Lumiere, that part
15 of your operation, then they would be paying the
16 earnings tax --

17 COMMISSIONER JONES: Absolutely.

18 CHAIRMAN MATHEWSON: -- because that's in
19 the City of St. Louis.

20 COMMISSIONER JONES: Right.

21 CHAIRMAN MATHEWSON: In River City, that
22 would not be applicable. Am I saying that right?

23 COMMISSIONER JONES: That's right. That's
24 right, even if you have City employees --

25 MR. GODFREY: If you live in the City and

1 work at River City, you're still paying tax.

2 CHAIRMAN MATHEWSON: And that's where I
3 was going to start with.

4 COMMISSIONER JONES: Absolutely.

5 CHAIRMAN MATHEWSON: So Jack, that million
6 dollars that you're paying in, is that -- maybe with
7 negotiating trying to make everybody happy -- when
8 you were starting there trying to offset some of what
9 the City perceived to be a loss, and probably it
10 wasn't just a perception, it probably was, when you
11 closed up the old boat down on the harbor there --

12 MR. GODFREY: Yeah.

13 CHAIRMAN MATHEWSON: -- was that part of
14 that or --

15 MR. GODFREY: Well, Mr. Chairman, it was
16 in no way related to the President. I think it was
17 more of a general negotiation, not specifically tied
18 to any particular thing.

19 CHAIRMAN MATHEWSON: Okay.

20 MR. GODFREY: And I think it also had to
21 do with the cooperation with the County on the road
22 that we had to build in, so it was more of a
23 generalized equalization and benefit to the City
24 rather than anything specific.

25 CHAIRMAN MATHEWSON: Well, it's good. I

1 think it's a positive thing from both -- both sides.
2 I mean, that keeps your good relationship with the
3 City, and that's important. I assume it would be
4 since you got Lumiere sitting down there too.

5 MR. GODFREY: Mr. Chairman, as I alluded
6 to the County, our relationships with our local
7 authorities, in addition to our relationship with the
8 State and the Missouri Gaming Commission, is very
9 critical to us, and we work every day to try to
10 improve upon that relationship to the extent that we
11 can, so we have an excellent relationship with the
12 City of St. Louis, and hopefully Mr. Coleman will
13 verify today that we have an excellent relationship
14 with the County of St. Louis.

15 CHAIRMAN MATHEWSON: Okay. Any other
16 questions of Jack before we move on?

17 (No response.)

18 CHAIRMAN MATHEWSON: Okay. Thank you,
19 sir.

20 MR. GODFREY: Thank you.

21 MR. WALKOFF: Okay. If we continue on
22 through the presentation, if you look at page 4, page
23 4 highlights our revenue results compared to previous
24 projections. As you can see, while omissions have
25 basically been flat to projections, we have

1 experienced softer revenues due to a decline in
2 gaming spend per patron.

3 As we begin our second year of operation,
4 we plan to improve on these results via more
5 aggressive marketing strategies, such as increasing
6 awareness by developing new advertising and branding
7 campaigns, targeted direct-mail strategies, and
8 larger, more attractive events geared towards
9 increased visitation and customer loyalty.

10 If you look at page 5, that summarizes
11 our demographic breakdown at River City of over 1,000
12 team members, which shows that over 75 percent of the
13 employees are from Missouri, nearly 35 percent
14 minority, 22 percent African-American, and 40 percent
15 female.

16 Page 6 highlights the initiatives that we
17 take to ensure inclusion of women- and minority-owned
18 businesses. I'd like to mention the first three
19 points as they've had a significant impact on our
20 success.

21 Number one, we contacted over 500
22 minority- and women-owned vendors by certified mail
23 and over 800 via e-mail prior to opening. We
24 currently include at least one minority- and women-
25 owned vender on every bid over \$500. And we amended

1 payment terms to help minority- and women-owned
2 vendors compete with larger companies versus the
3 standard thirty days for larger contractors. With
4 that, if you look at page 7, we have had success
5 versus our goal. Our overall goal was 19 percent,
6 and in 2010 we finished at 36 percent participation.

7 While we are proud of our results in our
8 first year of operation in regards to purchases from
9 minority- or women-owned businesses, we will continue
10 to ensure that we include these businesses in our bid
11 process so they have a chance to provide us our
12 needed goods and services.

13 COMMISSIONER JONES: Question.

14 MR. WALKOFF: Sure.

15 COMMISSIONER JONES: I'm sorry --

16 MR. WALKOFF: That's okay.

17 COMMISSIONER JONES: -- to interrupt. You
18 know this is a pet peeve of mine, so I just want to
19 ask a question. The 19 percent, that included the
20 construction workers and, I mean, in the development
21 of the -- or the construction of River City, correct,
22 or is that separate from --

23 MR. WALKOFF: The 19 percent was a
24 requirement during the construction phase --

25 COMMISSIONER JONES: Right.

1 MR. WALKOFF: -- and also ongoing for the
2 operations.

3 COMMISSIONER JONES: Okay. So that'd be
4 the ongoing target that you're going to -- our goal
5 that you're trying to achieve with whether you start
6 doing renovations or doing supplies or if you're
7 doing something like that?

8 MR. WALKOFF: Yes.

9 COMMISSIONER JONES: Okay. That's good.
10 Thank you. Thank you. I appreciate that.

11 MR. WALKOFF: Okay. Page 8 highlights
12 what we do at River City in regards to addressing
13 problem gambling. Our program includes DAPs not
14 being permitted in the casino; lists reviewed prior
15 to check cashing and prior to paying jackpots;
16 restricted marketing and checking duplicate accounts
17 that are reviewed in the player database.

18 Page 9 shows that underage gambling is an
19 issue we take very seriously as well. Security
20 officers are positioned at turnstiles to card all
21 guests who appear under 30 years old. Security
22 officers are trained by the Missouri Gaming
23 Commission to help us in detecting fake IDs.

24 We do have signs referencing that you
25 must be 21 or older in all of our marketing

1 materials. We use technology such as Veridex
2 scanners to make sure that we're able to detect fake
3 IDs, and we also have a zero tolerance for security
4 officers who allow minors into the floor by acts of
5 negligence.

6 Page 10 highlights our commitment to
7 being good corporate citizens. These highlight our
8 charitable contributions we have made to home dock
9 communities as well as Missouri. The top portion
10 highlights some of the sponsorships or donations
11 we've made with Lumiere as a partnership, and the
12 lower portion are sponsored via providing funds or
13 through the usage of our facility as well.

14 Page 11 shows organizations where River
15 City employees volunteer their time in the
16 community. This page highlights the 18 causes where
17 team members have been involved with -- over the past
18 year.

19 Page 12 shows various other community
20 organizations where we have River City employees who
21 were members of boards or organizations in these
22 groups, such as the Lemay Chamber of Commerce and the
23 South County Development Corporation.

24 Page 13 shows a letter from Charlie
25 Dooley, county executive, supporting our licensure

1 renewal. And page 14 is a letter from Colonel
2 Timothy Finch, the chief of police for St. Louis
3 County, highlighting his support of River City and
4 the partnership we have had in the community.

5 So in summary, River City has executed on
6 all of its commitments to dates relating to our
7 development agreement. We've contributed over \$41
8 million in gaming and admission taxes in 2010 to the
9 State since opening in March. Our commitment to
10 utilizing women- and minority-owned businesses is
11 evident, and we will continue to work hard to drive
12 positive results in this area, and we have had a
13 positive impact on the community through
14 sponsorships, donations, and participation.

15 I'd now like to introduce the CEO of the
16 St. Louis Economic Council, Denny Coleman.

17 Do you have any questions?

18 COMMISSIONER SHULL: Yeah, I do have one
19 question. Back on page 9 on the underaged gambling,
20 you indicated you have zero tolerance for security
21 officers that allow minors onto the floor. Would you
22 elaborate on zero tolerance.

23 MR. WALKOFF: Yes. If there is a security
24 officer who did not use proper procedure to detect
25 someone who is under 21 who allowed -- who had an ID,

1 for example, and it clearly showed that they were
2 under 21 and they were allowed in the casino, they
3 will not be employed with us. Is that correct, Bob?
4 So we don't tolerate clear acts of negligence.

5 COMMISSIONER SHULL: They're terminated
6 immediately?

7 MR. WALKOFF: Yes.

8 COMMISSIONER SHULL: Okay.

9 MR. COLEMAN: Well, Mr. Chairman and
10 Commissioners, good morning. My name is Denny
11 Coleman. I'm president and CEO of the St. Louis
12 County Economic Council and also executive director
13 of the St. Louis County Port Authority.

14 By way of background, I just wanted to
15 mention that 21 years ago yesterday I started in this
16 position for St. Louis County. The only reason I
17 mention that is that one of the first things that the
18 County executive told me, one of the first things
19 that the chairman of the port authority told me is
20 you got to find something to do with that -- with
21 that national lead site that we own, and I said,
22 We'll get right on it.

23 (LAUGHTER)

24 CHAIRMAN MATHEWSON: That was the right
25 thing to say.

1 MR. COLEMAN: That's right.

2 So I looked into it and found out that
3 the site was in the floodplain of the biggest river
4 in the United States, the Mississippi. It was
5 contaminated with an unknown quantity and type of
6 contaminants and there was no way to get there, and I
7 said, This ought to be easy.

8 But fortunately, you and we made a
9 terrific choice in choosing Pinnacle entertainment to
10 deal with this very problematic site, because not
11 only have they turned this site around and done all
12 the things necessary to put it back into productive
13 use, but they have turned out to be just a wonderful
14 community partner for St. Louis County in general and
15 the Lemay community, in particular, as Neil and Jack
16 just articulated in their presentation, so over the
17 next couple of minutes I'll spend a little time
18 getting a little bit more into the detail. I'm not
19 going to bore you with everything, but some of the
20 benefits to our community, which have really been
21 substantial.

22 Pinnacle has complied with all of its
23 minimum requirements to the County and to our port
24 authority. They have developed the casino and the
25 restaurants, they've completed all the surface

1 parking sufficient to serve the development, the
2 project roadway -- we now have a way to get there --
3 and it's a brand-new road that we collaborated with
4 the City of St. Louis and St. Louis County and
5 Pinnacle to get it built. The site was totally
6 remediated and filled appropriately.

7 The funding for the new community center
8 has been transferred to us, the \$5-plus million, and
9 they are complying with their rental requirements.
10 General project benefits: Over a thousand jobs have
11 been created on the site to date with more to come.

12 I mentioned the environmental
13 contamination. This project was just awarded last
14 week the Environmental Protection Agency's most
15 prestigious award, their Phoenix Award, for cleanup
16 and productive reuse of a site, and the environmental
17 company that did the award and our port authority
18 representatives will be in Philadelphia in -- Mark,
19 when is that? -- in April to receive that award, so
20 when I said it was contaminated, it had major issues,
21 and they have done just a phenomenal job of not only
22 the cleanup, but obviously the new development.

23 We do have a new access road that is
24 helping not only bring people into the casino itself
25 but into the surrounding community of the Carondelet

1 neighborhood and the City of St. Louis, as well as
2 the Lemay community in St. Louis County.

3 And they have met their minimum
4 requirement of \$375 million in investment with more
5 to come in Phase II. Speaking to our fiscal benefit
6 in the County, the admissions fees and the gaming
7 tax, which goes directly suit to St. Louis County,
8 there you see is over \$8 million.

9 The rent paid for 2010 to the St. Louis
10 County port authority was a little over 3.5, so the
11 total benefit to the County and the port was over \$12
12 million, and we'll talk a minute about real estate
13 taxes -- and we haven't been able to estimate the
14 sales tax benefit, but the fiscal benefit has truly
15 been significant.

16 You see here the property tax revenues as
17 well, Hancock School District; over \$4 million in
18 2010; Lemay Fire District, over \$1 million.
19 St. Louis County's a little over 600,000. The pie
20 chart there kind of blocks that out. And all other
21 districts, the community college and the zoo museum
22 district, and whatever in that lower right-hand
23 corner there in the pink -- in the purple, so
24 substantial property tax benefits as well to the
25 community.

1 We basically are in full agreement. We
2 saw a copy of Pinnacle's presentation before this,
3 and we were given an opportunity to review that. We
4 clearly are in agreement and affirm that everything
5 that Pinnacle mentioned to you before is true to the
6 best of our ability, to verify that. As I said
7 before, they've just been wonderful, wonderful
8 corporate citizens.

9 Now, one of the really fun things for us,
10 getting the site redeveloped, getting the
11 contamination resolved, getting the road built was
12 important, cleaning up the site, all great stuff.

13 The rent paid to our port authority is
14 committed to being reinvested back into the Lemay
15 community. If you're familiar with the Community
16 Development Block Grant Program, in essence that's
17 what we've done. We've created a fund that acts like
18 a CDBG fund for that specific community, so we're
19 investing it in infrastructure and renovations, in
20 housing programs, in the Lemay community, taking down
21 derelict structures, so we're going to talk just for
22 a minute here about how we've invested that money.

23 Three-fourths of our rent is going
24 directly into Lemay. The other fourth is available
25 for county-wide projects, and I'll talk a minute

1 about those. So you see a picture in the upper
2 right-hand corner. This was County Executive Dooley,
3 Sheila Sweeney; our first allocation of funds, 1.7
4 million, we announced last September was already
5 going back into the Lemay communities.

6 Now, we're not just taking investments
7 and making them in a willy-nilly fashion in the
8 community. We have an adopted comprehensive plan for
9 the Lemay community performed by our St. Louis
10 planning department with substantial input in public
11 presentations to the citizens and businesses in
12 Lemay, adopted by the St. Louis County council, so
13 we're making these investments in the community
14 according to this plan.

15 One of the things we started with was to
16 do research on what the branding and streetscape
17 should look like throughout the community. That is
18 currently underway. We should have that plan
19 completed within the next couple of months. It's
20 really to understand how we're going to identify the
21 Lemay community, how the Lemay community wants to be
22 identified, how we want to manage the promotion of
23 its assets to create further investment and growth
24 well beyond what Pinnacle has done.

25 One of the things we've done is to

1 purchase and tear down two derelict structures. One
2 of those was a four-family flat right at the
3 intersection of Ripka and Broadway, if you're
4 familiar with that in St. Louis. It's right at the
5 corner of Lemay Child and Family Center, which is a
6 wonderful institution in the Lemay community, and
7 it's at the major entrance into the Notre Dame Mother
8 House and Notre Dame High School, which is a private
9 Catholic girls' school. The school sisters of Notre
10 Dame just also made a decision to locate their
11 national headquarters at this mother house, and so
12 tearing down this four-family, which is right at the
13 intersection, was really important to clean up that
14 entranceway into that school and mother house.

15 The other project that we bought was an
16 old Lemay bank building right at the entranceway into
17 Lemay. It's coming out of the City of St. Louis
18 south. The old Lemay bank building was in the
19 floodplain. It was flooded in '93, never had a
20 productive reuse in there, but what we told the Lemay
21 community was when we -- when Pinnacle built the road
22 we had to take part of Lemay Park, and we said we'd
23 use some of the resources to add back to the park
24 when and if we had that opportunity.

25 Well, we bought the old bank building.

1 It's coming down, and that land will then be added
2 back to Lemay Park, so we'll wind up with actually a
3 net gain of green space and open space down there.

4 Now, I mentioned the \$1.7 million which
5 has been reinvested. The first -- to that went to
6 these four different groups in Lemay: The
7 Development Corporation, the Child and Family Center,
8 the housing partnership and the Lemay Baseball
9 Association. If you're familiar with Heine Meine
10 Field, it's an institution in all of the St. Louis
11 metropolitan area. A lot of the great baseball
12 players have come through there.

13 The other part of that 1.7 went to
14 Jefferson Barracks Investments, and I'll talk about
15 that in a minute, but we had -- we developed a
16 systematic approach towards allocation of resources,
17 a request for proposals. That goes out twice a year,
18 and we just had the first award, as I said, in
19 September. We're about to make the second round of
20 awards sometime this coming March, so next month.

21 Jefferson Barracks is a major
22 institution, obviously, in the Lemay community. The
23 national cemetery there to your left, the active
24 military installation, a lot of historic structures
25 in the middle, and a major county park, Jefferson

1 Barracks Park, on the right. So we're also making
2 investments in Jefferson Barracks, The Missouri Civil
3 War Museum to renovate historic buildings, The
4 Heritage Foundation, which is working to implement
5 another plan that we had done for the Jefferson
6 Barracks area, and also the Missouri Civil War
7 Heritage Foundation, so we're supporting the historic
8 renovation, the history of the neighborhood and the
9 tourist destinations in the community as well.

10 Now, how are we using that other
11 approximately million dollars in the community? One
12 of the biggest needs and opportunities we have is to
13 build off of the great science that's being created
14 in the community at the Dow Danforth Plant Science
15 Center, Monsanto, Pfizer, et cetera.

16 We know through working with the Plant
17 Life Sciences Coalition headed by Dr. Bill Danforth
18 that there are gaps in the infrastructure in the
19 community to really take advantage in a full-blown
20 way of the resources that we have here.

21 Some of those gaps relate to funding, so
22 what we did was, the St. Louis County port authority
23 which, again, is the recipient of the rental money,
24 has allocated \$500,000 a year for three years, for
25 1.5 million, to invest in very early-stage technology

1 commercialization, so as we have scientists at the
2 Danforth Center, laid-off scientists at Pfizer who
3 are looking to start their own companies, we're
4 making investments with some of the other
5 organizations in St. Louis in this space as well as
6 the Missouri Technology Corporation to help build up
7 these new start-up companies.

8 We're also providing financial support
9 for venture capital talent, and we've set up a loan
10 closing deal for these companies as well. Now,
11 St. Louis County, as part of its funding from River
12 City, set aside about \$500,000 a year and bonded it
13 to create a fund, a \$7 million fund, 5.1 of which is
14 used to purchase a building immediately behind the
15 Dow Danforth Plant Science Center as a space for this
16 technology commercialization so very early-stage
17 companies could have a place to go.

18 We're in the process of designing that
19 space. It should be reconstructed, remodeled and
20 open for business this fall. So we'll be able to
21 retain those entrepreneurs and help graduate
22 companies to some of the other premier facilities
23 that will be charging higher rents and nicer space
24 like Bridge Park, like the Center for Emerging
25 Technology and Cortex in the City of St. Louis.

1 In addition to there's -- that other
2 remaining \$1.9 million, that \$7 million bond issue is
3 going to the renovation of our existing entrepreneur
4 space, our enterprise centers. We have three of them
5 in St. Louis County. They have a very high success
6 rate of 80 percent. Sixty percent of our tenants are
7 women-, minority- and immigrant-owned companies, and
8 we're very proud of that, so the 1.9 million will go
9 to a refurbishment of those. One of those facilities
10 is in Lemay. The other two are in West County and in
11 North County.

12 So just in general, an update on other
13 plans: We're obviously increasing other local
14 economic development capacity through our
15 investments. We're developing that streetscape and
16 branding plan in Lemay. We're updating that
17 marketing study. We're taking care of some of the
18 derelict properties in the community and tearing them
19 down and adding to our open space, which adds to the
20 quality of life in Lemay, and we're also funding
21 capital improvements that implement both the Lemay
22 plan and the Jefferson Barracks master plan.

23 One other entity that we're working in
24 conjunction with, and which Pinnacle cooperated with
25 beautifully, is an organization called The Great

1 Rivers Greenway, which is putting together a trail
2 and bike path system around all the great rivers
3 through the St. Louis metropolitan area, both in
4 Missouri and Illinois.

5 Obviously wanted to come down River Des
6 Peres and make the turn and come down the Mississippi
7 River to connect up with the City of St. Louis and
8 other great plans taking it eventually all the way
9 down to the Meramec River.

10 This development of River City was right
11 at the critical corner, so Pinnacle agreed to allow
12 GRG, on their nickel, but to cooperate with extending
13 that bike and hiking trail along the river, and they
14 have done that -- it's completed -- and GRG is now
15 using a federal allocation to take up from the
16 southern tip of the River City property all the way
17 down into Jefferson Barracks Park, so eventually
18 we'll have a ring system around all our great rivers
19 that you can travel by foot, by bike, or any other
20 way you want to see all the great attractions that
21 our rivers provide, and Pinnacle was very
22 instrumental in helping that -- make that a reality.

23 In revenue sharing, which is one of the
24 other things you want to hear about from us,
25 obviously 75 percent, as I said, of the rental income

1 is going to Lemay. The County, of course, provides a
2 lot of services to our 91 municipalities, all county-
3 related services, as well as a lot of services to the
4 rest of unincorporated County.

5 There actually is as many people living
6 in unincorporated St. Louis County as live in the
7 City of St. Louis, so we provide a lot of services,
8 and that other revenue that's brought into the County
9 helps provide that. We are a AAA bond-rated county,
10 and this really helps us retain that rating.

11 Jack talked about the million dollars
12 that Pinnacle's providing to the City of St. Louis.
13 We actually needed also an intergovernmental
14 cooperation rate to build that road. The City, the
15 County, and our various other agencies along with MSD
16 needed to enter into a five-party agreement to build
17 that road, so it was a very collaborative type of
18 situation, and that road has really helped not only
19 the Lemay community, but also the Carondelet
20 neighborhood in the City of St. Louis, which is right
21 on the border, so it's been a great experience.

22 So again, from our perspective and on
23 behalf of St. Louis County Executive Charlie Dooley,
24 I just want to mention to you that we are
25 extraordinarily pleased with the relationship, and

1 I'm glad that after 21 years I can take it off of any
2 to-do list.

3 CHAIRMAN MATHEWSON: I bet you are.

4 MR. COLEMAN: Thank you very much.

5 CHAIRMAN MATHEWSON: Any questions?

6 I have one. Help my memory. When did we
7 pass the -- through the legislature the Brownfield
8 Project, because I think I carried that bill as part
9 of an economic development bill way back, you know?

10 What year was that? Do you have any idea
11 when we first started, then we -- we brought it
12 forward with a couple other pieces of legislation,
13 because for some goofy reason I always ended up in
14 the Senate carrying the economic development package,
15 which was usually 400 pages long, because everybody
16 wanted in on the act.

17 But that Brownfield -- when you're being
18 awarded, you know, that presentation in Washington,
19 that made me feel good, to be honest with you,
20 because I think I carried at least the original
21 version, and I think I carried a couple updates after
22 that, and I knew about as much about Brownfield --
23 I'm related to a guy by the name of Derry Brownfield
24 who runs MissouriNet, if any of you know who that
25 is.

1 COMMISSIONER MERRITT: I do.

2 CHAIRMAN MATHEWSON: Well, you would know
3 that, yes, Jack. Thank you. Committee of one.

4 At any rate, that was one of the things
5 that I think initiated the opportunity to help you in
6 your 21-year clean-up program, okay?

7 MR. COLEMAN: Yes, sir. I don't remember
8 the exact year either, but I can tell you that the
9 Brownfield Program --

10 CHAIRMAN MATHEWSON: I'm going to make a
11 guess. It was back in the middle eighties or late
12 eighties or something like that, because it was a
13 long time ago.

14 Any other questions?

15 (No response.)

16 CHAIRMAN MATHEWSON: Thank you, sir.

17 MR. COLEMAN: Thank you very much.

18 CHAIRMAN MATHEWSON: Nice presentation.

19 Thank you, sir, very much.

20 Jack?

21 MR. GODFREY: We'd like to thank Denny as
22 well in his counsel, and thank Mark Brady. They're
23 always available and always helpful so, Denny, thank
24 you very much for that presentation.

25 Mr. Chairman, Chris Plant has done some

1 calculations relative to your question --

2 CHAIRMAN MATHEWSON: Okay.

3 MR. GODFREY: -- on percentage of adjusted
4 gross revenue, and when you factor in rent, property
5 tax, admissions tax, and gaming tax, but excluding
6 the million dollars to the City, we come up with
7 37 percent of adjusted gross revenue that we pay --

8 CHAIRMAN MATHEWSON: 37 percent.

9 MR. GODFREY: Yes, for 2010, so that's a
10 substantial percentage. Obviously, the State and the
11 communities in which we participate are big winners,
12 and the more successful that we are --

13 CHAIRMAN MATHEWSON: Yeah, we were
14 talking --

15 MR. GODFREY: The more successful --

16 CHAIRMAN MATHEWSON: We were thinking 27,
17 28, weren't we, somewhere in that range?

18 COMMISSIONER SHULL: Yeah.

19 CHAIRMAN MATHEWSON: We were way off, you
20 know. That's good. What I wish you would do in that
21 regard, is at some time, you know, over the next
22 couple three weeks or whatever, month or whatever,
23 sometime, would you kind of make a flow chart or
24 something of that so that we can keep that, because
25 I'd like to get that into the record --

1 MR. GODFREY: Yes, sir.

2 CHAIRMAN MATHEWSON: -- because I think
3 people generally see Missouri as one of the lower tax
4 states as far as revenues coming from casinos, but
5 when you put it all together, which is what I asked
6 you to do, and it comes out 37 percent of your
7 adjusted gross, then we're certainly not at the
8 bottom, okay, of the ever how many, 42 states or
9 whatever there is, that now have commissions and
10 gaming.

11 MR. GODFREY: Well, let me say,
12 Mr. Chairman, and as general counsel of a
13 multijurisdictional gaming company, Missouri has a
14 rational tax structure, so when you have a rational
15 tax structure, you get facilities like Lumiere
16 Place. You get facilities like River City. You get
17 substantial facilities that can fuel growth and
18 expansion in the future, and it's a trade-off.

19 If you have an exorbitant tax rate, you
20 don't get those types of facilities, so that's one
21 reason that we like doing business in Missouri, a
22 rational tax structure, and you've seen the benefits
23 from our company.

24 CHAIRMAN MATHEWSON: Thank you. Thank
25 you. Well, if you can get that to Roger or Angie or

1 something so we can make a note of that or certainly
2 put that in the file --

3 MR. GODFREY: We will do that.

4 CHAIRMAN MATHEWSON: -- because I'd like
5 to come back on that, or some future commission would
6 have that available so we can look at that in case
7 that discussion would occur.

8 MR. GODFREY: We'll do so, Mr. Chairman.

9 I'd also be remiss if I didn't thank
10 Mr. Stottlemire and his Staff of the usual thorough
11 and professional job that they did on our renewal.
12 We're always very pleasantly surprised by just how
13 thorough and professional your staff is, Roger, and
14 we appreciate that very much. Obviously, if we can
15 do anything else to make your job easier, just let us
16 know.

17 DIRECTOR STOTTLEMYRE: Thank you.

18 MR. GODFREY: Well, Mr. Chairman, that
19 concludes our presentation. We'd request that after
20 you hear from Mr. Nathan that you favorably consider
21 our application for renewal.

22 CHAIRMAN MATHEWSON: Jack, this is off the
23 subject: Have you ever done anything with the old
24 President?

25 MR. GODFREY: Well, we sold the President.

1 CHAIRMAN MATHEWSON: Oh, you did?

2 MR. GODFREY: We did. We actually sold

3 the facility.

4 CHAIRMAN MATHEWSON: I won't worry about

5 that.

6 MR. GODFREY: We don't own it anymore.

7 COMMISSIONER JONES: They gutted it. They

8 started removing a lot of the equipment two days ago.

9 CHAIRMAN MATHEWSON: Okay.

10 COMMISSIONER JONES: It's south.

11 MR. GODFREY: It's part of our history.

12 COMMISSIONER JONES: Yeah.

13 CHAIRMAN MATHEWSON: Okay. Okay. That

14 was just being curious --

15 MR. GODFREY: Right. Understand it.

16 CHAIRMAN MATHEWSON: -- because it's been

17 six, eight months or something like that --

18 MR. GODFREY: Right.

19 CHAIRMAN MATHEWSON: -- so I was wondering

20 whatever happened to it. So it's basically not there

21 anymore.

22 MR. GODFREY: Well, I think it might still

23 physically be there, but we don't own it.

24 CHAIRMAN MATHEWSON: Good. Good. Hope

25 you made a nice sale.

1 MR. GODFREY: Okay. Thank you.

2 CHAIRMAN MATHEWSON: I guarantee you,
3 Jack, having dealt with you, sir, for now for 15, 16
4 months, whoever you dealt with, I bet you came out on
5 top.

6 MR. GODFREY: Thank you very much.

7 CHAIRMAN MATHEWSON: Thank you, sir.

8 Okay. That would be under --

9 DIRECTOR STOTTLEMYRE: Next item we have
10 would be public comment.

11 CHAIRMAN MATHEWSON: Would anyone like to
12 speak on the subject?

13 (No response.)

14 CHAIRMAN MATHEWSON: Going once. Going
15 twice.

16 DIRECTOR STOTTLEMYRE: Next would be
17 Corporal Mike Arand with his investigation.

18 CHAIRMAN MATHEWSON: Morning, sir.

19 MR. ARAND: Good morning. How are you,
20 Mr. Chairman? Commissioners?

21 CHAIRMAN MATHEWSON: Fine. Thank you.

22 MR. ARAND: An investigation was conducted
23 by the Missouri State Highway Patrol, the Jefferson
24 City background team, of PNK River City Casino
25 regarding renewal of their Class B riverboat gaming

1 license.

2 PNK River City is a Missouri limited
3 liability company and is a wholly-owned subsidiary of
4 Pinnacle Entertainment, Incorporated. Pinnacle
5 Entertainment is a publicly-traded company, and its
6 stock is traded on the New York Stock Exchange.

7 On February 24, 2010, pursuant to
8 Resolution No. 00-032, the MGC found River City
9 suitable to hold a Class B riverboat gaming license.
10 River City Casino is located on the Mississippi River
11 in South St. Louis County in Lemay, Missouri.

12 The gaming facility offers 55 table games
13 and approximately 2,000 electronic gaming devices.
14 The facility also offers a fine dining restaurant, a
15 buffet, a tavern-restaurant combination, a cafe and a
16 hamburger bar.

17 Criminal and financial background checks
18 were conducted on River City as well as the key and
19 level one personnel. No discrepancies or concerns
20 have been found.

21 St. Louis County officials were contacted
22 regarding any concerns they may have with the
23 operation of River City Casino. No issues, concerns,
24 or negative information was revealed. United States
25 Army Corps of Engineers, the Missouri Department of

1 Natural Resources, ABS Consulting, Incorporated, and
2 Lemay Fire District were also contacted regarding any
3 concerns with the River City Casino facility.

4 Some minor issues were noted with aspect
5 of the ABS annual survey, however, those issues have
6 been addressed by the River City staff and have since
7 been resolved. The results of this investigation
8 were provided to the Gaming Commission Staff for
9 their review, and you should possess a detailed
10 summary report before you.

11 If you don't have any questions, I'm
12 complete.

13 CHAIRMAN MATHEWSON: Any questions?

14 (No response.)

15 CHAIRMAN MATHEWSON: Thank you, sir.

16 COMMISSIONER SHULL: What was the
17 expiration --

18 CHAIRMAN MATHEWSON: No, go ahead.

19 COMMISSIONER SHULL: What is the
20 expiration of the license being granted?

21 CHAIRMAN MATHEWSON: When does the current
22 license expire?

23 MS. FRANKS: February 24.

24 CHAIRMAN MATHEWSON: Like tomorrow?

25 MS. FRANKS: So it's becoming effective

1 so --

2 COMMISSIONER SHULL: They extend it. How
3 long is it extended for?

4 MS. FRANKS: Another year.

5 COMMISSIONER SHULL: So the next time it's
6 looked at, we'll look at it with all of Pinnacle's
7 properties?

8 DIRECTOR STOTTLEMYRE: Yes.

9 COMMISSIONER SHULL: Okay. Thank you.

10 CHAIRMAN MATHEWSON: Any other questions?

11 (No response.)

12 CHAIRMAN MATHEWSON: Thanks. Thanks for a
13 thorough investigation. Thank you, sir.

14 John Nathan, did I see you back there
15 somewhere?

16 MR. NATHAN: Yes, sir.

17 CHAIRMAN MATHEWSON: Do you have any
18 comments, sir?

19 MR. NATHAN: Yes, sir.

20 CHAIRMAN MATHEWSON: All right. Why don't
21 you truck on up here. Did you have problems getting
22 in this morning?

23 MR. NATHAN: Oh, I just took it slow.

24 There was accidents all over the place over in
25 St. Louis.

1 CHAIRMAN MATHEWSON: That's what the
2 Commission said. Well, at your age, John, you need
3 to take it slow.

4 MR. NATHAN: I will heed that warning.

5 Good morning, Mr. Chairman. Good
6 morning, Mr. Chairman, and the rest of the
7 Commissioners.

8 As the compliance officer for MWBE, I
9 would like to just give some of the facts on River
10 City and then any questions you may have. In looking
11 at River City, they have the highest percentage
12 of vendors and supply spend for the year ending
13 December 31. They're at 39.09 percent -- of their
14 spend is in minority and women revenue.

15 The quarterly report: Every quarter they
16 submit to me or to the Missouri Gaming Commission a
17 quarterly report, and in that report I look at the
18 employee demographics, managers and directors
19 demographics, supply and vendor spend.

20 In looking at -- this is through December
21 31. Looking at the total number of employees for
22 River City, 39.93 percent are women, 33.46 percent
23 minorities, and then managers and directors, they
24 have 19 percent of all of their managers and
25 directors in that -- in those positions.

1 In looking at the vendor spend, vendor
2 and supply, through four quarters ending December 31,
3 they had 28.8 percent, 80 percent vendor spend, which
4 I mentioned before was number one in the percentage
5 of spend of all of the 12 casinos.

6 In looking at the 12 operating casinos in
7 the state of Missouri, only three have a numeric
8 goal, and River City is one of them as the County
9 counsel mentioned this morning.

10 Their construction percentage was 19
11 percent, and they've carried that over into the
12 vendor and supply, and that is still the 19 percent
13 goal that they had. They are one of three casinos
14 that have a numerical goal.

15 Inasmuch as that all of the rest of the
16 casinos have a best effort, we are having all of the
17 compliance officers from all 12 of the casinos come
18 in here to Jefferson City next week, on the 2nd of
19 March, to try to get some input on best effort. It
20 could be a slippery slope trying to gauge the
21 performance of best efforts, and we wanted to try to
22 gather and garner as much as we can to make it
23 uniformly pliable and get their input, all of the
24 compliance officers there, that was designated by the
25 general managers of each of the casinos coming in

1 here to Jefferson City next week.

2 And under Bill Seibert and Rick Wilhoit and
3 myself, we'll be trying to get together as much as we
4 can to put a handle on what best efforts are so we
5 can move forward to make sure we get the maximum
6 efforts out of the MWBE.

7 The River City Compliance Dept. has been very
8 cooperative. Anything I've gone back to ask, most
9 certainly they have supplied to me. I make visits
10 three times a year to each of the casinos, which
11 are -- in attendance would be the general manager,
12 usually HR, and the compliance officers, and at that
13 time I take all the reports that have been supplied
14 to me and try to do an analysis and ask for any
15 explanations of variance or any spikes, either up or
16 down, or any variance for those reports. I'll be
17 making my rounds again in April of all of the casinos
18 as well as River City.

19 At this time if you have any questions,
20 I'll be glad to entertain them at this time.

21 CHAIRMAN MATHEWSON: Thank you, John.
22 Any -- yes, Commissioner, did you have --

23 COMMISSIONER JONES: I have a question.
24 Mr. Felter, this comes under your responsibility, and
25 I just want to commend you for the effort of setting

1 that goal and setting the standard for the rest of
2 the casinos, so thank you, sir. Appreciate it. I
3 mean, now that you're the regional guy, I guess you
4 got that promotion now, so, hey, you're the big
5 cheese.

6 MR. FELTER: Thank you very much. Thank
7 you.

8 CHAIRMAN MATHEWSON: Thank you, sir.

9 MR. NATHAN: All right.

10 CHAIRMAN MATHEWSON: Thank you, John.

11 MR. NATHAN: Sure.

12 CHAIRMAN MATHEWSON: Good to see you, sir.

13 MR. NATHAN: It's good to be seen.

14 CHAIRMAN MATHEWSON: Again, at your age, I
15 bet it is. Bless your heart.

16 Roger. Roger.

17 DIRECTOR STOTTLEMYRE: Sir, at this time
18 the Staff would recommend approval of Resolution
19 No. 11-006.

20 CHAIRMAN MATHEWSON: Any questions of
21 Roger or anybody on the Staff by any of the
22 Commissioners?

23 (No response.)

24 CHAIRMAN MATHEWSON: Seeing none, the
25 Chair would accept a motion on Resolution No. 11-006.

1 COMMISSIONER JONES: So moved.

2 COMMISSIONER SHULL: Second.

3 CHAIRMAN MATHEWSON: Any discussion?

4 (No response.)

5 CHAIRMAN MATHEWSON: Call role, Angie,
6 please.

7 MS. FRANKS: Commissioner Merritt.

8 COMMISSIONER MERRITT: Approved.

9 MS. FRANKS: Commissioner Jones.

10 COMMISSIONER JONES: Approved.

11 MS. FRANKS: Commissioner Shull.

12 COMMISSIONER SHULL: Approved.

13 MS. FRANKS: Chairman Mathewson.

14 CHAIRMAN MATHEWSON: Approved.

15 MS. FRANKS: By your vote you've adopted
16 Resolution No. 11-006.

17 CHAIRMAN MATHEWSON: Jack, let me just
18 say, you know, that was a good presentation. I mean,
19 that's -- you know, that's good stuff. It's amazing
20 how much better your presentation can be when you've
21 got good stuff, isn't it?

22 MR. GODFREY: Yes, sir. Thank you very
23 much.

24 CHAIRMAN MATHEWSON: Okay. Good to have
25 all of you here. Thank you. Please be safe going

1 back. Thank you, sir.

2 What are you doing?

3 MR. HAMILTON: I'm next.

4 CHAIRMAN MATHEWSON: You're next.

5 MR. HAMILTON: I won't be as good as them
6 though.

7 CHAIRMAN MATHEWSON: Mr. Director.

8 DIRECTOR STOTTLEMYRE: Mr. Chairman, Item
9 IV on the agenda is consideration of relicensure of
10 certain suppliers, and Sergeant George Hamilton will
11 present.

12 CHAIRMAN MATHEWSON: Sergeant.

13 MR. HAMILTON: Good morning, Mr. Chairman
14 and Commissioners.

15 COMMISSIONER JONES: Good morning.

16 MR. HAMILTON: Missouri State Highway
17 Patrol Investigators conducted the relicensing
18 investigation of one supplier company currently
19 licensed in Missouri. This investigation consisted
20 of jurisdictional inquiries, feedback from affected
21 gaming clients, a review of disciplinary actions,
22 litigation and business credit profiles, as well as a
23 review of the key persons associated with the
24 company.

25 The results of this investigation were

1 provided to the MGC Staff for their review, and you
2 possess a comprehensive summary report before you
3 which outlines our investigative findings. The
4 following supplier company is being presented for
5 your consideration: GEMACO, Incorporated, of Blue
6 Springs, Missouri.

7 CHAIRMAN MATHEWSON: Any questions?

8 (No response.)

9 CHAIRMAN MATHEWSON: I guess we need to
10 take these one at a time, don't we, Angie, probably?

11 MS. FRANKS: (Nodded.)

12 CHAIRMAN MATHEWSON: Any questions of
13 Sergeant on this?

14 (No response.)

15 CHAIRMAN MATHEWSON: Chair would accept
16 the motion on the adoption of Resolution No. 11-007.

17 COMMISSIONER SHULL: So moved.

18 COMMISSIONER MERRITT: Second.

19 CHAIRMAN MATHEWSON: A motion and a
20 second. Any discussion?

21 (No response.)

22 CHAIRMAN MATHEWSON: Call role, Angie,
23 please.

24 MS. FRANKS: Commissioner Merritt.

25 COMMISSIONER MERRITT: Approved.

1 MS. FRANKS: Commissioner Jones.

2 COMMISSIONER JONES: Approved.

3 MS. FRANKS: Commissioner Shull.

4 COMMISSIONER SHULL: Approved.

5 MS. FRANKS: Chairman Mathewson.

6 CHAIRMAN MATHEWSON: Approved.

7 MS. FRANKS: By your vote you've adopted
8 Resolution No. 11-007.

9 CHAIRMAN MATHEWSON: Sergeant.

10 DIRECTOR STOTTLEMYRE: The next item on
11 the agenda is consideration of licensure of Level I/
12 Key Applicants.

13 MR. HAMILTON: Missouri State Highway
14 Patrol investigators, along with Missouri Gaming
15 Commission financial investigators, conducted a
16 comprehensive background investigation of one level
17 applicant -- Level I applicant.

18 The investigation included, but was not
19 limited to, criminal and general character inquiries
20 which were made in the jurisdictions where the
21 applicant lived, worked, and frequented.

22 The following individual is being
23 presented for your consideration: Brian Matthews,
24 director of casino operations at Lumiere Place Casino
25 in St. Louis. The results of this investigation were

1 provided to the Gaming Commission staff for their
2 review, and you possess a comprehensive summary of
3 that report before you.

4 CHAIRMAN MATHEWSON: Any questions?

5 (No response.)

6 CHAIRMAN MATHEWSON: Seeing none, Chair
7 would accept a motion on Resolution 11-008.

8 COMMISSIONER MERRITT: So moved.

9 COMMISSIONER JONES: Second.

10 CHAIRMAN MATHEWSON: Any discussion?

11 (No response.)

12 CHAIRMAN MATHEWSON: Call role, Angie,
13 please.

14 MS. FRANKS: Commissioner Merritt.

15 COMMISSIONER MERRITT: Approved.

16 MS. FRANKS: Commissioner Jones.

17 COMMISSIONER JONES: Approved.

18 MS. FRANKS: Commissioner Shull.

19 COMMISSIONER SHULL: Approved.

20 MS. FRANKS: Chairman Mathewson.

21 CHAIRMAN MATHEWSON: Approved.

22 MS. FRANKS: By your vote you've adopted
23 Resolution No. 11-008.

24 CHAIRMAN MATHEWSON: Mr. Director.

25 DIRECTOR STOTTLEMYRE: The next item on

1 the agenda is consideration of disciplinary action,
2 and Mr. Mike Bradley will present.

3 MR. BRADLEY: Morning, Mr. Chairman,
4 members of the Commission. We have one proposed
5 disciplinary action for you this morning. This one
6 is against Casino One Corporation, Lumiere Place, in
7 downtown St. Louis, the Pinnacle property down there.

8 The proposed discipline on this one comes
9 from a violation of the minimal internal control
10 standards. The minimum internal control standards
11 are commonly called "the mix," and they set out who
12 is authorized to have access to keys, and keys are
13 very important in that the keys can get into certain
14 things and, obviously, you want to restrict who can
15 have keys.

16 The 2009 audit found that the Pinnacle
17 property in downtown had six individuals who had
18 access to automated key systems who were not entitled
19 to have access to the automated key systems. In June
20 of 2010, as part of the routine audit, that audit in
21 2010 revealed that the same six people who had access
22 in 2009 still had access in 2010, so the problem that
23 was discovered in violation of the mix in 2009 was
24 not corrected by 2010. Based on this, we're
25 proposing discipline, and we're proposing a

1 recommended fine of \$10,000.

2 CHAIRMAN MATHEWSON: Were the same
3 employees the same six --

4 MR. BRADLEY: Same.

5 CHAIRMAN MATHEWSON: -- still there --

6 MR. BRADLEY: Yes.

7 CHAIRMAN MATHEWSON: -- or were some of
8 them even gone?

9 MR. BRADLEY: No, the same six were still
10 there, and they weren't entitled to have the access
11 to the keys at all, and they did in 2009, and it was
12 pointed out to them that those six should not have
13 access to the keys. 2010, when they came back, they
14 hadn't corrected the problem. They still had access
15 to the keys.

16 CHAIRMAN MATHEWSON: You know, seems like
17 that comes up on a regular basis. For some reason
18 that -- that just seems so basic to me. You know,
19 we've talked about that.

20 MR. BRADLEY: Yeah. In fairness, a lot of
21 the audit issues don't end up at discipline. They're
22 listed at audit issues and expected to be corrected.

23 CHAIRMAN MATHEWSON: Yeah. Yeah.

24 MR. BRADLEY: But when they're not
25 corrected, they tend to percolate up to a

1 discipline on it.

2 CHAIRMAN MATHEWSON: Yeah. No, I don't
3 have a problem with the disciplinary side of it. It
4 just seems to me like that's pretty basic that -- and
5 we've looked at those. In fact, when our tour of
6 Kansas City last month -- you know, there was a huge
7 box there on the wall that had all those keys in it,
8 you know?

9 MR. BRADLEY: Right.

10 CHAIRMAN MATHEWSON: And you'd just think
11 that from a security standpoint somebody would pay
12 attention to that.

13 MR. BRADLEY: Right.

14 CHAIRMAN MATHEWSON: You know, I mean, I
15 would every time I'd walk by it. What's that doing
16 open, you know? Whatever.

17 COMMISSIONER JONES: Mr. Chairman, I just
18 have an issue with the director of security's
19 statement in that he said it was an oversight on
20 their part due to some changes in staffing, but if
21 you have the same six, it seems like there was no
22 change in the staff.

23 MR. BRADLEY: Well, I mean, they had
24 change in staffing, but not in those six.

25 CHAIRMAN MATHEWSON: Oh, of those six.

1 Oh. Okay. I see what you mean.

2 MR. BRADLEY: Right, Cheryl?

3 MS. ALONZO: Yeah.

4 MR. BRADLEY: An audit's always deferred
5 to Cheryl.

6 CHAIRMAN MATHEWSON: Yeah.

7 MS. ALONZO: Cheryl Alonzo, director of
8 compliance audit. In this case I think they had some
9 supervisors in the security department who were in
10 charge of the key box, and that, I guess, maybe he
11 thought they were going to make the corrections and
12 some staffing changes, so he was saying the people
13 who were responsible for the box, it fell through the
14 cracks because of some changes in who was taking care
15 of that or who had access to the box, not the actual
16 employees who were getting the keys. They didn't get
17 the keys, but had access to get keys.

18 COMMISSIONER SHULL: Was he ultimately
19 responsible?

20 MS. ALONZO: Yeah, he was at the audit
21 exit when the issue was brought, and then he was
22 still the manager when we came into our follow-up
23 inspection.

24 COMMISSIONER SHULL: So he was not
25 following up, then, to see that compliance had been

1 achieved.

2 MS. ALONZO: Yeah, he's no longer with the
3 company.

4 CHAIRMAN MATHEWSON: Oh.

5 COMMISSIONER MERRITT: It certainly
6 appears this would be to their advantage to get these
7 things corrected.

8 CHAIRMAN MATHEWSON: Well, you know,
9 that's what I keep thinking, Jack, every time we see
10 one of these. I mean, that's just -- I can't
11 imagine. I mean, that's about the biggest offense
12 they could do, I mean, is leave -- without control
13 over those keys.

14 MR. BRADLEY: Right. Right.

15 CHAIRMAN MATHEWSON: I mean, that takes --
16 that's everything.

17 MR. BRADLEY: Oh, yeah.

18 CHAIRMAN MATHEWSON: You know, give me one
19 of those keys. I bet I can hit a slot, or maybe I
20 can't, you know.

21 Okay. Any other questions?

22 (No response.)

23 CHAIRMAN MATHEWSON: Okay, Mr. Mike. So
24 we have DC-11-048, disciplinary action. Chair would
25 accept a motion.

1 COMMISSIONER MERRITT: So moved.

2 COMMISSIONER JONES: Second.

3 CHAIRMAN MATHEWSON: Any discussion?

4 (No response.)

5 CHAIRMAN MATHEWSON: Call role, Angie,
6 please.

7 MS. FRANKS: Commissioner Merritt.

8 COMMISSIONER MERRITT: Approved.

9 MS. FRANKS: Commissioner Jones.

10 COMMISSIONER JONES: Approved.

11 MS. FRANKS: Commissioner Shull.

12 COMMISSIONER SHULL: Approved.

13 MS. FRANKS: Chairman Mathewson.

14 CHAIRMAN MATHEWSON: Approved.

15 MS. FRANKS: By your vote you've adopted
16 DC-11-048.

17 DIRECTOR STOTTLEMYRE: Mr. Chairman, Item
18 VII is consideration of waiver of institutional
19 investors, and Mr. Clarence Greeno will present.

20 CHAIRMAN MATHEWSON: Mr. Clarence.

21 MR. GREENO: Good morning, Mr. Chairman,
22 Commissioners. Behind Tabs G and H are two
23 resolutions regarding waiver of licensure for
24 institutional investors holding and/or requesting to
25 hold publicly-traded interest, up to 20 percent, in

1 Isle of Capri Casinos, Incorporated.

2 Each investor has submitted a request for
3 waiver to hold interest in Isle of Capri in
4 compliance with 11 CSR 45-4.020. The submitted
5 waivers certify all holdings are for institutional
6 investment purposes only, with no intent to be
7 involved in the management or operation of the
8 licensees.

9 Because the holdings may exceed the
10 10 percent threshold for which the executive director
11 may grant waiver, these resolutions are before the
12 Commission today.

13 The first resolution, No. 11-009, is for
14 B.I. Isle Partnership, L.P. The second resolution,
15 No. 11-010, is for Goldstein Group, Incorporated.
16 Both of these entities are presently key business
17 entity licensees. Due to the consolidation of their
18 holdings into a new entity, GFIL Holdings, LLC, which
19 was licensed at the December 1, 2010 Commissioner
20 meeting, these two entities seek to have licensure
21 waived as institutional investors.

22 I'd be happy to answer any questions.

23 CHAIRMAN MATHEWSON: Any questions of
24 Clarence?

25 (No response.)

1 CHAIRMAN MATHEWSON: Okay.

2 COMMISSIONER SHULL: I'd move approval of

3 Commission Resolution 11-009 -- can we do 10 at the

4 same time?

5 DIRECTOR STOTTLEMYRE: I believe so.

6 COMMISSIONER SHULL: -- and Commission

7 Resolution No. 11-010.

8 CHAIRMAN MATHEWSON: Any discussion?

9 (No response.)

10 CHAIRMAN MATHEWSON: Give me a second,

11 please.

12 COMMISSIONER JONES: Second.

13 CHAIRMAN MATHEWSON: Call role, Angie,

14 please.

15 MS. FRANKS: Commissioner Merritt.

16 COMMISSIONER MERRITT: Approved.

17 MS. FRANKS: Commissioner Jones.

18 COMMISSIONER JONES: Approved.

19 MS. FRANKS: Commissioner Shull.

20 COMMISSIONER SHULL: Approved.

21 MS. FRANKS: Chairman Mathewson.

22 CHAIRMAN MATHEWSON: Approved.

23 MS. FRANKS: By your vote you've adopted

24 Resolution Nos. 11-009 and 11-010.

25 CHAIRMAN MATHEWSON: Roger.

1 DIRECTOR STOTTLEMYRE: Next item on the
2 agenda is consideration of proposed rulemaking.

3 MR. GREENO: Mr. Chairman and
4 Commissioners, behind Tab I are proposed amendments
5 to 11 CSR 45-4.030 and 11 CSR 45-10.020 regarding an
6 applicant's and licensee's obligation to notify the
7 Commission of any changes to their application for
8 licensure.

9 Both rules, as presently written, apply
10 to both applicants and licensees and contain
11 conflicting time frames within which changes must be
12 reported to the Commission. 11 CSR 45.030 entitled,
13 Application for Class A or Class B License, should
14 refer only to such application, and the proposed
15 amendment clarifies the obligation to keep the
16 application updated within ten calendar days,
17 continues throughout any period during which the
18 application is being considered.

19 11 CSR 45-10.020 entitled, Licensee's and
20 Applicant's Duty to Disclose Changes in Information
21 is being amended to clarify specifically the time
22 frames within which an applicant and a licensee must
23 disclose in writing any changes to information
24 provided in their applications. The proposed
25 amendments remove the conflicting language and bring

1 the rules into agreement.

2 I would be happy to answer any questions
3 relative to the proposed amendments.

4 CHAIRMAN MATHEWSON: Both of those cases,
5 Clarence, what we've had was, because of overaction
6 we've taken we caused a conflict in what that rule
7 said.

8 MR. GREENO: Well, yes, sir. One rule
9 under 020 refers specifically to Class A and B
10 licensed applicants.

11 CHAIRMAN HereMATHEWSON: Both, yeah.

12 MR. GREENO: And then in 10.020, that
13 applies specifically to licensees and them keeping
14 their applications updated. So on one hand -- on one
15 hand in 4.020, it should just apply to Class A and B
16 applicants while that application is being
17 considered, and then once they become a licensee, it
18 falls under 10.020.

19 CHAIRMAN MATHEWSON: Just out of
20 curiosity, Clarence, do you or someone review those
21 statutes, those sections, on a timely basis, or do
22 you just stumble onto them or --

23 MR. GREENO: Yes, sir.

24 CHAIRMAN MATHEWSON: I'm not trying to be
25 funny.

1 DIRECTOR STOTTLEMYRE: Both.

2 COMMISSIONER SHULL: Both.

3 CHAIRMAN MATHEWSON: Mostly because
4 someone says, Wait a minute. If we do this, we just
5 did this, or we undid this.

6 MR. GREENO: Exactly.

7 CHAIRMAN MATHEWSON: Which is exactly what
8 happened at the Missouri General Assembly. We always
9 spent more time correcting something we screwed up
10 than we ever did passing anything. I mean --

11 MR. GREENO: I think that's often the
12 case, Mr. Chairman.

13 CHAIRMAN MATHEWSON: Okay. Yeah, you run
14 into it --

15 MR. GREENO: We have some of them that do
16 it precisely and asks us the question.

17 CHAIRMAN MATHEWSON: Yeah. Okay.

18 MR. GREENO: And we say, Yeah, there is a
19 conflict there.

20 COMMISSIONER MERRITT: Isn't that why we
21 have the premiere legal counsel that we have?

22 COMMISSIONER JONES: And Mr. Greeno, I
23 thought you were saying that's what we have in the
24 case of the legislature always screwing up things.
25 And I saw Cheryl nodding her head saying, yeah,

1 that's it.

2 CHAIRMAN MATHEWSON: Did he say that? Is
3 that on the record?

4 COMMISSIONER JONES: Okay.

5 CHAIRMAN MATHEWSON: Any other questions
6 or comments unrelated to my former career?

7 Chair would accept the motion. I think
8 we can do both of those things together.

9 DIRECTOR STOTTLEMYRE: Yeah.

10 CHAIRMAN MATHEWSON: Chair would accept
11 the motion on 030 and 020.

12 COMMISSIONER JONES: So moved.

13 COMMISSIONER SHULL: Second.

14 CHAIRMAN MATHEWSON: Any discussion?

15 (No response.)

16 CHAIRMAN MATHEWSON: Call role, Angie,
17 please.

18 MS. FRANKS: Commissioner Merritt.

19 COMMISSIONER MERRITT: Approved.

20 MS. FRANKS: Commissioner Jones.

21 COMMISSIONER JONES: Approved.

22 MS. FRANKS: Commissioner Shull.

23 COMMISSIONER SHULL: Approved.

24 MS. FRANKS: Chairman Mathewson.

25 CHAIRMAN MATHEWSON: Approved.

1 MS. FRANKS: By your vote you've adopted
2 Proposed Amendments 11 CSR 45.030 and 11 CSR
3 45.10.020.

4 DIRECTOR STOTTLEMYRE: Under J we will
5 have the orders of rulemaking, and Terry Hutchison
6 will present.

7 MS. HUTCHISON: Good morning,
8 Mr. Chairman, Commissioners.

9 Behind Tab J are seven final orders of
10 rulemaking to Title 11, Division 45, Chapters 5, 7
11 and 9 of the Code of State Regulation. The written
12 comments received, along with the Staff's responses,
13 are summarized in the information you have been
14 provided.

15 A public hearing was held on January 5,
16 2011, at which individuals and groups were provided
17 the opportunity to express their agreement with or
18 concerns about the proposed rules as written. No
19 comments were made at the hearing. These rules will
20 become effective June 30th of 2011.

21 CHAIRMAN MATHEWSON: Nice to have you
22 before us, lady. You haven't been up here for a
23 while, you know. I don't know where you've been when
24 we've had these meetings.

25 Okay. Any discussion? Questions?

1 (No response.)

2 CHAIRMAN MATHEWSON: Chair would accept
3 the motion. I think we can take all of those in one
4 shot, don't you?

5 MS. FRANKS: Sure.

6 CHAIRMAN MATHEWSON: Okay. A motion on
7 all seven would be in order. I'm not hearing one.

8 COMMISSIONER JONES: Move to accept 11 CSR
9 45-5.130, 45-7.070, 45-9.102, 45-9.105, 45-9.119,
10 45-9.121, and 45-9.122.

11 COMMISSIONER SHULL: Second.

12 CHAIRMAN MATHEWSON: Outstanding motion,
13 Commissioners. Any discussion?

14 (No response.)

15 CHAIRMAN MATHEWSON: Call role, Angie,
16 please.

17 MS. FRANKS: Commissioner Merritt.

18 COMMISSIONER MERRITT: Approved.

19 MS. FRANKS: Commissioner Jones.

20 COMMISSIONER JONES: Approved.

21 MS. FRANKS: Commissioner Shull.

22 COMMISSIONER SHULL: Approved.

23 MS. FRANKS: Chairman, Mathewson.

24 CHAIRMAN MATHEWSON: Approved.

25 MS. FRANKS: By your vote you've adopted

1 the final orders of rulemaking, 11 CSR 45-5.130,
2 7.070, 9.102, 9.105, 9.119, 9.121 and 9.122.

3 CHAIRMAN MATHEWSON: Roger, is the Cape
4 presentation going to take a few minutes? If it is,
5 I'd like to take a five-minute break. I've had too
6 much coffee this morning.

7 DIRECTOR STOTTLEMYRE: That'd be fine. We
8 can take a five-minute break.

9 CHAIRMAN MATHEWSON: Let's take a five-
10 minute break and we'll come back.

11 (A recess was taken.)

12 DIRECTOR STOTTLEMYRE: At this time we'll
13 get started up again.

14 We do have a presentation by IOC Cape
15 Girardeau, and Mr. Tom Campbell will present, if we
16 can get him up the aisle.

17 CHAIRMAN MATHEWSON: Yeah, he's kind of
18 gimpy.

19 Go ahead.

20 MR. CAMPBELL: Good morning, Mr. Chairman
21 and Commissioners, Director Stottlemire. My name is
22 Tom Campbell. I'm a partner with the St. Louis law
23 firm of Gallop, Johnson, and Neuman that serves as
24 regulatory counsel for the Isle of Capri Casinos and
25 its subsidiaries and Class B licensees in Missouri.

1 I want to advise you that Mr. Meister and
2 Mr. Keller had planned on being here. Mr. Meister is
3 out of the country, and Mr. Keller had to deal with a
4 personal health issue today, so they asked me to
5 provide you with an overview with the progress that's
6 being made in Cape Girardeau in conjunction with the
7 project for a casino there.

8 To refresh your memory, this site of the
9 development consists of 60 properties, 6-0. This was
10 probably the largest number of single properties that
11 had to be acquired and dealt with for any project the
12 Isle has ever undertaken.

13 So there were 60 properties. Of those,
14 55 were private; 5 were public, city-owned
15 properties. There is some discrepancy because there
16 are multiple parcels on properties, so of those 60
17 properties, 41 had improvements, some sort of
18 structure on the property, which had -- is in the
19 process of being demolished, and then 23 were without
20 improvements.

21 Approximately half of the properties were
22 where the closing took place after the first of the
23 year, and right now the Isle is in the process of
24 demolishing the improvements on those properties, and
25 this actually has had, I think, somewhat of an

1 unexpected benefit for the City of Cape Girardeau.

2 The fire department has now the ability
3 to run mock fires, not so much mock -- they are
4 fires -- but training exercises for their personnel
5 to get them realtime experience, real life experience
6 in putting out fires. In fact, last Friday the fire
7 department conducted a public demonstration. They
8 went into one structure and placed a sprinkler system
9 in and left the other structure as it was to
10 demonstrate the effectiveness of a sprinkler system
11 during a fire, so this had some very, like I said,
12 unexpected benefits for the City fire department in
13 their training.

14 The demolition is underway. There are
15 ten structures which have been demolished. The rest
16 should be demolished, hopefully, by the end of
17 March. The construction is in three phases. The
18 first phase, the Main Street location -- relocation,
19 rather -- the bid package is on the street. An award
20 is expected late March, early April, and completion
21 by November.

22 The approvals which were required by the
23 City of Cape Girardeau in order to do some of the
24 things in terms of site preparation have been
25 accomplished with one exception: The plan

1 development district was approved by the City of Cape
2 Girardeau City Council, and the final development
3 plan was approved by the city counsel.

4 Yet to be approved is a vacation
5 ordinance for some of the streets. Last Friday there
6 was a hearing in this room regarding the approval of
7 site plan design as well as the waiver on the cruise
8 requirement. Testimony was taken. Mr. Bradley was
9 the hearing officer, and I believe he's going to
10 prepare a report and perhaps present that at a
11 forthcoming Commission meeting. And that is, as you
12 may know, Commissioners, a statutory requirement for
13 any construction.

14 The community outreach has continued on
15 behalf of the Isle of Capri. They are still
16 attending dinners, luncheons, that sort of thing,
17 telling people about the project, the progress that's
18 being made and what it will bring to the City of Cape
19 Girardeau and the region.

20 There was a website that was launched
21 during the election to make citizens aware of the
22 project. That has been relaunched and is now
23 providing information to citizens of Cape Girardeau
24 on the progress of the construction.

25 CHAIRMAN MATHEWSON: I see where you had

1 to -- actually did look at this (indicated) for the
2 ones you're tearing down and so forth -- I guess
3 Angie sent this over to us -- where you had the
4 one -- was there just one Habitat for Humanity home
5 that you had to buy and move -- or not move, but buy
6 a new place for them?

7 MR. CAMPBELL: That was my understanding.
8 There was some discussions about physically moving
9 the structure. That became problematic and virtually
10 impossible due to a number of logistic issues. A new
11 home was constructed very close to the existing
12 structure for the family. It is identical to the
13 structure they lived in.

14 The Isle allowed Habitat to go in and
15 basically remove everything that could be removed
16 from the home for purposes of using it at another of
17 their projects, and there was a \$50,000
18 contribution. The Habitat for Humanity organization
19 is very pleased with the Isle of Capri and the
20 cooperation and benefits they received.

21 CHAIRMAN MATHEWSON: It may be here and
22 I'm missing it, Tom, but is the -- get me up to
23 speed, please, on the cost. You say there was a
24 total of 60 properties. Is that -- is Isle paying
25 for all this, including the demolition, or how --

1 MR. CAMPBELL: Absolutely. Yes.

2 CHAIRMAN MATHEWSON: They're doing all of
3 that. So the City, basically, is a partner in that
4 they are approving these different sites for
5 demolition, or whatever, to -- so I see where the
6 city council has passed an ordinance on -- I don't
7 know when -- sometime that -- I think it was in
8 February, I believe, here, or maybe it was in
9 January -- to go ahead and do this whole site, I
10 think. Did I read that correctly?

11 MR. CAMPBELL: Yes, sir. What was
12 required was to create a plan development district --

13 CHAIRMAN MATHEWSON: Okay. Okay. I got
14 you.

15 MR. CAMPBELL: -- encompassing the area
16 that the project will be opening --

17 CHAIRMAN MATHEWSON: Sure.

18 MR. CAMPBELL: -- so that was approved by
19 the city council.

20 CHAIRMAN MATHEWSON: What's the estimated
21 cost to the isle on all of this to get this cleared
22 so they can start construction? What's the estimated
23 cost? Do you know?

24 MR. CAMPBELL: I'm sorry. I don't have
25 that readily available.

1 CHAIRMAN MATHEWSON: Roger, do you know?

2 I mean, has that been --

3 DIRECTOR STOTTLEMYRE: We don't have that
4 information yet. I would guess that by the next
5 meeting we could probably have that information.

6 CHAIRMAN MATHEWSON: Okay.

7 MR. CAMPBELL: Quite frankly, with the
8 majority of structures still to come down, if I had a
9 number in front of me, it would be an estimate of
10 what those costs would be, so at the -- with final
11 demolition of all the structures anticipated by the
12 end of March, I would -- you know, by the April
13 meeting should be able to give a very precise figure
14 on the cost incurred.

15 CHAIRMAN MATHEWSON: And are we -- I
16 direct this at whoever, okay? Is there a good
17 cooperative spirit here between everyone concerned
18 that -- you know, I mean, that's a pretty good piece
19 of property -- good-sized piece of property, you
20 know.

21 I mean, is there a cooperative effort
22 there between all the political subdivisions and Isle
23 and us -- that's going well -- or is there hang-ups
24 or whatever?

25 DIRECTOR STOTTLEMYRE: I can say on our

1 part and in talking with Mayor Rediger and with the
2 Isle folks that it has been a very cooperative effort
3 on everybody's part up to this point in time.

4 MR. CAMPBELL: Across the board, and
5 really even after the election, you know, individuals
6 that had some concerns about the project, you know,
7 apparently have realized that there is some benefit
8 and there's been no significant -- or there's been no
9 discussion or protest or concerns expressed about the
10 project. It's really been embraced by the community
11 and the leaders of the community, both business as
12 well as political.

13 CHAIRMAN MATHEWSON: Any questions of Tom?

14 (No response.)

15 CHAIRMAN MATHEWSON: Okay. Does that
16 complete your comments?

17 MR. CAMPBELL: Yes, sir.

18 CHAIRMAN MATHEWSON: Roger.

19 DIRECTOR STOTTLEMYRE: Rather than say we
20 have no new business, I will say that we have
21 conducted all new business that we had on the agenda
22 this morning.

23 CHAIRMAN MATHEWSON: Based on my comment
24 last time, what the hell have you-all been doing?

25 Okay. Well, you covered that, Roger.

1 That's old highway patrol training. Okay.

2 DIRECTOR STOTTLEMYRE: So unless the
3 Commission has any new business, the Staff does not.

4 CHAIRMAN MATHEWSON: Okay. Anybody on the
5 Commission have any thoughts of new business?

6 (No response.)

7 DIRECTOR STOTTLEMYRE: Next item would be
8 old business, and we have nothing for old business at
9 this time unless the Commission does.

10 CHAIRMAN MATHEWSON: Okay. Anyone have
11 anything?

12 (No response.)

13 DIRECTOR STOTTLEMYRE: At this time we
14 would take a motion to go into closed.

15 CHAIRMAN MATHEWSON: Okay. Chair would
16 accept the motion under Sections -- as you can read.

17 COMMISSIONER MERRITT: I make a motion
18 that under Section 313.847, 610.021, paragraph 1, 11,
19 and 14 we move to closed session.

20 COMMISSIONER JONES: Second.

21 CHAIRMAN MATHEWSON: Call role, Angie,
22 please.

23 MS. FRANKS: Commissioner Merritt.

24 COMMISSIONER MERRITT: Approved.

25 MS. FRANKS: Commissioner Jones.

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COMMISSIONER JONES: Approved.

MS. FRANKS: Commissioner Shull.

COMMISSIONER SHULL: Approved.

MS. FRANKS: Chairman Mathewson.

CHAIRMAN MATHEWSON: Approved.

(Public session concluded.

Missouri Gaming Commission

went into closed session.)

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CERTIFICATE

I, Nancy L. Silva, RPR, a Certified Court Reporter, CCR No. 890, the officer before whom the foregoing hearing was taken, do hereby certify that the witness whose testimony appears in the foregoing hearing was Dooley sworn; that the testimony of said witness was taken by me to the best of my ability and thereafter reduced to typewriting under my direction; that I am neither counsel for, related to, nor employed by any of the parties to the action in which this hearing was taken, and further, that I am not a relative or employee of any attorney or counsel employed by the parties thereto, nor financially or otherwise interested in the outcome of the action.

Nancy L. Silva, RPR, CCR

MISSOURI GAMING COMMISSION
Open Session Minutes
February 23, 2011

The Missouri Gaming Commission (the “Commission”) went into open session at approximately 11:36 a.m. on February 23, 2011, at the Missouri Gaming Commission’s Jefferson City Office.

General Counsel Mike Bradley gave an educational session on the Disciplinary Review Board and the Disassociated Persons processes.

Commissioner Shull moved to adjourn the open session meeting. Commissioner Merritt seconded the motion. After a roll call vote was taken, the motion passed unanimously.

The open session ended at 12:55 p.m.