



COMMONWEALTH CASINO COMMISSION
Commonwealth of the Northern Mariana Islands
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MINUTES
May 23, 2017

I. PRELIMINARIES:

- A. **CALL TO ORDER.** Chairman Juan M. Sablan called the meeting to order at 10:11 a.m. on Tuesday, May 23, 2017, at the Joeten-Kiyu Public Library (Technology Room) in Susupe, Saipan. He welcomed IPI representatives, members of the public, and the media.
- B. **ROLL CALL.** Commissioners present at the meeting were: Juan M. Sablan (Chairman), Joseph C. Reyes (Vice Chairman), Justin S. Manglona (Secretary), Alvaro A. Santos (Treasurer) and Martin DLG. San Nicolas (PA & MR Officer).
- C. **ADOPTION OF AGENDA.** Vice Chairman Reyes made a motion to move Executive Session up after Public Comments. The motion was seconded by Commissioner Manglona and was put to a vote and unanimously approved.

II. REPORTS:

A. REPORT BY THE CHAIRMAN:

Chairman Sablan announced that he received a call from Representative Joseph P. Deleon Guerrero, the Chairman of the House Committee on Gaming, with information that the Commission's stand-alone bill was very likely to be introduced on the next house session. He was also advised by the Chairman that all the discussions taken up during the Commission's May 11, 2017 meeting with the Gaming Committee will be reflected on the bill. Ms. Ruth Ann Sakisat, Executive Assistant to the Commission, shared that the Gaming Chairman informed her that the bill was pre-filed and a copy will be forthcoming.

The Chairman reported that on May 22, 2017, he attended a meeting with all the permitting agencies and the Governor at the Governor's conference in Capitol Hill. The purpose of the meeting was to discuss the opening of the Imperial Pacific Resort and Hotel (IPR), he said. Several issues, including the fire alarms and sprinklers were discussed, he added. He shared that the Commission has not received a legal review from the licensee concerning the opening of the casino. He stressed that it's of utmost importance that the fire safety issues are addressed. He mentioned that during the meeting, the Zoning Office also announced that they have not issued a zoning permit as of meeting date. These issues and several more have to be resolved before the Commission can grant its approval for IPR Casino to go live.

Vice Chairman Reyes requested further clarification on the issue of the fire code. The Chairman replied that the Development Planning Advisory Committee (DPAC) led by Mr. James Chua, raised an issue on the need of water sprinklers. Chairman Sablan reiterated Mr. Chua's concern that it is crucial for the water sprinklers to be installed first and functional before the building can be occupied. He said that during the meeting with the Governor, it was announced that in lieu of fire sprinklers, the Fire Department would be on site on a 24/7 basis to monitor for any fires. However, there were also discussions that there may be a need for legal review of this type of arrangement as it may be in violation of the fire code that was adopted, he added.

Vice Chairman Reyes expressed confusion at the Chairman's change of position, as it was previously understood that if the licensee obtained all necessary permits, the Commission would grant approval for the IPR casino to open. He commented that there shouldn't be any issues as the proper authorities have already granted the necessary permits.

The Director added that there might be a conflict of interpretation between the code the Department of Public Works (DPW) used in the issuance of the Conditional Building Occupancy Permit and the Fire Code that the Fire Department used in the issuance of the Conditional Fire Permit. The Fire Department took the position that by stationing Fire Watchers to physically monitor for fires, the fire code requirements are satisfied. However, DPW had adopted a different code that states that there must be a fixed, functional and pressurized fire sprinklers before an occupancy permit can be granted, he stated. He further explained that there are other issues between the two permitting agency's legal counsels that he cannot discuss in an open meeting. He recommended discussing this matter further under executive session.

B. REPORT BY THE EXECUTIVE DIRECTOR:

The Director announced that the Commission's regular monthly meeting is scheduled for Thursday, May 25, 2017. However, in light of IPI's original request to open on Wednesday, May 24, 2017, the Commission decided to hold the May 23, 2017 to allow all Commissioners to participate in the decision-making. He explained that IPI later submitted an updated letter of request to open IPR on Friday, May 26, 2017 along with copies of the 11 conditional Certificate of Occupancies issued to them.

He announced that during the May 22, 2017 meeting called by the Governor with all the permitting agencies, the Commission heard several issues from the other agencies prompting the need for further clarification before the Commission can grant approval for IPI to open the casino at IPR. Below are the concerns raised:

Surveillance Cameras: CCC found that some cameras still require minor adjustments. These concerns are presently being addressed.

Parking Area: The Zoning Administrator was concerned that the parking area was not cleared. Clarification was needed as to where the patrons, IPI staff, Government Officials and CCC Personnel will park. Once the parking garage is cleared, it would still require another inspection from Zoning Office before it can be occupied.

Traffic: The traffic congestion will have an adverse impact in the area. Clarification is needed on how this matter will be addressed.

Barriers: There's a need to erect more barriers around the drainage areas. BECQ raised the issue of drainage and how it relates to the safety of the people.

Roulette Felt: The CCC is concerned that there's difficulty seeing the lettering and numbers on the fabric through the surveillance cameras.

The Director explained that the above issues could be addressed by putting together a list of conditions before the Commission can entertain any motion for opening. He commented that there are other issues requiring clarification from IPI that were not included in the list above.

III. **PUBLIC COMMENTS:** Mr. Paul Zak inquired if the casino will be allowed to open or not. The Chairman informed Mr. Zak that the Commission has not made a decision yet and welcomes any comments he would like to make. He further informed Mr. Zak that the Commission would be going into Executive Session to discuss further the matter of opening.

IV. **OLD BUSINESS: None**

V. **EXECUTIVE SESSION.** Vice Chairman Reyes made a motion to enter into Executive Session to discuss the matters listed below. The motion was seconded by Commissioner Manglona. It was put to a roll call vote with all voting yes. Executive session began at 10:30 a.m.

A. Report by the Legal Counsel

B. Report by the Development Planning Advisory Committee ("DPAC")

C. IPI Financial Matters

Commissioner Santos moved to exit Executive Session, seconded by Commissioner Manglona. The motion was put to a vote and unanimously approved.

Chairman Sablan called the meeting back to order at 11:54 a.m.

VI. **NEW BUSINESS:**

A. Imperial Pacific International (CNMI), LLC's ("IPI") May 16, 2017 Request to Allow Casino Gaming at the Imperial Pacific Resort & Hotel ("IPR"), in Garapan, Saipan.

Commissioner Santos moved to defer action on IPI's request to open the casino on May 26, 2017, as there are still issues that need to be resolved. The matter will be taken up on May 31, 2017 when the Commission will meet again to make a determination. The motion was then seconded by Commissioner Manglona.

Discussion: Vice Chairman Reyes asked that a letter to IPI be prepared as soon as possible specifying the various issues that need to be resolved based on discussions taken up earlier in the meeting. He further commented that the conditions listed at the back of each of the Conditional Certificate of Occupancy should be the main

concentration as far as compliance is concerned as those conditions are in reference to Commonwealth and Federal laws and regulations, and are coming from the appropriate authorities. Counsel Ernest added that the Commission can and should rely on permits issued by other government agencies. However, he advised that it would be in the best interest of the Commission to hold off its approval until the licensee can provide an opinion stating that occupying the IPR facility would not violate any federal or local laws. This written opinion or certification should be received by the Commission with IPI's request to open, and not after they've opened, he explained.

Commissioner Santos added that some of the issues raised by the other permitting agencies should be made clear. He stated that such information should be forwarded to the licensee so that they can be made aware of what needs to be resolved before the May 31st meeting.

The motion was put to a vote and unanimously approved.


VII. MISCELLANEOUS MATTERS. None

VIII. ADJOURNMENT. Vice Chairman Reyes moved to adjourn, seconded by Commissioner Manglona. The motion was put to a vote and unanimously approved. The meeting was adjourned at 12:04 pm on Tuesday, May 23, 2017.

Prepared by  Date: 05/30/17
Ruth Ann P. Sakisat
Executive Assistant to the Commission

Concurred by:  Date: 5/30/17
Justin S. Manglona
Commission Secretary

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APPROVED AND ADOPTED ON: 31st day of May 2017.

 Date: 5/31/17
Justin S. Manglona
Commission Secretary