

This transcript was produced as the meeting progressed. It has not been edited or reviewed for corrections.

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GAMING COMMISSIONS SUNNY SUNNY
SUNY

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>>> NEW YORK STATE BREEDING LAW
SECTION 109-A PROVIDES THAT THE
GAMING FACILITY LOCATION BOARD
SHALL CONSIST OF FIVE MEMBERS
APPOINTED BY THE NEW YORK STATE
GAMING COMMISSION.
THE STATUTE FURTHER SPECIFICALLY
INDICATES THAT THE BOARD SHALL
BE ABLE TO UNDERTAKE ITS
ASSIGNMENTS UPON THE SEATING OF
THREE MEMBERS.
THREE MEMBERS HAVE BEEN
APPOINTED BY THE GAMING
COMMISSION WHICH AFFORDS THE
BOARD THE ABILITY TO ESTABLISH A
QUORUM AND UNDERTAKE AN ACTION.
THE PRESENT MEETING OF THE BOARD
IS CALLED TO ORDER.
IT REQUIRES THAT THREE MEMBERS
PRESENT.
PLEASE INDICATE YOUR PRESENCE.
>> PAUL FRANCIS?
>> PRESENT.
>> STEWART.
>> PRESENT.
>> WILLIAM C. THOMPSON, JR.
>> PRESENT.
>> QUORUM BEING ESTABLISHED WE
MOVE ON TO BUSINESS.
THE COMMISSION HAS THE AUTHORITY
TO DESIGNATE A CHAIR FROM AMONG
SITTING BOARD MEMBERS.
NO SUCH DESIGNATION HAS
OCCURRED, THUS THE BOARD SHOULD
SELECT ONE MEMBER TO ACT AS
PRESIDING OFFICER FOR THE
PURPOSES OF THIS MEETING.
GENTLEMEN WOULD YOU LIKE TO
SELECT A PRESIDING OFFICER FOR
THE PURPOSES OF THIS MEETING.
>> I WOULD NOMINATE PAUL FRANCIS
TO BE THE PRESIDING OFFICER FOR
THIS MEETING.
>> THANK YOU.

>> MR. FRANCIS IN.

>> OKAY.

THANK YOU.

THANKS TO THE MEMBERS OF THE PUBLIC WHO ARE HERE TODAY AND THANKS TO THOSE WHO ARE LISTENING IN.

THIS WILL BE A SHORT MEETING TODAY AS WE APPROVE THE MINIMUM CAPITAL INVESTMENTS AND A FEW OTHER HOUSEKEEPING ITEMS.

THE FIRST OF THOSE IS THE MINUTES OF THE BOARD MEETING CONDUCTED ON MARCH 31st, 2014. THESE HAVE BEEN PROVIDED TO THE MEMBERS IN ADVANCE.

I WOULD LIKE TO ASK IF THERE ARE ANY EDITS, CORRECTIONS OR AMENDMENTS.

IF NOT, PLEASE HAVE THE RECORD REFLECT THAT THE MEMBERS ARE ACCEPTED AS CIRCULATED.

ROB, WHAT'S THE FIRST ITEM TODAY?

>> NEW YORK STATE BREEDING LAW SECTION 1306.9 AUTHORIZES THE BOARD PROMULGATE RULES AND REGULATIONS THAT IT DEEMS NECESSARY TO CARRY OUT ITS RESPONSIBILITIES.

TO THAT REGARD THE BOARD WILL, FROM TIME TO TIME, PROMULGATE RULES AND RULE AMENDMENTS PURSUANT TO THE STATED ADMINISTRATIONS ACT.

ITEM HOUR IS AN EXTENSION OF AN EMERGENCY RULE MAKING FOR DETERMINATION OF COMMERCIAL CASINO LISTENING AND CONDUCT OF HEARING.

FIRST ADOPTED BY THE BOARD ON MARCH 31st, 2014.

THIS EMERGENCY RULE WAS PUBLISHED IN THE NEW YORK STATE REGISTER ON APRIL 16th, 2014. NEW YORK'S EMERGENCY RULE MAKING PROCESS ALLOWS ADOPTION OF A RULE ON A TEMPORARY BASIS FOR A MAXIMUM OF 90 DAYS.

AN EMERGENCY RULE MAY BE READOPTED, BUT EACH SUCH READOPTION WILL BE AFFECTED FOR A MAXIMUM OF 60 DAYS.

TO FILE THE ADOPTION, ACTION

MUST BE INITIATED TO FORMALLY
ADOPT THE RULE ON A PERMANENT
BASIS, THUS ITEM FIVE IS
PROPOSED RULE MAKING FOR
COMMERCIAL CASINO LICENSE AND
CONDUCT OF HEARINGS.
IN SHORT, THE EMERGENCY RULE OF
PROPOSED RULE CONTAINS A
DETERMINATION OF ZONE TWO
COMMERCIAL LICENSING FEES BY
REGION AND RULES THAT WILL
GOVERN HEARING PROCEDURES.
>> COMMISSIONERS, ARE THERE ANY
QUESTIONS ON THE READOPTION OR
THE PERMANENT REGULATIONS?
IF NOT, MAY I HAVE A MOTION TO
ADOPT THE EMERGENCY RULE MAKING?
>> SO MOVED.
>> SECOND.
>> IS THERE ANY DISCUSSION ON
THE MOTION?
>> WE DID DISCUSS THESE IN
DETAIL IN MARCH.
>> YES, THAT'S RIGHT.
ALL IN FAVOR.
>> AYE.
>> AYE.
>> MOTION CARRIES.
MAY I HAVE A MOTION TO ADOPT THE
PERMANENT RULE MAKING?
>> SO MOVED.
>> SECOND.
>> ALL IN FAVOR.
>> AYE.
>> THE MOTION CARRIES.
ROB, PLEASE CALL THE NEXT ITEM.
>> CERTAINLY.
ITEM SIX AND SEVEN ARE ALSO
COMPANION PIECES BOTH RELATIVE
TO THE ESTABLISHMENT OF MINIMUM
CAPITAL INVESTMENT FOR GAMING
FACILITIES.
EMERGENCY RULE MAKING A
NECESSARY TO ALLOW THE BOARD TO
ISSUE STANDARDS TODAY.
NEW YORK LAW PREVENTS THE
ADOPTION OF EMERGENCY RULES AND
PROPOSED RULES TO OCCUR AT THE
SAME TIME.
THEREFORE FOR THE BOARD'S
CONSIDERATION IS PROPOSED
EMERGENCY RULE MAKING AND
PROPOSED RULE MAKING THAT
CONTAINS A DETERMINATION OF ZONE

TWO COMMERCIAL CASINO MINIMUM CAPITAL INVESTMENTS.

>> SO TO PROVIDE SOME BACKGROUND IN DETERMINING THE MINIMUM CAPITAL INVESTMENT, THE BOARD HAS REVIEWED DATA ON RECENTLY CONSTRUCTED AND PROPOSED GAMING FACILITIES IN STATES INCLUDING MASSACHUSETTS, MARYLAND AND OHIO.

THE IN-STATE DEVELOPMENTS OF VARIOUS NATIVE AMERICAN GAMING FACILITIES WERE ALSO CONSIDERED. IT WAS APPLICABLE REQUIRED MINIMUM INVESTMENT IN SUCH GAMING FACILITIES.

THE BOARD ALSO REVIEWED ECONOMIC, BASED ON ESTIMATED GROSS GAMING REVENUES FOR GAMING LOCATIONS AND ACCEPTED INDUSTRY OPERATING MARGINS, DEBT TO RATIOS AND THERE'S A WIDE RANGE OF MARKET COMPARABLES FOR THE TOTAL INVESTMENT AND THE REQUIRED MINIMUM INVESTMENT IN GAMING FACILITIES DUE TO A RANGE OF FACTORS.

THESE INCLUDE SITE SPECIFIC ISSUES, ISSUES DRIVEN BY GAMING DEVELOPERS ABILITY TO CREATE AMENITIES AND FEATURES THAT WILL ALLOW APPEAL AND BE SUCCESSFULLY MARKETED AS A DESTINATION TO POPULATIONS THAT HAVE A HIGH AVERAGE DISPOSABLE INCOME.

ULTIMATELY OR DETERMINATION OF THE MINIMUM CAPITAL INVESTMENT NUMBERS WERE INFLUENCED BY OUR DESIRE TO BALANCE THE GOAL OF ENCOURAGING COMPETITION IN ORDER TO PRESERVE THE INTEGRITY OF THE SELECTION PROCESS WITH THE GOAL OF MAXIMIZING ECONOMIC BENEFIT TO THE STATE.

GIVEN ALL PUBLIC INDICATION ARE THAT THERE WILL BE SEVERAL BIDDERS IN EACH REASON, WE UNDERSTAND THAT THE MARKET FORCES WITH GUIDE THE AMOUNT OF CAPITAL INVESTMENTS.

MINIMUM CAPITAL INVESTMENT STANDARD ESTABLISHED WAS INTENDED TO REFLECT THE FACT THAT SOME PARTS OF THE TOTAL

INVESTMENT DO NOT CREATE THE TYPE OF ECONOMIC DEVELOPMENT BENEFITS THAT THE STATUTE IS INTENDED TO FOSTER.

SO THESE WERE TREATED AS EXCLUDED INVESTMENTS IN THE CALCULATION OF THE MINIMUM CAPITAL INVESTMENT.

OUR EXPERT CONSULTANTS ADVISED US THAT THESE EXCLUDED INVESTMENTS, WHICH INCLUDE THE LICENSING FEE, LAND, FINANCING COSTS AND CERTAIN STARTUP EXPENSES TYPICALLY CONSTITUTE ABOUT 35% OF THE TOTAL INVESTMENT IN A NEW DEVELOPMENT OF THIS TYPE.

IN OTHER WORDS, THE MINIMUM CAPITAL INVESTMENT LEVELS WE'RE ESTABLISHING ARE APPROXIMATELY 65% OF THE TOTAL INVESTMENT THAT DEVELOPERS ARE EXPECTED TO MAKE. COMMISSIONERS, ARE THERE ANY QUESTIONS ON THE PROPOSED EMERGENCY OR PERMANENT REGULATIONS AS THEY RELATE TO MINIMUM CAPITAL INVESTMENTS?

>> NO.

>> IS THERE A MOTION?

>> MOTION MADE TO ADOPT I GUESS AT THIS POINT THE EMERGENCY RULE MAKING.

>> OKAY.

>> SECOND.

>> MAY I HAVE A SEPARATE MOTION TO ADOPT -- THAT IS ADOPTED.

MAY I HAVE A SEPARATE MOTION TO ADOPT THE PERMANENT RULE MAKING.

>> MOTION TO ADOPT THE PERMANENT RULE MAKING.

>> SECOND.

>> ANY DISCUSSION?

IF NOT, ALL IN FAVOR.

>> AYE.

>> AYE.

>> AYE.

MOTION CARRYING.

ROB PLEASE CALL THE FINAL ITEM.

>> REGARDS AN AMENDMENT TO THE RFA LANGUAGE.

THE DRAFT LANGUAGE SIMPLY EXPANDS ON THE ORIGINAL LANGUAGE GIVING ADDITIONAL CONTEXT AND STRUCTURE OF WHAT IS EXPECTED OF

A SUCCESSFUL APPLICANT.
THE THREE SECTIONS AMENDED ARE
AFFIRMATIVE ACTION PLAN, JOB
OPPORTUNITIES AND TRAINING FOR
THE UNDEREMPLOYED AND EXPERIENCE
WITH HIRING THE UNEMPLOYED.

>> OKAY.

MAY I HAVE A MOTION TO ACCEPT
THIS AMENDMENT?

>> I'M GOING TO MAKE THE MOTION
AND BEFORE I, YOU KNOW, JUST
BEFORE I DO THAT, LET ME THANK
ROB FOR THE WORK THAT WAS DONE
ON THIS.

I BROUGHT THIS UP AT THE LAST
MEETING AND ASK THAT THAT
FOLLOW-UP BE DONE.

I LIKE THE LANGUAGE SO I WOULD
LIKE TO SAY THANK YOU FOR THE
WORK THAT YOU PUT INTO THAT.
I KNOW YOU REACHED OUT TO A FEW
PEOPLE.

JOB WELL DONE.

>> VERY GOOD.

>> SO I'D LIKE TO MAKE THAT
MOTION.

>> I SECOND THE MOTION AN I
SECOND THE COMMENTS AND, THANK
YOU, ROB.

>> VERY GOOD.

ALL IN FAVOR OF THIS MOTION.

>> AYE.

>> AYE.

>> AYE.

THE MOTION CARRIES.

ROB, BEFORE WE ADJOURN, WOULD
YOU DESCRIBE HOW THE ACTUAL
MEMBERS OF THE MINIMUM CAPITAL
INVESTMENT WILL BE DISCLOSED AND
MADE PUBLIC?

DO YOU WANT TO READ THEM OFF.

>> IT WILL BE MORE SENSIBLE IF I
EXPLAIN WHAT WE'RE GOING TO BE
DOING WITH THEM.

>> VERY GOOD.

>> WE HAVE A DOCUMENT THAT WE
PUT TOGETHER -- FIRST OF ALL
THERE'S TWO DIFFERENT ELEMENTS
FOR DISCLOSURE.

IT'S GOING TO BE, ONE, RULE
MAKING, AS YOU GUYS ARE AWARE.
THAT'S THE PROPOSED RULE 602.1
WHICH WE'LL BE SURE GETS FILED
LATER TODAY WITH THE DEPARTMENT

OF STATE.
THAT EXPLAINS EACH OF THE
DIFFERENT LEVELS OF CAPITAL
INVESTMENT THAT ARE NECESSARY.
WE'RE PUTTING OUT A SHORT
DETERMINATION OF MINIMUM CAPITAL
INVESTMENT GUIDELINE WHICH WILL
BE POSTED TO THE GAMING FACILITY
LOCATIONS BOARD'S WEB PAGE ON
THE GAMING COMMISSION WEBSITE.
THAT WILL BASICALLY EXPLAIN WHAT
GOES INTO IT AND BREAK IT DOWN
BY EACH DIFFERENT REGION AS TO
WHAT IS ANTICIPATED.
THERE'S AN ADDITIONAL
SUPPLEMENTAL SHEET THAT'S
ATTACHED TO THAT AT THE BACK
THAT DETERMINES THIS -- OR
CLEANLY LISTS THE MINIMUM
CAPITAL INVESTMENT AND THE TOTAL
INVESTMENT THAT WOULD BE
NECESSARY AS A MINUTE.
>> OKAY.
>> THAT WILL BE POSTED TODAY.
>> THAT WILL BE POSTED.
AND, YOU KNOW, I THINK -- IS
THERE A REASON WHY WE WOULD NOT
WANT TO JUST READ THOSE NOW?
>> I JUST WANT TO MAKE SURE
BECAUSE IT'S COMPLICATED THING
THAT I DON'T THINK IT'S A GOOD
IDEA.
>> VERY GOOD.
>> WE WILL ALSO E-MAIL THAT TO
ALL OF OUR INDIVIDUALS THAT ARE
ON OUR MAILING LIST AND HAVE
INDICATED INTEREST, WHICH
INCLUDES THE PRESS LISTINGS AS
WELL.
>> VERY GOOD.
>> I MEAN IT'S GOING TO BE
POSTED TODAY.
IT WOULD BE GOOD IF WE COULD
GIVE PEOPLE AN INDICATION OF
WHAT TIME THAT MAY BE UP.
>> ON THE IN.
>> THE GUIDANCE.
>> WITHIN THE HOUR.
>> WITHIN THE HOUR, VERY GOOD.
>> WELL THAT CONCLUDES TODAY'S
PUBLISHED AGENDA.
ARE THERE ANY ADDITIONAL ITEMS
YOU WOULD LIKE TO PRESENT FOR
CONSIDERATION?

>> NO JUST COMMENT AGAIN.
THE ONE TAPEABLE SO FAR HAS BEEN
PAUL'S INVOLVEMENT AND THE WORK
THAT YOU PUT IN.
AS A MEMBER OF THIS BODY THANK
YOU AGAIN.
THANK YOU FOR THE WORK YOU'VE
DONE.
I'VE SPOKEN TO PEEK WHO I KNOW
YOU'VE SPOKEN TO OR ABOUT TO
JUST INDICATING HOW MUCH TIME
YOU PUT IN THIS.
SO THANKS.
>> THANK YOU VERY MUCH FOR THAT
COMMENT.
>> I SECOND THAT.
>> AND LET ME JUST, LET ME JUST
NOTE THAT THE BIDS ARE DUE ON
JUNE 30th.
THIS IS STILL VERY MUCH A
PRELIMINARY PHASE.
ONCE THE BIDS ARE MADE ON JUNE
30th, THEY'LL BE REVIEWED.
THERE WILL BE A PUBLIC OUTREACH
PROCESS THAT BEGINS RIGHT AFTER
LABOR DAY FOR COMMUNITY INPUT.
AND THERE WILL ALSO BE
PRESENTATIONS BY ALL OF THE
BIDDERS IN A PUBLIC FORUM.
SO WITH THAT, THERE BEING NO
FURTHER BUSINESS, I DECLARE THIS
MEETING OF THE LOCATION BOARD
ADJOURNED.
THANK YOU.
>> THANK YOU.