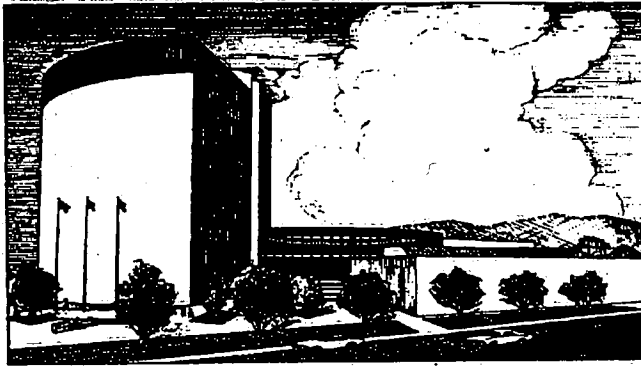




MINUTES

City of Las Vegas

CITY COUNCIL

COUNCIL CHAMBERS • 400 STEWART AVENUE • 229-6011 (VOICE) • 386-9108 (TDD)

RECESSED CITY COUNCIL

Meeting of

MARCH 5, 2004

INVOCATION

PLEDGE OF ALLEGIANCE

CITY COUNCIL

MAYOR OSCAR B. GOODMAN

COUNCILMAN GARY REESE
MAYOR PRO-TEM

COUNCILMAN LARRY BROWN

COUNCILWOMAN LYNETTE BOGGS MCDONALD

COUNCILMAN LAWRENCE WEEKLY

COUNCILMAN MICHAEL MACK

COUNCILWOMAN JANET MONCRIEF

DOUG SELBY, CITY MANAGER
BRAD JERBIC, CITY ATTORNEY
BARBARA JO RONEMUS, CITY CLERK

PRESENT

ABSENT

EXCUSED

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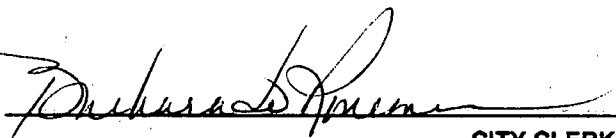
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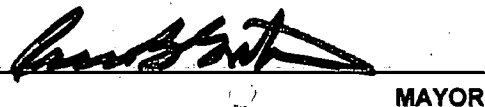
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APPROVED BY REFERENCE: **April 7, 2004**

ATTEST:


CITY CLERK


MAYOR

CITY COUNCIL AGENDA
RECESSED CITY COUNCIL MEETING OF MARCH 5, 2004

- RECONVENE

MINUTES:

PRESENT: MAYOR GOODMAN and COUNCILMEMBERS REESE, BROWN, WEEKLY, and MONCRIEF

EXCUSED: COUNCILWOMAN McDONALD (attending National League of Cities Conference in Washington D.C.) and COUNCILMAN MACK

Also Present: CITY MANAGER DOUG SELBY, DEPUTY CITY MANAGER STEVE HOUCHENS, DEPUTY CITY MANAGER BETSY FRETWELL, CITY ATTORNEY BRAD JERBIC, and CITY CLERK BARBARA JO RONEMUS

Prior to discussion of the recessed item, MAYOR GOODMAN sadly announced that a truly great man, a wonderful person, a great Las Vegan, and phenomenal Nevadan passed away last night, former GOVERNOR MICHAEL O'CALLAGHAN. He touched many lives and will not be forgotten. MAYOR GOODMAN recounted that as a young lawyer in Las Vegas in 1965 after his parents returned to Philadelphia, he was privileged to meet GOVERNOR O'CALLAGHAN, who became his surrogate father. The Governor was extraordinary and made everyone feel important, despite his own importance. Even when on opposite sides one could never call the Governor wrong. This wonderful person will be truly missed. He was a legend of the time, but never considered himself such.

(9:11 – 9:13)

AGENDA SUMMARY PAGE
RECESSED CITY COUNCIL MEETING OF: MARCH 5, 2004

DEPARTMENT: FINANCE AND BUSINESS SERVICES**DIRECTOR: MARK R. VINCENT**☐**CONSENT**☒**DISCUSSION****SUBJECT:**

Discussion and possible action regarding Temporary Approval of Change of Ownership, Business Name, and Key Employee for a Tavern License and a new Nonrestricted Gaming License subject to the provisions of the fire codes, Health Dept. regulations, and confirmation of approval by the Nevada Gaming Commission, From: Horseshoe Club Operating Co., dba Horseshoe Club, Becky L. Behnen, COB, Pres, CEO, Treas, 99.153%, Jack B. Binion, .847%, To: Speakeasy Gaming of Fremont, Inc., dba Binion's Horseshoe Casino and Hotel, 128 Fremont Street, Edson R. Arneault, Dir, Pres, Secy, Treas, Roger M. Szepelek, COO, MTR Gaming Group, Inc., PTC, 100%, Edson R. Arneault, COB, CEO, HHLV Management Company, LLC, Key Employee, Thomas M. Jenkin, Key Employee, Harrah's Operating Company, Inc., Mmbr, 100% - Ward 5 (Weekly)

Fiscal Impact☒**No Impact****Amount:**☐**Budget Funds Available****Dept./Division:**☐**Augmentation Required****Funding Source:****PURPOSE/BACKGROUND:**

Discussion and possible action regarding Temporary Approval of Change of Ownership, Business Name, and Key Employee for a Tavern License and Nonrestricted Gaming License

RECOMMENDATION:

Recommend approval with authority for the Director or Designee to issue a permanent license upon receipt of a favorable police report

BACKUP DOCUMENTATION:

1. Agenda Memo
2. Letter from Jones Vargas

MOTION:

GOODMAN – APPROVED – UNANIMOUS with L.B. McDONALD and MACK excused

MINUTES:

JIM Di FIORE, Manager, Business Services Division, introduced the applicants.

MAYOR GOODMAN explained that he has been in discussions with THOMAS JENKIN, who has been a gentleman and has bent over backwards to see that this process goes as smoothly as possible. He hopes that the relationship between the City and the applicants before us, both Harrah's and the new owners, will be one of excellence to make sure that the City benefits and that the private sector succeeds in the Fremont Street Experience.

RECESSED CITY COUNCIL MEETING OF MARCH 3, 2004

Item 46 – Discussion and possible action regarding Temporary Approval of Change of Ownership between Horseshoe Club Operating Company dba Horseshoe Club, Becky L. Behnen

MINUTES – Continued:

MR. JENKIN stated for the record that Harrah's Entertainment is part of this transaction and has agreed to operate Binion's Horseshoe for a minimum of one year and a maximum of three years. All of the 2004 World Series of Poker activities will be held at Binion's Horseshoe. In 2005, the final two rounds, along with a number of satellite tournaments, will be held at Binion's Horseshoe, regardless of whether the property at that point is being operated by Harrah's Entertainment or MTR Gaming. The final two rounds will be live on ESPN, and during that period of time, the property will carry the Binion's Horseshoe name through the end of the 2005 World Series of Poker.

MAYOR GOODMAN expressed his appreciation to MR. JENKIN. The world will know that Las Vegas has the greatest entertainment, greatest casinos, greatest food, greatest shopping and greatest poker tournaments. MR. JENKIN added that although Harrah's Entertainment will not operate downtown long-term, they care about downtown. One of the reasons that they liked their partnership with MTR is because they believe they will be great tenants and partners of downtown and work very hard to build the business.

COUNCILMAN WEEKLY asked that the new owner consider those employees that were employed at Binion's Horseshoe. MR. JENKIN affirmed that all of the employees will be rehired with the exception of a very small group of 15-18 senior managers, who will come from Harrah's or the Rio. They have already hired 50 people back. They intend to employ 900 people, and letters will go out to all former Horseshoe employees inviting them to come back. It is anticipated that they will fill most of the 900 jobs with former Horseshoe employees.

MR. DiFIORE noted that the temporary approval of the liquor license is pending the investigations on the principals. In his earlier recommendation he asked that the Council grant him or MARK VINCENT, Director, Finance & Business Services, the authority to issue the permanent license upon issuance of a favorable police report. Therefore, he asked if that would still be part of the Mayor's motion. MAYOR GOODMAN replied affirmatively.

(9:06 – 9:11)

1-81

MAYOR GOODMAN offered an opportunity for public input, despite Citizen Participation having taken place on March 3, 2004. No one appeared to speak.

(9:11)

1-237

MEETING ADJOURNED AT 9:11 A.M.

AGENDA MEMO

CITY COUNCIL MEETING DATE: MARCH 3, 2004

DEPARTMENT: FINANCE AND BUSINESS SERVICES

ITEM DESCRIPTION: Discussion and possible action regarding Temporary Approval of Change of Ownership, Business Name, and Key Employee for a Tavern License and a new Nonrestricted Gaming License, To: Speakeasy Gaming of Fremont, Inc., dba Binion's Horseshoe Casino and Hotel, 128 Fremont Street

The applicant is requesting approval of a temporary license as provided by LVMC 6.06.051, which reads as follows:

(A) City Council may grant a temporary license pending its decision regarding a license application in order to determine:

- (1) The applicant's fitness for a license; and
- (2) The appropriateness of the applicant's business location.

(B) A temporary license shall not be granted under this Section unless:

- (1) All principals required to be approved for suitability have submitted a complete investigation packet for determination of suitability and paid all applicable fees;
- (2) The Director makes a preliminary finding that all of the principals of the business are suitable; and
- (3) The applicant has submitted a completed and accurate license application and has paid all required application fees.

The attached letter dated February 12, 2004 from Jones Vargas, counsel for the applicant, outlines the request for temporary license.

The applicant submitted all of the required documentation and paid all applicable fees for investigation and meets the criteria required to be considered for a temporary license.

In the event the Special Investigations Section, Las Vegas Metropolitan Police Department, should develop an area of concern with this applicant this item will be brought back before the Council for appropriate action.

JONES VARGAS

ATTORNEYS AT LAW
TWELFTH FLOOR
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MICHAEL G. ALONSO
Writer's Direct Line
(775) 786-2237
E-Mail Address
mga@jonesvargas.com

February 12, 2004

City of Las Vegas
Dept. of Finance & Business Services
Privileged License Section
400 E. Stewart Avenue, 3rd Floor
Las Vegas, NV 89101

Federal Express

Attn: Mr. Eddie Raines

Re: Acquisition of Binion's Horseshoe Hotel & Casino

Dear Mr. Raines:

This letter is a follow-up to our telephone discussion on Monday, February 9, 2004 regarding the above-referenced transaction. Please consider this letter to be our request on behalf of Speakeasy Gaming of Fremont, Inc. (Speakeasy) and MTR Gaming Group, Inc. (MTR) for temporary approval from the city council. We request that this matter be placed upon the council's March 3, 2004 agenda.

The following is some background regarding this project. Harrah's Operating Company, Inc. (HOC) entered into an Asset Purchase Agreement dated January 21, 2004 between HOC and Horseshoe Club Operating Company. HOC subsequently assigned, transferred and conveyed all of its right, title and interest under the Agreement to HHLV Management Company, LLC (HHLV), a wholly owned subsidiary of HOC. At the Horseshoe closing, HHLV will cause Horseshoe to assign, convey and transfer to Speakeasy, a wholly owned subsidiary of MTR, all of HHLV's right, title and interest under the Horseshoe Purchase Agreement except for a few specific pieces of intellectual property.

Speakeasy and HHLV will enter into a Joint Operating License Agreement. The Agreement provides that HHLV will serve as the primary day-to-day operator of the hotel/casino property (the Project) during the term of the agreement. HHLV will be a "key employee" (as such term is defined in the Nevada Gaming Act) of the Project during the term of the Agreement. HHLV will be subject to certain oversight and review of the Committee. The Committee will consist of a representative from both Speakeasy and HHLV.

Speakeasy is seeking to license the following individuals: Edson R. Arneault, the president, secretary, treasurer and sole director of Speakeasy and Roger Szepek, the chief operating officer of Speakeasy. Mr. Szepek will be the Speakeasy representative on the Committee. Enclosed with this

LAS VEGAS OFFICE
3773 HOWARD HUGHES PARKWAY, THIRD FLOOR SOUTH LAS VEGAS, NEVADA 89109 TEL (702) 882-3300 FAX (702) 737-7705

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City of Las Vegas
February 12, 2004
Page 2

letter are the Multi Jurisdictional Personal History Disclosure forms filed with the State within the last twelve months for both individuals.

Enclosed is a copy of the Nevada Business Registration form which will be filed with the State shortly. We will provide you with another copy upon filing. Also enclosed is a check in the amount of \$30.00 payable to the City of Las Vegas for the processing fee.

We are in the process of collecting all the additional documents necessary for licensing by the City. Those will be forwarded to you upon receipt.

Please call me with any questions or concerns.

Sincerely,



Michael G. Alonso

MGA/cah
Enclosures