

KANSAS RACING AND GAMING COMMISSION

MINUTES – MAY 16, 2025

CALL TO ORDER (A.)

Chairman David Moses called the May 16, 2025, meeting to order at 10:00 a.m. The meeting was held at the Eisenhower State Office Building in Topeka, Kansas. Notice of this meeting was given to the public via the KRGC and Public Square websites and the agency's social media pages. Commissioners Brandon Jones and Larry Turnquist were also present. Others present included Executive Director Don Brownlee, General Counsel Judith Taylor, Director of IT&C-s Dennis Bachman, Director of Security, Licensing, and Backgrounds Roger Bailey, Director of Gambling DJ Lopez, Director of Casino Operations Rick Wilson, and other staff. Commissioner Fleming was unable to attend the meeting.

MOTION, APPROVE AGENDA (B.)

Commissioner Jones (Turnquist) moved to approve the agenda. Motion carried 3-0.

MOTION, APPROVE APRIL 18, 2025 MEETING MINUTES (C.)

Commissioner Turnquist (Jones) moved to approve the minutes of the April 18, 2025, meeting. Motion carried 3-0.

MOTION, APPROVE CONSENT AGENDA (D.)

Commissioner Jones (Turnquist) moved to approve the consent agenda (seven items). Motion carried 3-0.

LOTTERY GAMING FACILITY REPORTS/ITEMS; BOOT HILL CASINO & RESORT (E.1.a.)

Ryan Deutsch, General Manager, reported:

- April 2025 revenue numbers compared to April 2024:
 - Total gaming revenue decreased 2.16%
 - Total slot revenue was down 1.01%
 - Table games revenue was down 13.29%
- April 2025 Sports Wagering revenue numbers
 - Retail Sportsbook Revenue \$26,219.00
 - Down 49.79% from April 2024.
 - Handle was down 47.00%
 - Hold was down 5.26%
 - Digital Sportsbook Revenue: \$6,345,601.00
 - Up 24.29% from April 2024
 - Handle was up 8.51%
 - Hold was up 11.68%
- April Events and Promotions:
 - Toss to Win Hot Seats (Fridays) Participants play the cornhole game to win Free Play
 - Continuity Gift – Grand Canyon Bedding Set (Sunday)
 - \$10,000 Table Games Hot Seats (Sunday)

- \$100,000 Big Draw – A lottery-style game where participants who match two or more numbers win Free Play, and those who match all six numbers win \$100,000 in cash
- May Events and Promotions:
 - 2x Tuesdays – Every Tuesday in May: Players Club members earn 2x Reward
 - Spring Fling Hot Seats 5/9/25-5/10/25: Hot Seats from 2PM – 10PM with winners receiving \$150 free play
 - \$10,000 Table Games Hot Seats (Sunday)
 - Memorial Day Free Play Frenzy 5/23/25-5/26/25: Direct mail offers at specific times to qualifying patrons
 - Ultimate Nashville Getaway – 5/26/25-8/2/25: Grand Prize winner receives a VIP trip to Nashville or \$20,000 cash to plan the trip of their dreams
- Upcoming Entertainment & Events
 - Southwest Kansas Storm Football – April 26: 397
 - Southwest Kansas Storm Football – May 3: 397
 - Los Tigres del Norte – May 11: 351
 - Southwest Kansas Storm Football - May 25: 397
 - Larry the Cable Guy – June 28: 746
 - Los Tucanes De Tijuana - August 20: 373
 - Rick Springfield – July 25: 603
 - Dustin Lynch- July 26: 440
- Commissioner Turnquist asked if the general manager had noticed any impact from the measles cases in Southwest Kansas. General Manager Deutsch responded no and explained that there had been a case in a local school a few weeks ago but as far as affecting daily operations it has not been a major change. Commissioner Turnquist followed up by asking if there had been any cases among staff. General Manager Deutsch responded there has not been.
- Chairman Moses asked, given local demographics, if the increased activity regarding homeland security has caused any changes for the facility. General Manager Deutsch responded that they did not know if facility has seen direct changes but that there has been concern and talks about it. Further explaining that the most important thing the facility is focusing on is continuing to run the business and that if people within the company have questions, they are happy to discuss and give them honest responses as much as they can. Chairman Moses followed up asking if the facility manager sees increased agent activity at the entrance as people are coming in and the agents trying to tag-along with the facility's identification process and identify individuals that might otherwise be within their targets. General Manager Deutsch responded that he was unsure how much he is at liberty to discuss, but there is not a great deal of it. General Manager Deutsch explained he could likely discuss more out of public session. Chairman Moses suggested that the general manager discuss the issue with Director of Casino Operations Rick Wilson and that the Executive Director and the Director of Casino Operations could keep the commission informed.

LOTTERY GAMING
FACILITY
REPORTS/ITEMS;
KANSAS STAR
(E.2.a.)

Alli Kuplen, General Manager, reported:

- April 2025 revenue numbers compared to April 2024:
 - Total gross gaming revenue was up 7.1%
 - Total slot revenue up 13.31%
 - Table games revenue down 15.84%
 - Drop was up, but hold was markedly down
- April 2025 Sports Wagering revenue
 - Retail Sportsbook Revenue -\$32,000.00.
 - Down compared to April 2024's revenue of \$126,000.00.
 - Hold was -5.3%
 - Digital Sportsbook Revenue: \$3,800,000.00
 - Down from April 2024's revenue of \$4,900,000.00.
- April 2025 Sports Wagering
 - \$65 million was wagered on FanDuel online in April.
 - The total handle in retail was \$727k for April.
 - The handle was led by the NBA at 41%. This was followed by MLB at 36%, College Basketball at 11%, NHL at 4%, UFC at 3%, Soccer, Tennis and Golf rounded out the handle.
 - The largest wager and payout at Retail was a \$19,259.50 straight wager on the Los Angeles Lakers - 2.5 on 4/22. This wager was a winner and paid out \$30,079.
 - We had 14 wagers of \$5,000 or more at retail in April. Of these 14 wagers, 12 of them were winners.
- Upcoming Events and Promotions:
 - Double Down | Friday and Saturdays in May | 10am - 11:59pm
 - Sit and Go slot Tournament | Thursdays in May | 5pm - 8pm
 - Grab Bag Gift Giveaway | Friday, May 2 | 4pm - 9pm
 - Marilyn Monroe make-Up Brushes Gift Giveaway | Friday, May 9 | 4pm - 9pm
 - Marilyn Monroe Make-Up Mirror Gift Giveaway | Friday, May 16 | 4pm - 9pm
 - Marilyn Monroe Purse Gift Giveaway | Friday, May 23 | 4pm - 9pm
 - Grab Bag Gift Giveaway | Friday, May 30 | 4pm - 9pm
 - Shoe La-La Hoka Pick-Up | Saturday, May 3 | 5pm - 8pm
 - VIP Ladies Night Coach Purse Giveaway | Saturday, May 10 | 6pm-8pm
 - Tempt Your Fate | Saturday, May 24 | Boyd Rewards | 6pm-9pm
 - \$10,000 Cruise Extravaganza | Saturday, May 31 | 2pm-8:15pm
- Upcoming Entertainment & Events:
 - Marauders Car Show | Arena | Saturday, May 3
 - Mulvane High School Graduation | Arena | Sunday, May 18
 - Kansas High School Rodeo | Arena | Thursday, May 22 – Sunday, May 25
 - Fortune Feimster "*Takin Care of Biscuit*" Tour | Arena | June 8
 - Midland | Arena | December 18
- Commissioner Jones noted that facility will hold the graduation, bring dirt in for the rodeo and then move it back out. General Manager Kuplen confirmed that is accurate and further explained graduation is Sunday and there will be an all-hands-on-deck effort to flip the event floor and prep it for the dirt on Monday. General Manager Kuplen explained that

there is one large rodeo event in the fall and spring and that if there are any other rodeos who are interested, they will do them together so the dirt can stay.

- Chairman Moses complemented the general manager because a mutual friend of theirs shared nothing but positive things regarding the facility and the facility manager's work.

LOTTERY GAMING
FACILITY
REPORTS/ITEMS;
HOLLYWOOD CASINO
AT KANSAS
SPEEDWAY
(E.3.a.)

Lydia Garvey, General Manager, reported:

- April 2025 admissions were down 5.3% compared to April 2024
- April 2025 revenue numbers compared to April 2024:
 - Total gross gaming revenue increased 3.7%
 - Slot revenue increased 3.3%
 - Table games revenue increased 7.5%
- April 2025 Sports Wagering revenue numbers
 - Retail Sportsbook Taxable Revenue: \$430,720.00
 - Down 12.9% from April 2024.
 - Handle was down 38%
 - Hold was over 15%.
 - Handle percentages: NBA 34% and MLB 34%
 - Digital Sportsbook Taxable Revenue: \$687,345.00
 - Up 267.4% from April 2024.
 - Handle was down 35%
 - Hold was 10.3%
 - Handle percentages: MLB 36% and NBA 31%.
- Recent/Upcoming Events and Promotions:
 - May 3 – Margarita Madness Gift Giveaway
 - May 3 – Horse Race Roll
 - May 5 – Race to Paradise NCL Cruise Giveaway
 - May 10 – Day of Winners
 - May 11 – NASCAR AdventHealth 400 Even or Odd Drawing
 - General Manager Garvey reported that race weekend was good for the facility but there was not a four-hour rain delay causing a lift in business unlike the previous year.
 - May 23 – Memorial Day Pay Day Weekend
 - May 31 – Winning Hand
- General Manager Garvey reported that there is not much of an update on the hotel. The development manager continues to work to secure a flag for the hotel.
- Chairman Moses asked if there was any action on the Kentucky Derby. General Manager Garvey responded that the lottery gaming facilities are restricted from offering wagers on horse races. Commissioner Jones asked why that is. General Manager Garvey explained that state law reserves parimutuel wagering for the racetrack facilities.
- Chairman Moses asked if the facility has noticed any positive bump from switching to ESPN Bet. General Manager Garvey responded that they have and that they plan to do a promotion starting June 1st targeting patrons within a 50-mile radius who are using the online sportsbook but have not visited the facility to try and persuade them into visiting centered around some UFC events and slot offers. In the fall that will switch to an NFL offer. Chairman Moses followed up asking if there is

any chance that the facility will bring in people like Mike Greenberg for promotions. General Manager Garvey said potentially, explaining that the facility works with corporate and that there is a possibility to partner around the race or football.

LOTTERY GAMING
FACILITY
REPORTS/ITEMS;
KANSAS CROSSING
CASINO
(E.4.a.)

Jeff McKain, General Manager, reported:

- April 2025 admissions were up 2.6% compared to April 2024
- April 2025 revenue numbers compared to April 2024:
 - Coin in was up 0.8%
 - Table game drop was down 25%
 - Net gaming revenue was up 1.4%
- April 2025 Sports Wagering revenue numbers
 - Retail Sportsbook Taxable Revenue: -\$6,287.00
 - Down compared to April 2024's revenue of \$33,387
 - Retail wagers were \$723,278 vs \$498,598 in 2024. An increase of 45%.
 - Handle by Sports: MLB 45%, NBA 38%, and NCAA 3%
 - Largest winning wager was \$25,000 moneyline wager on the Dodgers vs Nationals game.
 - Largest losing wager was \$15,000 wager between the Grizzlies vs Nuggets
 - Digital Sportsbook Taxable Revenue: \$2,076,015.00.
 - Up compared to April 2024's revenue of \$1,097,641.00
 - Digital wagers were up 27% coming in at \$35,445,648.00
- Events and Promotions:
 - April
 - Kiosk games on Mondays and Tuesdays.
 - *Camp 49* promotions every Wednesday.
 - Casino Hot Seats on Thursdays.
 - *Big Money Cash Wheel* promotion every Friday.
 - *Battle in Mine* promotion on Saturdays.
 - Casino gifts on Sundays.
 - Corral concert to feature *Montgomery Gentry* (11th).
 - May
 - Kiosk games on Mondays and Tuesdays.
 - *Camp 49* promotions every Wednesday.
 - *Card Shark* promotion every Friday.
 - *Whirlwinds of Cash* promotion on Saturdays.
 - Casino gifts on Sundays.
 - Corral concerts to feature Jump (17th) and Mixtapes (31st)
- Chairman Moses asked for clarification on if retail wagers refer to when a patron visits the facility and places a wager. General Manager McKain confirmed that was correct. Chairman Moses then clarified that the retail sports revenue is the plus or minus after the bet. General Manager

McKain confirmed that was correct. Chairman Moses noted a significant increase in the retail wagers and asked if the general manager had an explanation. General Manager McKain explained that the retail side continues to grow and that the popularity of the sportsbook in March and April, especially during the tournament, is amazing, adding that the retail sportsbook was absolutely packed. General Manager McKain noted that the digital sportsbook also saw a 27% increase in wagers.

- Chairman Moses said that he liked having the retail wagers and retail revenue reported and asked that, if possible, the other three facility managers add the retail wagers to their reports.

HISTORICAL HORSE
RACING FACILITY
LICENSEE
REPORTS/ITEMS;
GILLEY'S
(E.5.a.)

Scott Beeler, Gilley's Representative, reported:

- Noted that spelling of Gilley's in the meeting agenda was incorrect, it should have a "Y".
- The project stays on tract. It was previously reported that the facility would try to do a soft opening at or around December 15th and that remains true. It still remains the plan to have a New Year's Eve grand opening.
- Management decisions are ramping up.
- Temporary quarters for the KRGC staff are being established.
- Chairman Moses asked if there has been any change in the makeup of the charity board. Mr. Beeler responded that there were none.

COMMISSION ITEMS –
OLD BUSINESS (F.)

There was no old business.

COMMISSION ITEMS –
NEW BUSINESS;
KANSAS CROSSING
CASINO MATERIAL
DEBT TRANSACTION
APPROVAL REQUEST
(G.1)

Todd Allen, Kansas Racing and Gaming Commission financial investigator, presented the staff agenda memorandum regarding the Kansas Crossing Casino material debt transaction approval request. Mr. Allen recommended that the commission approve the material debt transaction.

Chairman Moses said that the commission would wait to ask questions until after hearing from the facility's representative, Kevin Fowler.

Kevin Fowler, attorney with Frieden & Forbes, represented Peninsula Pacific Entertainment Development, the parent company of the facility manager for Kansas Crossing Casino, and further explained the transaction approval request.

Chairman Moses asked General Counsel Judith Taylor if this were the kind of transaction that would require what has been referred to as the "magic language" regarding the protection of the state's assets within Kansas

Crossing Casino. General Counsel Taylor responded she believed that was specific to Kansas Star at the time. Chairman Moses asked if that was something the commission needs to consider and ensure that the language appears in the Kansas Crossing Casino material debt transaction. General Counsel Taylor responded that she did not know if that was in the language. Mr. Fowler explained that the language appears in a senior debt facility that the commission approved in 2022, and that this material debt transaction proposal does incorporate that language. Chairman Moses stated that he appreciated Mr. Fowler being prepared for his question.

Chairman Moses asked if for whatever reason Peninsula Pacific Entertainment Development's venture in Cedar Crossing has any hiccups, bumps, or failures, will that impact Kansas Crossing, and if so, how. Mr. Fowler responded that it should not have an impact on Kansas Crossing, further explaining that Kansas Crossing will still have the wherewithal to satisfy all of the debt covenants with Wells Fargo. Mr. Fowler also stated that any hiccups that may occur with Cedar Crossing will not affect the financial stability of Kansas Crossing. Mr. Fowler shared that he and his client think that this is a situation where there will be no downside for Kansas Crossing.

Chairman Moses asked if Cedar Crossing has a problem, do the security provisions create exposure for Kansas Crossing. Mr. Fowler responded that there is no more exposure to Kansas Crossing today than there will be tomorrow even if Cedar Crossing runs into financial difficulty. If Cedar Crossing runs into financial difficulty, Peninsula Pacific is still in a position to assist Cedar Crossing. Chairman Moses clarified that those looking to collect on Cedar Crossing debt obligations will begin with the entities with the biggest pockets and work their way down and that Peninsula Pacific is the deeper pocket compared to Kansas Crossing, and Kansas Crossing is really one of several assets that Peninsula Pacific has that the lender would look to satisfy the defaulted debt of Cedar Crossing. Mr. Fowler confirmed that was accurate.

Chairman Moses asked if the commission did not approve the request, what alternatives are available to Peninsula Pacific. Mr. Fowler explained that one alternative that is available is access to the capital markets, but beyond that he was not in a position to speculate. Mr. Fowler noted that James Adams, Deputy General Counsel for Peninsula Pacific, was present and may be able to provide additional insight.

Chairman Moses asked why Peninsula Pacific was choosing Kansas Crossing and not another of its facilities in a different jurisdiction for the transaction. Mr. Fowler responded that the properties in New Hampshire are not as mature as

Kansas Crossing and so there is more of an established track record here in Kansas. Mr. Fowler also stated that he quite frankly thinks that Peninsula Pacific is making this request of the commission because there is no foreseeable downside.

Chairman Moses noted that during Mr. Fowler's presentation it was said that Kansas Crossing may experience benefits from Cedar Crossing's success. The Chairman asked Mr. Fowler to confirm that those benefits are not guaranteed. Mr. Fowler said that he did not know if the commission could bet on the benefits, but he could say that the opportunities to invest in gaming in Kansas are pretty much foreclosed until 2032 when the restricted covenants against no expansion of gaming lift. Assuming those statutes expire, opportunities for further development of gaming activities will develop; we are really looking at the long-term potential gain.

Commissioner Turnquist asked KRGFC Financial Investigator Todd Allen to respond to some of the chairman's questions and how the impact may, or may not, occur for Kansas Crossing. Mr. Allen responded that in the big scheme of things \$12.5 million probably is not that much of an increase and that it will not put any hardship on Kansas Crossing at all. There are sufficient funds at the Kansas Crossing level and at the parent company. There is also a right to cure clause in the loan that allows the parent company to send down funds to Kansas Crossing to ensure they meet their payments and covenants. Mr. Allen agreed with Mr. Fowler that the synergies could be beneficial for Kansas Crossing, more buying power and lots of things that happen with bigger companies. Mr. Allen said he did not think there would be any problems with fulfilling the loan.

Chairman Moses asked Mr. Adams if he would like to speak before the commission discusses the proposal. Mr. Adams explained that when Peninsula Pacific bought Kansas Crossing in 2022 and put this debt in place there was a debt-coverage ratio calculated at about 400%. The business is up 15%-18% in terms of how the business is performing and has paid down a significant amount of debt. So, this is really an opportunity based off the improved performance to use that and to help build another part of the Peninsula Pacific business. Mr. Adams added that if the commission were to approve the proposal, the debt risk to the business would be same as when the purchase of Kansas Crossing was approved in 2022. Mr. Adams noted that Peninsula Pacific CFO Dustin Manternach was available for questions via phone if necessary.

Commissioner Turnquist asked what the impact would be on the company if approval is denied, and they would have to secure private financing; if that would mean a 2% or 3% increase. Mr. Fowler responded that it would probably be 2% to 3% more, however Mr. Fowler believed that due to Peninsula

Pacific's financial condition, they would be able to get better than market financing. Mr. Fowler explained that this is one of the reasons this request is being made, it is low risk proposition that potentially yields long-term benefits for Kansas Crossing, and ultimately the State of Kansas, by being part of an expanding financially successful organization.

Chairman Moses summarized stating that if approved the only cost to the state is if Peninsula Pacific fails and that is a very low risk because there are plenty of deep pockets ahead of Kansas. Mr. Fowler confirmed that was accurate.

Chairman Moses asked General Counsel Taylor if he was able to open the discussion up to public comment. General Counsel Taylor affirmed he could. Chairman Moses invited the public to share any comments or questions. There were none.

Chairman Moses asked if the commissioners had any comments or questions before considering the motion. Commissioner Jones stated that, as in the past, he puts a lot of faith into Todd Allen and his analysis and if he says it is okay and staff are okay with it, then he feels okay with it as well.

Commissioner Turnquist asked if Executive Director Brownlee had any comments he wished to make regarding this request. Executive Director Brownlee stated that as Todd had said, staff has reviewed the request and recommend approval, adding that he would agree with the previous speakers that there does not appear to be any downside; it is a relatively small amount of money as far as gaming finances go. Executive Director Brownlee said that frankly he believes that the principles of the parent company could fund the transaction if they had a desire to and that he saw no issues with their request.

MOTION FOR
APPROVAL OF
KANSAS CROSSING
TRANSACTION
G.2

Commissioner Turnquist (Jones) moved to approve the Kansas Crossing material debt transaction request.

A roll-call vote was taken.

Motion to approve the material debt transaction request carried 3-0

PUBLIC COMMENTS
(H.)

There were no public comments.

STAFF REPORTS
(I.1. and I.2.)

Garrett Rogers, Paralegal, reported on both the Voluntary Exclusion Program and Sports Wagering Exclusion Program statistics for the months of May 2025.

- Commissioner Turnquist asked for clarification regarding the six violations of the VEP agreement. Mr. Rogers explained that the six violations involved six different VEP enrollees. Commissioner

Turnquist asked about the reporting mechanisms for when a VEP enters a lottery gaming facility. Mr. Rogers explained that it is a collective effort between casino security, surveillance, and KRGC.

Executive Director Brownlee reported:

- Sports wagering in Oklahoma failed to pass. There were bills that passed the House side, but did not get a vote on the Senate side. Which is the same thing that happened a year before. Additionally, Oklahoma Governor Stitt has vowed that he will veto any sports wagering bill that gives the tribes exclusivity.
- Last month we talked about language in the proviso bill that prohibited the lottery from renegotiating sports wagering contracts for now.
- Last week the Legislative Coordinating Council was asked to approve a four-day interim committee to study the sports wagering in Kansas. The LCC only approved a one-day session. We are not yet aware of the date of that meeting. Although the crux of the meeting is of specific interest to KRGC, the contracts are actually a Lottery responsibility and they will be the lead agency in those hearings. Government Relations Manager Randy Evans has been staying in contact with the lottery over this issue and will continue to do that. Legislators want to make sure that they get an opportunity to get some input in those contracts before the Lottery renews or extends them.
 - Chairman Moses asked if Mr. Evans was speaking with stakeholders other than the Lottery regarding the sports wagering contracts. Executive Director Brownlee explained that Mr. Evans is in communication with legislators, specifically Committee Chairman Kessler, members of the lottery, and some of the lobbyists.
- The HHR policy that KRGC has been working on with the Gilley's group was signed off on since the last meeting. This agreement gives both Gilley's and KRGC a comfort level with what is expected from each party as we progress towards their opening.
- KRGC continues to work on HHR regulations, but as commissioners know the regulatory process in Kansas is quite lengthy and it takes quite a while to get those passed through. The policy is intended to bridge that gap between now and the time those regulations are finalized so that we can all move forward with the opening of the HHR facility.
- The additions to the sports wagering regulations are at the legislative review stage. Staff are unsure how or when that review will occur, but once that review occurs, it will go to a public hearing and a final approval by commissioners before being sent to the Secretary of State.
- The next commission meeting is scheduled for June 13th in Topeka.

MOTION, EXECUTIVE
SESSION;
CONFIDENTIAL
BACKGROUND
REPORTS
(J.1.)

Commissioner Jones (Turnquist) moved that the Commission go into executive session for the purpose of reviewing confidential background reports presented today by the commission's security division. In addition to the commissioners, the confidential background reports portion included the executive director, general counsel, director of security, licensing, and backgrounds. The total time for the executive session was anticipated to be fifteen (15) minutes until 11:20 a.m. No action is to be taken in executive session, and the subjects discussed are to be limited as previously described. A full record of this motion is to be maintained as part of the permanent record of the Kansas Racing and Gaming Commission. At the conclusion of the executive session, the meeting is to be continued in open session. The motion carried 3-0, and the meeting was adjourned to executive session at 11:05 a.m.

RECONVENE
(J.2.)

The commission meeting returned to open session at 11:20 a.m. with Chairman Moses, Commissioner Jones, and Commissioner Turnquist.

MOTIONS ON LICENSE
APPLICATIONS
(K.)

Commissioner Turnquist (Jones) moved to *deny five* license applications and *approve the 181* license applications from the May 16, 2025, list of background reports referred to the commission for action. The motion carried 3-0.

OTHER BUSINESS
(L.)


There were no other items for discussion or motion.

ADJOURNMENT
(M.)

Chairman Moses stated that the June 13, 2025, commission meeting will begin at 10:00 a.m. for an in-person meeting at the Eisenhower State Office Building in Topeka, Kansas.


Commissioner Jones (Turnquist) moved to adjourn the meeting. Motion passed 3-0. The meeting was adjourned at 11:23 a.m.

SUBMITTED BY:



Larry Turnquist
Secretary

APPROVED BY:



David Moses
Chairman

