

>>> GOOD MORNING.
I'M BILL WALSH.
ALL RIGHT, GOOD MORNING, FOLKS.
WE ARE GOING TO GET STARTED.
COULD WE HAVE QUIET IN THE ROOM,
PLEASE?
THANK YOU.
I'M KEVIN LAW, I'M THE CHAIRMAN
OF THE GAMING FACILITY LOCATION
BOARD.
WELCOME TO THE BOARD'S APPLICANT
PRESENTATION QUORUM.
TODAY AND TOMORROW, EACH
APPLICANT WILL MAKE AN
INFORMINGAL APPLICATION TO
MEMBERS OF THE BOARD AND THE
PUBLIC.
THE PURPOSE OF THE FORUMS IS TO
PROVIDE THE BOARD AND THE PUBLIC
WITH EXPLANATIONS OF THE
CONTENTS OF THE PROPOSED
PROJECTS IN EACH APPLICATION.
YOU ARE TO LIMIT PRESENTATIONS
TO THEIR OWN APPLICATIONS, NOT
TO THEIR COMPETITOR
APPLICATIONS.
NO QUESTIONS FROM THE PUBLIC
WILL BE PERMITTED AT THIS EVENT
BECAUSE WE HAVE PUBLIC COMMENT
EVENTS SCHEDULED FOR SEPTEMBER
22nd, 23rd, AND 24 th.
THE PUBLIC COMMENTS WILL PROVIDE
MEMBERS OF THE PUBLIC THE
OPPORTUNITY TO SPEAK ON ANY
PROPOSED PROJECT WITHIN THE
APPLICABLE REGION.
INFORMATION RELATIVE TO THE
PUBLIC COMMENT EVENT MAY BE
FOUND ON OUR WEB PAGE LINKED TO
THE GAMING COMMISSION WEBSITE.
AT THIS TIME, I'D LIKE TO
INTRODUCE MY FELLOW BOARD
MEMBERS.
TO MY LEFT IS STUART AND TO THE
IMMEDIATE RIGHT IS PAUL FRANCIS
AND DENNIS.
BILL THOMPSON WILL JOIN US
SHORTLY, MAKING UP THE FIFTH AND
FINAL MEMBER OF OUR BOARD, AND
THEN WITHOUT ANY FURTHER DELAY,
I'D LIKE TO CALL UPON THE FIRST
APPLICANT, AND JUST A REMINDER,
WE'VE ALLOCATED ONE HOUR FOR
EACH APPLICATION, FOR EACH

APPLICANT, AND WE'LL NOW HAND IT
OVER TO TRADITIONS RESORT AND
CASINO, THANK YOU.

>> GOOD MORNING, THANK YOU.

I'M BILL WALSH, HERE WITH THE
TEAM OF PROFESSIONALS TO
INTRODUCE TRADITIONS RESORT AND
CASINO, A CANDIDATE FOR THE
GAMING FIVE LICENSE.
TRADITIONS RESORT IS A COMMUNITY
FOCUSED PROJECT WITH A
SUBSTANTIAL IMPACT ON THE
SOUTHERN TIER.

WE'D LIKE TO SINCERELY THANK THE
GOVERNOR, SELECTION COMMITTEE,
AND ALL IN ATTENDANCE FOR THIS
OPPORTUNITY AS WELL AS YOUR TIME
AND ATTENTION.

I BRING YOU TRADITIONS RESORT
AND CASINO.

>>> BROOM COUNTY NEW YORK IS
KNOWN INTERNATIONALLY AS THE
VALLEY OF OPPORTUNITY.

DECADES AGO, THE GREATER
BINGATON AREA GREW AND EVOLVE
RECOGNIZED AS THE LEADER IN
INDUSTRY AND INNOVATION.

IN ADDITION TO BEING THE
BIRTHPLACE OF IBM, MANY OTHER
COMPANIES, ONES CALLED BINGATON
HOME.

MANY FAMILIES CAME IN SEARCH OF
STEADY EMPLOYMENT, A FAIR WAGE,
AND A COMMUNITY TO RAISE THEIR
FAMILY.

THE GREATER AREA GREW AND
EVOLVED AND RECOGNIZED AS THE
LEADER IN INDUSTRY AND
INNOVATIONS.

MANY OF THE INDUSTRIES HAVE LEFT
THE AREA AS A RESULT OF GLOBAL
COMPETITION.

WHAT WAS ONCE A THRIVING
INDUSTRIAL AREA IS NOW ACRES AND
ACRES OF RUN DOWN OR ABANDON
BUILDINGS.

WHILE SOMETIMES HARD TO
ACKNOWLEDGE OR ACCEPT, THE
COMPANIES ARE GONE AND ARE NOT
COMING BACK.

LIKE MANY SMALL CITIES IN
UPSTATE NEW YORK, WE'RE LIVING
IN A DEPRESSED ECONOMY.
IN ADDITION, WE'VE BEEN HIT WITH

TWO 100-YEAR FLOODS IN LESS THAN FIVE YEARS.

RECOVERY'S BEEN DIFFICULT FOR MANY, AND SOME, JUST PLAIN GAVE UP AND MOVED AWAY.

OUR COMMUNITY IS STRUGGLING. EVERY DAY.

OTHERS ARE NOTICING.

>> THIS IS THE FIFTH MOST DEPRESSED CITY, SECOND MOST OBESE, THE NUMBER ONE PESSIMISTIC.

>> IT'S ONE OF THE SEVEN FASTEST SHRINKING CITIES IN THE COUNTRY.

>> WE CAN'T RETAIN OUR TALENTED YOUTH.

OUR OLDER GENERATIONS ARE LEAVING FOR BETTER ECONOMY, AND THE SMALL BUSINESSES THAT ARE LEFT CONTINUE TO FIGHT TO STAY ALIVE.

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TRADITIONS RESORT AND CASINO ASKS YOU TO THINK BIG AND ALLOW US TO EXPAND OUR DESTINATION RESORT AND CREATE OVER 1,000 NEW QUALITY JOBS.

THINK BIGGER.

BY ALLOWING US TO GENERATE A NEW INCOME STREAM IN OUR TOWN AND COUNTY IN A FORM OF NEW PAYROLLS, TAX REVENUE, WHILE PROVIDING AN ADDITIONAL INCOME STREAM TO NEW YORK STATE.

THINK REALLY BIG.

ALLOW US TO PROVIDE THE CATALYST TO REVITALIZE THE SOUTHERN TIER BY PROVIDING AN OPPORTUNITY WHICH WILL BE FAR REACHING AND LONG LASTING TO SO MANY FAMILIES IN OUR COMMUNITY.

WE'RE PROUD TO PRESENT THE TEAM THAT MADE TODAY'S PRESENTATION POSSIBLE.

JCJR ARCHITECTS, A GLOBAL LEADER IN THE DESIGN AND CONSTRUCTION OF GAMING FACILITIES.

WHILE NOT EVERYONE KNOWS THEM BY NAME, MANY KNOW THEIR PROJECTS.

A FEW OF THE REGIONAL PROJECTS INCLUDE CASINO AND HOTEL, SARATOGA GAMING AND RACING, MOHEEGAN SUN, FOX WOODS RESORT AND CASINO, AND RESORTS WORLD

CASINO IN NEW YORK.

THEY ARE COMPLIMENTED BY A DYNAMIC TEAM OF PROFESSIONALS WHO ARE LEADERS IN THEIR INDUSTRY.

BRIAN DESIGN STUDIOS, DELTA ENGINEERS, ARCHITECT AND LAND SURVEYORS, BERDA ENGINEERING, LACHASE CONSTRUCTION, WALSH AND SONS CONSTRUCTION, THE GAMING CORPORATION, THE INNOVATION GROUP, TRAFFIC DATA BANK, E-CONSULT SOLUTIONS, JOHN DODD ESQUIRE, ATTORNEY AT LAW, THE LAW FIRM OF DORDI HEYS, MOUNTAIN PRODUCTIONS, GREY GOOSE GRAPHICS, AND DYNAMIC INNOVATION.

OVER THE NEXT 40 MINUTES, YOU WILL LEARN ABOUT OUR MARKETS, PROPERLY SIZED PROJECT, AND HOW THE VISION OF OUR OWNERS AND THE EXPERIENCE OF OUR OPERATOR SETS OUR PROJECT APART FROM THE OTHERS IN OUR REGION.

TRADITIONS RESORT AND CASINO WELCOMES MICHAEL SAUL FROM THE INNOVATION GROUP WHO WILL BRIEFLY SHARE HIS GROUP'S FINDINGS ON THE ANALYSIS OF OUR MARKET, OUR PROJECT, AND THE ECONOMIC IMPACT THIS WILL HAVE ON OUR COMMUNITY.

>> MORNING.

INNOVATION GROUP WAS HIRED BY THE TRADITIONS TEAM EARLY ON TO LOOK AT BOTH THE SIZE OF THE MARKET AND THE APPROPRIATE SIZE FACILITY FOR THE MARKET INCLUDING THE ECONOMIC IMPACTS THAT WOULD BE GENERATED AS A RESULT OF THE PROJECT, AND TODAY, WHAT I'D LIKE TO DO FOR THE BOARD AND THE PUBLIC IS JUST TELL YOU A LITTLE ABOUT THE FIRM, HOW WE LOOK AT THE PROJECTS, AND GO INTO THE REVENUE FORECASTS AND ECONOMIC IMPACT SUMMARY.

I'LL DO THIS AT A HIGH LEVEL BECAUSE I KNOW THE REPORTS THEMSELVES HAVE BEEN PROVIDED AS PART OF THE APPLICATION. SO THE INNOVATION GROUP IS

COMPROMISED OF COLLECTION OF COMPANIES ALL SERVING LEISURE, GAMING, AND HOSPITALITY OPERATORS, GOVERNMENT, AND BANKS.

WE HAVE A CONSULTING ENTITY THAT PRIMARILY HANDLES FEASIBILITY AND IMPACT WORK.

WE HAVE EXPOSURE IN BANKING, IN PROJECT DEVELOPMENT, MARKETING, AND MANAGEMENT IN AMENITY DEVELOPMENT.

WE HAVE A WELL-ROUNDED VIEW OUTSIDE THE GAMING FLOOR WHICH IS IMPORTANT IN ALL PROJECTS, SPECIFICALLY PROJECTS THAT ARE DIVERSE TO THE CUSTOMER AND COMMUNITY.

THE RIGHT SIDE OF THE SLIDE SHOWS HOW WE WORK TOGETHER TRUE THE COMPANIES TO TAKE A BROAD PERSPECTIVE ON PROJECTS.

OVER THE YEARS, JUST A COUPLE HIGHLIGHTS.

WE WORKED IN OVER 80 COUNTRIES, DONE STUDIES THAT HAVE UNDERWRITTEN OR CONTEMPLATED A HUNDRED BILLION IN DEVELOPMENT, AND OVERTHOSE YEARS, OVER TWO DECADES, PROUD TO SAY THAT 58% OF THE PROJECTS ARE WITHIN 5% OF THE FORECASTS, 90% ARE ACTUALLY WITHIN 10% OF THE FORECAST, AND AVERAGE VARIANCE IS 4%.

THIS IS A DEPICTION OF THE VARIETY OF AREAS WORKED IN. NO SHORTAGE OF LOCAL, NORTH AMERICAN TYPE FACILITIES, BUT WE WORKED ON MORE COMPREHENSIVE PROJECTS AROUND THE WORLD.

FINALLY, CUSTOMER BASE. CLIENTS RANGE FROM GOVERNMENT TO NAY NATIVE AMERICAN INDIAN TRIBES, AND WE'VE BEEN ON YOUR SIDE OF THE TABLE, PROPOSING ON BEHALF OF INDUSTRY, AND THE ONLY THING I'D ADD THERE IS THAT IN ALL THESE YEARS OF LOOKING AT PROPOSALS, THERE'S VERY, VERY FEW THAT REALLY MARRY THE INTENT OF ENABLING LEGISLATION PARTICULARLY RELATING TO ECONOMIC DEVELOPMENT TO WHAT'S ON THE GROUND.

YOU'LL SEE THAT RESINATE IN THE PRESENTATION.

WE'LL GO INTO THE MARKET, THE LOCAL AND DRIVE-IN MARKET FOR THE TRADITIONS PROJECT.

EACH COLOR REPRESENTS A DIFFERENT POOL OF CUSTOMERS THAT WE DRAW TO CONDITIONS OR COMPETITORS AROUND THE STATE.

THERE'S RELATIVELY ROBUST MODEL THAT ESTABLISH THE TRIPS IN WHICH YOU'LL SEE IN GREAT DETAIL IN THE REPORT.

THIS SLIDE SHOWS YOU THE COMPETITORS THAT ARE IN THE REGION.

THE MAIN POINT OF THE SLIDE, AND YOU'LL BE PROBABLY FAMILIAR WITH MOST OF THE OPERATIONS AND THEIR PERFORMANCE IS THE TWO AT THE BOTTOM THAT REPRESENT PENNSYLVANIA OPERATIONS, AND WE'LL COME BACK TO MORE IMPORTANT, BUT IT HAS TO DO WITH RECAPTURING DOLLARS LEAVING THE STATE, SPENT OUT OF STATE, TO GET THOSE BACK TO NEW YORK.

THE UNIT ON THE RIGHT, THE 150 TO 250, ALMOST \$300 RANGE IN SOME CASES.

WE'LL COME BACK TO THE SIGNIFICANCE OF THAT AS WELL.

WITHOUT GETTING INTO TOO MUCH DETAIL ON METRICS, NEXT TWO SLIDES IS HOW WE LOOK AT MARKETS, THE LOCAL MARKET, AND THE FIRST BULLET HERE ARE THE DRIVE-IN RESIDENCE, THE BREAD AND BUTTER OF GAMING OPERATIONS IN THE UNITED STATES, AND IMPORTANTLY, IN THIS CASE, THE HOTEL OR TOURIST CAPTURE IS BRINGING NEW REVENUE INTO THE STATE.

IT'S PARTICULARLY IMPORTANT MARKET SEGMENT TO BE ABLE TO ADDRESS, AND FOR THIS PROJECT, WE'RE LOOKING AT ON SIGHT TOURISTS WHO STAY AT THE TRADITIONS PROPERTY AND OFFSITE GUESTS IN SURROUNDING HOTELS.

IN ADDITION, THERE'S A TRAFFIC INTERCEPT PULLING A SMALL NUMBER OF PLAYERS PASSING THROUGH THE

REGION OFF THE HIGHWAY.
THREE METRICS THAT BACK THE
GRAVITY MODEL WITHOUT DETAIL
INCLUDE PROPENSITY, THE
PERCENTAGE OF THE POPULATION
THAT WILL PLAY, FREQUENCY, WHICH
IS THE NUMBER OF TIMES PER YEAR
EACH OF THE INDIVIDUALS WOULD
PLAY, AND PER VISIT, ESSENTIALLY
PERCENT OF THE VISIT.
THIS IS HOW WE DRIVE GAMING
REVENUE.

TAKING THOSE DIFFERENT METRICS
INTO ACCOUNT, TO GET TO THE
BOTTOM LINE OF THE GAMING
FORECAST FOR THE LOCALS MARKET
ONLY, THIS FIVE-YEAR FORECAST
STABILIZES IN 2018 AT 117
MILLION IN GAMING REVENUE FROM
THE LOCAL MARKET.

WE WANT TO NOW LOOK AT WHAT WE
ADD TO THE LOCAL MARKET FROM
OUTSIDE THE LOCAL MARKET, THIS
HIGH QUALITY IMPORTED INCOME.
THIS SLIDE SHOWS YOU THE THREE
NONLOCAL SEGMENTS THAT WE LOOKED
AT.

THE FIRST TWO ARE BOTH TOURISTS.
WE GOT OUR HOTEL GUESTS.
WE GOT HOTEL GUESTS IN OTHER
HOTELS IN THE AREA, AND WHOSE
ROOMS WE INTEND TO HELP FILL,
AND WE HAVE THE TRAFFIC
INTERCEPT METRICS AT THE BOTTOM,
AND, AGAIN, WITHOUT GOING
THROUGH THE MATH LIVE, THE
GAMING REVENUE ROLLS UP ON THIS
SLIDE UNDER STABILIZED REVENUE
IN 2018, LOOKING AT ALL FOUR
MARKET SEGMENTS, WE STABILIZE AT
135 MILLION IN ANNUAL REVENUE.
AGAIN, THIS IS JUST GAMING
REVENUE.

IF YOU LOOK AT THE BOTTOM OF THE
SLIDE, WE HAVE FAIRLY TYPICAL
INDUSTRY METRICS THAT EXPLAIN
UTILIZATION AND PRODUCTIVITY OF
THE PROPERTY.

THE 135 MILLION IN GAMING
REVENUE CONTINUING TO TRACK 2018
REFLECTS 1.4 MILLION VISITS A
YEAR AT \$93 A VISIT, THAT'S
ALMOST \$250 PER UNIT PER DAY,
VERY ROBUST, BUT VERY REALISTIC

WIN PER UNIT.

TALK ABOUT NONGAMING REVENUE.
BECAUSE THIS RESORT LIKE
COMPETITORS IN THE STATE OFFER
MORE THAN GAMING, INCLUDING A
ROOM BASED ENTERTAINMENT, FOOD,
BEVERAGE, SMALL RETAIL
OPPORTUNITIES, WE HAVE TO LOOK
AT WHAT THE GAMING REVENUE
VERSUS NONGAMING REVENUE LOOKS
LIKE, AND OUR MODEL, GENERALLY,
DOES THIS IN A VARIETY OF WAYS,
COMPARABLE ANALYSIS, AND UNIQUE
DEMAND ANALYSIS.

IN EACH CASE, WE COME UP WITH A
GROSS REVENUE FIGURE THAT'S
COMPARABLE TO THE GAMING REVENUE
FIGURE, IN THIS CASE, 161
MILLION IN 2018, THE ALL IN
PROPERTY REVENUE FORECAST.
SO THAT SETS THE STAGE FOR WHAT
WE THINK THE MARKET CAN BEAR AND
WHAT THIS PROJECT CAN ADD IN
TERMS OF VALUE.

LET'S LOOK AT THE ECONOMIC
IMPACTS THAT FOLLOW.

SO THE PLANNED MODELLING
SOFTWARE, YOU MAY HEAR ABOUT IT
IN THE COMING DAYS IS THE MORE
MODERN VERSION OF THE
INPUT/OUTPUT MULTIPLIER SYSTEM.
IT'S NOT THAT INTERESTING, BUT
WHEN WE RUN ALL NUMBERS THROUGH
IT, WE GET A GOOD SENSE OF WHAT
THE DEVELOPMENT OPPORTUNITIES IN
THE REGION WILL DO IN TERMS OF
EMPLOYMENT, THE SPINOFF EFFECT,
AND THE RESULTS ARE WHAT MATTERS
IN THIS MODEL.

WE'LL LOOK AT THE CONSTRUCTION
IMPAKTS THAT HAPPEN ONE TIME
ONLY IN THE CONSTRUCTION PERIOD,
THE IMPACTS EACH AND EVERY YEAR
THE COMPANY OPERATE, AND FISCAL
IMPACTS, TAXES, REVENUE TO THE
COUNTY, STATE, AND LOCAL
COMMUNITY, AGAIN, EVERY YEAR.
THIS SLIDE HAS OUR SUMMARY OF
THE ECONOMIC OUTPUTS ON THE TOP
FOR THE DEVELOPMENT PHASE OR THE
CONSTRUCTION PHASE.

THE BOTTOM IS THE ONGOING PHASE.
EACH CATEGORY, THERE'S THREE
TYPES OF EFFECT.

THE DIRECT EFFECT WHICH IS THE NUMBER OF POSITIONS OR NUMBER OF DOLLARS SPENT DIRECTLY ON SITE OR BY THE OPERATOR.

THE INDIRECT EFFECT, THE SPINOFF EFFECT THAT RIPPLES THROUGH THE ECONOMY, IN THIS CASE, THE STATE ECONOMY, AND IN THE INDUCED EFFECT, WHICH ARE THOSE WHO SPEND MONEY OFF PROPERTY, BUT ARE VISITING THE MARKET BECAUSE OF THE PROPERTY.

GETTING GAS ON THE WAY TO PROPERTY OR STAYING IN ANOTHER HOTEL OTHER THAN TRADITIONS TO PLAY THE NEXT DAY, THESE ARE IN THE REDUCED EFFECT.

THERE'S A FULL TIME EQUIVALENT, THE MOST CONSERVATIVE WAY TO PRESENT NUMBERS TO YOU.

ACTUAL EMPLOYMENT NUMBERS RANGE BETWEEN 15 AND 20 % HIGHER THAN THIS, AND ALL THE SPECIFIC NUMBERS ARE COVERED IN THE REPORT.

ON THE CONSTRUCTION PHASE, ALL-IN EMPLOYMENT POSITIONS FOR FTEs AT 1,315, SALARY AND WAGES OF \$75 MILLION IN TOTAL SPENDING OF \$205 MILLION.

MOVING ON TO THE ANNUAL IMPACTS SO FOR EVERY YEAR, WE'LL SEE ONGOING IMPACTS THAT REACH 1700, FTEs I SHOULD SAY, AND TOTAL SPENDING IN THE 140 MILLION RANGE.

THE 842 DIRECT JOBS ON-SITE YOU SEE THERE REFLECTED AS 1,066 JOBS ARE ACTUAL PEOPLE WHO WORK ON-SITE.

THEY HAPPEN TO BE VERY GOOD JOBS AS WELL.

YOU'LL HEAR PEOPLE TALK ABOUT GAMING INDUSTRY JOBS FOR THE NEXT TWO DAYS PRESUMABLY AND BE REMINDED COMPARED TO AVERAGE HOSPITALITY JOBS, THEY TEND TO HAVE A PREMIUM IN INCOME.

GOING NOW TO THE TAX SUMMARY, SOME OF THE TAXES ARE STATE RECOGNIZED TAXES.

SOME OF THOSE PARTICULARLY WITH THE POUND SIGN NEXT TO THEM ARE BEING CALCULATED IN THE IN-PLAN

MODEL, BUT ALL IN, OUR TAX
IMPACT IN STABILIZED YEAR 2018
IS APPROXIMATELY 55 MILLION A
YEAR TO THE STATE AND YOU'LL
NOTE IN 2016 BECAUSE OF THE
SERVICES LICENSE, SERVICE IS AT
82 MILLION.

IN TERMS OF DIFFERENTIATING THE
PROMPT, THIS PROJECT -- THIS
SLIDE, SORRY, GOES BACK TO
WHAT'S RECAPTURED FROM
PENNSYLVANIA AT THE TRADITIONS
SITE.

THE GEOGRAPHIC LOCATION IS
STRATEGIC IN THAT MOHEGAN SUN
SHARES QUITE A BIT OF MARKET
OVERLAP.

THESE ARE IN THE SOUTHERN TIER,
AND IF YOU LOOK AT MOHEGAN SUN,
THEY ARE FOR 35 MILLION IN 20 16
WITHOUT TRADITIONS DEVELOPED.
WITH TRADITIONS DEVELOPED, WE'RE
ABLE TO RECAPTURE ABOUT 17.7
MILLION.

SIMILARLY, WITH MR. AYER, THE
SIMILAR FORECAST WITHOUT
TRADITIONS IS 34.5 MILLION CUT
TO 17 MILLION WERE FOR 35
MILLION RECAPTURE FOR NEW YORK.

>> CAN I ASK A QUESTION?

HOW DO YOU CALCULATE HOW MUCH
BUSINESS TRADITIONS TAKES AWAY
FROM OTHER FACILITIES?

DO YOU ASSUME THAT EVERYBODY
WITHIN A TWO HOUR DRIVE IS GOING
TO GO THERE OPPOSED TO MOUNT
AYER.

>> THE MODEL ESTABLISHES TRIPS
REGARDLESS OF THE INJURY
DICTIONAL RESTRICTION THE TRIP
IS GENERATED IN TO FACILITIES
ACROSS THE YEAR, AND NOT ALWAYS
THE SAME FACILITY BASED ON
ATTRACTION AND TIME TO GET
THERE, THIS IS JUST FOR THE
LOCAL MARKET AND DRIVE-IN
MARKET.

WE ARE SIGNING TRIPS TO EVERYONE
THAT FALLS IN THE JURISDICTION
OVER THE COURSE OF THE YEAR.

>> AND WHAT PERCENTAGE OF THOSE
PEOPLE ARE YOU ASSUMING WILL GO
TO TRADITIONS?

>> 70%.

>> WHY?
>> OF RECAPTURED DOLLARS, 70%
WILL BE RESPONSIBLE TO
TRADITIONS.
>> OKAY.
>> WHY THEY ARE GOING THERE IN
SOME CASES IS BECAUSE IT'S
CLOSER.
IN SOME CASES, THEY DECIDED FOR
A FULL RESORT VERSUS SLOT HALL.
>> IS MT. AYER A SLOT HALL?
>> IT IS A SMALL RESORT.
>> OKAY, THANK YOU.
>> FINALLY, THIS SLIDE WE THINK
IS COMPELLING.
HOW MUCH CAN THE SOUTHERN TIER
OF THAT REGION SUPPORT, AND TO
MAKE THIS IMPACT AND DRAW PEOPLE
ACROSS THE STATE LINE?
THIS IS THE REFLECTED DIFFERENCE
BETWEEN ONE AND TWO PROPERTIES
IN THE SOUTHERN TIER IN THE AREA
THAT WE'RE DISCUSSING.
SO TOTAL REVENUE IN THE AREA
WITH TRADITIONS VERSUS ONE
PROPERTY IN THE REGION IS 145%
HIGHER THAN IT WOULD BE.
GAMING TAX REVENUE IS
INCREMENTALLY 90% MORE THAN IT
WOULD BE WITH ONE PROPERTY IN
THE REGION, AND DIRECT JOB
GROWTH IS OVER 300% MORE THAN IT
WOULD BE WITH ONE PROPERTY IN
THE REGION.
SO, AGAIN, ALL OF THE NUMBERS
BEHIND THE PERCENTAGES ARE
DETAILED, AND WE WANTED TO JUST
LET YOU SEE WHAT HAPPENS IN THE
REGION WITH AN ADDITIONAL
PROPERTY VERSUS ONE.
THAT CONCLUDES MY PRESENTATION.
NOW WE'RE GOING TO MOVE ON TO
HEAR MORE ABOUT THE WALSH
FAMILY.
>>> THE WALSH FAMILY IS A
MULTIGENERATIONAL FAMILY OF
LOCAL DEVELOPERS WHO WORK AND
LIVE IN THE SOUTHERN TIER.
KNOWN FOR THE COMMERCIAL AND
CUSTOM HOME DEVELOPMENT, THEY
ARE A WELL-RESPECTED BUSINESS
OPERATORS WHO ARE KNOWN FOR NOT
JUST THEIR QUALITY PROJECTS, BUT
THEIR ATTENTION TO DETAIL.

THEY ARE STRONG SUPPORTERS OF MANY NONPROFITS, AND THEY ARE ACTIVE WITH MANY CHARITABLE ORGANIZATIONS.

AS THE CURRENT OWNERS OF TRADITIONS RESORT AND CONFERENCE CENTER, THEY HAVE A PROVEN TRACK RECORD, NOT ONLY THE DEVELOPMENT OF A SUCCESSFUL DESTINATION RESORT, BUT ALSO UNDERSTANDS WHAT IT TAKES TO OPERATE A PROPERTY OF THIS TYPE IN THIS ECONOMIC CLIMATE.

IT IS IMPORTANT TO UNDERSTAND THAT THAT PROJECT IS NOT ABOUT THE WALSH FAMILY.

THIS IS AN OPPORTUNITY FOR OUR COMMUNITY.

>> HELLO, I'M BILL WALSH.

THIS VALLEY IS MY HOME.

I LIVED HERE MY ENTIRE LIFE AND HOPEFULLY MY CHILDREN AND GRANDCHILDREN CAN DO AS WELL.

WHAT WE NEED HELPS.

THIS COMMUNITY WAS ONCE CALLED THE VALLEY OF OPPORTUNITY.

WHEN IMMIGRANTS GOT OFF THE BOAT, THEY ASKED WHICH WAY EJ.

THAT'S RIGHT, PEOPLE FROM COUNTRIES AWAY KNEW OF THE OPPORTUNITIES HERE, COMING FROM NEAR AND FAR TO RAISE THEIR FAMILIES HERE.

THOSE DAYS ARE LONG SINCE GONE.

BEHIND ME IS THE EXAMPLE OF WHAT IT'S BECOME.

THIS WAS THE HOME AND COUNTRY CLUB FOR IBM.

ONCE A THRIVING BUSINESS THAT EMPLOYED THOUSANDS OF HARD WORKING PEOPLE FROM OUR COMMUNITY, BUT THEY ARE GONE ALONG WITH EJ AND NUMEROUS OTHER BUSINESSES THAT ARE NOT RETURNING.

WE NEED A BREAK.

THE CASINO LICENSE COULD BE THE STIMULUS NEEDED TO GET OUR COMMUNITY BACK ON ITS FEET AND HIGHLY SKILLED WORK FORCE BACK INTO JOBS THAT CAN ONCE AGAIN BRING ABANDONED BUILDINGS LIKE THIS BACK ON THE TAX ROLLS.

HELP US BRING THIS COMMUNITY

BACK TO THE PRODUCTIVE TIME OF YEARS PAST.

AND SELECT TRADITIONS FOR THE GAMING LICENSE FOR THE REAL SOUTHERN TIER.

THE WALSH FAMILY HAVE BEEN STRONG SUPPORTERS OF THE COMMUNITY FOR YEARS, AND THROUGH THE ANNUAL WINE AND PIZZA FUNDRAISER AND GOLF TOURNAMENTS WE SPONSOR, WE'VE BEEN STRONG SUPPORTERS OF CHARITIES IN THE COMMUNITY.

A PROJECT LIKE THIS WILL HAVE SO MANY MORE BENEFITS TO SO MANY MORE PEOPLE.

I'M PROUD TO SAY I'M A PART OF IT.

WE'RE MAKING HISTORY IN THE SOUTHERN TIER EVERY DAY.

>> UPON GRADUATION FROM COLLEGE, MY BROTHER, SISTER, AND I AND THE MAJORITY OF OUR FRIENDS, LEFT THE AREA IN SEARCH OF OPPORTUNITIES IN PLACES WITH MANY YOUNG PROFESSIONALS LIKE OURSELVES.

I'M VERY COMMITTED TO THIS PROJECT BECAUSE IT'S GOING TO BRING NEW QUALITY JOBS.

IT'S GOING TO BRING NEW LIFE INTO THIS COMMUNITY.

IT'S GOING TO SERVE AS DEVELOPMENT.

THESE ARE ALL GREAT REASONS FOR PROFESSIONALS TO STAY AND RAISE FAMILIES IN THE AREA.

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>> TRADITIONS RESORT AND CASINOS PARTNER IS THE PREMIER GAMING OPERATOR IN WESTERN NEW YORK, PENNSYLVANIA, AND OHIO.

WE OPERATE THE ONLY CLASS 3 GAMING PROPERTIES IN WESTERN NEW YORK.

LOCATED IN NIAGRA FALLS AND BUFFALO HARBOR.

WE INVESTED 300 MILLION IN THE CASINOS WITH 145 TABLE GAMES, TWO FLOOR DIAMOND AAA RATED HOTELS WITH OVER 1000 SUITES.

MULTIPURPOSE AND CONVENTION AND INTERAPEMENT FACILITYINGS, 21 RESTAURANTS AND LOUNGES AND A

PGA STYLE GOLF COURSE.
WE MAXIMIZE POTENTIAL AND DRIVE
OUT OF STATE AND INTERNATIONAL
VISITATION TO WESTERN NEW YORK.
WE OFFER THE MOST EFFECTIVE
MANAGEMENT OF THE NEW YORK STATE
CASINOS BECAUSE OF OUR 12 YEARS
OF SUCCESSFUL RECORD DEVELOPING
MARKETS SIMILAR TO BROOM COUNTY.
THE STRENGTH OF OUR MANAGEMENT
TEAM, ABILITY TO LEVERAGE
MARKETING CAPABILITIES AND CROSS
MARKET TRADITIONS TO THE DATA
BASE IN THE CENTER MAKES US THE
IDEAL PARTNER.

WE HAVE PROVEN WE CAN SUCCESSFUL
RESPOND TO THE SEASONAL NATURE
OF TOURISM IN EXTREME WEATHER
EXPERIENCED IN THE REGION.

WE STIMULATED GROWTH IN
SIMILARLY CHALLENGED UPSTATE NEW
YORK ECONOMIES.

WE TAINED OVER \$1 BILLION OF
FINANCING SINCE INCEPTION WITH
FIT RATINGS BY STANDARD AND
POORS AND MOODIES.

OUR GAMINGS CORE VALUES,
CENTERED ON COMMITMENT TO THE
EMPLOYEES, CUSTOMERS, AND
PARTNERSHIPS WITH THE
COMMUNITIES AND LOCAL BUSINESS
OWNERS.

WE HAVE CREATED NEARLY 11,000
JOBS AND SUCCESSFUL CAREERS IN
WESTERN NEW YORK OVER OUR
12-YEAR HISTORY.

WE'RE RECOGNIZED AS A TRUE
PARTNER BY OUR BUSINESS PEERS
DUE TO THE COMMITMENT TO THE
REGION, AND IN 2013, WE HONORED
THE GAMING WITH WESTERN NEW
YORK'S MOST ADMIRER COMPANIES
AWARD.

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>> FROM DECISIONS RESORT AND
CASINO PRESENTS MATTHEW AND
PETER WALSH WHO WILL PROVIDE YOU
WITH AN OVERVIEW OF OUR PHYSICAL
PROJECT.

>> PROUD TO SAY TRADITIONS
RESORT AND CASINO IS COMPLETE
WITH THE FIRST PHASE OF BUILDING
A DESTINATION RESORT.

TRADITIONS AT THE GLEN HAS 41

HOTEL ROOMS, AN 18-HOLE GOLF COURSE, 7500 SQUARE FOOT SPA, NUMEROUS BANQUET FACILITIES, A 200 ACRE WILDLIFE PRESERVE ADJOINING THE PROPERTY WITH OVER SIX MILES OF HIKING TRAILS, AND ONE OF A KIND HIMALAYAN SALT SANCTUARY.

THIS IS WHY VISITORS VISIT US FROM ALL OVER THE NORTHEAST. TRADITIONS WILL EXPAND TO OVER 500,000 SQUARE FEET AND INCLUDE AN UNDERGROUND PARKING GARAGE TO SERVE CUSTOMERS IN INCLEMENT WEATHER.

AS A MULTIFUNCTIONAL BUILDING IN THE HILLSIDE OF THE 450-ACRE SITE, THIS CAPTURES VIEWS THAT CAN BE BE DUPLICATED.

THE \$192 MILLION LEAD CERTIFIED EXPANSION HAS BEEN DESIGNED IN COOPERATION WITH THE NEIGHBORING RESIDENCE AND LOCAL BUSINESSES TO ENSURE THAT THE PURPOSE, SIZE, AND STYLE WILL BE A COMPLIMENT TO THE COMMUNITY.

OUR PROPERTY WILL BE THEE ENTERTAINMENT DESTINATION IN CENTRAL NEW YORK,S BIGGEST DRAW FOR 90 MILES WITH 1200 SLOT MACHINES, 50 TABLE GAME, AND ONLY OUTDOOR VENUE OF ITS KIND. THE ATTENTION TO DETAIL AND QUALITY IS EVIDENT FROM THE GAMING FLOOR TO THE FULLY INTEGRATED SPORTS BAR AND 24-HOUR CAFE.

GUESTS CAN HAVE LONG STAYS WITH US TO HAVE 160 HOTEL ROOMS. THIS WAS BUILT IN MIND THAT WE ARE FUNCTIONING AT 40 % OCCUPANCY.

THIS IS MADE POSSIBLE BY A SALE AND LEASE BACK OF THE PROPERTY THROUGH A REAL ESTATE INVESTMENT TRUST.

GLPI IS A PUBLICLY TRADED COMPANY SPUN OFF FROM PEN NATIONAL GAMING AND OWNS 22 GAMING PROPERTIES IN THE UNITED STATES.

IN ADDITION, JEFFREYS PROVIDED A HIGH KME TENSE LETTER TO RAISE \$175 MILLION IN COMBINATION OF

DEBT AND EQUITY.

IT'S A PROMINENT BANK TO PROVIDE PROJECTS IN THE U.S.

THESE TWO FUNDING COMMITMENTS TOGETHER PROVIDE MORE THAN SUFFICIENT FUNDS FOR PHASE ONE AND TWO OF THE PROJECT.

NOW, THIS SIZABLE INVESTMENT HAS IMPACTS REACHING BEYOND THE CONFINES OF THE RESORT.

THE PROPERTY IS UNIQUE IN THAT IT'S SURROUNDED BY LOCAL BUSINESSES, ATTRACTION, AND ENTERTAINMENT OPTIONS INCLUDING SEVERAL HUNDRED RESTAURANTS, A SHOPPING MALL, TWO PROFESSIONAL SPORTINGS VENUES, A MUSEUM, WINERIES, AND OVER FIVE THEATERS.

WE'VE INTEGRATED THE PROJECTS WITH ATTRACTIONS WITH MEMORANDUMS OF UNDERSTANDING TO CROSS-MARKET AND PROMOTE OFFERINGS AND WITH A PLAYER REWARDS PROGRAM WIDELY EMBRACED BY THE COMMUNITY.

70% OF THE SELECTION IS BASED ON ECONOMIC IMPACT, JUST LOOK AT THE NUMBERS.

AT FIVE TIMES THE POPULATION AND NUMBER OF BUSINESSES AND A POOL OF UNEMPLOYED WORKERS AND STAGGERING NUMBER OF UNEMPLOYED. WE NEED THIS ECONOMIC OPPORTUNITY.

BROOM COUNTY IS STRUGGLING, YET IT HAS BUSINESSES, INFRASTRUCTURE, AND THE ECONOMY SUFFICIENT TO SUPPORT AND IMMEDIATELY BENEFIT FROM THE PROJECT.

TRADITIONS RESORT AND CASINO WILL BE WHERE IT'S NEEDED MOST AND GIVE FUTURE GENERATIONS A REASON NOT TO LEAVE HOME.

>> THANK YOU.

YOU LEARN ABOUT THE GAMING IN THE OVERVIEW, SO LET'S TURN TO THE MANAGEMENT TEAM.

OUR TEAM HAS AN AVERAGE OF OVER 30 YEARS OF EXPERIENCE IN CASINO GAMING IN MULTIPLE JURISDICTIONS, BOTH NATIONALLY AND INTERNATIONALLY.

WE'VE HELD SENIOR LEADERSHIP POSITIONS AND COMPANIES SUCH AS MGM, CAESARS, PAUL DUKE, CANADA, JUST TO NAME A FEW.

WE ARE EXPERTS IN ALL FACETS OF RESORT CASINO OPERATIONS, GAMING, HOSPITALITY, FOOD, BEVERAGE, LEGAL COMPLIANT, MARKETING.

MOST IMPORTANTLY FOR THE DISCUSSION TODAY, IS THAT WE HAVE DEVELOPED AN IMPLEMENTED RESPONSIBLE GAMING AND COMPLIANCE PROGRAMS IN MULTIPLE JURISDICTIONS.

MOST NOTABLY HERE IN NEW YORK, UNDER THE COMPACT THAT THE INDIANS HAVE WITH NEW YORK STATE.

WE HAVE A STELLAR TRACK RECORD OF COMPLIANCE AND KNOW WHAT IT TAKES TO ACHIEVE THAT LEVEL OF REGULATORY COMPLIANCE IN NEW YORK.

WE ARE THE ONLY APPLICANT IN REGION 5 THAT CAN SAY THAT. TURNING NOW TO MARKETING.

BACKBONE OF OUR PLAN IS OUR LOYALTY CARD PROGRAM.

WE HAVE 1.1 MILLION MEMBERS, 60% OF THE MEMBERS ARE FROM OUTSIDE NEW YORK STATE, AND OVER 200,000 ARE FROM CANADA.

ALL OF THEM VISITED OUR PROPERTIES HERE IN WESTERN NEW YORK.

THIS GIVES US THE STRONG OPPORTUNITY TO CROSS-MARKET AND BRING GAMING REVENUES INTO THE REGION FROM OUTSIDE THE STATE. WHAT IS MOST IMPORTANT TO OUR MARKETING EFFORTS AND ALSO IMPORTANT TO THE STATE OF NEW YORK AS WELL IS TRADITIONING LOCATION.

THAT LETS US MAXIMIZE INTERSTATE MARKETING EFFORT.

LET ME EXPLAIN.

FIRST, WE CAN MAXIMIZE PENETRATION IN AN UNDER SERVED MARKET AND STABILIZATION OF OTHER GAMING FACILITIES.

SECOND, WE CAN MARKET EVENT, ATTRACTIONS, AND NATURAL BEAUTY

OF THE REGION AS A DESTINATION FOR BOTH IN-STATE AND OUT OF STATE RESIDENTS.

THE TRADITIONS FACILITY IS ALREADY A WELL-ESTABLISHED DESTINATION RESORT.

THIRD, WE CAN MAXIMIZE THE OUT OF STATE REVENUES THAT NEW YORK WILL REALIZE DUE TO TRADITIONS' LOCATION NEAR THE PENNSYLVANIA BORDER AND A KEY TO THE INTERSTATES 81, 86, 88, AND THE INTERCEPT BORDER.

THIS WILL BE INCREPTAL REVENUE, BUT BRING OPPORTUNITIES TO THE AREA, AND WE'LL ALIGN THE MARKETING EFFORT WITH OUR STRATEGIC BUSINESS PARTNERS TO SHOWCASE THE BEST THAT THE AREA HAS TO OFFER.

MOVING TO THE CORE VALUES, THEY ARE SET TO THE COMMITMENT TO OUR EMPLOYEES AND COMMUNITY.

MANY EMPLOYEES JOIN US AFTER BEING DISPLACED WHEN UPSTATE COMPANIES WENT OUT OF BUSINESS. JOBS WITH US AND IN THE CASINO INDUSTRY ALLOW THEM TO CONTINUE TO LIVE AND RAISE FAMILIES IN AN AREA THEY LOVE.

CURRENTLY 31% OF EMPLOYEES ARE MINORITY, AND WE HIRE LOCAL AND TRAIN LOCAL.

THE TRAINING IS FREE AND DESIGN TO PREPARE EMPLOYEES TO BE SUCCESSFUL IN THE POSITIONS. WE CONTINUE TO OFFER TRAINING SO THERE'S A CAREER PATH.

WE HAVE AN EXCELLENT BENEFITS PACKAGE AND HONORED TO BE NAMED WESTERN NEW YORK'S HEALTHIEST EMPLOYER DUE TO THE HEALTH AND WELTNESS INITIATIVES WITH ALL OF OUR EMPLOYEES.

OUR COMMITMENTINGS ARE MANY. FIRST AND FOREMOST, WE BUY LOCAL.

IN 2013, WE SPENT OVER \$100 MILLION WITH BUSINESSES IN THE WESTERN NEW YORK REGION. OF THAT AMOUNT, 46 MILLION WERE SPENT WITH BUSINESSES LOCATED WITHIN 30 MILES OF OUR THREE PROPERTIES.

CLEARLY, CASINO GAMING IS A
STIMULUS FOR ECONOMIC
DEVELOPMENT.

I'VE ALREADY DISCUSSED TRAINING
EFFORTS AND THE FACT THAT WE
HIRE LOCAL AND PROVIDE FREE
TRAINING.

AS AN DPAMPL.

PHILANTHROPY AND COMMUNITY
INVOLVEMENT, WE DONATED 1.3
BILLION TO THE CULINARY SCHOOL,
ESTABLISHED A MENTORING AND
INTERN PROGRAM WITH NCCC SO THE
STUDENTS COULD SPEND TIME WITH
CHEFS TO LEARN ALL THAT THE
CULINARY WORLD HAS TO OFFER.

WE BUY BAKERY PRODUCTS FROM THE
CULINARY SCHOOL AND SERVE THEM
IN THE NIAGRA FALLS CASINO.

IN BUFFALO, WE DONATED \$1
MILLION TO OVER A DOZEN
COMMUNITY GROUPS AND BUSINESSES
IN THE INTERHARBOR AREA TO SPUR
ECONOMIC DEVELOPMENT THERE.

WE ALSO PARTNERED WITH LOCAL
FOOD VENDORS SO IF YOU VISIT THE
FACILITY, YOU CAN ENJOY BEEF
FROM CHARLIE THE BUTCHER, WINGS
FROM DUFF, AND A BEER FROM THE
PEARL STREET BREWERY.

WE SHOWCASE THE BEST BUFFALO HAS
TO OFFER BENEFITTING OUR GUESTS,
COMMUNITY, AND BUSINESS PARTNERS
ALIKE.

THE SAME CAN BE DONE HERE.

IN SUMMARY, OPERATING THE
TRADITIONS PROJECT IS THE BEST
CHOICE FOR NEW YORK.

WE UNDERSTAND THE LEGISLATIVE
INTENT AND HAVE SUCCESSFULLY
EXECUTED INITIATIVES IN THE
STATE THAT WILL HELP NEW YORK
ACHIEVE ITS GOALS.

WE WERE HONOR TO BE THE MOST
ADMIRER COMPANY IN WESTERN NEW
YORK RECENTLY.

WE WON THE AWARD BECAUSE WE KEEP
THE BEST INTEREST OF UPSTATE NEW
YORK IN OUR HEARTS ALL THE TIME.

OUR BUSINESS'S BUILT ON
PARTNERSHIP AND COLLABORATION
BRINGING THE SAME CORE VALUES
AND COMMITMENTS IF THE LICENSE
IS APPROVED.

WE BEST UNDERSTAND THE HISTORY OF THE REGION AND CHALLENGES AND BEST UNDERSTAND THE MARKET AND ITS OPPORTUNITIES.

NOW LET'S LEARN MORE ABOUT THE LOCAL AND COMMUNITY SUPPORT FOR THIS PROJECT.

>>> ONE ASPECT THAT SEPARATES OUR PROJECT FROM OTHERS EVALUATED TODAY IS OUR COMMUNITY.

THIS IS A COMMUNITY I'M PROUD TO CALL HOME.

OUR COMMUNITY'S VERY DIFFERENT THAT THAN WHAT YOU'LL HEAR FROM OTHER APPLICANTS TODAY, AND THAT IS OUR COMMUNITY HAS DIRECT VOLUMES OF UP EMPLOYED PEOPLE AND BUSINESSES WHO BENEFIT IN THE IMMEDIATE AREA.

WE HAVE APPROXIMATELY 200,000 PEOPLE IN BROOM COUNTY.

IT'S A VERY DIVERSIFIED AND SKILLED WORK FORCE, PEOPLE WHO WANT TO WORK.

PRIOR TO SUBMITTING THE APPLICATION, WE HAD SEVERAL JOB FAIRS AT THE RESORT WITH THE DEPARTMENT OF LABOR AND INTO THE COMMUNITY OUTREACH PROGRAM.

WE INTERACTED WITH OVER A THOUSAND JOB CANDIDATES, COMPILED A DATA BASE OF EMPLOYEES.

THE COMMUNITY HAS MANY ATTRACTIONS, THEATERS, AND AMENITIES.

FOR THIS REASON, WE DON'T PLAN DUPLICATING THOSE ON SITE.

WE FOCUS WITH THOSE IN THE COMMUNITY WHO ARE CURRENTLY STRUGGLING.

WE PLAN ON DEVELOPING A LARGE OUTDOOR VENUE WITH WORLD CLASS ENTERTAINMENT, FOLLOWING THE SUBMISSION OF THE LICENSE.

THERE'S NOT A SIMILAR VENUE, THERE'S NOT A SIMILAR VENUE WITHIN TWO HOURS.

WE ANTICIPATE THIS BEING LIVE BY 2015.

WE VALUE THE COMMUNITY IN THE PROJECT TO TAKE THE STEPS TO ENSURE THE PROJECT IS NOT JUST

APPROPRIATELY SIZED, BUT THE POTENTIAL IMPACTS TO THE COMMUNITY AND MITIGATION PLANS PROPERLY EVALUATED AND ADDRESSED.

EARLY ON, WE MET WITH OFFICIAL, AND FOLLOWING THE DISCUSSION, SEVERAL DOCUMENTATIONS INCLUDED IN THE CAP KAGS SHOW LITTLE TO NO IMPACT IN EXISTING SERVICES. WE HAVE THE DEPARTMENT, TRAINED, AND READY TO ROLL.

OUR SHERIFF'S DEPARTMENT CAN HANDLE INCREASED VOLUME, SHOULD THERE BE IN, AND MUNICIPALITIES HAVE THE SERVICES TO MAINTAIN TOR ROW FARES TO AND FROM THE RESORT.

WITH THAT, WE HIRED ECON SOLUTIONS, AND THEY CONDUCTED A SURVEY THAT COMMONGROUNDED THE SAME THING.

OUR PROJECT WOULD HAVE MINIMAL IMPACT ON THE COMMUNITY.

AS A FURTHER DEMONSTRATION OF THE COMMITMENT TO THE COMMUNITY, WE STUDY TO DEVELOP MITIGATION PLANS TO PREVENT -- EXCUSE ME -- PLANS TO PROTECT OUR COMMUNITY FROM THE WORST CASE SCENARIO.

WE SPEND A LOT OF TIME AND RESOURCES THROUGHOUT THE PROJECT MAKING SURE TRAFFIC IN THE COMMUNITY WAS RESPONSIBLY MANAGED.

THIS WAS A CONCERN OF OUR NEIGHBORS.

THIS WAS A CONCERN OF OUR COMMUNITY.

WE WANTED TO MAKE SURE NOT ONLY DID WE DO AN ACCURATE ASSESSMENT, BUT WE REPORTED BACK TO THEM IN A VERY TRANSPARENT WAY.

OUR TRAFFIC STUDY IS EVALUATED AND ANTICIPATED CHANGES IN VOLUME AND PATTERNS, AND TOGETHER WITH THE NEW YORK DEPARTMENT OF TRANSPORTATION AND REPRESENTATIVES FROM THE HOST COMMUNITY, WE DEVELOPED A VERY RESPONSIBLE SOLUTION.

BY ADDING DEVICES, MODIFYING TURNING LANES, MOVING LOCATION

OF THE MAIN ENTRANCE, WE'RE NOT ONLY MAKING IMPROVEMENTS TO THE COMMUNITY, BUT ADDRESSING LONG STANDING ISSUES THAT LACK THE FOLLOW-UPPING THAT WERE NOT ADDRESSED UP UNTIL NOW. BEFORE I MOVE ON, IMPORTANT YOU UNDERSTAND THE TWO BASIC PHILOSOPHIES OUR PROJECT HAD IN ADDRESSING TRAFFIC. FIRST, WE EMBRACE TRAFFIC, WE BELIEVE WITHOUT TRAFFIC IN THE COMMUNITY, YOU DON'T HAVE AN ACTIVE COMMUNITY. SECOND OF ALL, WE THINK RAMPS ARE BAD. RAMPS TAKE TRAFFIC. THEY BRING IT OFF THE HIGHWAY. THEY BRING IT TO THE RESORT. PEOPLE SPEND THEIR DISPOSABLE INCOME. END OF THE VISIT, THEY JUMP BACK ON THE RAMP AND HEAD HOME. IN OUR MIND, THAT DEFEATED THE PURPOSE OF THE PLAN FOR ECONOMIC DEVELOPMENT BY NOT BRINGING THROUGH THE COMMUNITY AND LETTING THE OTHER BUSINESSES SHARE ON THAT DRAW. AS YOU HEARD SEVERAL TIMES TODAY AND AGAIN FROM MR. WALSH IN A MINUTES, A COMMUNITY IS IMPORTANT TO THE FAMILY, TO THE PROJECT, AND IT'S BEEN INTEGRAL PART OF THE PLANNING SINCE DAY ONE. FOLLOWING THE LAUNCH OF OUR PROJECT, WE HAD NUMEROUS PUBLIC EVENTS AND ATEMPERATED MANY TOWN HALL MEETINGS. WE ATTENDED 60 COMMUNITY GROUPS AND CLUB GATHERINGS TO PRESENT THE PROJECT AND OBTAIN FEEDBACK FROM THE PROJECT. THIS FEEDBACK SHAPED WHAT YOU'RE ABOUT TO SEE TODAY. ONE EXAMPLE IS A MOTIFICATION OF THE SITE MAP ON THE SCREEN IN FRONT OF YOU. FOLLOWING MEETINGS WITH THE TOWN HOME OWNERS THAT NEIGHBORS OUR PROPERTY AND OTHER MEMBERS OF THE COMMUNITY, WE MADE SEVERAL CHANGES TO OUR PROJECT FROM

MOVING TRACK FLOW PATTERNS, THE LIGHTING PLAN, AND MOVING THE DRIVEWAY AND PARKING LOTS.

WE WERE LISTENED AND RESPONSIVE TO THE REQUESTS.

BEING A GOOD NEIGHBOR IS AN IMPORTANT PART OF THE PROJECT.

ALL ALONG, WE'VE BELIEVED IN TRANSPARENCY.

IF YOU FOLLOWED OUR PROGRESS, YOU SEE THE WEBSITE WAS QUICKLY UPDATED AND COPIED.

WE APPROPRIATELY RESPOND TO THE PEOPLE THAT ADDRESS THEIR QUESTIONS TO US, AND WE KNOW THAT EVERY PROJECT IN FRONT OF YOU TODAY AND TOMORROW'S GOING TO STAND AND TALK ABOUT THE COMMUNITY SUPPORT THEY HAVE.

SINCE WE'RE THE FIRST TO PRESENT TO YOU, WE HAVE TO RAISE THAT BAR VERY HIGH.

LET'S SHARE WHAT HAPPENED WITH OUR PROJECT IN THE COMMUNITY SUPPORT.

WE HAD OVER 27,000 DOCUMENTED ACTIONS OF SUPPORT.

ALL HAVE BEEN SUBMITTED WITH OUR APPLICATION OR ARE ON FILE WITH THE PROJECT MANAGEMENT TEAM.

THEY ALL SUPPORT TRADITIONS RESORT AND CASINO FROM PETITIONS, LETTER OF SUPPORT, AND LOCAL ENDORSEMENTS, THEY GOT BEHIND OUR SUPPORT IN MANY WAYS. IN ADDITION, OUR LEGISLATOR AND GOVERNMENT BODIES FULLY ENDORSED US.

WE HAD 30 GOVERNMENTAL RESOLUTIONS IN THE PROJECT. SEVERAL COPIED DIRECTLY TO THE NEW YORK STATE GAMING COMMISSION.

OF THE 20 LISTED ON THE WEBSITE THIS MORNING FOR REGION 5, 17 OF THOSE ARE FOR TRADITIONS.

SEVERAL OTHERS HAVE BEEN INCLUDED AGAIN WITH THE APPLICATION.

VISIT THE WEBSITE, WRITTEN ENDORSEMENT, VIDEO TESTIMONIALS AND SEVERAL OTHER EXAMPLES OF COMMUNITY SUPPORT FOR THE PROJECT.

AT THIS TIME, I'D LIKE TO SHOW
YOU A FEW EXAMPLES.
>> THIS IS YOUR FIVE MINUTE
WARNING.
>> WE'RE HAVING A TECHNICAL
DIFFICULTY WITH YOUR GEAR, SO
WE'LL MOVE ON TO MR. WALSH.
>> GOT IT?
BILL?
>> MY FAMILY HAS LIVED IN BROOM
COUNTY FOR THREE GENERATIONS,
OVER 60 YEAR, AND WE DON'T PLAN
ON LEAVING ANY TIME SOON.
UNFORTUNATELY, WE HAVE SEEN
FIRSTHAND THE DECLINE OF
BUSINESS IN OUR REGION FOR FAR
TOO LONG.
ALL THREE OF MY CHILDREN AS WELL
AS MANY OF THEIR PEERS LEFT THE
SOUTHERN TIER IN SEARCH OF
OPPORTUNITIES ELSEWHERE.
FORTUNATELY, THE PROJECT BROUGHT
MY TWO SONS BACK BECAUSE WE
SHARE A VISION IN REVITALIZING
OUR COMMUNITY WITH THE ONCE IN A
LIFETIME OPPORTUNITY.
THIS PROJECT IS ABOUT OUR
COMMUNITY, THE REAL SOUTHERN
TIER.
A REGION HAS BEEN IN STEADY
DECLINE FOR MANY YEARS.
BUSINESSES ARE CLOSING.
RESIDENTS ARE MOVING.
YOUNG PEOPLE HAVE LIMITED CAREER
OPTIONS IN OUR COMMUNITY AFTER
GRADUATION.
FACT IS, LESS THAN 10% OF THE
STUDENTS THAT GRADUATE FROM THE
UNIVERSITY STAY IN OUR REGION.
WE CURRENTLY HAVE LOCAL
BUSINESSES IN OUR REGION
STRUGGLING TO KEEP THEIR DOORS
OPEN THAT NEED THIS PROJECT.
MONEY GENERATED AT THE RESORT
WILL BE SPENT IN OUR COMMUNITY.
WE HAVE A SKILL WORK FORCE THAT
ARE SEARCHING FOR JOBS IN OUR
COMMUNITY.
WE HAVE LOCAL SUPPLIERS AND
VENDORS NEEDED TO SUPPORT THE
VENTURE IN OUR COMMUNITY.
THEY ARE MINUTES AWAY, NOT MANY
MILES AWAY.
THEY RESIDE AND CONDUCT BUSINESS

RIGHT HERE IN OUR COMMUNITY.
APROOFING THE PROJECT WILL HAVE
THE GREATEST IMPACT ON THE
LARGEST NUMBER OF PEOPLE THEREBY
MEETING THE GOVERNOR'S GOALS.
THIS IS THE RIGHT LOCATION.
OUR PROJECT IS STRATEGICALLY
SITUATED AT THE CON FLUNS OF
MAJOR INTERSTATE, 81, 88, AND
86.

BROOM COUNTY HAS 200,000
RESIDENT, NEARLY FIVE TIMES THE
SIZE OF THE OTHER COUPES IN THE
REGION.

BUT THERE'S NO NEED TO SPECULATE
ON WHAT A PROJECT LIKE OURS CAN
DO.

JUST LOOK AT THE EXISTING MODELS
SOUTH OF THE BORDER IN
PENNSYLVANIA.

MT. AYER DEVELOPED IN A RURAL
SETTING WITH YET ANY EFFECT ON
THE SURROUNDINGS, AND MOHEEGAN
SUP BUILT IN A AREA LIKE OURS
HAD A DRAMATIC EFFECT ON THE
COMMUNITY IT WAS BUILT IN.

THIS IS THE SIZE FOR OUR REGION.
WE ARE DESIGNED TO NOT JUST
SUPPORT, BUT SPUR GROWTH FOR
LOCAL HOTELS, RESTAURANTS,
BUSINESSES, ATTRACTIONS.

LOCAL VENUES FOR THE GOVERNOR'S
PLAN FOR THE LICENSE.

OUR STUDIES SHOW THAT WE MOST
CERTAINLY CAN COEXIST IN THE
COUNTY AND WILL PROVIDE A
WIN-WIN-WIN.

A WIN FOR EACH PROJECT.

A WIN FOR EACH COMMUNITY.

A WIN FOR THE STATE.

OUR DESTINATION RESORT IS THE
ONLY LOCATION THAT HAS THE
ABILITY TO SIGNIFICANTLY LIMIT
THE NUMBER, THE FLOW OF NEW YORK
DOLLARS TO OUT OF STATE MARKETS
AND CAN GENERATE NEW OUT OF
STATE REVENUE.

THIS IS THE RIGHT COMMUNITY.
WE HAVE THE COMMUNITY SUPPORT.
TRADITIONS HAS BEEN WELCOMED
WITH OPEN ARMS FROM RESIDENTS,
BUSINESS, NONPROFITS, PUBLIC
OFFICIALS, AND ALL OTHERS WHO
SEE THIS AS OUR REGION'S TIME TO

SHINE.

IT IS MY SINCERE HOPE THAT YOU
SHARE OUR VISION FOR THE
SOUTHERN TIER.

AS YOU WILL SEE, BASED ON THE
GUIDELINES THE STATE SET FORTH
FOR THE SELECTION OUR PROJECT
MEETS THE CRITERIA FAR BETTER
THAN ANY OTHER APP CAPTAINS FOR
SOUTHERN TIER APPLICANTS.

ON BEHALF OF MYSELF, MY FAMILY,
THE THINK BIG TEAM AND THOEZ IN
THE SOUTHERN TIER, THANK YOU FOR
YOUR TIME AND CONVERSATION AND
LOOK FORWARD TO A POSITIVE
OUTCOME FOR THE OF COURSE
CHOICE, TRADITIONS RESORT AND
CASINO.

>> AT THIS TIME, WE WELCOME ANY
QUESTIONS YOU HAVE.

>> THANK YOU FOR THE
PRESENTATION.

LET THE RECORD REFLECT THAT
BOARD MEMBER BILL THOMPSON
JOINED US, MY COLLEAGUES, ANYONE
WANT TO START WITH THE FIRST
QUESTION?

>> YEAH, MR. SAUL, WOULD YOU
DESCRIBE THE REASONING BEHIND
THE ANALYSIS THAT SHOWS ONE PLUS
ONE EQUALS THREE, AND, IN FACT,
FOR HAVING TWO GAMING FACILITIES
IN THE REGION.

>> YOU SAID THE REASONING -- DID
--

>> THIS WAS THE SLIDE THAT SAID
150% INCREASE IN REVENUE.
I UNDERSTAND THAT TO MEAN IF
THERE WERE TWO FACILITIES IN THE
REGION RATHER THAN ONE, IS THAT
NOT CORRECT?

>> YEAH, THAT'S CORRECT.
SO THE POINT THAT WE'RE MAKING
THERE IS THAT REGARDLESS OF WHAT
OVERALL REVENUE CAN BE GENERATED
IN ANY MARKET BY ANY NUMBER OF
PROPERTIES, MORE PROPERTIES
GENERATE MORE JOBS WITH A HIGHER
ECONOMIC IMPACT THAN FEWER
PROPERTIES.

PARTICULARLY IF YOU'RE BUILDING
ON AN EXISTING BASE AS ONE OF
THE COMPETITORS IN OUR REGION,
FOR EXAMPLE, ARE BUILDING ON.

>> JUST TO BE CLEAR, THE 150% WAS -- WHAT WAS THE BASE FOR THAT 150% OF?

>> IT WOULD BE 150% -- FOR EXAMPLE, IF THERE WERE A HUNDRED JOBS, OEG, SO FOR EVERY HUNDRED JOBS, WE ADD ANOTHER 150 JOBS, 150 -- FOR EVERY TEN JOBS, ADD ANOTHER 15 JOBS, INCREMENTAL ON TOP OF THE BASE IN THE REGION NOW.

>> OKAY, THANK YOU.

>> NET OUT EXPANSION BY THE COMPETITOR IN THE FACE OF OUR DEVELOPMENT.

>> OKAY, THANK YOU.

>> JUST, I SEE -- I UNDERSTAND THAT THE PROPOSAL IS THAT NATURAL GAS WOULD POWER ENERGY REQUIREMENTS, IS THAT RIGHT?

>> THAT IS CORRECT.

WE'LL HAVE AN ON-SITE GENERATING PLANT THAT WILL GENERATE MOST OF OUR NEEDS RIGHT ON-SITE ALONG WITH 250 KW SOLAR POWER ON THE ROOF AS WELL.

WHAT HAPPENED IS WE ARE UPGRADING.

THERE'S REDUNDANCY IN CASE OF ANY FAILURE WITH THE PLANTS.

>> HAVE YOU HAD DISCUSSIONS WITH THE UTILITY IN THE AREA ABOUT FEASIBILITY AND ACCEPTABILITY AND COOPERATION AND SO ON?

>> ABSOLUTELY, WE HAVE.

THEY DID A STUDY, COST PROJECTIONS FOR BRINGING THIS -- UPGRADING THE POWER LINE ON SITE, AND FORTUNATELY, THE GAS THAT IS NEEDED FOR THIS PLANT IS ALREADY THERE.

THIS ALSO GIVES US A VERY GOOD SCORE RATING WITH THE LEAD CERTIFICATION THAT, AS YOU CAN SEE BY THE DOCUMENTS SUMMITTED, WE HAVE A SCORE THERE, AND THE ON-SITE POWER GENERATION IS A GOOD PART ON THAT.

>> THANK YOU.

>> I HAVE A QUESTION ABOUT FINANCES AGAIN TO THE GENTLEMAN WHO SPOKE ON THAT.

RELATING TO BOTH THE SUBSIDY AREA OR THE OFFSHOOT OF TEN

GAMES AND JEFFREYS.

WHAT ACTUALLY -- DO YOU HAVE
COMMITMENTS IN PLACE NOW?
CAN YOU BE MORE SPECIFIC AS IN
TERMS OF WHAT TYPE OF
COMMITMENTS YOU HAVE IN PLACE
WITH THE FINANCING?

>> ACTUALLY, WE HAVE STEVE
SNIDER FROM GLPI IN ATTENDANCE
HERE TODAY TO SPEAK TO THAT.
STEVE?

[INAUDIBLE]

>> THANK YOU.

I HAVE ANOTHER QUESTION TO THE
WOMAN WHO WAS SPEAKING ON THE
SENATOR GAMING COMMISSION, THE
OTHER VENUES THAT THEY HAVE.
IS THERE ANY CONCERN WITH THE
PARTNER THAT PEOPLE WHO COME TO
THIS WILL BE PEOPLE WHO THEN NOT
GO TO THE OTHER FACILITIES, OR
ARE WE TALKING ABOUT GENERATING
NEW GAMBLERS TO THE NEW VISITORS
TO THE NEW FACILITY?

>> IT'S A BIT OF BOTH, IF I MAY.
ONE OF THE THINGS THAT WE WILL
DO IS MAKE OUR DATA BASE
AVAILABLE, BUT THAT WILL BE DONE
WITH A THIRD PARTY SO THAT
THERE'S SOME INDEPENDENCE THERE
SO THAT WE CAN BEGIN TO CROSS
MARKET.

WHAT WE FIND IN THE GAMING
BUSINESS IS THAT INDIVIDUALS
LIKE TO TRY DIFFERENT
FACILITIES.

THEY MAY HAVE A HOME BASE, THE
PRIMARY PLACE.

YOU THEN WANT TO DEVELOP
SECONDARY.

WITH THE AMOUNT OF CUSTOMERS
THAT WE HAVE THAT LIVE OUTSIDE
OF THE STATE OF NEW YORK,
ESPECIALLY WITH OUR PROPERTY
THAT'S NOT AS FAR A FIELD FROM
THE TRADITIONS LOCATION, WE
BELIEVE WE HAVE AN OPPORTUNITY
TO DEVELOP MORE OF THAT
PENNSYLVANIA-OHIO MARKET TO COME
ACROSS, AGAIN, WHERE THEY LOOK
FOR A RESORT DESTINATION.

>> THANK YOU.

>> THANK YOU FOR THE
PRESENTATION.

WE'LL INVITE THE SECOND GROUP TO SET UP.

AND THAT WILL BE THE RESORT DOWNS CASINO.

>> DOWNS RESOURCE CASINO AND ENTERTAINMENT APPLICANT.

>> THANK YOU.

CHAIRMAN LAW, MEMBERS OF THE BOARD, GOOD MORNING, IT IS MY PRIVILEGE TO BE HERE.

TIOGA DOWNS IS UNIQUE IN THAT IT CURRENTLY OPERATES A GAMING FACILITY IN THE REGION AND HAS DONE SO FOR NEARLY A DECADE, GENERATING OVER \$170 MILLION IN EDUCATION FUNDING TO THE STATE OF THE NEW YORK.

AS SUCH, TIOGA DOWNS UNIQUELY KNOWS THE REGION, THE GAMING MARKET, AND THE GAMING PATRONS. WE'VE RELY UPON GAMING OPERATIONAL EXPERTISE TO RIGHT SIDE THE PROPOSAL BEFORE THE BOARD WITH COMMITTED FINANCING, UNPARALLELED COMMUNITIES FOR THE RISK FREE, RIGHT SIZE FREE.

BEFORE I INTRODUCE THE SPEAKERS, WE HAVE A BRIEF VIDEO TO INTRODUCE YOU TO THE BACKGROUND.

>>> TO CREATE JOBS, REDUCE UNEMPLOYMENT IN DISADVANTAGED AREAS OF THE STATE, ENHANCE THE STATE'S INDUSTRY AND GENERATE REVENUE FOR TAX PAY RELEASE, THESE ARE THE GOALS OF THE ECONOMIC DEVELOPMENT ACT OF 2013.

IT IS THE ONLY SOUTHERN TIER REGION APPLICANT TO FULFILL THE LETTER AND SPIRIT OF THE 2013 ACT.

OUR DEVOTION AND COMMITMENT TO THE AREA BEGAN LONG BEFORE NOW. JEFF HAS A LIFETIME DEVOTION TO NEW YORK'S HARNESS RACING INDUSTRY AND LONG FAMILY HISTORY IN THE SOUTHERN TIER.

>> BEEN INVOLVED IN HARNESS RACING FOR OVER 40 YEARS, AND IN 2000, BECAME OBVIOUS WE NEEDED TO CONVINCED THE GOVERNOR AND LEGISLATURE TO ALLOW THEM TO HAVE SLOT MACHINES.

I GOT INVOLVED WITH THE LOBBYING EFFORT ON THE PART OF THE HORSE INDUSTRY, AND MY WIFE SAID ONE DAY, WHY ARE YOU DOING ALL OF THIS?

YOU DON'T OWN A RACETRACK. I DECIDED TO GO BUY A RACETRACK, TOOK A RIDE UP TO SEE WHAT WAS GOING ON AT TIOGA DOWNS.

>> THIS PROPERTY SAT VACANT FOR 30 YEAR, AND HE PURCHASED THE PROPERTY TO MAKE IT A SUCCESSFUL TRACK IN THE SOUTHERN TIER OF NEW YORK.

>> SINCE 2006, THEY HAVE INVESTED \$122 MILLION INTO TWO ECONOMICALLY DISADVANTAGED COUNTIES TO REZ LEGISLATE AND REBUILD TWO BUSINESSES.

>> THE REASON I'M HERE IS BECAUSE THIS IS WHERE MY GRANDPARENTS LIVED, AND THIS IS THE HOUSE THEY LIVED IN, AND THIS IS WHERE MY MOTHER GREW UP. WHEN I CAME HERE TO VISIT MY GRANDPARENTS BACK THEN, WE WERE THRIVING, A COMMUNITY PEOPLE TOOK PRIDE IN, AND IT'S HEART BREAKING TO SEE HOW THINGS HAVE TURNED OUT.

THERE'S SO MANY EMPTY FACTORIES AND BUSINESSES THAT ARE CUTTING BACK.

OF COURSE, IT'S A DEPRESSED AREA AND JOBS ARE TOUGH.

TO ME, ANYTHING I CAN DO TO TRY TO HELP THE COMMUNITY AND CREATE JOBS IS A GOAL OF MINE BECAUSE I KNOW IT'S SOMETHING MY MOTHER WOULD REALLY APPRECIATE.

>> THE DEVELOPMENT OF THE TRACK CREATED MANY JOBS TO GO WITH THE HARNESS RACING INDUSTRY.

IN THE SUMMER, WE HAVE APPROXIMATELY A HUNDRED PEOPLE THAT COME AND STAY IN THE SOUTHERN TIER AREA.

WE HAVE VETERINARIANS, DEALERS, FEED DEAL E AND ALL THE OTHER JOBS THAT GO WITH THE HARNESS RACING INDUSTRY.

>> IF NOT FOR MY MOTHER GROWING UP HERE, I'D NEVER BE HERE, BUT BECAUSE OF THE CONNECTION AND

STRONG FEELING FOR THE PEOPLE WHO LIVE HERE, I'M HERE.
TO BE HONEST, IT'S BEEN A JOY.
>> NEARLY A DECADE LATER, TIOGA DOWNS AND VERNON DOWNS CREATED OVER 700 FAMILY SUSTAINING JOBS AND HAVE SUPPORTED HUNDREDS OF ADDITIONAL JOBS THROUGH THE MILLIONS SPENT ON LOCAL GOODS AND SERVICES.
>> ECONOMIC DEVELOPMENT IN THE SOUTHERN TIER CAN'T LEAVE ANYONE BEHIND.
IT'S BEEN A FIERCE SUPPORTER OF LABOR SINCE DAY ONE.
I'M GARY, A UNION REPRESENTATIVE FOR THE LABOR ORGANIZATION WORKERS UNITED.
WE REPRESENT THE CURRENT WORK FORCE.
THE LABOR PEACE AGREEMENT HAVE SIGNED FURTHER ESTABLISHES THE GOOD PARTNERSHIP WE'VE HAD AND WILL ENSURE WORKERS' RIGHTS IN THE FUTURE.
MY UNION WHOLE HEARTEDLY SUPPORTS TIOGA DOWNS RECEIVING THE FULL GAMING LICENSE.
>> SINCE REOPENING IN 2006, TIOGA DOWNS AND VERNON DOWNS CONTRIBUTED OVER 277 MILLION IN FUNDING AND TAXES TO THE STATE. TIOGA DOWNS HAS BEEN A POWERFUL CATALYST FOR ECONOMIC DEVELOPMENT AND GROWTH OF REGIONAL TOURISM.
>> HUNDREDS OF THOUSANDS OF PEOPLE THAT COME HERE TO THE REGION, COME TO THIS RACETRACK EVERY SINGLE YEAR LOOK FOR ENTERTAINMENT, LOOKING FOR ADDITIONAL NICE PLACES TO STAY, ADDED VALUE.
EVERYONE WANTS ADDED VALUE.
IT WAS GREAT WHEN THEY BECAME AN INTEGRAL PART OF THE REALLY VIP EXPERIENCE HERE.
IT'S THE LARGEST WINE FESTIVAL ON THE EAST COAST DRAWING 30,000 PEOPLE FROM OVER THE WEEK COMING FROM PENNSYLVANIA, NEW JERSEY, LONG ISLAND, SOUTHERN ONTARIO.
FOR US TO HAVE TIOGA IN, IT'S A GREAT MARRIAGE WHERE WE HAVE

BEEN, BUT NOW EVEN TO A BIGGER
EXTENT, WE SHARE FANS.
IT WOULD BE SUCH A BENEFIT FOR
THE AREA TO HAVE A PARTNER 30
MINUTES DOWN THE ROAD TO GARNER
OUR FANS, GO OFF, HAVE FUN OR
STAY THERE FOR THE EVENING, AND
THAT'S THE WHOLE PART ABOUT THIS
ECONOMIC REGION.

YOU HAVE THE WINE COUNTRY.

YOU HAVE THE LAKE.

YOU HAVE THE STATE PARKS.

YOU HAVE TIOGA DOWNS, AND YOU
HAVE THEE LARGEST PRODUCERS OF
TOURISM IN THE AREA, BRING THEM
HERE.

THAT'S WHY IT'S THE BEST PLACE
TO HAVE A NEW CASINO.

>> AS AN OPERATOR, AMIDST THE
WORST ECONOMIC CONDITIONS IN THE
STATE, TIOGA DOWNS GENERATED
OVER THE PAST SEVEN YEARS AT A
COMPOUNDED GROWTH RATE OF 87%.
WHILE NEW YORK STATE PROFITED,
WHILE JOBS HAVE BEEN CREATED,
AND THE RACING AND BREEDING
INDUSTRY REMAINS VIBRANT, JEFF
HAS NEVER TAKEN A DIME IN
PROFITS OUT OF THE BUSINESS.

AS A CIVIC AND COMMUNITY
SUPPORTER, TIOGA DOWNS DONATED
OVER \$1 MILLION TO A WIDE RANGE
OF LOCAL AND REGIONAL NONPROFIT
ORGANIZATIONS.

>> I'M HERE OUTSIDE THE ERNIE
DAVIS COMMUNITY CENTER, A MEMBER
OF THE PROGRAM, AND WE'D LIKE TO
SAY HOW MUCH WE APPRECIATE TIOGA
DOWNS FOR SUPPORTING US IN THREE
VENTURES -- THE FOOD GIVE AWAY,
SNACK PACK FOR THE HEAD START 3
AND 4-YEAR-OLDS, AND THE SUMMER
FEEDING PROGRAM.

THANK YOU FOR ALL YOUR SUPPORT,
FOR OUR COMMUNITY, AND OUR
CHILDREN.

>> I'M CARL, AND ON BEHALF OF
THE GREATER BINGE ATON AIRPORT,
I'D LIKE TO THANK YOU FOR THE
TWO WONDERFUL COMMUNITY EVENTS,
HONOR FLIGHT GIVING DOZENS OF
ELDERLY VETERANS A FREE TRIP TO
WASHINGTON, D.C. TO VISIT ALL
WAR MONUMENTS IN THE NATION'S

CAPITAL AND GET A HEROS WELCOME AT THE AIRPORT WHEN THEY RETURNED.

NOT JUST A BRIGHT SPOT FOR THE COMMUNITY, BUT IT WAS DAY THAT MANY OF THEM WON'T SOON FORGET. HE STEPPED UP TO THE PLATE AND HELPED US RETURN ONE OF THE MOST ANTICIPATED SUMMER EVENTS. HIS SPONSORSHIP OF THE GREATER AIR SHOW ALLOWED THOUSANDS OF PEOPLE TO SEE A VARIETY OF PLANES TAKE TO THE SKIES OF BROOM COUNTY AND SHOW OFF WITH FABULOUS AEROBATTICS.

NEITHER EVENT WOULD HAVE BEEN POSSIBLE IF NOT FOR HIS SUPPORT.

>> IN 2011, WE LAUNCHED A CAMPAIGN TO MOVE INTO A NEW FACILITY TO DISTRICT MORE FOOD IN SIX COUNTIES.

THEY WERE ONE OF THE FIRST COMPANIES TO STEP UP AND HELP US REACH THE GOAL.

AT THE ENOF THE CAMPAIGN, IT WAS TIGHT, AND HE PERSONALLY STEPPED UP AND PUSHED US OVER THE GOAL TO MAKE SURE WE COULD GET IN THE FACILITY AND CONTINUE DISTRIBUTING FOOD THROUGHOUT SIX COUNTIES.

>> ABOUT FOUR YEARS AGO, JEFF HAD AN IDEA TO TRY TO GIVE BACK TO THE COMMUNITY, AND HE PICKED VETERANS AS ONE WAYED TO DO THAT.

HE HAD THE IDEA TO HAVE A CONCERT SO NOT ONLY GET THE COMMUNITY INVOLVED, BUT RAISE MONEY AND GIVE BACK TO US.

IN THE FOUR YEARS WE'VE HAD THE ANNUAL CONCERT, TIOGA DOWNS RAISED AND DONATED TO US OVER 335,000.

IT'S A COMPANY THAT CAN BE TRUSTED WITH THE ECONOMIC DEVELOPMENT.

I'M SO HAPPY TO BE ABLE TO MAKE THIS TESTIMONIAL TO TELL YOU ALL THE GREAT WORK THEY'VE DONE FOR THE COMMUNITY ON BEHALF OF THE VETTE RAPS.

>> OUR COMMISHMENTS ARE EVIDENT HOW GREAT OUR RELATIONSHIPS ARE

AND HOW TRUSTED A CIVIC PARTNER
TIOGA DOWNS IS IN THE SOUTHERN
TIER, PRECISELY THE TYPE OF
COMPANY AND PEOPLE ALL NEW
YORKERS SHOULD WANT IN ADVANCING
THIS IMPORTANT ECONOMIC
INITIATIVE.

THE TIOGA DOWNS TEAM IS
PASSIONATE IN CONTINUING THE
MISSION STARTED NEARLY A DECADE
AGO WITH THE AWARD OF A FULL
GAMING LICENSE.

>> WE'RE ALL IN!

>> THANK YOU.

MR. CHAIRMAN, WE'LL HAVE FOUR
PRESENTERS TODAY, THREE ARE
INDEPENDENT EXPERTS.

STARTS WITH RICH BALDWIN FROM
GAMING ANALYTICS TO SUMMARIZE
AND HIGHLIGHT MARKET FINDINGS
AND PROJECTIONS OF THE FINDING.
WE HAVE NICOLE DUNN FROM THOMAS
P. MILLER ASSOCIATES TO TALK TO
THE REGIONAL ECONOMIC
CONDITIONS, AND TIOGA DOWNS
CRITICAL ROLE IN THE ECONOMY OF
THE REGION.

ROB FROM REGIONAL ECONOMIC
MODELS INC WILL ADDRESS ECONOMIC
IMPACTS OF THE PROJECT ITSELF,
AND THE FINAL PRESENTER WILL BE
JEFF, THE CHAIRMAN AND CEO OF
THE PROPOSAL.

ALSO HERE TODAY, PREPARED TO
ANSWER ANY QUESTIONS YOU MAY
HAVE.

ADDITIONAL MEMBERS OF THE TEAM,
NEIL FROM THE PROPERTIES,
FINANCING SOURCE, JOSEPH FROM
THE SPECKER GAMING GROUP, AND WE
HAVE OUR CONTRACTOR, KYLE
TUDDLE, AND OUR ARCHITECT, AND
THE REMAINDER OF THE EXECUTIVE
TEAM.

THANK YOU.

I'LL TURN IT OVER TO MR.
BALDWIN.

>> GOOD MORNING, BOARDREMEMBERS.
I'M RICH BALDWIN THE SENIOR
MANAGING DIRECTOR.
BACKGROUND ON OUR FIRM, OUR
FOUNDER, AND OUR SENIOR
LEADERSHIP TEAM ARE INCLUDED IN
DETAIL IN OUR TIOGA'S

APPLICATION, SO I'LL SPARE YOU THE DETAILS TODAY. TODAY, OOIMG GOING TO TOUCH ON FOUR BROAD THEMES OF OUR UNION GAMING SIZING OF THIS SOUTHERN TIER MARK IN WHAT THE MARKET IS FROM A GAMING REVENUE PERSPECTIVE.

WE PRESENT OUR UNION GAMING'S PROJECTIONS FOR THE RESORT, AND WE'LL DISCUSS OUR VIEWS ON WHY WE BELIEVE THIS DEVELOPMENT IS MARKET APPROPRIATE, AND WE'LL CULMINATE WITH KEY SUCCESS FACTORS IN THE RESORT. TALK FOR A MINUTE ABOUT METHODOLOGY.

SO ANY TIME WE SIZE A SUBJECT MARKET, THERE ARE CERTAIN FACTORS THAT WE'LL LOOK TO. FACTORS LIKE THE ADULT POPULATION THAT RESIDES IN A 120-MINUTE DRIVE TIME, PER CAPITA INCOME LEVELS, POPULATION DENSITY, THE NUMBER OF CASINOS AND/OR RACETRACK CASINOS CURRENTLY SERVING THE MARKET, AND CERTAINLY, PROXIMITY TO THE CASINOS RELATIVE TO THE BASE. WE HIGHLIGHT ON THE NEXT SLIDE THE CURRENT COMPETITIVE LANDSCAPE AND THERE'S THREE DRIVE TIME RINGS HERE, ALL TIED TO THE CENTER.

THE FIRST IS A 30-MINUTE DRIVE TIME, SEC, 60 MINUTES, AND THE THIRD IS A 120-MINUTE DRIVE TIME.

THE IMPORTANT TAKE AWAY IS THERE'S CERTAINLY A NUMBER OF FACILITIES ALREADY SERVING THE REGION, AND WE'VE ALSO INCLUDED ON THE MAP THE TWO OTHER APPLICANTS PROPOSED LOCATIONS AS WELL.

IN TAKING A LOOK AT THE MOST RECENT REVENUE TRENDS, WE HAVE A SENSE OF WHAT THE MARKET IS DOING AND WHAT THE GROWTH HAS BEEN.

THERE'S BEEN SOME GROWTH OVER THE LAST FIVE YEARS, ALTHOUGH IT'S FAIRLY MODERATE, MORE IMPORTANTLY, LOOKING AT THE

GROWTH OVER THE LAST THREE YEARS, IT'S FLAT. ALSO, NOTE THAT NONE OF THE COMPETING LOCATIONS WE KNOW AS THE ANALYSIS, NONE OF THE COMPETING LOCATIONS HAVE SIGNIFICANTLY EXPANDED GAMING FLOORS IN RECENT YEARS. WHAT WAS UNIQUE ABOUT THIS ENGAGEMENT FOR US AND ISN'T ALWAYS THE CASE, BUT CERTAINLY, WE ALWAYS SEEK OUT THE BEST INFORMATION AVAILABLE TO US WHEN WE PERFORM THIS TYPE OF WORK, AND IN THIS CASE, NOT ONLY WERE WE ABLE TO UTILIZE TIOGA DOWNS AND VERNON DOWNS DATA BASE SO WE KNOW EXACTLY WHO THEIR CUSTOMERS ARE AND WHERE THE CUSTOMERS ARE COMING FROM, WE WERE ABLE TO OBTAIN SIMILAR DATA BASES FOR TWO OTHER CASINOS IN THE REGION, AND WOULD JUST LIKE THE BOARD TO UNDERSTAND ALL THE INFORMATION WAS TAKEN INTO CONSIDERATION AS PART OF OUR ANALYSIS WITH RESPECT TO THE SIZING OF THE MARKET AND, ULTIMATELY, OUR PROJECTIONS FOR TIOGA DOWNS CASINO.

I WOULD POINT OUT THAT THIS INFORMATION WAS PROVIDED TO US BASED ON ZIP CODE, ORIGINATION PLAY BASED ON ZIP CODE. VERY IMPORTANT TO HAVE THIS TYPE OF ANALYSIS.

ONE OF THE UNDERLYING ASSUMPTIONS IN UNION GAMING'S PROJECTIONS HERE FOR THIS MARKET AND ULTIMATELY FOR WHAT WE THINK TIOGA'S COULD DO IN GAMING REVENUE, WE ARE NOT ASSUMING SIGNIFICANT INCREASE IN THE GAMING PARTICIPATION RATES. PROPENSITY TO GAME OF THE FOLKS ALREADY GAMING IN THIS MARKET, WE DO NOT THINK THAT BY SIMPLY ADDING MORE GAMING POSITIONS OF THE ADULT GAMERS ALREADY GAMING. I'LL TOUCH ON THAT LATER IN THE PRESENTATION.

CERTAINLY, IN OUR FORECAST, WE ARE ASSUMING THAT THE EXPANDED FLOOR OPENS JULY 1, 2015.

SO HERE WE PRESENT UNION GAMING'S PROJECTIONS FOR THE RESORT, BROKE IT DOWN INTO THREE MARKETS.

FIRST MARKET, THE LOCAL MARKET, REPRESENTING THAT FIRST BAND ON THE MAP, A DRIVE TIME BETWEEN 0 TO 30 MINUTES, NEAR LOCAL MARKET, WHICH IS A DRIVE TIME BETWEEN 30 AND 60 MINUTE, AND REGIONAL MARKET EXTENDS BEYOND DRIVE TIME AND OUT TO TWO HOURS. AS HIGHLIGHTED, MAJORITY OF THE REVENUES WE EXPECT TO BE GENERATED WITHIN A ONE HOUR DRIVE TIME OF THE PROPERTY. THIS CLEARLY SUGGESTS THE SOUTHERN TIER IS CAPABLE OF SUPPORTING JUST ONE CASINO.

THE DIFFERENCE BETWEEN THE OF 66 MILLION GENERATED AT TIOGA DOWNS AND 400 MILLION PROJECTED IS A REFLECTION OF NO SLOT, NO TABLE GAME, NO ON-SITE HOTEL OR NO OTHER NONGAMING AMENITIES.

WE PROVIDE A LITTLE DETAIL WITH RESPECT TO THE GROWTH IN BRINGING IT HOME TO A COMPARISON OF WHAT THEY GENERATE TODAY AGAINST THE FIRST FULL YEAR OF OPERATIONS.

WE ARE PROJECTING UNION GAMING PROJECTS APP INCREASE IN THE REVENUE OF 63% TOTAL NET REVENUE, EXCUSE ME, OF 63%, AND BASE OF 6.5 MILLION TODAY, PROJECTED TO BE 23.3 MILLION IN THE FIRST FULL YEAR OF OPERATIONS.

TAKING A LOOK AT OUR LONGER TERM FORECAST HERE YOU KNOW, WE BELIEVE IT'S PRUDENT NOT TO SUGGEST THERE'S SOME SORT OF HOCKEY STICK GROWTH THAT WILL CONTINUE TO GROW IN CONSIDERING THE FACT THERE'S ALREADY A SIGNIFICANT INCREASE OVER THE CURRENT BASE WHICH WE CERTAINLY THINK IS JUSTIFIABLE, AND SUPPORTED BY OUR ANALYSIS, BUT THIS IS A MARKET THAT'S ALREADY WELL SERVED IN TERMS OF GAMING POSITIONS RELATIVE TO THE POPULATION AND SO, AGAIN, WE

BELIEVE IT'S PRUDENT TO ASSUME SOME GROWTH, BUT THE GROWTH THAT WE'RE PROJECTING HERE IS MODERATE.

WE BELIEVE THAT TIOGA DOWNS IS LOCATED TO RECAPTURE REVENUES GOING TO PA AND DRAW OUT OF STATE REVENUES.

IMPLIED IN OUR ANALYSIS THAT WE DO NOT BELIEVE THAT, YOU KNOW, VISITATION IS NOT DEPENDENT ON THE REGION ATTRACTING MORE VISITORS.

OUR VIEW IS THAT THEY HAVE NO POTENTIAL TO BE A DESTINATION MARKET BY ADDING A CASINO.

TIOGA DOWN'S LOCATION TWO MILES FROM THE PENNSYLVANIA BORDER IS KEY TO THE EXPANSION.

AS I MENTIONED, NOT ONLY DO WE HAVE THE BENEFIT OF REVIEWING AND ANALYZING AND NOT JUST MOST RECENTLY, BUT OVER THE PERIOD OF SEVERAL YEARS OF THE CARD OF PLAY DATA BASE, NOT ONLY FOR TIOGA DOWNS AND VERNON DOWNS BUT TWO OTHERS IN THE REGION.

THE DATA CLEARLY SUGGESTS THAT NO LOCATION IN THE NEARBY REGION GENERATES MORE THAN 10% OF THE REVENUES FROM OUT OF STATE RESIDENTS.

THAT'S A VERY IMPORTANT PART OF OUR ANALYSIS, AND IT'S IMPORTANT THAT THAT'S WELL UNDERSTOOD.

AGAIN, IN TERMS OF THE REVENUE GENERATION FROM OUTSIDE OF NEW YORK, WE IN UNION GAMING PROJECT THAT 21% OR 22 MILLION ORMG NATES FROM OUTSIDE OF THE STATE, REPRESENTING AN INCREASE FROM WHAT THE PROPERTY'S DOING TODAY, WHICH IS 13 MILLION, BASED ON CALENDAR OR FISCAL 2013 NUMBERS. TAKING A CLOSER LOOK AT REVENUE RECAPTURE, WE ESTIMATE RECAPTURED NEW YORK REVENUE AND 8.9 MILLION IN INCREMENTAL REVENUE FROM NON NEW YORK REVENUE.

THIS PROPERTY IS OFTEN CITED AS THE MOST AGGRESSIVE COMPETITOR IN DISCUSSIONS IN MULTIPLE MANAGEMENT TEAMS IN THE REGION.

STEPPING BACK FOR A MINUTE
THINKING BOWEL WHAT A TRUE
DESTINATION MARKET IS AGAINST A
LOCAL CASINO MARKET.
THINKING OF DESTINATION CASINO
MARKETS, IT'S A TERM THAT'S
OVERUSED IN THE INDUSTRY, AND
IT'S NOT WELL UNDERSTOOD.
FACT OF THE MATTER IS THERE'S
ONLY A HANDFUL OF DESTINATION
MARKETS HERE IN THE U.S., LAS
VEGAS STRIP, GOLF COURSE, AND
ATLANTIC CITY, MANY ARGUE
ANOTHER OR SO, BUT THIS IS THE
LIST AS FAR AS WE'RE CONCERN.
LOCAL MARKETS IS DEPENDENT ON
PLAYERS THAT RESIDE WITHIN 60
MINUTES OF THE PROPERTY.
OUTSIDE THE STATE OF NEW YORK
CITY, TIME AND TIME AGAIN,
INVOLVED IN THE WORK AND
ANALYSIS, PRIVY TO INFORMATION
AS PRIVY TO THIS ENGAGEMENT,
THAT HOLDS TRUE 100% OF THE TIME
IF YOU'RE A LOCAL CASINO
OPERATOR IN A REGIONAL MARKET,
AT LEAST 90% OF THE BUSINESS IS
GOING TO COME FROM WITHIN AN
HOUR OF THE PROPERTY.
THAT WAS NOT THE CASE YEARS AGO
WHEN CASINOS WERE NOT AS PRO --
WERE NOT AS -- WERE NOT AS
PROLIFERATED AS THEY ARE TODAY,
BUT, CERTAINLY, THAT IS THE
CASE, AND IF WE LOOK AT BROADLY
SPEAKING THE NORTHEASTERN
REGION, UPSTATE NEW YORK
LOCATIONS ARE, AGAIN, THEY ARE
LOCAL CASINO MARKETS IN OUR
VIEW, AND ALL RESIDENTS IN THE
NORTHEAST AND PROVIDENCE TODAY
LIVE WITHIN A 60 MINUTE DRIVE OF
THE CASINO.
WE HAVE TO CONSIDER TRIBAL
GAMING AS WELL IN ADDITION TO
COMMERCIAL GAMING IN TERMS OF
THE FACILITIES THEMSELVES.
A QUICK LOOK AT TIOGA'S
DISTRIBUTION OF THE CARDED PLAY
BASED ON 2013 DATA.
HIGHLIGHT 93% OF THE CURRENT
CASINO WIN COMES WITHIN FOUR
MARKETS NEARBY THE PROPERTY, AND
53% OF TOTAL CARDED PLAY AT

PRESENT IS ATTRIBUTED TO THIS MARKET.

IT IS OUR PROFESSIONAL OPINION THAT TIOGA DOWNS WOULD HAVE SERIOUS DIFFICULTY MEETING OBLIGATIONS IF IT DID NOT GENERATE CURRENT REVENUES FROM THE MARKET.

WHEN WE THINK OF THE PROJECT SCOPE, WE, AGAIN, UNION GAMING LOOKING AT WHAT THE MANAGEMENT TEAM IS PROPOSING TO DO RELATIVE TO SIZING UP THE MARKET, WE THINK IT'S CLEARLY THE RIGHT SIDE AND SCOPE FOR THE MARKET OPPORTUNITY.

ONE OF THE OTHER OBSERVATIONS WITH RESPECT TO THE WORK THAT WE DID IS THAT WE TRULY BELIEVE THERE'S MINIMAL IMPACT ON OTHER NEW YORK GAMING LOCATIONS AS MOST OF THE GROWTH SHOWN WILL BE COMING FROM PENNSYLVANIA AND NOT PR WITHIN THE STATE.

THE OTHER THING WORTH PARTNERSHIPING OUT IS THAT TIOGA DOWNS FINANCING PARTNER, EPR, PROVIDED, AS FRANK MENTIONED, FINANCING FOR THE PROJECT, EXPRESSED COMFORT WITH THE SCALE OF THE OPERATION, AND BELIEVE IT IS APPROPRIATELY SIZED AND SCOPED.

THINKING ABOUT AN EXISTING OPERATION VERSUS GREENFIELD DEVELOPMENT, THERE'S CERTAINLY MUCH LESS EXECUTION RISK TO ASSOCIATE WITH EXPANDING AN EXISTING FACILITY THAN BUILDING SOMETHING FROM THE GROUND UP IN TERMS OF THE CASINO OPPONENT. FROM OUR PERSPECTIVE, THE EIGHT YEARS OF OPERATING HISTORY CERTAINLY WAS VERY HELPFUL TO US IN REALLY GETTING OUR ARMS AROUND WHAT WE THINK THE APPROPRIATE SIZE OF THE MARKET IS.

A TESTAMENT TO THE MANAGEMENT TEAM OF TIOGA DOWNS FOR LOCATING -- FOR BEING PROFITABLE, DESPITE THE LIMITATIONS OF ONLY OPERATING A VLT-ONLY FACILITY.

I JOKINGLY MENTIONED TO THE MANAGEMENT TEAM THEY OPERATE WITH ONE ARM TIED BEHIND THEIR BACK, AND DESPITE THAT, THEY'VE DONE A PHENOMENAL JOB OF GROWING AND MARKETING THAT PRODUCT OVER THE COURSE OF TIME.

THERE'S A PLAYER DATA BASE TODAY APPROXIMATELY 250,000 AREA RESIDENTS.

THAT, AGAIN, THAT INFORMATION IS CRITICAL TO THE ANALYSIS AND HELPLE IN HELPING US GET OUR ARMS AROUND WHAT WE THINK THE MARKET CAN SUPPORT.

CERTAINLY, ANOTHER BENEFIT OF THE EXPANSION PROJECT AND TIME TO MARKET IS FASTER.

TALKED ABOUT THIS A BIT ALREADY. DON'T MEAN TO BELABOR IT, BUT, ULTIMATELY, YOU KNOW, THE RISK PROFILE OF THE GREENFIELD PROJECT, AGAIN, IN OUR OPINION RELATIVE TO THE EXPANSION OF THE EXISTING FACILITY IS MUCH LESS. SO IN SUMMARY, THE EXPANSION PROPOSAL KEY SUCCESS FACTORS WE HIGHLIGHT AS FOLLOWS.

IN THE OPERATIONAL HISTORY, THEY KNOW THE MARKET, THEY KNOW THE CUSTOMERS AND SHARED THAT INFORMATION WITH US.

WE BELIEVE THE OPINION IS THAT IT'S APPROPRIATELY SIZED AND SCOPE IN THE MARKET IT CAN SUPPORT, AND THE SOUTHERN TIER SUGGESTS THIS FACILITY AND MARKET ONLY CAN SUPPORT ONE MARKET.

WE BELIEVE GOALS ARE ACHIEVABLE FOR THE MARKET, AND, AGAIN, WE BELIEVE THIS IS BEST POSITION TO RECAPTURE GAMING REVENUES LOST AT PA.

WE ARE PROJECTING 21% OF THE REVENUES ORIGINATE FROM OUT OF STATE RESIDENTS, AND WE EXPECT NO SIGNIFICANT JOB OR TAX REVENUE LOSS IN ANY OTHER -- YOU KNOW, ON A PROPERTY LEVEL BASIS, THE AGATE IT MINIMAL TO THE PROPERTIES ALREADY OPERATING IN THE REGION.

THAT CONCLUDES MY PREPARED

REMARKS.

>> I HAVE ONE QUESTION.

I KNOW YOU REFERENCED WHAT WOULD BE THE SITUATION IF THERE WAS A FOCUSING WHICH WAS NOT, AND YOU ARE -- WHICH WAS NOT YOU, BUT WHAT WAS YOUR ANALYSIS OF THAT? HOW MUCH LESS MONEY WOULD YOU -- HOW MUCH LESS REVENUE WOULD YOU DRAW?

HAVE YOU MADE THAT ANALYSIS IF THERE WAS A FULL CASINO WITHIN 60 MINUTES OR 30 MINUTES OF YOU, COULD YOU FUNCTION AS A RACEWAY AND STILL FUNCTION AS A CASINO OR WOULD YOU EXPECT, YOU KNOW, A DISASTER IF THERE WAS ANOTHER ONE?

>> OUR VIEW OF THE MARKET IS -- FROM A, YOU KNOW, GAMING REVENUE PERSPECTIVE WHICH, YOU KNOW, OUR VIEW IS \$104 MILLION WHETHER THERE'S ONE CASINO OR FIVE CASINOS, SO, YOU KNOW, OUR VIEW IS THAT A THE CANNIBALIZATION THAT WOULD BE THE -- THE CANNIBALIZATION IMPACT TO TIOGA DOWNS WOULD BE SIGNIFICANT ENOUGH TO THE LEV THAT YOU'D HAVE TO QUESTION THEIR ABILITY TO CONTINUE TO OPERATE.

>> SO IT WOULD BE -- NOW 66 MILLION?

>> CORRECT.

>> SO HAVE YOU MADE AN ESTIMATE WHAT YOU'D LOSE?

>> 35 TO 40.

>> YOU WOULD --

>> BASED ON OUR ESTIMATINGS, COULD DO 35 TO 40 SHOULD THE COMPETING APPLICANT TO THE EAST BE AWARDED THE CASINO.

>> SORRY FOR BEING SO THICK.

YOU'D LOSE 35 TO 40, OR --

>> NO, NO, GO FROM 66 TO 35 TO 40.

>> OH, OKAY, THANK YOU VERY MUCH.

>> THANK YOU VERY MUCH.

I'M NICOLE DUNN, WITH THOMAS C. MILLER ASSOCIATES.

WE CONDUCT ANALYSIS AND WORKPLACE PLANNING ACROSS THE COUNTRY.

FOR THIS PROJECT, WE FOCUS ON THE REGION, FIVE COUNTIES THAT YOU SEE UP HERE, AND WE DID THAT BECAUSE WORKERS ARE NOT CONFINED BY POLITICAL BOUNDARIES, STRONG RELATIONSHIP, AND WANTED A GOOD SENSE OF WHAT THE SOUTHERN PORTION OF THE TIER AND WHAT THE NEEDS ARE.

I'M GOING TO HIGHLIGHT KEY FINDINGS FOR YOU, I'LL BE BRIEF BECAUSE THEY ARE IN THE REPORT. THE FIRST IS WE FOUND SIGNIFICANTLY HIGH POVERTY IN THE REGION, 17 % BELOW THE POVERTY LINE, HIGHER THAN THE STATE OF NEW YORK AND U.S. AS A WHOLE.

WE FOUND THAT IN THE TIOGA COUPE REGION, WHEN I REFER TO THE REGION, IT'S FIVE COUNTIES. THEY ARE 85% MORE LIKELY TO LIVE IN POVERTY, WORKERS ARE IN THE GREATEST NEED IN THIS REGION. WE SAW A SHRINKING LABOR FORCE AND DECLINING EMPLOYMENT. THE UNEMPLOYMENT RATES IN THE REGION ARE HIGH ALREADY, BUT THAT UNDERSTATEDS MAGNITUDE OF THE PROBLEM.

OVER THE LAST -- SINCE JUNE 2008, ABOUT THE LAST SIX YEARS, THE REGION LOST NEARLY 18,000 JOBS TOTAL EMPLOYMENT.

UP EMPLOYMENT IS DOWN, IT'S NOT BECAUSE EMPLOYMENT IS INCREASES, BUT WORKERS DROP OUT OF THE LABOR FORCE BECAUSE THEY ARE DISCOURAGED.

WORKERS ARE AVAILABLE, BUT NO LONGER COUNTED IN THE UNEMPLOYMENT RATE BECAUSE IN 65 OF THE LAST 70 MONTHS THIS REGION HAS SEEN DROPS IN EMPLOYMENT MONTH AFTER MONTH AFTER MONTH FOR NEARLY SIX YEARS.

THE HISTORICAL TRENDS ARE BAD. PROJECTED TRENDS ARE ALSO BAD. THE "WALL STREET JOURNAL" RANKED US DEAD LAST, 363 OUT OF 363 METROS FOR PROJECTED GROWTH FROM NOW THROUGH 2020, AND THE MARKET WAS RANKED 360 OUT OF 363,

PROJECTIONS DO NOT LOOK GOOD.
THERE'S DECLINING SALES TAX IN
THE REGION.

THE MATH HERE, THE RED COUNTIES
HAD DECLINING TAX IN 2012 AND
2013, SCATTERED THROUGHOUT
UPSTATE NEW YORK, BUT THIS IS
WHERE THE DECLINE IS
CONCENTRATED.

TIMELY, THE BIGGEST NEED IN THE
REGION IS REFLECTED IN THE FACT
THAT TIOGA DOWNS IS A KEY
EMPLOYER, ONE, CURRENTLY OF JUST
70 OF THE SIZE, 250 EMPLOYERS OR
MORE -- EXCUSE ME, EMPLOYEES OR
MORE, AND WITH THE EXPANSION,
JUST ONE OF 14 EMPLOYEES WITH
MORE THAN A THOUSAND EMPLOYEES
IN THE REGION AND JUST ONE OF
THREE IN TIOGA COUNTY.

AND, FINALLY, TIOGA DOWNS
DIRECTLY AND INDIRECTLY SUPPORTS
2 MILLION IN WORK FORCE
EARNINGS, DIRECTLY AND
INDIRECTLY, AND I THINK IT'S
CLEAR THIS IS A REGION THAT CAN
WANT AFFORD ANYMORE ECONOMIC SET
BACKS BY LOSING THAT INCOME.

GOOD NEWS IS AVAILABILITY
WORKERS ARE A GOOD FIT FOR JOBS.
WE KNOW THAT THE POVERTY AND
UNEMPLOYMENT ARE HIGHEST FOR
WORKERS THAT ARE ENTRY LEVEL AND
MIDDLE SKILL AND ALSO FOR YOUNG
WORKERS, AND 80% OF THE REGION'S
WORK FORCE FALL ON ENTRY LEVEL
OR MIDDLE SKILL THE CALCULATE
GOVERNOR OF THE UNEMPLOYED WORKER,
AND 60% OF THE TOTAL WORK FORCE
IS IN THE CATEGORY.

THE REGION HAS A HIGHER PORTION
OF YOUNG WORKER, AGAIN, WHICH
ARE HIGHER POVERTY AND
UNEMPLOYMENTS AND COULD REALLY
USE THESE JOBS.

WE ALSO FOUND THAT LOCATING THE
CASINO HERE WOULD HAVE A
PARTICULAR IMPACT BECAUSE THE
COUNTY PULLS IN COMMUTERS FROM
THE SOUTHERN TIER REGION.
IMPAIRED TO NORTHERN PORTIONS OF
THE REGION TO GET WORKERS
OUTSIDE THE TIER, AND
DETERMINING THE PURPOSE IS TO

ENHANCE THE ECONOMIC DEVELOPMENT
OF THE SOUTHERN TIER
SPECIFICALLY LOCATING IT IN A
SOUTHERN PORTION OF THE TIER
DRAWS THE MOST WORKERS FROM THE
REGION.

IN THE COUNTY SPECIFICALLY, THE
WORKERS IN THOMPSON COUNTY, MOST
HARD HIT IN SIX YEARS,
SPECIFICALLY MORE LIKELY TO SEND
COMMUTERS TO THE COUNTY COMPARED
TO BROOM COUNTY.

THEY ARE 40% MORE LIKELY TO SEND
WORKERS TO TIOGA COUNTY.

TO CONCLUDE, THE TIER SUFFERED
AS A WHOLE, BUT THIS REGION IS
HIT PARTICULARLY HARD.

UNEMPLOYMENT RATES ARE WORSE
THAN ANY MIGHT OTHERWISE
SUGGEST, AND SALES TAX GROWTH IS
IN THE WORST IN THE AREA.

DURING THIS TIME, THERE'S BEEN A
LARGE STABLE EMPLOYER WHILE THE
REGION SEEN THOUSANDS AND
THOUSANDS OF JOBS LOST.

THEY HAVE REMAINED STABLE.

FINALLY, THE WORKERS WHO NEED
THIS THE MOST, ENTRY LEVEL,
MIDDLE SKILLED WORKERS LIVING IN
THE HARD HIT COUNTIES ARE THE
ONES THEY WILL BE ABLE TO
EMPLOY.

THEY ARE IN THE REGION READY TO
WORK.

>>> GOOD MORNING, I'M PRESENTING
THE IMPACT ANALYSIS.

WE USE REMI'S P-I PLUS MODEL,
MOST KNOWN, MOST USED MODEL
AROUND THE COUNTRY AND
INTERNATIONALLY AND USED IN THE
STATE OF NEW YORK BY EMPIRE
STATE DEVELOPMENT.

I STARRED IN THE INDEPENDENT
BUDGET OFFICE.

I WANT TO BEGIN WITH THE
DISCUSSION OF THE CONSTRUCTION
IMPACTS.

THE \$109 MILLION CONSTRUCTION
BUDGET EXPECTED TO BE SPENT IN
ONE YEAR, A HIGH IMPACT, HIGH
YIELD PROJECT FOR THE REGION.

IMPORTANTLY, GENERATES 91
MILLION DOLLARS OF GROWTH REGION
NAP PRODUCT, A STATISTIC THAT

REPRESENTS THE NET VALUE AND WEALTH CREATE IN THE ECONOMY IN THAT REGION.

MOVE TO THE JOBS CREATE, WE CAN SEE THAT WE EXPECT 1200 JOBS TO RESULT FROM THE EXPANDED PROPERTY.

THIS REPRESENTS ONE IN EVERY 230 JOBS IN THE REGION THAT MIGHT NOT SOUND LIKE A LOT, BUT WHEN YOU FIGURE IN THE FACT THAT THEY REPRESENT ONE OUT OF 10,000 BUSINESS ESTABLISHMENTS, THE SCALE IN THAT AND SIGNIFICANCE OF THAT CONTRIBUTION IS MORE EVIDENT.

MORE IMPORTANTLY, IF YOU PUT THAT ALONGSIDE -- I'M NOT CLICKING -- IT'S GOING BY ITSELF -- PUT THAT ALONGSIDE THE FACT THAT THERE'S 1800 UNEMPLOYED PEOPLE IN THE COUNTY, YOU CAN SEE HOW THAT WOULD HELP. CAN YOU JUST CLICK IT FOR ME? THANK YOU.

MOVING ON TO THE DOLLAR VALUES OF THE ECONOMIC IMPACT, THE DOWNS EXPANSION CREATES 1 .1 BILLION DOLLARS OF NEW ECONOMIC ACTIVITY.

IMPORTANTLY, THIS IS A RESULT OF THE A NET ANALYSIS INCLUDING BOTH THE POSITIVE EFFECTS OF DRAWING IN REVENUE FROM OUT OF STATE AND THE NEGATIVE EFFECTS OF DISPLACING OTHER EXISTING ACTIVITY IN THE STATE.

ANY ECONOMIC EXPANSION THAT RELIES ON LOCAL RESIDENTIAL CUSTOMERS WHETHER IT'S A CASINO OR HAIR SALON, IS GOING TO DISPLACE SOME ECONOMIC FVT THAT ALREADY OCCURS, AND NOT ACCOUNTING FOR THAT CREATES UNREALISTIC RESULTS.

THE ECONOMIC GAIN THAT DRIVES IMPROVEMENTS IN TAX REVENUE, THE COST OF THE PLACEMENT IS EMBODIED IN THE SALES TAX YOU'LL SEE THERE.

THERE'S A DECREASE IN THE SALES TAX REVENUE, BUT IT'S MORE THAN MADE UP IN THE GAMING TAX REVENUE AS A RESULT OF SHIFTING

FROM A LOW RATE TO A HIGH RATE
TAX.

AGAIN, WE THINK THAT INCLUDING
DISPLACEMENT IN OTHER NONGAMING
ACTIVITIES IS AN IMPORTANT PART
OF THE ANALYSIS.

I'D LIKE TO PASS IT OVER NOW.

>> YES, SIR.

THANK YOU.

>> I WANT TO SPEAK HERE SO I CAN
SEE A LITTLE BIT BETTER.

AGAIN -- THAT'S NOT ME -- DID I
GO THE WRONG WAY?

OKAY, I GOT IT.

THE MOST IMPORTANT THING, WE'VE
BEEN STRUGGLING LATELY SINCE
THEY BUILT A HOTEL, AND WE HAVE
DONE A FOCUS GROUP TO FIGURE OUT
HOW TO COMBAT THAT, AND WHAT WE
FOUND WHEN NAY LOOKED AT OUR
CUSTOMERS WAS THE MOST IMPORTANT
FACTOR THAT ANYONE CONSIDERS
WHEN THEY GO TO A CASINO IS
LOCATION CLOSE TO HOME.

ALL THE OTHERS ARE NEGBLE, AND
WE HAVE DIRECT HIGHWAY ACCESS.

I'M GOING FAST BECAUSE I'M LATE.

AGAIN, THIS SHOWS YOU REALLY THE
BEST ARGUE.

LOOK WHERE WE ARE.

THERE'S NO CANNIBALIZATION

WHATSOEVER.

WE ARE DEAD CENTER IN THE

SOUTHERN REGION.

IF YOU LOOK AT THIS, YOU CAN SEE
THE CLOSEST CASINO TO US IS IN
PENNSYLVANIA, MOHEEGAN SUN, AND
THE CLOSE, NEW YORK CASINO IS
110 MILES.

QUICKLY, JUST TO SHOW WHAT IS
LOCATED WITHIN AN HOUR, YOU GOT
CORNING, EL HIRA, TIOGA COUNTY,
PENNSYLVANIA, AND SO WE'RE IN
GOOD SHAPE.

FRANKLY, TO ME, I THINK IT'S
GOOD TO DRIVE HALF HOUR TO GET
TO THE PLACE.

I DON'T WANT CUSTOMERS COMING
SEVEN DAYS A WEEK.

WE DON'T WANT PROBLEM GAMBLING,
AND I THINK WE'RE IN A LOCATION
WITH NO TRAFFIC, AND, AGAIN,
THIS JUST SHOWS YOU IF YOU LOOK
HOW CLOSE IT IS TO THE MAIN

POPULATION CENTERS COMPARED TO WHAT THE OTHER OPTION IS, YOU CAN SEE 34 MILES FROM BINGEATON AND TRAVEL 37 MILE, AND EL MIRA IS THE SAME.

ALL THE PEOPLE COME TO TIOGA DOWNS TO GAMBLE AT THE CASINO. AGAIN, THIS SHOWS YOU ALL THE THINGS WE HAVE, WE HAVE A PARKING GARAGE, RESTAURANTS, POOL, WATER SLIDE, ALL THE THINGS YOU WANT.

WE REPRESENTED A GOLF COURSE A COUPLE MILES AWAY.

WE'LL BUILD A NEW CLUBHOUSE, PUT IN MINIATURE GOLF, SOMETHING FOR EVERYBODY.

THIS JUST SHOWS YOU SOME OF THE THINGS WE HAVE, AND WE HAVE A LITTLE ANIMATION, RIGHT?

\M \M

>>> THE AWARD OF A FULL CASINO LICENSE WILL TRANSFORM TIOGA DOWNS THAT CURRENTLY OFFERS HARNESS RACING AND VIDEO LOTTERY TERMINALS INTO THE RESORT, THE PREMIER ENTERTAINMENT DESTINATION IN THE SOUTHERN TIER OF NEW YORK.

THE CAREFULLY CONSIDERED DESIGN INTEGRATED MULTIPLE EXPERIENCES TO SATISFY AND DELIGHT A BROAD AWAY OF GUESTS.

PHASE ONE OF THE TRANSFORMATIVE EXPANSION IS UNDERWAY WITH THE CONSTRUCTION OF A FOUR LEVEL PARKING GARAGE, CENTRALLY LOCATED WITH DIRECT ACCESS TO THE MAIN CASINO LEVEL.

\M \M

A LANDMARK NEW YORK RESTAURANT, ONE OF THE EXCITING BRANDED DINING EXPERIENCES INTRODUCED. FIRST TO HOPE IS PJ CLARKS, THE ICONIC NEW YORK BAR AND RESTAURANT, THE CROWN JEWEL OF THE NEW AMENITIES BILLING. IT IS HERE THAT GUESTS CAN ENJOY A WIDE VARIETY OF TERRACE AND PATIO DINING, OVERLOOKING LIVE HARNESS RACING BRINGING UNMATCHED ENERGY AND LIFE TO THE RESORT EXPERIENCE.

ALSO TRACK SIDE, GUESTS WILL END

JOY A FAMILY-FRIENDLY 21-FOOT
HIGH WATER SLIDE AND LANDSCAPED
POOL AREA NEXT TO THE RACING
ACTION WITH THE COMFORTABLE SUN
DECK, AND FOR ADULTS, A
CONTEMPORARY POOL SIDE BAR.
FUTURE RECREATIONAL PLANS
INCLUDE A MINIATURE GOLF AND FUN
CENTER LOCATED AT THE SOUTHEAST
CORNER OF THE SITE.

THE AREA WILL INCLUDE AN 18-HOLE
GOLF COURSE, 27-FOOT HIGH ROCK
CLIMBING WALL, AND NINE BATTING
CAGES.

THE TIOGA COUNTRY CLUB AND
18-HOLE COMPETITIVE GOLF COURSE
COMPLETES THE RESORT EXPERIENCE.
THE NEW SIX-STORY 137-ROOM
BOUTIQUE HOTEL GREETES GUESTS
WITH A DRAMATIC TWO-STORY LOBBY
AND COLORFUL CONTEMPORARY DECOR.
A STYLISH RECEPTION AREA OFF THE
LOBBY WELCOMES GUESTS TO THE
UNIQUE RESORT EXPERIENCE.

EACH GUEST ROOM WILL BE
SPACIOUS, LUX YOUROUSLY
FURNISHED AND BEAUTIFULLY
FINISHED WITH IN-SUITE STATE OF
THE ART AMENITIES, WIFI, AND
HIGH DEFINITION TV.

\M \M

MEETING AND EVENT SPACE WILL
HOST CONFERENCES, BANK YETS,
TRADE SHOWS, WEDDINGS, AND A
VARIETY OF ENTERTAINMENT
FUNCTIONS, ALL SUPPORTED BY
CUTTING EDGE TECHNOLOGY.

p 11am

TOOK ME 11 MONTHS TO BUILD A
GARAGE AND 21 MONTHS TO BUILD
TIOGA DOWNS.

WE HAVE ALL THE PERMITS WE NEED.
THIS IS FOR THE GARAGE, THE
HOTEL AND THE CASINO EXPANSION.
THIS IS THE SEEK WA.

IT'S ALL DONE, READY TO GO.
THIS JUST SHOWS YOU THE TOP LEFT
IS WHERE THE GARAGE STANDS
TODAY, SHOULD BE DONE IN ABOUT
SIX WEEKS.

AGAIN, WE HAVE TRAINING -- WE'VE
GOT TO TRAIN PEOPLE.

WE HELPED CREATE THE CURRICULUM.

WE HAVE A PROGRAM, WE'VE HIRED
AWARD-WINNING VETERANS TO HELP US
WITH THE TABLE GAMES AND THE
SURVEILLANCE TRAINING PLANS.
WE HAVE THE EQUIPMENT THAT WE'RE
GOING TO NEED FOR THE TRAINING
LINE UP.

WE JUST NEED A LICENSE.
WE'VE LEASED SPACE IN A PUBLIC
SCHOOL DOWN THE ROAD TO HOST OUR
TRAINING.

WE HAVE A JOB FAIR COMING UP.
I DON'T LIKE JOB FAIRS WITHOUT A
LICENSE, BUT THE TRUTH IS, IF WE
HAD A LICENSE WE'D START HIRING
PEOPLE THE NEXT DAY BECAUSE
WE'RE READY TO GO.

WE HAVE TO TRAIN THEM FIRST.
THIS WAY WE'LL HAVE THE RESUMES
AND HOPEFULLY IF YOU MAKE A
DECISION IN OCTOBER WE'LL BE
READY TO GO.

HERE'S SOMETHING THAT'S REALLY
IMPORTANT BECAUSE I HAD HIGHLY
CONFIDENT -- WHEN I CAME FROM
TIOGA DOWNS FROM CREDIT SWISS.
WHEN TIME CAME TO GET THE MONEY,
THEY WERE NOWHERE TO BE FOUND.
HIGHLY CONFIDENT LETTERS AND
NOTHING.

EPR PROPERTIES WE HAVE A FIRM
COMMITMENT.
THEY'RE IN THE AUDIENCE FOR \$160
MILLION.

OUR LAWYERS ARE IN THE FINAL
STAGES FINALIZING THE PAPERS FOR
THAT LOAN.

WE HAVE THE FINANCING, NO IF'S
ANDS OR BUTS.

YOU KNOW, WE ARE CARRYING THE
FULL BURDEN OF THE HORSEMAN'S
OBLIGATION UNLIKE OUR
COMPETITORS.

WE HAVE TO PAY \$5.7 MILLION TO
THE HORSEMEN IF WE GET THE
LICENSE WHILE OTHERS WE PAY A
LOT LESS.

BUT I'M A HORSEMAN SO THAT'S
OKAY.

THIS JUST, AGAIN, TALKS ABOUT
THE GROSS REGIONAL PRODUCT, OUR
INVESTMENT AND THIS ISN'T JUST
PROMISES.

WE'VE ACTUALLY BEEN OPERATING

THIS PROPERTY SINCE 2006, A
PROVEN DESTINATION.
WE HAVE 216 KNOWN CUSTOMERS,
PROVEN MANAGEMENT TEAM.
WE HAVE A GAING LICENSE.
I HAVEN'T CHANGED THE PEOPLE.
THIS JUST GIVES YOU AN IDEA OF
THE THINGS WE DO.
ON THE BOTTOM LEFT IS RACING,
OPENING DAY FOR RACING.
WE KWET ABOUT 10,000 PEOPLE ON
THE RIGHT IS WHAT A CONCERT
LOOKS LIKE.
WE HAD OUR BIGGEST CONCERT
SUNDAY OF LABOR DAY WEEKEND,
TRACE ADKINS.
WE HAD 4600 PEOPLE.
THAT'S A CAR SHOW.
WE HAVE WINE STUFF, WEDDING
DISMAY STUFF, BASEBALL CARD
SHOWS, YOU NAME IT.
THIS IS SOMETHING THAT I
ACTUALLY DECIDED TO DO A YEAR
AGO WHEN I SAW THAT OUR REVENUES
WERE SLIDING.
I'VE INVESTED \$250,000 WITH A
LOCAL VENDOR TO DO A TIOGA DOWNS
WINTERFEST.
ICE SCULPTURES, HAY RIDES,
FIREWORKS.
I THINK THIS WILL BE A REAL
TOURIST ATTRACTION AT A TIME OF
THE YEAR WHEN CASINOS TYPICALLY
HAVE A LULL BETWEEN THANKSGIVING
AND CHRISTMAS.
I'M HOPING THIS WORKS BECAUSE
IT'S \$250,000.
IT BETTER WORK.
AGAIN, THE RIGHT OPERATOR,
SELF-EXCLUSIVE TRAINING, LIKE I
SAID, WE'RE NOT FIVE MINUTES
FROM ANY PLACE.
I THINK IT'S BETTER THAT YOU'RE
NOT FIVE MINUTES FROM A BIG
CITY.
IT TAKES -- YOU'VE GOT TO DRIVE
THERE, PEOPLE HAVE TO GET IN THE
CAR, THINK ABOUT IT AND
HOPEFULLY THEY WON'T COME EVERY
DAY.
>> WE NEED TO WRAP UP?
>> WE THIS SHOWS YOU THE SUPPORT
WE GOT.
I'D JUST LIKE TO END BY SAYING

THAT I REALLY WOULD BE
DISAPPOINTED IF I DID NOT GET
THE LICENSE.

I PUT MY HEART AND SOUL INTO
THIS VERNON AND TIOGA PROJECT.
SIX YEARS AGO WHEN WE WERE
LOSING A MILLION DOLLARS A MONTH
AND ONE OF MY PARTNERS BAILED
OUT, I BORROWED \$15 MILLION FROM
DEUTSCHE BANK BECAUSE I HAD
FAITH IN PROJECT AND I DIDN'T
WANT TO SEE 600 PEOPLE LOSE
THEIR JOBS.

TRUTHFULLY, I DON'T THINK TIOGA
DOWNS CAN SURVIVE IF THERE'S A
CASINO 25 MILES AWAY.

VERNON STRUGGLES AS IT IS WITH
TURNING STONE AND ADDING ANOTHER
CASINO OUTSIDE OF SYRACUSE CAN
HELP.

OBVIOUSLY I'D HATE TO LOSE \$100
MILLION BUT I REALLY THINK WE
HAVE THE BEST PROPERTY, THE BEST
PROJECT BY FAR.

WE CAN OPEN QUICKLY.

NO QUESTION PEOPLE NEED JOBS
NOW, NOT IN TWO YEARS.

WE HAVE A PROVEN TRACK RECORD.
WE'VE GIVEN A LOT.

WE'RE GOING TO GIVE AWAY -- WE
HAVE A FOUNDATION.

I'VE COMMITTED A MINIMUM OF
\$500,000 A YEAR TO CHARITY.
AND I'VE COMMITTED THAT WE'D
HAVE A \$10.10 MINIMUM WAGE,
WHICH I THINK IS IMPORTANT.
AGAIN, THANK YOU FOR LISTENING.
HOPE I CONVINCED YOU.

>> CAN I ASK YOU A QUESTION,
SIR?

TIOGA DOWNS, IS IT CURRENTLY
PROFITABLE?

>> LAST YEAR \$10 MILLION BETWEEN
THE TWO.

I HAVE ABOUT \$6 MILLION OF DEBT
SERVICE, WHICH INCLUDES
AMORTIZATION.

I TYPICALLY SPEND \$1 MILLION TO
\$1.5 MILLION IN CAPITAL
IMPROVEMENT.

THEN THE REST WENT INTO TRYING
TO GET PROPOSITION 1 PASSED, THE

APPLICATION, ALL OF THAT.

THIS YEAR WE'LL BE AT \$8 MILLION
BECAUSE WE'VE GOTTEN KILLED
SINCE NOR HEEGEN SUN BUILT THAT
HOTEL.

I THINK THE HOTEL IS REALLY
HELPING THEM ATTRACT CUSTOMERS
FROM BINGHAMTON.

I WOULD SAY WE THINK WE WOULD
TAKE ABOUT A \$3 MILLION HIT IF
WE HAD ONE 25 MILES AWAY.

SO I'D BE DOWN TO \$5 MILLION
WHICH MEANS I COULDN'T MAKE MY
DEBT PAYMENTS.

OBVIOUSLY I COULD GO BACK TO THE
STATE TO LOWER THE TAX RATE, BUT
I'D BE VERY DISAPPOINTED.

AS FAR AS UP NORTH, THE NORTHERN
ONE WOULD HAVE LITTLE OR NO
IMPACT ON TIOGA.

AS A MATTER OF FACT, I THINK OUR
TAX RATE WOULD COME DOWN.

I THINK TIOGA WOULD BE FINE.

BUT VERNON IS A MARGINAL AT
BEST.

BASICALLY TIOGA SUPPORTS VERNON.
IVE IF I WASN'T A HORSEMAN, I
DON'T KNOW IF I WOULD KEEP
VERNON OPEN.

IT'S ANOTHER DEPRESSED AREA.

VERNON, NEW YORK.

GO THERE.

IT'S SAD TO SEE.

IT WOULD BE VERY DIFFICULT.

>> ARE YOU 100% OWNER OF TIOGA
DOWNS?

>> I OWN ABOUT 78%.

I STARTED OUT OWNING 20%, AND I
HAD FOUR OTHER PARTNERS, THREE
OTHER PARTNERS.

SO YOU GET LUCKY IN LIFE.

EVERYBODY BAILED OUT BECAUSE NO
ONE THOUGHT I COULD GET THE LAW
CHANGED.

I WAS ABLE TO CONVINCED THE STATE
AND I'VE PROVEN BY LOWERING THE
TAX YOU ACTUALLY MAKE MORE
MONEY.

WE HAVE THIS MARKETING
ALLOWANCE, CAPITAL IMPROVEMENT
ALLOWANCE.

SO I OWN MOST OF IT, YEAH.

>> AND IF YOU DON'T TAKE ANY
MONEY OUT, AS THE VIDEO SAID,
WHAT DO YOU DO WITH THE PROFIT

SNZ.

>> WELL, WE'VE ONLY BEEN
PROFITABLE FOR ABOUT TWO YEARS
SO WE REINVEST IT.

LIKE I SAID, WE REINVEST.

I SPEND ABOUT \$1 MILLION ON
CAPITAL EXPENDITURES ON BOTH
PROPERTIES.

VERNON IS OLD.

THEN I SPENT ABOUT \$600,000
CAMPAIGNING TO GET PROPOSITION 1
PASSED.

I THINK THE APPLICATION COST
ABOUT \$650,000 TO PUT TOGETHER
AND \$1 MILLION THAT WE HAD
ATTACHED WITH THE APPLICATION.
SO YOU ADD IT UP, AND THERE'S
ALL THE MONEY.

WE'RE NOT SITTING ON A LOT OF
CASH, BUT I'VE GOT THE MONEY
LINED UP BASICALLY.

I'M PUTTING IN ANOTHER \$5
MILLION AND THEY'RE GOING TO
LEND ME \$160 MILLION.

WE MAKE ENOUGH MONEY NOW TO
SERVICE \$160 MILLION A DAY
BECAUSE THE NUMBERS CHANGE WHEN
YOU BECOME A CASINO.

YOU'RE NOT PAYING STATE,
ET CETERA, ET CETERA.

BUT IT WAS VERY DIFFICULT TO GET
THE FINANCING.

I HAD TO GUARANTEE \$50 MILLION
OF THAT LOAN, WHICH SOMETHING MY
FATHER WOULD KILL ME FOR DOING,
BUT UNFORTUNATELY HE'S NOT HERE
TO KNOW ABOUT IT.

I'M CONFIDENT IN THE PROJECT.
IT'S TOUGH.

ONLY 600,000 PEOPLE LIVE OVER
THERE.

>> OTHER QUESTIONS?

>> ONE QUICK QUESTION.

THE PROJECTION OF 1200 JOBS,
THOSE ARE FULL-TIME, YEAR-ROUND
JOBS OR FULL-TIME JOBS, CORRECT?
THAT'S NOT EXCLUSIVE OF
CONSTRUCTION.

>> SO THE CONSTRUCTION PERIOD IS
EXPECTED TO CREATE ABOUT 1200
AND THE OPERATIONS IS EXPECTED
TO CREATE ABOUT 1200.

SO THEY'RE SEPARATE.

>> I UNDERSTAND.

1200 NEW YOB JOBS.
>> RIGHT.
BUT IT'S NOT FTs.
JOBS.
>> BUT I DON'T THINK IT'S NEW --
IF YOU'RE SAYING OVER AND ABOVE
THE 300 PEOPLE WE EMPLOY NOW.
>> RIGHT.
IS THIS 900 ADDITIONAL?
>> PROBABLY.
>> SO A TOTAL OF 1200.
>> RIGHT.
BUT I THINK THE WAY IT'S WORDED
WE'RE ALLOWED TO DO IT THAT WAY.
BUT YOU'RE RIGHT.
>> ONE QUICK QUESTION.
IS IT THE SAME DIFFICULTY AND
SOPHISTICATION REQUIRED TO
MANAGE A FULL CASINO AS TO
MANAGE VIDEO SLOTS AND HORSE
RACING?
I NOTICE THAT YOU DON'T -- I
COULD BE WRONG -- HAVE AS ONE OF
YOUR PRESENTERS SOMEBODY WHO'S
GOT EXPERIENCE WHO WILL BE
ACTUALLY MANAGING -- WOULD BE
MANAGING A FULL CASINO FLOOR.
>> ALL THE PEOPLE WHO WORK FOR
ME AT THE MANAGER LEVEL I
RECRUITED FROM FOUR CASINOS.
ONE THING I'M PROUD OF, BY THE
WAY, WE ONLY HAVE TEN PEOPLE OUT
OF 743 BETWEEN THE TWO THAT CAME
FROM OUTSIDE OF THE LOCAL AREA.
BUT THOSE TEN PEOPLE WERE
RECRUITED FROM CASINO COMPANIES.
WE HAVE A HOTEL IN VERNON AND AN
EVENT CENTER.
THE ONLY NEW THING WE'RE ADDING
THAT WE'RE NOT CURRENTLY DOING
WOULD BE TABLE GAMES.
WE WOULD HIRE SOMEBODY JUST FOR
THE TABLE GAME PART.
BUT I HAVE A HOME TEN MINUTES
AWAY.
YOU KNOW, WHEN YOU'RE LOSING \$1
MILLION A MONTH, YOU FOCUS VERY
QUICKLY ON WHAT'S HAPPENING AND
I SPENT PROBABLY HALF THE SUMMER
THERE.
I KNOW ALL THE EMPLOYEES.
I'M PRETTY HAHANDS-ON.
IT'S A MOM AND POP OPERATION.
>> I HOPE YOU'RE NOT A GAMBLER.

>> I HATE GAMBLER, BUT MY SON
IS.
SO I HAVE SOMEONE AT ALL TIMES
FOR CONSULTING.
>> THANK YOU VERY MUCH FOR YOUR
PRESENTATION.
NEXT UP WILL BE LAGO RESORT.
FIVE MINUTES TO SET UP.
WE EXPECT EVERYBODY TO SIT DOWN
IN FIVE MINUTES.
>>> ARE WE ALL SET?
THANK YOU.
NOT JUST YET?

>>> WE'VE GOT TO GET STARTED
WITH THE LAGO RESORT AND CASINO.
INTRODUCE YOURSELF AND YOUR
PANEL, PLEASE.
>> THANK YOU.
THANK YOU FOR ALLOWING ME TO
ADDRESS THE BOARD.
GOOD MORNING.
MY NAME IS RON MCGREEVEY.
I AM THE TIRE TOWN SUPERVISOR
AND I AM PROUD TO HAVE SERVED
THE TOWN OF TIRE IN A NUMBER OF
OFFICIAL CAPACITIES FOR OVER 23
YEARS.
AS EXCITED AS I AM TO KICK OFF
THIS PRESENTATION FOR THE LAGO
RESORT AND CASINO, I'M EVEN MORE
EXCITED ABOUT THE EXTRAORDINARY
ECONOMIC BOOST LAGO WILL BE FOR
TYRE, SENECA COUNTY AND THE
ENTIRE FINGER LAKES REGION.
I KNOW THAT YOU HAVE SOME VERY
SERIOUS DELIBERATIONS IN TROUBLE
OF YOU.
MY COLLEAGUES AND I ON THE TIRE
TOWN BOARD HAVE SPENT THE LAST
EIGHT MONTHS SERIOUSLY
DELIBERATING ABOUT THIS PROJECT
AS WELL.
AFTER LOOKING AT IT EVERY
IMAGINABLE WAY, WE HAVE
REPEATEDLY AND UNANIMOUSLY
ENDORSED IT.
WITH THE OVERWHELMING SUPPORT OF
THE RESIDENTS OF TIRE.
NOW IT'S MY PLEASURE TO
INTRODUCE TO YOU THE MAN WHOSE
VISION WHO'S BROUGHT ME HERE
TODAY, TOM WILMOT SR.
>> THANK YOU, RYAN.

GOOD MORNING.

I'M TOM WILMOT, PARTNER IN THE LAGO RESORT AND CASINO.

I'D LIKE TO THANK THE SITING BOARD FOR TAKING THE TIME TO ENTERTAIN OUR PROPOSAL TODAY. TODAY WE'LL INTRODUCE YOU TO LAGO'S EXPERIENCED TEAM OF PROFESSIONALS WHO HAVE DECIDED THE PROFESSIONALS.

LAGO WAS NOT CREATED IN A VACUUM.

RATHER WE'VE BEEN WORKING WITH LOCAL RESIDENTS, BUSINESSES AND ORGANIZATIONS TO BUILD THE BEST POSSIBLE DEVELOPMENT FOR THE REGION.

WE HAVE UPDATED THE PROJECT AND SELECTED PARTNERS WITH OUTSTANDING PROVEN SUCCESS WITH CASINOS AND MARKETS VERY SIMILAR TO THIS ONE.

I'M HAPPY TO REPORT THAT WE HAVE A PROJECT THAT NOT ONLY FITS THE REGION BUT HELPS CHART A COURSE FOR A BRIGHTER ECONOMIC FUTURE IN THE FINGER LAKES.

WITH THE HELP -- WITH HELP FROM BRETT STEVENS, JONATHAN SWAIN, ANTHONY MURPHY AND NICK FA RAR FROM TMG, WE'LL SHOW YOU WHAT THE FUTURE LOOKS LIKE WITH LAGO AND SOME OF LAGO PARTNERSHIPS WHICH ARE A VERY IMPORTANT PART OF THE DEVELOPMENT AND ITS SIGNIFICANT OUTCOMES FOR NEW YORK STATE.

LAGO RESORT AND CASINO IS LOCATED IN THE TOWN OF TIRE, SENECA COUNTY IN THE HEART OF THE FINGER LAKES REGIONS JUST STEPS AWAY FROM EXIT 41 OF THE NEW YORK STATE THRUWAY.

THE DEVELOPMENT AT THIS LOCATION FITS TYRE'S MASTER PLAN FOR ECONOMIC DEVELOPMENT AND HAS MINIMAL NEGATIVE IMPACTS.

THE \$425 MILLION DEVELOPMENT RECEIVED UNANIMOUS SUPPORT FROM THE TOWN OF TYRE, PLUS WE HAVE UNANIMOUS SUPPORT FROM THE COUNTY OF SENECA.

SENECA TOWN BOARDS OF MANY COUNTIES.

LAGO RESORT AND OUR PARTNERS ARE
UNIQUELY QUALIFIED TO DELIVER
YEAR-ROUND ECONOMIC ACTIVITY TO
THE FINGER LAKES.

CERTAINLY OUR PARTNERS AND I
THINK THE BUILDING OF \$420
MILLION RESORT AND CASINO IN
SENECA COUNTY MAKES SENSE FROM A
BUSINESS PERSPECTIVE.

I OBVIOUSLY WOULDN'T BE HERE
TODAY IF WE DIDN'T THINK THIS
WAS GOING TO WORK.

BUT THE FINGER LAKES REGION IS
MY HOME, MY FAMILY'S HOME.
FOR GENERATIONS PAST AND
HOPEFULLY FOR GENERATIONS FUTURE
WE'LL BE IN THE UPSTATE AREA AND
THE FINGER LAKES.

WE ARE COMMITTED TO NEW YORK
STATE, TO UPSTATE NEW YORK, AND
PARTICULARLY THIS WONDERFUL
REGION.

WHICH ONE OF THE STATES'
FORGOTTEN TREASURES.

I'D LIKE NOW TO JUST GIVE YOU A
LITTLE BIT ABOUT HISTORY, MORE
OF WILL AM WRITE.

THERE'S MORE INFORMATION IN OUR
APPLICATION.

IT WAS FOUNDED AT THE ROCHESTER
AIRPORT BY MY FATHER.

WE'VE BEEN IN BUSINESS FOR OVER
70 YEARS.

THE THIRD GENERATION IS NOW
ACTIVE IN THE COMPANY.

AND WE'VE SUCCESSFULLY DEVELOPED
MANY PROPERTIES IN SEVEN STATES
BUT WITH PARTICULAR EMPHASIS
HERE IN NEW YORK.

AND THE FINGER LAKES REGION.

THE ATTACHED SLIDE SHOWS YOU
FOUR PROPERTIES LOCATED IN THE
ROCHESTER FINGER LAKES AREA.

THESE PROPERTIES HAVE RECENTLY
UNDERWENT MAJOR RENOVATIONS AND
EXPANSIONS COSTING WELL IN
EXCESS OF \$100 MILLION.

WE HAVE A STRONG COMMITMENT TO
KEEPING OUR PROPERTIES UPDATED
TO MEET THE NEEDS OF OUR
CUSTOMERS, AS DO OUR PARTNERS
PENINSULA PACIFIC.

THE PROPERTIES PROVIDE THOUSANDS
OF JOBS WITHIN THE HOST

COMMUNITIES AND HAVE GENERATED HUNDREDS OF MILLIONS OF DOLLARS IN TAX REVENUES FOR HOST COMMUNITIES AND NEW YORK STATE. IT'S NOW MY PLEASURE TO HAVE TOM WILLMOTT COME UP AND GIVE YOU MORE DETAILS ABOUT THE LAGO RESORT.

>> I'M TOM WILMOT JR.
I'M A THIRD GENERATION MEMBER OF WILMER.

LAGO IS THE MOST EXCITING PROJECT WE'VE BEEN INVOLVED WITH IN MY TENURE.
WE TOOK SELECTING OUR PARTNERS VERY SERIOUS.

I'D LIKE INTRODUCE YOU TO PENINSULA PARTNERS AND THE -- DEVELOPED FOUR HUGE SUCCESSFUL REEKAL CASINOS IN THREE DIFFERENT JURISDICTIONS. THE OWNERS AND OPERATORS RESPONSIBLE FOR THE COMPANY'S SUCCESS AND ULTIMATELY LED TO ITS SALE TO BOYD GAMING IN NOVEMBER OF 2012.

COMBINED, THEY HAVE MORE THAN FIVE DECADES OF CASINO OPERATIONS EXPERIENCE. THEIR TRACK RECORD AS DEVELOPERS, OPERATORS AND OWNER OF CASINO FACILITIES AROUND THE COUNTRY IS WHY WE'RE VERY PLEASED TO HAVE THEM AS PART OF OUR TEAM.

THIS \$425 MILLION DEVELOPMENT WILL BE A FIRST-CLASS ATTRACTION IN THE HEART OF A WORLD-CLASS DESTINATION.

THE FINGER LAKES.
LAGO CASINO AND RESORT WILL ATTRACT MORE THAN 3.4 MILLION VISITORS ANNUALLY.

IT'S ESTIMATED THAT 340,000 OF THESE VISITORS WILL BE FROM OUTSIDE OF NEW YORK STATE. LAGO WILL ALSO ATTRACT THOUSANDS OF NEW YORKERS FROM ALL OVER THE STATE THAT WERE PREVIOUSLY SPENDING THEIR MONEY AT CASINOS OUTSIDE OF NEW YORK.

WHAT DO ALL OF THESE VISITORS MEAN FOR THE FINGER LAKES?
MORE MOTEL ROOMS SOLD, MORE

SHOPPERS, MORE TOURISTS CREATING
QUALITY JOBS IN A STRONGER
REGIONAL ECONOMY.

LAGO HAS AND IS TAKING THE
NECESSARY STEPS TO BE UNDER
CONSTRUCTION WITHIN ONE WEEK OF
BEING GRANTED THE LICENSE.
OUR SEEK WA PROCESS IS COMPLETED
AND APPROVED.

WE HAVE AN APPROVED DEVELOPMENT
PLAN, SITE PLAN, HOST COMMUNITY
AGREEMENT AND UNANIMOUS SUPPORT
FROM OUR HOST TOWN AND COUNTY
BOARDS.

ALL FINANCING COMMITMENTS ARE IN
PLACE.

IN FACT, SOOIST PLANTS WERE
COMPLETED AND SENT OUT FOR BIDS
DUE TOMORROW.

WE'VE ACCELERATED ALL PORTIONS
OUR CONSTRUCTION SCHEDULE AND
WILL BE IN POSITION TO AWARD THE
CONCRETE, STEEL AND MECHANICAL
WORK PRIOR TO NOVEMBER 1st.

WE HAVE UNDERTAKEN ALL OF THIS
SO WE CAN BREAK GROUND ONE WEEK
AFTER RECEIVING THE LICENSE.

ADDITIONALLY WE ARE STRIVING TO
ACHIEVE L.E.D. GOLD

CERTIFICATION AS WELL AS
EXCEEDING THE RFA'S REQUIREMENT
LAGO IS BUYING FROM A LOCAL FARM
THAT TURNS MANURE NA ELECTRICITY
AS WELL AS UTILIZING SOLAR
PANELS ON THE FACILITY FA WILL
GENERATE COMBINED 15% OF LAGO'S
TOTAL ENERGY CONSUMPTION.

A PLA HAS BEEN ENTERED INTO WITH
THE FINGER LAKES BUILDING TRADE
COUNCIL AND ALL 19 OF ITS
AFFILIATED LABOR UNIONS
GUARANTEEING THE EMPLOYMENT OF
LOCAL TRADES AND TIMELY
COMPLETION OF THE PROJECT.

ADDITIONALLY LAGO HAS ENTERED
INTO A LABOR PEACE AGREEMENT
WITH WORKERS UNITED.

THIS DEVELOPMENT WILL CREATE
1800 WELL PAYING CONSTRUCTION
JOBS.

\$923 MILLION, LAGO LOCAL
GOVERNMENTS AND THE STATE OF NEW
YORK ARE EXPECTED TO RECEIVE
DISTRIBUTIONS FROM LAGO

TOTALLING \$923 MILLION OVER THE FIRST TEN YEARS OF OPERATIONS. THAT ADDS UP TO A HUGE WIN FOR THE REGION AND ALL RESIDENTS OF NEW YORK.

I'D NOW LIKE TO TAKE A MINUTE AND ASK YOU TO WATCH EYE VIDEO WE HAVE HERE ABOUT THE FINGER LAKES AND WHAT LAGO MEANS TO THE REGION.

>>> THE BEAUTIFUL REGION OF UPSTATE NEW YORK WHERE FOR DECADES PEOPLE FROM NEAR AND FAR INTEREST COME TO ENJOY AN EXPERIENCE AS DIVERSE AS ANY IN THE COUNTRY.

WITH MORE THAN 135 MUSEUMS, 400 REGISTERED HISTORIC SITES AND LANDMARKS, 100 RESTAURANTS WITH WATERSIDE VIEWS, 160 GOLF COURSES, 650 MILES OF SHORELINE, OVER 50 FARMER'S MARKETS AND MORE THAN 100 AWARD WINNING WINERIES, IN TOTAL HAVE AN ECONOMIC IMPACT TO THE STATE OF OVER \$4 BILLION.

THE FINGER LAKES REGION OF NEW YORK STATE ATTRACTS MILLIONS OF VISIT RS EACH YEAR.

BUT IT'S THE LACK OF WORLD CLASS ACCOMMODATIONS THAT LACK IT FROM BEING BIGGER.

THAT IS UNTIL NOW.

>> WE BELIEVE IN THE WILMOTS' VISION.

THEY ARE LOCAL.

THIS IS THEIR HOME.

LAGO IS WHAT WE NEED TO GROW THE MARKET.

THIS PROJECT ISN'T DESIGNED TO CANNIBALIZE OTHER GAMING OPERATORS.

FAR TO THE CONTRARY.

IT'S DESIGNED TO GROW THE REGION.

LAGO'S IMPACT WILL BENEFIT EVERYONE.

>> THIS AREA NEEDS THIS PROJECT BECAUSE IT IS SUCH A UNIQUE ATTRACTION TO THE REGION.

PEOPLE DON'T UNDERSTAND HOW BIG AN OPPORTUNITY THIS IS TO EXPAND OUR ECONOMY.

THIS IS WHAT THE EXPANDED GAMING

LICENSE WAS MEANT TO DO FOR
LOCAL ECONOMIES OUTSIDE OF NEW
YORK CITY.

THE WINE REGION IS BIGGER THAN
NAPA HERE AND PEOPLE DON'T KNOW
IT.

>> THIS \$425 MILLION PRIVATE
INVESTMENT PROJECT WILL HOUSE A
SPECTACULAR 207-ROOM LUXURY
HOTEL, REJUVENATING SPA,
CONVENIENT COVERED PARKING WITH
EASY ACCESS TO THE NEW YORK
STATE THRUWAY AND ROUTE 414.
IT WILL BE PERFECTLY SITUATED
BETWEEN ROCHESTER, SYRACUSE AND
ALL POINTS SOUTH.

LAGO WILL BE A STATE-OF-THE-ART
ENTERTAINMENT VENUE WITH
WORLD-CLASS CASINO, 85 TABLE
GAMES AND SLOT MACHINES,
SUPPORTED BY FINE AND CASUAL
DINING RESTAURANTS, DESIGNED TO
CELEBRATE THE REGIONS.

>> ONE OF THE MOST UNIQUE
ATTRACTIONS WILL BE THE MARKET
PLACE THAT SHOW CASES A VARIETY
OF GOODS PRODUCED IN THE FINGER
LAKES REGION OF UPSTATE NEW
YORK.

>> THIS MARKET CATERS TO NEARLY
3.5 MILLION VISITORS A YEAR.
WE NEED THE TYPE OF
ACCOMMODATIONS THAT LAGO WILL
PROVIDE.

>> THIS PROJECT WILL CREATE
CONSTRUCTION JOBS AND PERMANENT
JOBS WITH AN ESTIMATED NEARLY \$1
BILLION IN DIRECT DISTRIBUTIONS
TO THE HOST MUNICIPALITIES IN
THE STATE OF NEW YORK IN THE
FIRST DECADE OF OPERATIONS.

THAT'S HUGE.

THAT'S GROWING A REGION.

>> THE AVERAGE VISITOR TO THIS
REGION SPENDS AROUND \$500 A DAY.
WE BELIEVE THEY WOULD ENJOY
SPENDING MORE WITH AN EXPANDED
EXPERIENCE.

THIS ISN'T A RETROFIT OF A
CURRENT FACILITY.

THIS IS NEW.

NEVER DONE BEFORE IN OUR REGION.
AND THAT IS WHAT WILL GENERATE
GREAT PRESS, ATTRACT NEW

VISITORS AND GARNER REPEAT
VISITATION AND LOYALTY FOR YEARS
TO COME.

>> LAGO IS ITALIAN FOR LAKE,
HENCE THE INSPIRATION COMES FROM
ONE OF THE HOTTEST TOURISM
DESTINATIONS IN THE WORLD IN
ITALY.

LAGO'S DESIGN IS CAPTIVATING AND
UNIQUE, AN HOMAGE TO THE
AGRICULTURE.

>> THE WILMOT FAMILY HAVE MADE
MANY MAJOR CONTRIBUTIONS TO A
VARIETY OF ORGANIZATIONS IN OUR
REGION.

>> OUR FAMILY ARE THE DEVELOPERS
OF LAGO AND FOR OVER TWO
GENERATIONS HAVE PLAYED A
DEFINING ROLE OF THE GROWTH OF
THE FINGER LAKES REGION.
OUR CONTRIBUTIONS TO THE
ECONOMIC DEVELOPMENT OF THE AREA
ARE PHILANTHROPIC ENDEAVORS AND
GOOD CORPORATE CITIZENSHIP HAVE
LEFT A POSITIVE MARK ON THE
REGION IN WHICH WE LIVE AND
SERVE.

WE PROVIDED FUNDING FOR THE
WILLMONT CANCER CENTER AS WELL
AS SYRACUSE UNIVERSITY, THE BOYS
AND GIRLS CLUB OF ROCHESTER, THE
UNIVERSITY OF ROCHESTER, RIT,
NAZARETH COLLEGE OF ROCHESTER TO
NAME A FEW.

UPSTATE NEW YORK IS A HOME, AND
NOTHING WOULD MAKE US PROUDER
THAN TO HAVE THE OPPORTUNITY TO
BRING LAGO TO UPSTATE NEW YORK
TO HELP IT GROW AND PROSPER TO
AN EXPANDED BASE OF VISITORS TO
OUR AREA.

>> THIS IS THE PROJECT THAT
UPSTATE NEW YORK NEEDS TO GROW
THE ECONOMY.

LAGO WILL GENERATE \$80 MILLION
IN ANNUAL TAXES FOR THE STATE OF
NEW YORK.

FAR MORE THAN THE OTHER TWO
PROPOSALED CASINOS.

>> LAGO IS THE BIGGEST PROPOSAL
FOR THE REGION.

THE TOTAL INVESTMENT EXCEEDS
\$425 MILLION.

EVERY DOLLAR IS NEW INVESTMENT,

NEW CONSTRUCTION AND NEW FACILITIES AND NEW JOBS FOR SENECA COUNTY.

>> THIS PROJECT AND PROPOSAL, INCLUDING THE HOST COMMUNITY AGREEMENT, HAS RECEIVED UNANIMOUS APPROVAL BY THE TYRE TOWN BOARD.

LET'S MOVE TO REBUILD AND GROW THIS ECONOMY.

>> THERE IS ONLY ONE PROPOSED PROJECT THAT WILL INCREASE TOURISM AND DRAMATICALLY GROW THE REGIONAL ECONOMY IN THE FINGER LAKES AND THAT'S --

>> LAGO.

>> WITH A LOT OF JOBS AND SIGNIFICANT PAYROLL, I'M EXCITED THE LAGO PROJECT WILL PROVIDE BENEFITS TO THE RESIDENTS AND DO MUCH MORE TO STRENGTHEN THE REGIONAL ECONOMY.

>> THAT'S RIGHT.

LAGO.

>> I WOULD NOW LIKE TO INVITE MR. BRENT STEVENS TO TELL YOU A LITTLE BIT MORE ABOUT LAGO AND THIS EXCITING OPPORTUNITY.

>> THANK YOU VERY MUCH, TOM.

GOOD MORNING, MR. CHAIRMAN, MEMBERS OF THE SITING BOARD. MY NAME IS BRENT STEVENS, I'M THE CHIEF EXECUTIVE OFFICER AND CHAIRMAN OF PENINSULA PACIFIC. WE'RE DELIGHTED TO BE WITH US HERE TODAY AS PARTNERS OF THE WILLMONT FAMILY TO PRESENT TO YOU LAGO.

FOR THE BALANCE OF THE PRESENTATION WE'LL WALK YOU THROUGH THE NUMBERS, THEN HAVE OUR OUTSIDE MARKETING CONSULTANT PROVIDE THEIR VIEW OF THE MARKET AND ITS GROWTH AND THE ECONOMIC IMPLICATIONS OF LAGO.

WE WILL ALSO PRESENT A TRULY NEW EXPERIENCE FOR OUR CUSTOMERS AT LAGO BY PRESENTING TO YOU OUR PROPERTY AND OUR APPROACH.

BY WAY OF BACK GRUND, I STARTED MY CAREER AT JEFFRIES AND COMPANY IN THE INVESTMENT BANKING COMPANY.

IT'S A NEW YORK-BASED FINANCIAL

FIRM.

I RETIRED FROM JEFFRIES IN 2011 AS THE HEAD OF CAPITAL MARKETS FOR THE FIRM AND WAS A MEMBER OF THE EXECUTIVE COMMITTEE AND PLAYED A PIVOTAL ROLE IN OUR FIRM'S GROWTH DURING THOSE YEARS.

WE GREW OUR FIRM BY BEING PATIENT, NOT OVERREACHING, TAKING UNDO RISK AND FINALLY WE GREW IN INVESTING IN THE RESOURCE WE THOUGHT WAS MOST PRECIOUS, OUR PEOPLE. SIMILARLY, IN 1999, I FOUNDED PENINSULA GAMING.

IF YOU WOULD PLEASE ALLOW ME TO PROVIDE SOME BACK GRUNDEN PENINSULA AS WE BELIEVE IT'S PARTICULARLY RELEVANT FOR YOU IN EVALUATING OUR APPLICATION FOR LAGO.

AT PENINSULA, WE DEVELOPED AND OPERATED CASINOS IN IOWA, KANSAS AND LOUISIANA.

FROM OUR FIRST ACQUISITION IN 1999 UNTIL ITS SALE IN 2012, PENINSULA WAS AT THE FOREFRONT OF SOME OF THE MOST IMPORTANT AND SUCCESSFUL GREENFIELD PROPERTIES IN THE GAMING INDUSTRY, DEVELOPING FOUR CASINOS AND ACQUIING ONE OVER 13 YEARS AND WITH MORE THAN 2500 EMPLOYEES, PENINSULA BECAME RECOGNIZED A INC. MAGAZINE AS THE FASTEST GROWING PRIVATELY HELD CASINO COMPANY IN 2011. IN NOVEMBER OF 2012 WE SOLD OUR PROPERTIES TO BOYD GAMING CORPORATION FOR \$1.5 BILLION. AFTER THE SALE TO BOYD, MY PARTNERS AND I FORMED TWO COMPANIES, PENINSULA PACIFIC AS OUR INVESTMENT VEHICLE AND THE FINANCIAL PARTNER TO THE WILLMONT FAMILY.

OUR MANAGEMENT COMPANY IS J & B GAMING.

THE LEADERSHIP GROUP FROM PENINSULA, JONATHAN, NATALIE AND MYSELF, HAVE MORE THAN FIVE DECADES OF COMBINED INDUSTRY EXPERIENCE, AND WE WILL CONTINUE

ON THE PROVEN STRATEGY FOR FUNDING, DEVELOPING AND OPERATING CASINO PROPERTIES THAT DELIVER SIGNIFICANT POSITIVE ECONOMIC IMPACT TO THE REGIONAL ECONOMY IN THE GREAT STATE OF NEW YORK.

WE'RE VERY PROUD OF WHAT WE CREATED AT PENINSULA AND BELIEVE THAT THE RESULTS SIMPLY SPEAK FOR THEMSELVES.

WE BEGAN MODESTLY IN 1999 AND BY 2012 WE HAD GROWN OUR REVENUE AND OUR PROFITABILITY ENORMOUSLY AND DELIVERED AMONG THE BEST RESULTS TO ALL OF OUR STAKEHOLDERS.

OUR BANKS, OUR BOND HOLDERS, THE LOCAL COMMUNITIES IN WHICH WE DID BUSINESS AND OF COURSE OUR SHAREHOLDERS.

OUR SHAREHOLDERS INVESTED WITH US AT \$6 A SHARE IN 1999.

AFTER WE SOLD TO BOYD THEY RECEIVED \$365 PER SHARE, A COMPOUND ANNUAL GROWTH RATE OF 37% PER YEAR OVER THOSE 13 YEARS.

SO HOW DID WE DO IT?

WELL, WE FOCUSED ON THE MOST IMPORTANT PERSON IN THE ROOM, THE CUSTOMER.

WE THEN DELIVERED ON OUR CORE VALUES OF PROVIDING WORLD CLASS SERVICE, IMPECCABLE QUALITY, AND WE ADDRESSED THE NEEDS OF THE COMMUNITY IN WHICH WE DID BUSINESS.

WE INVESTED IN OUR PEOPLE.

WE TRAINED THEM.

WE PROVIDED THEM A SENSE OF CONNECTIVITY WITH OUR SUCCESS AND OUR GROWTH.

AND WE GAVE THEM OPPORTUNITIES TO GROW WITHIN OUR COMPANY.

AND FINALLY, WE WERE VERY, VERY PATIENT AND WE NEVER TOOK ON TOO MUCH FINANCIAL LEVERAGE.

AS I MENTIONED, WE BUILT FOUR CASINO DEVELOPMENTS, EACH ONE BUILT TO THE RIGHT SIZE, THE PARTICULAR LOCAL COMMUNITY WE CAME INTO.

WE ARE NOT AFRAID OF TURNING RAW

LAND LIKE THIS IN A SMALL
LITTLE-KNOWN TOWN IN RURAL
KANSAS INTO SOMETHING LIKE THIS.
A THRIVING ECONOMIC ENGINE, A
BASE OF LOCAL EMPLOYMENT, AND A
SYMBOL OF CIVIC PRIDE FOR ALL
PARTICIPANTS.

THIS IS THE KANSAS STAR, A \$350
MILLION PROJECT, THE MOST RECENT
CASINO DEVELOPMENT WHICH OUR
LEADERSHIP TEAM DESIGNED AND
BUILT AND IS THE TOP PERFORMING
CASINO PROPERTY IN THE STATE OF
KANSAS, FAR EXCEEDING THE
RESULTS FROM PROPERTIES IN
WELL-KNOWN OTHER CITIES WITHIN
THE KANSAS MARKET.

AND WHILE EACH OF OUR CASINO
DEVELOPMENTS HAVE BEEN
THOUGHTFULLY DESIGNED TO FIT
EACH PARTICULAR MARKET, NONE OF
THEM FROM A DESIGN PERSPECTIVE
FIT THE SAME MOLD.

AND YET ALL WERE EXTREMELY
SUCCESSFUL.

WE DEVELOPED WITH THE RIGHT
AMENITIES WHICH COMPLEMENT WHAT
EXISTISTS IN THE REGION AND ADDS
TO THE EXISTING TOURISM BASE.

WE DEVELOP AN UNDER SERVED
GAMING MARKETS.

WE CREATE A UNIQUE AND HIGHLY
EFFICIENT MARKETING MIX AND
DATABASE MANAGEMENT SYSTEM,
WHICH WILL MAKE THE PROPERTY A
YEAR-ROUND DESTINATION.

AND FINALLY, WE GENERATE STRONG
ECONOMIC ACTIVITY BY PROVIDING
BENEFITS TO THE REGION AND TO
THE STATE'S ECONOMY.

LAGO WILL BE OUR FIFTH
GREENFIELD DEVELOPMENT AS A
TEAM.

WE HAVE AND WILL CONTINUE TO
EMPLOY SAME DISCIPLINE AND
PHILOSOPHY INTO LO DP O AS WE
DID IN ALL OF OUR PREVIOUS
PROPERTIES.

IT WILL BE CONSERVATIVELY
CAPITALIZED.

IT WILL BE AT THE CUTTING EDGE
OF THE CUSTOMER EXPERIENCE AS
JONATHAN WILL PRESENT TO YOU
HERE IN A FEW MOMENTS, AND WILL

BE ABLE TO CONTINUE TO RESPOND TO THE EVOLVING CUSTOMER DEMANDS.

THIS IS THE MOST EXCITING PROPERTY WE'VE VERY MUCHED FOR DATES.

LAGO IS A \$425 MILLION PROJECT, INCLUDING THE \$50 MILLION LICENSE FEE AND \$300 MILLION OF CONSTRUCTION COSTS AND EQUIPMENT.

THE \$425 MILLION WILL BE FUNDED THROUGH \$90 MILLION OF EQUITY FROM THE WILLMONT FAMILY, PENINSULA PACIFIC AND OUR INVESTMENT PARTNERS AS WELL AS A \$335 MILLION FULLY COMMITTED BANK FACILITY BY CREDIT SWISS. ALL OF THESE AMOUNTS ARE FULLY COMMITTED AND ARE WELL WITHIN THE MEANS OF THESE CAPITAL PROVIDERS.

TO DATE, WE'VE SPENT \$5 MILLION. WE'LL SPEND ANOTHER \$3 MILLION OVER THE COURSE OF THE NEXT 45 DAYS.

WE ARE, AS WE'VE INDICATED, SHOVEL READY AND IF WE ARE FORTUNATE ENOUGH TO BE AWARDED THE GAMING LICENSE, WE BEGIN CONSTRUCTION IMMEDIATELY AND WE WOULD BE OPEN IN JANUARY 2016. NEXT TO OUR OPERATING METRICS. AS YOU'LL HEAR IN A MOMENT, OUR INDEPENDENT MARKET STUDIES BY TMJ INDICATE ANNUAL REVENUE OF \$360 MILLION IN THE FIRST FULL YEAR OF STABILIZED OPERATION, WHICH WILL GENERATE \$77 MILLION OF -- OR 29% MARGIN.

THIS MARGIN IS IN LINE WITH THE

MARGINS WE'VE ACHIEVED AT ALL OF OUR PROPERTIES, IF NOT A LITTLE MORE CONSERVATIVE.

AT \$77 MILLION -- OF OUR PROPERTY WILL BE LEVERED 4.4 TIMES, WHICH COMPARES VERY FAVORABLY TO THE REGIONAL GAMING AVERAGE OF 6.5 TIMES.

WHY THAT IS IMPORTANT IS THIS WILL RESULT IN A PROJECT THAT WILL HAVE PLENTY OF OPERATING FLEXIBILITY, THE ABILITY TO

SERVICE AND REPAY ALL OF OUR OBLIGATIONS, REINVEST IN THE PROPERTY, AND TO RESPOND TO THE EVER CHANGE PING NEEDS OF THE CUSTOMER.

EARLIER I MENTIONED OUR CORE VALUES OF SERVICE, QUALITY AND COMMUNITY.

FOR US IT ALL BEGINS WITH SERVICE.

WHEN A CUSTOMER MAKES A DECISION TO VISIT LAGO FOR THE FIRST TIME, WE BELIEVE THAT IT IS CRUCIAL TO OUR SUCCESS THAT FROM THE MOMENT THE CUSTOMER ARRIVES, TO THE MOMENT THAT THAT VISIT CONCLUDES, HE OR SHE IS NOT ONLY SHOWN A PHYSICAL ENVIRONMENT THAT STRIKES THE IMAGINATION BUT THAT HE'S MET WITH WORLD-CLASS CUSTOMER SERVICE.

AND SERVICE IS ALL ABOUT PEOPLE. THERE WILL BE 1860 DIRECT AND INDIRECT JOBS CREATED IF WE ARE AWARDED THIS LICENSE.

WE WILL PROVIDE GREAT BENEFITS AND COMPENSATION BUT, MORE IMPORTANTLY, WE'LL PROVIDE AN OPPORTUNITY TO GROW AND TO BE TRAINED IN ONE OF THE MOST EXCITING INDUSTRIES TODAY. WE'RE COMMITTED TO HAVING A WORKFORCE DURING BOTH CONSTRUCTION AND OPERATIONS THAT SAYS DIVERSE IS UPSTATE NEW YORK.

WE WILL ENSURE THAT LAGO'S EMPLOYMENT AS WELL AS THAT OF OUR CONTRACTORS WILL PROVIDE SIGNIFICANT OPPORTUNITIES FOR MINORITIES, WOMEN, VETERANS AND PEOPLE WITH ZKT DISABILITIES. IT'S NOT JUST EMPLOYMENT.

WE INTEND TO DO A SIGNIFICANT PART OF OUR PURCHASING AND -- AS WELL AS FIRMS THAT FOCUS ON HIRING VETERANS AND PEOPLE WITH DISABILITIES.

IT'S THE RIGHT THING TO DO FOR NEW YORK AND ABSOLUTELY THE RIGHT THING TO DO FOR LAGO. WE'LL PARTNER WITH THE WORKFORCE INVESTMENT FUND IN THE FINGER LAKES COMMUNITY COLLEGE FOR

IDENTIFYING CANDIDATES AND PROVIDING TEAM MEMBERS TRAINING WELL BEFORE WE OPEN.

MOST OF THE JOBS WILL NOT REQUIRE CASINO EXPERIENCE, WORKING WITH THE WORKFORCE INVESTMENT BOARD, LAGO WILL HELP UNDEREMPLOYED LONG-TERM UNEMPLOYED AND OTHERS FIND THEIR CAREER PATH AT OUR PROPERTY AND WITHIN OUR COMPANY.

THE WIB AND FINGER LAKES COMMUNITY COLLEGE WILL HOST PRE-TRAINING CURRICULUM AT OUR COMPREHENSIVE TRAINING PROGRAM WILL ENSURE SERVICE STANDARDS, SAFETY AND CUSTOMER SATISFACTION.

PRATLEY, FINGER LAKES COMMUNITY COLLEGE WILL HOST MID-LEVEL MANAGEMENT TRAINING PROGRAMS. WE'RE VERY EXCITED ABOUT TEAMING UP WITH THE WIB AND FINGER LAKES COMMUNITY COLLEGE AND SEEING THE POSITIVE EFFECT THAT PROPER TRAINING, GREAT SERVICE AND CORPORATE PRIDE CAN HAVE ON OUR EMPLOYEES' LIVES.

PROPER TRAINING PROVIDES A SENSE OF EMPOWERMENT AND PRIDE. CRITICAL ELEMENTS TO A FRIENDLY ENVIRONMENT AND GREAT CUSTOMER SERVICE.

ALSO, WE KNOW THAT WHEN WE PROMOTE FROM WITHIN, PROVIDE EXCEPTIONAL CUSTOMER SERVICE AND GREAT TRAINING, IT ENHANCES THE WORK ENVIRONMENT AND CREATES PEACE OF MIND AND PROVIDES GREAT JOBS AND LONG-TERM CAREERS AT LAGO.

MORE THAN JUST TRAINING, WE KNOW THAT MANY OF OUR EMPLOYEES HAVE YOUNG AND GROWING FAMILIES AND THAT CHILD CARE IS EXTREMELY IMPORTANT TO PROVIDING THAT VERY SAME PEACE OF MIND WE'RE LOOKING FOR.

SO AT LAGO AND AS PART OF OUR BUDGET WE WILL BUILD AN EMPLOYEE DAY CARE FACILITY AND HAVE TEAMED UP WITH BRIGHT HORIZONS, A LEADER IN THE CHILD CARE SERVICES TO PROVIDE ON-SITE DAY

CARE FOR THOSE WHO CHOOSE TO
HAVE IT.

NOW TURNING TO NEED.

THE QUESTION OF NEED FOR SENECA
COUNTY.

MANY WHO ARE NOT FROM THE AREA
HAVE AN OFTEN INCORRECT
PERCEPTION THAT THE FINGER LAKES
REGION AND ITS RESIDENTS ARE
CLINKING WINE GLASSES AT
WINERIES AND SIMPLY LIVING THE
GOOD LIFE.

NOTHING COULD BE FURTHER FROM
THE TRUTH.

SENECA COUNTY WITH FLAT
POPULATION GROWN OVER THE LAST
FIVE YEARS HAS A SIGNIFICANTLY
LOWER PER CAPITA INCOME THAN THE
RESIDENTS OF BROOME AND SENECA
COUNTIES.

SENECA COUNTY'S RATE IS SLIGHTLY
LOWER THAN BROOME'S AND HIGHER
THAN TIOGA AND HAS A COMPARABLE
UNEMPLOYMENT RATE.

SENECA COUNTY IS INDEED
ECONOMICALLY DISTRESSED AND IN
AN AREA THAT CAN GREATLY BENEFIT
FROM LAGO'S CAPITAL CONTRIBUTION
TO THE ECONOMY.

AFTER OUR CAPITAL INVESTMENT OF
\$425 MILLION WE'LL HAVE AN
ONGOING PAYROLL OF APPROXIMATELY
\$50 MILLION.

IN OUR FIRST FULL YEAR OF
OPERATIONS.

AND WHILE WE DO NOT KNOW WHAT
OTHERS ARE SAYING IN THEIR
VARIOUS APPLICATIONS, WE'RE
CONFIDENT THAT THE NEWLY CREATED
PAYROLL AT LAGO, SHOULD WE WIN,
WILL FAR EXCEED THAT OF THE
COMPETITION IN THIS PROCESS.

I'D LIKE TO MAKE ONE LAST
COMMENT ABOUT CAPITAL INVESTMENT
AND THE REGIONAL GAMING INDUSTRY
BEFORE WE TURN IT OVER TO OUR
MARKET RESEARCH PEOPLE FROM TMG.
WE BELIEVE THAT MUCH OF THE
RECENT NEWS OF ANEMIC GROWTH AND
THE GAMING ECONOMY AND INDUSTRY
IS NOT DUE TO SIMPLY A QUESTION
OF SUPPLY BUT, RATHER, IT'S
BECAUSE THE INDUSTRY IN FACT HAS
BEEN SLOW TO RESPOND TO THE

CHANGES OF THE CUSTOMER, WHAT THEY WANT, AND HOW THEIR NEEDS HAVE CHANGED OVER TIME. THE ANALOGY THAT I WOULD GIVE YOU IS, IMAGINE THAT ONE STEAKHOUSE IN YOUR HOMETOWN, THE ONLY RESTAURANT, IT SERVES THE SAME STEAK FROM THE SAME MENU IN THE SAME DECOR OVER AND OVER.

EVENTUALLY, YOU'RE GOING TO VISIT THAT STEAKHOUSE A LITTLE LESS FREQUENTLY.

REVENUE GROWTH WILL ULTIMATELY FLATTEN IN ANY BUSINESS THAT DOES THAT.

AND THE INDUSTRY THAT NEEDS THE CONSUMER'S DISCRETIONARY WALLET IN ORDER TO GROW, YOU HAVE TO EVOLVE WITH THE CUSTOMER.

WE ACTUALLY BELIEVE THIS IS A TREMENDOUSLY GREAT MOMENT IN THE GAMING ECONOMY TO ADDRESS THE EVOLVED NEEDS OF THE CUSTOMER AND IN PARTICULAR IN THE FINGER LAKES SOUTHERN REGION SPECIFICALLY AT LAGO.

I'LL GIVE YOU AN EXAMPLE OF WHAT I MEAN BY THIS.

IN THE SIOUX CITY, IOWA, MARKET, THERE WAS ONE EXISTING CASINO THAT HAD BEEN IN BUSINESS FOR MANY YEARS AND HAD NOT INVESTED ANY MEANINGFUL CAPITAL OVER A LONG LONG PERIOD OF TIME TO MEET THE CUSTOMERS' KMANG CHANGING COMMANDS.

REVENUE ULTIMATELY REFLECTED A TIRED CUSTOMER.

IN 2013, THE GAMING COMMISSION AWARDED A NEW LICENSE TO A OPERATOR THAT WAS WILLING TO MAKE THE REQUIRED INVESTMENT TO CREATE REAL EXCITEMENT FOR THE CUSTOMER AND MORE IMPORTANTLY REAL GROWTH FOR THE INDUSTRY.

IN AUGUST OF THIS YEAR, THE RECORD ROCK SIOUX CITY OPENED. CLEARLY PROVED THAT THE CUSTOMER EXISTS BUT WAS SIMPLY INTERESTED IN MORE THAN THE SAME STEAK AT THE SAME RESTAURANT.

PENINSULA PACIFIC IS AN INVESTOR IN THE HARD ROCK SIOUX CITY AND

WE'RE EXCITED ABOUT ITS FUTURE
AND THE FUTURE OF THIS INDUSTRY.
LAGO IS THE SAME.

WE BELIEVE BECAUSE OF ITS
LOCATION, ITS SIZE AND ITS
ATTRACTION, LAGO IS BEST SUITED
TO CAPTURE AND MAXIMIZE GROSS
GAMING REVENUE FOR THE STATE OF
NEW YORK.

WE BELIEVE THAT THIS INVESTMENT
IS EXACTLY WHAT THE INDUSTRY AND
THE REGION NEED AT THIS MOMENT.
SO I'D LIKE TO INTRODUCE TMG.

TMG IS A NEW ORLEANS-BASED
MARKET CONSULTING FIRM WHICH HAS
BEEN IN THE BUSINESS FOR OVER 30
YEARS.

THEY'VE WORKED WITH THE BIGGEST
NAMES IN THE INDUSTRY AND THEIR
ANALYSES HAVE PROVEN ACCURATE IN
MARKETS TIME AND TIME AGAIN
ACROSS ALL OF THE UNITED STATES.
IT'S MY PLEASURE TO INTRODUCE
ANTHONY MUMFREE.

THANK YOU.

>> THANK YOU, BRIAN.

MEMBERS OF THE BOARD, THANK YOU
FOR HAVING US HERE TODAY.
MY NAME IS ANTHONY MUMFREE.

I'M A PRINCIPAL AT TMG
CONSULTING.

OUR FIRM WAS FOUNDED OVER 30
YEARS AGO AND WE PROVIDE
SERVICES TO PUBLIC ENTITIES,
INCLUDING AIRPORTS, OTHER
MUNICIPAL AND STATE AGENCIES,
AND ALSO TO PRIVATE BUSINESS AND
INDUSTRY.

WE PERFORM ANALYSIS WHICH IS
DATA DRIVEN AND QUANTITATIVE.
FOR OF THE PAST 15 YEARS WE'VE
BEEN STUDYING AND ANALYZING THE
CASINO GAMING INDUSTRY.

OUR TEAM HAS WORKED IN NEARLY
EVERY GAMING JURISDICTION IN THE
UNITED STATES AS WELL AS ABROAD.
AND TMG CLIENTS HAVE INCLUDED
SOME OF THE MOST PROMINENT
GAMING OPERATORS AND DEVELOPERS
IN THE WORLD, IN ADDITION TO
STATE AND LOCAL GOVERNMENTS.
OUR ANALYSES FOR THE LAGO RESORT
AND CASINO WERE LED BY SUZANNE

LECH ERT.

SHE COULDN'T BE HERE AS SHE'S
JUST GIVEN BIRTH.

I'D LIKE TO INTRODUCE YOU TO
NICHOLAS WHO WAS OUR LEAD
ANALYST.

HE'S BEEN WITH THE FIRM OVER
FIVE YEARS WITH THE FOCUS ON THE
EAST COAST GAMING INDUSTRY.

HE WILL NOW SPEAK TO THE
SPECIFICS OF OUR STUDY AND OUR
PROJECTIONS.

>> THANK YOU, ANTHONY.

IN OUR STUDY, WE PROJECTED THAT
THE LAGO RESORT AND CASINO
SHOULD BE CAPABLE OF GENERATING
NEARLY \$263 MILLION ANNUALLY IN
GROSS GAMING REVENUES STARTING
IN THE FIRST YEAR OF STABILIZED
OPERATIONS, 2017.

IT BEARS MENTIONING THAT 16% OF
TOTAL GAMING VISITS ARE EXPECTED
TO COME FROM THE TOURIST MARKET.
SUPPORTING THE DEVELOPMENTS
REVENUES ARE THE SUBSTANTIAL
POPULATION WITHIN A 200-MILE
AREA OF THE SITE.

THE VISITOR POPULATION IN THE
AREA, STEADY GROWTH IN BOTH
MARKET POPULATION AND HOUSEHOLD
INCOME AND GROWTH IN NEW YORK
GAMING REVENUES.

ARRIVING AT OUR PROJECTIONS, WE
ANALYZED THE REGIONAL GAMING
MARKET WHICH CONTAINS 3.4
MILLION ADULTS OF LEGAL GAMBLING
AGE.

NOTICE THE 30, 60 AND 120-MINUTE
DRIVE TIME CONTOURS AS WELL AS
LAGO'S PROXIMITIES TO SYRACUSE
AND ROCHESTER.

WE DIVIDED THE REGION INTO 18
SUBMARKETS ON THE BASIS OF DRIVE
TIME AND EXISTING GAMING
FACILITIES SHGT AND WE USED THE
STATE-OF-THE-ART GRAVITY MODEL
TO ASSESS THE CASINO'S POTENTIAL
IN THIS MARKET.

WE CONSIDERED DEMOCRACY KBRAFKS
SUCH AS INCOME AND POPULATION
AND WE TOOK INTO ACCOUNT
COMPETITION FROM OTHER CASINOS,
THE CLOSEST BEING OVER 35 MILES
AWAY.

NOTABLY, CANADA, WHICH IS ABOUT TWO HOURS AWAY BY CAR, WOULD PROVIDE SOME PATRONS TO THE CASINO.

LAGO IS EXPECTED TO GENERATE SIGNIFICANT NEW GAMING REVENUES IN THE STATE OF NEW YORK, \$129.9 MILLION TO BE PRECISE.

THESE ARE REVENUES THAT WOULDN'T OCCUR OTHERWISE.

THESE REVENUES ARE PROJECTED TO COME FROM THREE SOURCES, \$37 MILLION IN REPATRIATED REVENUES, WHICH ARE REVENUES THAT WOULD GO OUT OF STATE WITHOUT LAGO, \$47.9 MILLION FROM INCREASED OR INDUCED GAMING BEHAVIOR, AND \$45 MILLION FROM INCREMENTAL MARKETS WHICH INCLUDE TOURISTS, OVERNIGHT GUESTS AT THE HOTEL AND DRIVE-BY VISITORS.

THE FACILITY WILL EMPLOY 1,230 FULL-TIME EQUIVALENT JOBS ON SITE, WHICH ARE EXPECTED TO CREATE 632 INDIRECT AND INDUCED JOBS FOR A TOTAL OF 1,862 SUSTAINABLE JOBS IN THE STATE OF NEW YORK.

CONSTRUCTION JOBS ARE EXPECTED TO CREATE THROUGH INDIRECT AND INDUCED IMPACTS A TOTAL OF 1,988 JOBS.

LIKEWISE, PRE-OPENING JOBS ARE EXPECTED TO CREATE A TOTAL OF 1,857 JOBS.

THE LAGO RESORT WILL HAVE AN IMPACT ON LOCAL AND STATE FEE REVENUES.

SENECA COUNTY AND OTHER GOVERNMENTS ARE EXPECTED TO RECEIVE \$6.4 MILLION ANNUALLY IN RECURRING TAX AND FEE REVENUES, \$4.2 MILLION OF WHICH WOULD COME FROM MITIGATION PAYMENTS TO TYRE AND SENECA COUNTY.

ADDITIONALLY, TYRE, SENECA COUNTY AND OTHER LOCAL GOVERNMENTS IN THE AREA WOULD BE ENTITLED TO 20% OF THE STATE'S TAX ON GAMING REVENUES COLLECTED FROM LAGO.

WE EXPECT THIS LOCAL PORTION TO TOTAL \$15.4 MILLION ANNUALLY.

AND THAT WOULD AMOUNT TO NEARLY \$22 MILLION A YEAR FOR LOCAL GOVERNMENTS FROM LAGO.

FINALLY ON THIS SLIDE, LOCAL GOVERNMENT TAX AND FEE IMPACTS FROM CONSTRUCTION AND PRE-OPENING ARE EXPECTED TO TOTAL \$6 MILLION.

LAGO IS EXPECTED TO HAVE A RECURRING STATE AND TAX FEE REVENUE IMPACT OF \$84 MILLION. LICENSING, CONSTRUCTION AND PRE-OPENING PROCESSES ARE EXPECTED TO GENERATE A TOTAL OF \$68 MILLION, \$51 MILLION OF WHICH WOULD COME FROM GAMING RELATED FEES.

ALL TOTALLED, THIS MEANS NEARLY \$91 MILLION IN RECURRING TAX AND FEE IMPACTS AND \$74.4 MILLION IN ONE-TIME IMPACTS.

WITH THAT, I'LL TURN IT BACK OVER TO BRENT.

>> SO BEFORE I TURN THE PRESENTATION OVER TO JONATHAN SWAIN TO WALK YOU THROUGH THE ACTUAL EXPERIENCE THAT WE'RE PROVIDING OUR CUSTOMERS AT LAGO IF WE'RE FORTUNATE ENOUGH TO BE AWARDED THE LICENSE, I'D LIKE TO SUMMARIZE WHAT YOU'VE HEARD. LAGO IS A \$425 MILLION PROJECT, WE OFFER A VERY EXPERIENCED LEADERSHIP SHIP WHO HAVE DONE IT BEFORE.

WE BELIEVE WE'RE THE RIGHT PROJECT IN THE GREAT LOCATION. WE'LL HAVE 1800 NEW AND SUSTAINABLE JOBS, \$263 MILLION IN GROSS GAMING REVENUE ANNUALLY, 130 OF WHICH IS NEW REVENUE.

AND AN OPPORTUNITY TO GROW THE TAX BASE FOR THE STATE OF NEW YORK.

AS I MENTIONED EARLIER, JONATHAN, NATALIE SLAM AND I HAVE WORKED TOGETHER FOR OVER A DECADE BUILDING A PREVIOUS COMPANY.

I'M VERY PROUD TO TURN THE CONVERSATION OVER TO MY PARTNER JONATHAN SWAIN.

>> THANK YOU, BRENT.

GOOD MORNING, BOARD MEMBERS.
AS BRENT SAID, MY NAME IS
JONATHAN SWAIN, A PARTNER ALONG
WITH BRENT AND NATALIE SHRAM.
OUR APPROACH TO THIS DEVELOPMENT
WAS THE SAME AS EVERY OTHER
PROJECT WE R UNDERTOOK OVER THE
PAST DECADE.
THAT'S FIRST TO LISTEN.
FIRST TO LISTEN TO THE COMMUNITY
LEADERS, THOSE WHO UNANIMOUSLY
SUPPORTED THIS PROJECT.
AND WHAT DID THEY WANT?
THEN LISTEN TO THE CUSTOMERS AND
ASK THEM, WHAT WAS MISSING FROM
THIS MARKET?
IN THE FINGER LAKES AREA.
WHAT KIND OF PLACE DID THEY WANT
TO SEE YOU BUILD?
AND THEY TOLD US.
THEN WE LISTENED TO OUR ADVISERS
AND WE TALKED ABOUT THE ENABLING
LEGISLATION THAT BROUGHT US HERE
TODAY.
WHAT DOES THE STATE WANT?
THEY WANT US TO MAXIMIZE
ECONOMIC DEVELOPMENT AND IMPACT.
CREATE GOOD JOBS IN A DEPRESSED
AREA.
MINIMIZE THE EFFECT ON THE LOCAL
HOST COMMUNITIES AND MORE THAN
ANYTHING CREATE A REGIONAL
DESTINATION THAT CAN STAND UP TO
COMPETITION AND GROW THE MARKET.
THEN AND ONLY THEN DID WE START
TO DEVELOP OUR BUSINESS PLANS.
AND THEN AND ONLY THEN DID WE
START TO DEVELOP OUR
PARTNERSHIPS WITH LOCAL
BUSINESSES AND OUR MARKETING
PLANS.
WE SIGNED MOUs WITH CONSTRUCTION
TRADES, THE WORKFORCE
DEVELOPMENT, CHILD CARE, ALL
FIVE REGIONAL THEATERS.
ONE THAT EVEN WASN'T OUR REGION
AS REQUIRED IN THE RFA.
THE INSPIRATION FOR THE DESIGN
CAME FROM ALL OF THAT LISTENING
AND LEARNING.
WE CALL IT COMFORTABLE ELEGANCE.
WE WANTED TO CREATE A PLACE
WHERE EVERYONE FEELS THAT THEY
BELIEVE AND MOST IMPORTANTLY

WHAT WE WERE TOLD WAS MISSING
WAS A TRUE RESORT EXPERIENCE.
THEN WE GAVE IT THE NAME LAGO.
LAGO TAKES ITS INSPIRATION FROM
THE MAGNIFICENT FINGER LAKES.
THEN WE ADDED OLD WORLD ITALY.
A MAS REY YA IS A MAIN HOUSE
WHERE PEOPLE COME TOGETHER AND
GATHER AT THE END OF THE DAY.
WE CAPTURE NOT JUST THE MEANING
OF THE MAS REY YA IN LAGO BUT
REALLY THE ESSENCE.
THAT TO BRING PEOPLE TOGETHER.
BRINGING PEOPLE TOGETHER AT THE
FINGER LAKES AND THE VINEYARDS
AND PRODUCERS OF NEW YORK ACT AS
AS A GATEWAY AND DRAWING UPON
AND ADDING TO THE RICH HISTORY
OF TOURISM THAT ALREADY EXISTS.
THE VISION IS SIMPLE AND
EXPANSIVE, FOR LAGO TO BECOME
THE CENTER PIECE OF THE REGION.
WITH PARTNERSHIPS THAT WILL
ATTRACT NEW VISITORS AND PROVIDE
A COMPLETE ENTERTAINMENT
EXPERIENCE.
LET ME WALK YOU THROUGH THE
DESIGN THINKING.
AFTER SELECTING THE NAME AND
BRAND, WE BEGIN THE PROCESS OF
LAYING OUT THE SITE.
WE START WITH ACCESS.
AS YOU CAN SEE, WE HAVE ACCESS
FROM THE THRUWAY.
AFTER EXITING THE NEW YORK
THRUWAY, YOU ONLY TRAVEL 900
FEET TO OUR DRIVEWAY.
IT DOESN'T GET ANY BETTER THAN
THAT.
THEN PARKING.
CRUCIAL TO THE ACCESS OF THESE
TYPE OF REGIONAL GAMING IS
LOCATION OF PARKING.
WHEN YOU DRIVE IN THE DRIVEWAY,
THE FIRST THING YOU'LL SEE IS AN
800-SPACE COVERED PARKING GARAGE
WITH UNDERGROUND VALLETTE
PARKING.
THEN WE SURROUNDED THE FACILITY
WITH PARKING ALL THE WAY AROUND,
INCLUDING OUR EMPLOYEE PARKING
TO THE FAR RIGHT OF THE SCREEN
NEXT TO OUR CHILD CARE FACILITY.
THEN THE CASINO BUILDING ITSELF.

WE PUT IT IN THE CENTER OF COURSE AND SURROUND IT WITH AMENITIES, THE FIRST TWO WE POSITIONED ARE THE HOTEL AND OUR ENTERTAINMENT VENUE, THE VINE. THE HOTEL AND SPA HAS ITS OWN ENTRANCE HERE.

AS YOU CAN SEE, THE SPA IS COMPLETELY INDOORS. 10,000 SQUARE FEET OF POOLS, JACUZZIS, FITNESS CENTERS, SALON AND TREATMENT ROOMS.

PERFECT AFTER A HARD DAY OF TOURING THE VINEYARDS OF THE FINGER LAKES CHBLT AND ON THE OTHER SIDE OF THE CASINO IS THE VINE, 1700 SEAT ENTERTAINMENT VENUE.

THE CUSTOMERS ACCESS AND EXIT THE VINE DIRECTLY OFF THE GAMING

FLOOR.

WE HAVE SPEND A LOT OF TIME AND WORK ON THE VINE.

TO MERELY CALL IT AN ENTERTAINMENT VENUE IS AN UNDERSTATEMENT.

WE'RE CREATING A FLEXIBLE ENTERTAINMENT EXPERIENCE WITH ONE OF THOSE CUTTING EDGE THINGS BRENT TALKED ABOUT.

>> FIVE MINUTE WARNING.

>> WE SURROUNDED FLOOR WITH RESTAURANTS.

YOU'LL IN THE RIGHT NEXT TO OUR FOOD QUARTER IS SAVOR NEW YORK. YOU HEARD ABOUT THAT.

WE'RE EXCITED ABOUT THIS BECAUSE WE PARTNERED WITH THE NEW YORK WINE AND CULINARY CENTER TO BRING THE CHEFS OF UPSTATE NEW YORK DIRECTLY TO OUR CUSTOMERS IN A PERMANENT LOCATION INSIDE VINE.

RIGHT HERE AT THE FRONT OF OUR BUILDING IS THE RESPONSIBLE GAMING CENTER.

WE WANT TO BE UP-FRONT WITH RESPONSIBLE GAMING, A PLACE 24 HOURS A DAY PEOPLE CAN SEEK INFORMATION TO MAKE SURE THAT GAMING STAYS ENTERTAINMENT. HERE'S OUR PORTFOLIO OF BRANDS.

PORTICO, SEINE TRIF CO-THE
FARMER'S MARKET, SHOP NEW YORK,
A SHOP DEDICATED 100% OF THE
SALE OF NEW YORK PRODUCTS.
WE BELIEVE A STRONGER GROUP OF
MANY LIKE THIS CREATES IMPACT.
THE HOTEL, THE SPA AND THIS
PORTFOLIO THAT CREATES WHAT WE
CALL THE UPSTATE NEW YORK
EXPERIENCE.

I'M GOING TO RUN THROUGH QUICKLY
PHOTOGRAPHS BECAUSE I WANT TO
SHOW YOU A VIDEO IF IT WORKS.
IT'S STILL PHOTOGRAPHY.
THIS IS PORTICO.

I'LL TAKE YOU INSIDE, OUR
HIGH-END RESTAURANT.
THIS IS OUR CASINO, SAVOR NEW
YORK IS IN THE BACKGROUND.
THE SEINE TRIF ICO IN THE
CENTER.

THE VINE, 1700 SEATS DESIGNED BY
SMW THEATERS DESIGNS HERE IN NEW
YORK CITY, THE FURTHEST SEAT
FROM THE STAGE IS ONLY 90 FEET
AWAY.

THREE STORIES.

IT'S CUTTING EDGE.

HERE IS A LOOK AT SAVOR NEW YORK
AND THE FOOD COURT AREA, THE
DEMONSTRATION KITCHEN ON THE
LEFT.

THE FOOD COURT IS TO THE RIGHT.
NINE VENUES OF RETAIL AND
RESTAURANTS, 600 SEATS TOTAL IN
OUR RESTAURANT.

HERE IS OUR HOTEL.

JUST OVER 200 SUITES.

WE MINIMIZE THE SIZE OF THIS IN
ORDER TO CREATE DEMAND FOR THE
REST OF THE HOTELS IN THE FINGER
LAKES.

HERE IS A LOOK AT A TYPICAL
ROOM.

I WANT TO SHOW YOU THE VIDEO WE
CREATED THAT TAKES YOU INSIDE
LAGO.

\M\M

\M\M

>> BASED ON OUR ENTIRE TEAM, I'D
LIKE TO THANK THE BOARD FOR YOUR
SERVICE.

WE OBVIOUSLY HOPE THAT YOU'LL
SELECT LAGO.

WE'D BE HAPPY TO ANSWER ANY
QUESTIONS THAT YOU MAY HAVE.
>> THANK YOU VERY MUCH.

I'LL START.

I HAVE A QUESTION.

I DON'T KNOW IF IT'S FOR BRIAN
OR THE FOLKS FROM TMG.

IN THE FIRST TWO PROPOSALS WE
HEARD FROM ONE OF THE ECONOMIC

EXPERTS.

THEY DIDN'T THINK THE MARKET WAS
THERE FOR TWO CASINOS RIGHT NEXT
TO EACH OTHER IN THE BINGHAMTON
AREA.

DO YOU FEEL THE SAME?

IF LAGO WAS APPROVED AND ONE OF
THE OTHERS IN THE SOUTHERN TIER
WERE APPROVED?

AND DID YOUR ECONOMIC MODELS
ASSUME THAT YOU WERE THE ONLY
CASINO APPROVED IN THE REGION,
OR DID IT TAKE INTO
CONSIDERATION THE POSSIBILITY OF
THE APPROVAL OF SOMETHING ELSE
IN THE SOUTHERN TIER?

>> WE LOOKED AT BOTH, AND THE
IMPACT OF LODGO ON THE SOUTHERN
PORTION OF THE SOUTHERN TIER WAS
VERY MINIMAL, AS I THINK ONE OF
OUR EARLIER PRESENTERS ALSO
INDICATED.

>> AND VICE VERSA?

>> AND VICE VERSA, SURE.

>> HOW DO YOU VIEW THE
COMPETITION WITH TURNING STONE?

>> I'M SORRY?

>> GIVEN THE LOCATION OF TURNING
STONE, DO YOU BELIEVE THAT THAT
IS A SIGNIFICANT COMPETITIVE
FACTOR, AND ARE THERE ANY
DIFFERENCES BECAUSE OF THE
DIFFERENT REGULATORY STRUCTURE
OF AN INDIAN NATION GAMING
FACILITY?

>> OUR MODEL TOOK INTO ACCOUNT
ON A BROAD BASIS ALL OF THESE
FACTORS.

JUST TO DIGRESS, THE WAY WE LOOK
AT THE MARKET IN TOTAL FROM SORT
OF TOP TO BOTTOM IS THAT THE NEW
YORK GAMING MARKET IS ABOUT \$3.3
BILLION LAST YEAR.

THIS REGION OF THE NEW YORK

GAMING INDUSTRY IS ABOUT 1.4 BILLION.
WE ARE GOING TO CREATE, AS WE INDICATED, ABOUT \$130 MILLION INCREMENTAL DEMAND.
SO THE QUESTION, WHERE IS THE OTHER 133 COMING FROM?
THE 133 SORT OF BREAKS DOWN BETWEEN 40 COMING OUT OF SENECA'S 800, ABOUT 20 COMING FROM FINGER LAKES, THE REST COMING JUST AS A WHOLE BASKET COMING FROM FOLKS TO THE EAST.
I WOULD ALSO INDICATE WE ACTUALLY LOOKED AT VIABILITY FOR EACH ONE OF THESE.
EVERY ONE OF THEM REMAINS VIABLE, BUT BEING AIL FREE MARKET SORT OF INVESTOR, IT DOES REQUIRE THAT PEOPLE WILL NEED TO RESPOND.
WE'RE LOOKING FORWARD TO THAT RESPONSE, AND I THINK IT'S GOOD FOR THE INDUSTRY.
>> I HAVE A SIMILAR QUESTION, BUT FIRST TO DISPLAY MY GEOGRAPHIC IGNORANCE.
HOW FAR IS THE LAGO PROPOSED RESORT FROM BINGHAMTON AND HOW FAR IS IT FROM TURNING STONE?
>> IT'S ABOUT 100 MILES FROM BINGHAMTON AND FROM DERNING STONE --
>> I THINK ABOUT AN HOUR AND A HALF.
>> HOUR 10, HOUR 15 MINUTES.
>> AND THAT REGION, A FINANCIAL QUESTION.
YOU'RE PREDICTING IN YOUR FIRST YEAR I THINK MORE THAN TURNING STONE'S REVENUES NOW EXIST, AND YOU'RE WILDLY HIGHER -- I DON'T MEAN WILD IN A PEJORATIVE SENSE, BUT MUCH, MUCH HIGHER THAN THE BINGHAMTON APPLICANTS REVENUE PROJECTIONS.
HOW COULD THOSE THINGS STAND SIDE BY SIDE?
I DON'T -- I MEAN, IS IT THE THEATER THAT YOU THINK IS GOING TO DRAW ALL THESE OUT-OF-STATE PEOPLE AND MANY MORE GAMBLERS THAN THE OTHER TWO APPLICANTS THINK ARE DRAWING?

OR THAT TURNING STONE IS -- IF YOU COULD JUST EXPLAIN TO ME YOUR REASONING WHY YOU'RE GOING TO BE SO MUCH MORE ATTRACTIVE THAN AN EXISTING CASINO OR TWO APPLICANTS IN THE SAME REGION.

>> I'LL BE HAPPY TO GIVE MY OPINION.

BUT BEFORE I DO, WHY DON'T I TURN IT OVER TO NICK.

>> I THINK A POINT NEEDS TO BE MADE ABOUT LOCATION.

LAGO IS GOING TO BE BETWEEN PRO CHESTER AND SYRACUSE, WHICH ARE TWO HUGE THEATER MARKETS IN OUR

PROJECTION.

AND IT'S GOING TO HAVE SUPERIOR SITE ACCESS COMPARED TO A LOT OF EXISTING FACILITIES.

THAT ALONE GIVES IT AN ADVANTAGE IN THIS MARKET.

>> IT'S A GREAT QUESTION THAT WE'VE ACTUALLY STUDIED A FEW TIMES AND OTHERS STUDY, OUR FRIENDS FROM TMG STUDY AND DONE ANOTHER ONE OURSELVES.

WE ALL COME TO A RANGE WHERE FRANKLY THE 263 IS THE LOWEST NUMBER.

THE ANALOGY OF IT IS, WHEN WE WENT TO OTHER MARKETS, FOR EXAMPLE, KANSAS AND IT WAS IN THE MIDDLE OF AGRICULTURAL AREA

NOT SOMETHING COMPLETELY DISSIMILAR FROM TYRE, THE NUMBERS WE WERE GIVEN WHEN YOU STOOD THERE AND LOOKED AROUND AT THE EXISTING COMPETITION TO THE NORTH AND TO THE SOUTH, IT WAS A LITTLE TOUGH TO ACTUALLY BELIEVE IN THE GRAVITY MODELS THAT WE WERE LOOKING AT.

BUT I'LL TELL YOU IT EXCEEDED IT.

IT HAS REPEATEDLY IN OTHER PROJECTS WE'VE LOOKED AT. AND WE TAKE THIS VERY, VERY SERIOUSLY WHEN WE ANALYZE THESE NUMBERS AND WE'RE VERY COMFORTABLE WITH THE 263 AT LEAST.

>> I'D LIKE TO ASK FROM A DRIVE

TIME PERSPECTIVE, WE'RE GOING TO BE HALF THE DRIVE TIME THAT THE TWO EXISTING I WOULD CALL TURNING STONE AND THE SENECA PROPERTIES FOR A FULL CASINO RESORT EXPERIENCE ARE.

>> FROM WHERE?

>> WE WILL BE CONSIDERABLY CLOSER TO THE ROCHESTER MARKET.

>> THANK YOU VERY MUCH.

SOME HOUSEKEEPING THINGS, FOLKS.

WE'RE NOT GOING TO HOLD IT AGAINST YOU THAT YOU CUT INTO THE LUNCH HOUR.

I'M GOING TO EXERCISE THE PREROGATIVE OF THE CHAIR AND REDUCE OUR LUNCH HOUR.

WE'RE GOING TO START THE AFTERNOON SESSION PROMPTLY AT 1:15.

THE CAPITAL VIEW CASINO AND RESORT SHOULD BE READY TO GO AT 1:15.

WE THANK THE MORNING PRESENTERS FOR A VERY FINE JOB.

THANK YOU.

>> THANK YOU.

>>> OKAY.

WE'RE GOING TO GET STARTED.

JUST ANOTHER BIT OF

HOUSEKEEPING.

WE HAVE FOUR PRESENTATIONS TO GO THROUGH THIS AFTERNOON.

WE ARE GOING TO ASK THE

APPLICANTS TO KEEP ALL OF THEIR COMMENTS TO THEIR OWN PROJECT.

THE WAY WE'RE SET UP, WE'RE NOT SET UP FOR COMPUTING PROJECTS TO REBUT INFORMATION THAT COMES OUT IN ANOTHER'S PRESENTATION.

SO IF YOU COULD JUST KEEP ALL OF YOUR COMMENTS TO YOUR OWN APPLICATION AND TOWARD THE INDUSTRY AT LARGE, THAT WOULD BE TERRIFIC.

WITH THAT, WE'RE GOING TO START WITH OUR FIRST PRESENTATION FROM THE CAPITAL VIEW CASINO AND RESORT, SARATOGA HARNESS RACE AND INC., REGION 2 IN EAST GREENSBURG.

INTRODUCE YOURSELF AND YOUR PANEL.

>> THANK YOU VERY MUCH.
WE ARE ACTUALLY VERY EXCITED TO
BE HERE TODAY TO SHARE OUR
VISION FOR CAPITOL VIEW CASINO
AND RESORT.
FIRST LIKE TO INTRODUCE CHIEF
EXECUTIVE OFFICER OF CHURCHILL
DOWNS INCORPORATED, AND DAN,
PRESIDENT OF SARATOGA HARNESS
RACING INCORPORATED TO SAY A FEW
WORDS.

>> THANK YOU, RITA.
THANK YOU AND GOOD AFTERNOON,
MEMBERS OF THE COMMISSION.
MY NAME IS DANIEL GARRITY,
PRESIDENT OF SARATOGA CASINO AND
RACEWAY.
I AM A REAL ESTATE DEVELOPER, BY
TRADE, WITH A MASTERS IN
PLANNING FROM COLUMBIA
UNIVERSITY WHO WAS BORN AT THE
ALBANY MEDICAL CENTER NOT FAR
FROM HERE.

I HAVE BUILT OVER 20
MULTI-MILLION DOLLAR PROJECTS IN
MY CAREER, INCLUDING FOR IBM,
GTE, DUN & BRADSTREET AND OTHER
COMPANIES.
WITHIN WALKING DISTANCE OF WHERE
WE ARE TODAY, I OWN 95 HISTORIC
BUILDINGS THAT I RENOVATED UNDER
VARIOUS STATE AND FEDERAL
PROGRAMS.

MY HAS VERY DEEP ROOTS IN THE
CAPITAL DISTRICT.
MY MOTHER WAS A VAN BUREN AND 12
GENERATIONS AGO THEY ARRIVED IN
EAST GREEN BUSH IN 1631.
MY GRANDPARENTS ARE ACTUALLY
BURIED THERE IN EAST GREEN BUSH.
I WOULD LIKE TO NOTE THAT
SUPERVISOR KEITH LANGLEY IS HERE
FROM EAST GREEN BUSH BRINGING US
UP TO MODERN TIMES.

IN 2003, ABOUT TEN YEARS AGO, I
OVERSAW THE DEVELOPMENT OF NEW
YORK STATE'S FIRST RACE CASINO
IN SARATOGA SPRINGS.
IT TOOK US ONE WEEK TO SEEK
APPROVAL FROM THE OGS AND SIX
MONTHS TO CONSTRUCT IT.
ABOUT FIVE YEARS LATER WE
EXPANDED THE VLT CASINO AND IT
IS NOW THE LARGEST IN UPSCALE

RACING IN NEW YORK.
FOR THIS PROJECT CAPITAL VIEW,
WE HAVE BROUGHT TOGETHER THE SAME
EXCELLENT TEAM OF ARCHITECTS,
ENGINEERS AND CONTRACTORS, JCJ
ARCHITECTURE, FLUFF ARBOR
ENGINEERING, SIMINELLI
CONSTRUCTION, SUCH AS SPECTRUM
GAMING, WHO YOU WILL HEAR FROM
SOON.

BUT MORE IMPORTANTLY WE HAVE
BROUGHT IN AS OUR PARTNER
CHURCHILL DOWNS A BILLION DOLLAR
PUBLIC COMPANY WHICH OPERATES
CASINOS AND RACE TRACKS IN
SEVERAL STATES ACROSS THE
COUNTRY.

TOGETHER WITH OUR BANKS, RBF
CITIZENS, CREDIT SUISSE AND
OTHERS WE INTEND TO COMPLETE THE
CASINO IN EAST GREEN BUSH TO THE
HIGHEST STANDARDS AND IN THE
TIME FRAME ENVISIONED BY THE
GAMING COMMISSION AND
LEGISLATION.

WITH THAT, I'D LIKE TO HAND IT
OFF TO OUR PARTNER FROM
CHURCHILL DOWNS.

>> THANK YOU, DAN.

IT IS A PLEASURE TO BE HERE
TODAY AND TO BE SITTING BESIDE
OUR PARTNER, DAN GARRITY, AND
THE SARATOGA CASINO AND RACEWAY
TEAM.

AS DAN SAID, MY NAME IS BILL
KARSTANJEN, CHIEF EXECUTIVE
OFFICER OF CHURCHILL DOWN
INCORPORATED.

WE ARE HOME OF THE FASTEST TWO
MINUTES IN SPORT, THE KENTUCKY
DERBY, WHICH WE ARE VERY PROUD
OF AND HAVE HOSTED FOR 140
CONSECUTIVE YEARS.

SO WE'VE BEEN AROUND FOR A LONG,
LONG TIME.

HOWEVER, AS YOU WILL HEAR TODAY,
OUR COMPANY IS ALSO MUCH MORE
THAN THAT.

OUR COMPANY HAS ROOTS FROM
CALIFORNIA TO MAINE AND MANY,
MANY PLACES IN BETWEEN.

FROM A PERSONAL PERSPECTIVE, I
CAN'T CLAIM, LIKE MY FRIEND,
DAN, TO HAVE FAMILY ROOTS IN THE

REGION DATING BACK TO 1631.
BUT I KNOW WHERE CHURCHILL DOWNS
WOULD VERY MUCH LIKE TO PUT DOWN
FUTURES FOR THE FUTURE, RIGHT
HERE IN THE CAPITAL REGION OF
EAST GREEN BUSH.

WE ARE COMMITTED TO DEVELOPING
THE BEST SITE IN A WAY THAT BEST
SERVES THIS COMMUNITY, ITS
CITIZENS AND ITS ECONOMIC GOALS,
AND BEST SERVES THE INTENT OF
THE UPSTATE GAMING ECONOMIC
DEVELOPMENT ACT.

THANK YOU FOR THE OPPORTUNITY TO
SHARE WITH YOU TODAY OUR PLANS
AND OUR ASPIRATIONS FOR THIS
COMMUNITY.

WE ARE CONFIDENT THAT YOU WILL
LIKE WHAT YOU SEE.

THANK YOU.

>> THANK YOU.

MY NAME IS RITA COX, SENIOR VICE
PRESIDENT OF MARKETING FOR
SARATOGA CASINO AND RACEWAY.
WE'RE HERE TODAY TO DEMONSTRATE
TO YOU WHY CAPITAL VIEW CASINO
AND RESORT IS THE PROJECT THE
CAPITAL REGION CAN COUNT ON.
WE ARE REALISTIC, DELIVERABLE
AND SUSTAINABLE.

WE HAVE AN EXPERIENCED TEAM WITH
STRONG UNION RELATIONSHIPS.

WE HAVE THE ONLY UNIFIED
OWNERSHIP ADVANTAGE, AND WE HAVE
THE IDEAL LOCATION TO KEEP NEW
YORK GAMING DOLLARS IN NEW YORK,
AS WELL AS ATTRACT OUT OF STATE
TOURIST DOLLARS.

OUR COMMUNITY BENEFITS EXTEND
THROUGHOUT THE REGION, AND WE
ARE A FINANCIALLY SOUND TEAM
WITH THE FINANCIAL STRENGTHS TO
MAKE CAPITAL VIEW CASINO A
REALITY.

FIRST WE'D LIKE TO TAKE JUST A
MINUTE TO INTRODUCE YOU TO OUR
TEAM.

AS YOU CAN SEE HERE, FROM TWIN
SPIERS IN CALIFORNIA, TO OSPREY
CASINO, AND MANY STATES IN
BETWEEN, INCLUDING SARATOGA JUST
30 MINUTES UP THE ROAD, OUR
TEAMS ARE PROUD OF THEIR
COMMUNITIES WITH NATIONAL

EXPERTISE.

OUR PROPERTIES ARE RIGHT SIZED FOR THEIR MARKETS AND MANY ARE SIMILAR IN SCOPE TO WHAT WE'RE PROPOSING.

SARATOGA CASINO AND RACEWAY HAS BEEN A PART OF THE FABRIC OF OUR COMMUNITY SINCE 1941.

WE'RE NOW THE THIRD-OLDEST HARNESS TRACK IN THE COUNTRY. TEN YEARS AGO, AS DAN EXPLAINED, WE OPENED THE VERY FIRST VLT FACILITY IN THE STATE, UNDER BUDGET AND AHEAD OF SCHEDULE. ON JANUARY 28th, 2004.

SINCE THEN, WE'VE GENERATED OVER \$700 MILLION FOR EDUCATION IN THE STATE.

WE ARE TRULY A TRUSTED PARTNER. WE'RE VERY HAPPY TO BE HERE TODAY WITH OUR NEW TRUSTED PARTNER, CHURCHILL DOWNS INCORPORATED.

IN FACT, WE BELIEVE SO STRONGLY IN THEIR CAPABILITIES THAT WE ALREADY SOLD THEM A MINORITY EQUITY SHARE IN THE COMPANY AND HAVE ENTERED INTO A MANAGEMENT AGREEMENT TO TAKE US INTO THE FUTURE TOGETHER.

NOW TO SPEAK A LITTLE BIT ABOUT CHURCHILL DOWNS, I'D LIKE TO INTRODUCE AUSTIN MILLER, SENIOR VICE PRESIDENT OF GAMING OPERATIONS FOR CHURCHILL DOWNS INCORPORATED.

>> THANK YOU.

WE'RE DELIGHTED TO BE A MEMBER OF THE FAMILY.

MY NAME IS AUSTIN MILLER.

I'M SENIOR VICE PRESIDENT OF GAMING OPERATIONS FOR WHAT IS TODAY SIX GAMING PROPERTIES IN FIVE DIFFERENT STATES FOR CHURCHILL DOWNS, INCORPORATED. WE ARE MUCH MORE THAN A REGIONAL GAMING COMPANY.

WE ARE NOW A \$1.7 BILLION DIVERSIFIED GAMING, ONLINE AND RACING ENTERTAINMENT COMPANY. WE'RE HIGHLY DIVERSIFIED AND OUR COMPANY IS PUNCTUATED BY PERHAPS THE MOST IMPORTANT AND MOST WELL KNOWN RACE IN THE WORLD, THE

KENTUCKY DERBY.
SO FOR A LITTLE BIT MORE ABOUT
OUR COMPANY --
\M\M
>> THIS IS CHURCHILL DOWNS,
INCORPORATED.
MOST OF YOU KNOW US FOR THE
GREATEST TWO MINUTES IN SPORTS
AND WE CELEBRATE OUR PROUD
HERITAGE ON KENTUCKY OAKS AND
DERBY DAYS EVERY YEAR.
AND THE OTHER 363 DAYS OF THE
YEAR, WE ARE ENTERTAINMENT.
HARLOW'S CASINO RESORT AND
HOTEL, OUR 33,000 SQUARE FOOT
GAMING FLOOR CONNECTS TO A STATE
OF THE ART HOTEL AND KEEPS
GREENVILLE, MISSISSIPPI UP ALL
NIGHT.
RIVER WALK CASINO HOTEL IN
VICKSBURG, MISSISSIPPI HAS A
25,000 SQUARE FOOT GAMING FLOOR
WITH OVER 700 SLOT MACHINES AND
18 GAMING TABLES.
FAIR GROUND SLOTS FEATURES 600
OF THE NEWEST MACHINES AND
COUNTLESS JACK POTS.
THE CALDER CASINO IN MIAMI
GARDENS, FLORIDA, MORE THAN
1,200 LAS VEGAS STYLED SLOT
MACHINES, AND 29-TABLE POKER
ROOM ENSURES THERE'S NEVER A
DULL MOMENT.
OXFORD CASINO IN MAINE IS YOUR
DESTINATION FOR WICKED GOOD FUN,
DELIVERING NON-STOP GAMING
ACTION AND A BRAND-NEW MIAMI
GAMING IN OHIO FEATURES 1,600
VIDEO LOTTERY TERMINALS AND
HARNESS RACETRACK THAT CAN
ACCOMMODATE MORE THAN 1,000
RACING FANS.
CHURCHILL DOWNS INTERACTIVE
OFFERS THE LATEST IN LEGAL
WAGERING TECHNOLOGY.
TWINSPIERS.COM IS THE LEADING
ONLINE PRACTICE THAT LETS WAGERS
ON HORSE RACING FROM ALL AROUND
THE WORLD.
LUCK MEDIA IS THE ULTIMATE
DESTINATION FOR POKER PLAYERS,
COVERING ALL ASPECTS OF POKER
AND OFFERING THE TOOLS TO HELP
PLAYERS IMPROVE THEIR GAME.

FOUR STATE OF THE ART RACETRACKS
THAT KEEP YOU IN THE MIDST OF
ALL THE ACTION.
CHURCHILL DOWNS.
ARLINGTON PARK.
FAIRGROUNDS RACE COURSE AND
CALDER RACE COURSE.
AND THAT'S JUST DURING THE DAY.
ACTION DOESN'T STOP WHEN THE SUN
GOES DOWN.

\M\M

\M\M

SINCE 1875, WE'VE BROUGHT
EXCITEMENT TO OUR GUESTS.
AND THE PARTY'S JUST GETTING
STARTED.
CHURCHILL DOWNS, INCORPORATED.
WE ARE ENTERTAINMENT.
>> WE'VE CERTAINLY COME A LONG
WAY SINCE 1875.
NOW THAT YOU KNOW A LITTLE BIT
ABOUT OUR TWO COMPANIES, IT
GIVES ME GREAT PLEASURE TO
INTRODUCE YOU TO CAPITAL VIEW
CASINO AND RESORT.
>> THE CAPITAL REGION HAS A RICH
TRADITION IN HISTORY.
IT WAS AMONG THE FIRST PLACES TO
BE SETTLED IN THE NEW WORLD.
AND FOUR CENTURIES LATER, STILL
RETAINS A PREEMINENT POSITION AS
NEW YORK STATE'S CAPITAL.
AND NOW, WITH THE ONE VIEW OF
HISTORY BEHIND IT, THE CAPITAL
LOOKS TO NEW HORIZONS, ROYAL
VISTAS AND A GREATER VISION FOR
THE ECONOMY.
TODAY WE LOOK TO THE FUTURE.
FROM A SWEEPING VISTA
OVERLOOKING THE STATE CAPITAL
SKYLINE AND THE MAJESTIC HUDSON
RIVER, CAPITAL VIEW CASINO AND
RESORT WILL BE A BEACON OF
OPPORTUNITY AND PROSPERITY FOR
THE ENTIRE REGION AND BEYOND.
>> RICE FROM THE VERY BEGINNING,
WE ALL REALIZED HOW
FUNDAMENTALLY IMPORTANT IT WAS
TO CAPITAL VIEW BECOMING A
REFLECTION OF THE PEOPLE, THE
TRADITIONS, THE HISTORY AND THE
CULTURE AND ALL OF THOSE
TEXTURES THAT ARE ASSOCIATED
WITH THE CAPITAL REGION.

>> THROUGH THIS VISION WE'VE BEEN ABLE TO CREATE A VERY UNIQUE AND DISTINCTIVE ENVIRONMENT IN WHICH ALL OF OUR GUESTS AND NEARBY RESIDENTS ARE NOT ONLY GOING TO HAVE THAT SENSE OF FAMILIARITY WITH THE PROJECT, BUT ALSO A SENSE OF PRIDE AND OWNERSHIP AND AUTHORSHIP WITH THE ENTIRE DESTINATION, FROM THE APPROACH, TO THE SCALE OF THE RESORT, THE UNIQUE NEXT OF THE ARCHITECTURE, THE DISTINCTIVENESS OF THE INTERIOR DESIGN, THE ENTIRE GUEST EXPERIENCE.

ALL THESE THINGS REFLECT THAT THIS IS THE RIGHT PLAN FOR THE RIGHT PLACE.

>> WHEN PEOPLE THINK OF CHURCHILL DOWNS, THEY THINK OF THE KENTUCKY DERBY AND HORSE RACING.

THERE'S ACTUALLY MUCH, MUCH MORE TO OUR COMPANY.

WE'VE BEEN BUILDING CASINOS ALL OVER THE COUNTRY FOR A LONG TIME, AND WHENEVER WE TAKE ON A NEW PROJECT, THERE'S ONE RULE THAT OUR TEAM LIVES BY, AND THAT IS BE GOOD MEMBERS OF THE COMMUNITY.

OUR MANTRA IS TO MAKE THE COMMUNITY A BETTER PLACE FOR US HAVING BEEN THERE, AND THAT'S SOMETHING THAT OUR TEAM CAN PROMISE AS WE GO INTO THIS PROJECT TOGETHER WITH THE CAPITAL REGION.

>> MY FAMILY'S LIVED HERE SINCE THE 1700s.

SHORTLY AFTER THE DUTCH ARRIVED. WE'RE EXCITED ABOUT THE NEW VITALITY THAT CAPITAL VIEW WILL BRING TO OUR REGION.

CAPITAL VIEW CASINO IS GOING TO ADD TO THE FUTURE OF THE CAPITAL DISTRICT IN A TRULY WORLD CLASS WAY.

THE GUEST EXPERIENCE FROM THE MOMENT THEY COME ON THE PROPERTY, TO THE VALET PARKING, THE GAMING, THE FINE DINING, EVERYTHING ABOUT IT WILL BE

WORLD CLASS.

>> CHURCHILL DOWNS HAS 140-YEAR HISTORY.

WE'RE EXCITED TO BE PARTNERING WITH SARATOGA CASINO AND RACEWAY WHICH IS ALSO STEEPED IN HISTORY TO BUILD A WORLD CLASS GAMING FACILITY IN THE CAPITAL REGION. OUR COMPANY HAS SIX GAMING FACILITIES ACROSS THE UNITED STATES WITH OVER 6,700 GAMING POSITIONS.

OUR MOST RECENT OPERATION WAS CONSTRUCTED AND OPENED IN DECEMBER OF LAST YEAR.

THEY CREATED 1,500 CONSTRUCTION AND CASINO JOBS FOR THAT LOCAL ECONOMY.

OUR BUSINESS KNOWS HOW TO BUILD THESE OPERATIONS AND CREATE LONG-TERM, SUSTAINABLE JOBS WITH AN IMMEDIATE IMPACT FOR THE LOCAL ECONOMY.

>> THIS IS A WONDERFUL OPPORTUNITY FOR THE AREA BECAUSE WE WILL BE OFFERING PERMANENT JOBS, AND OUR JOBS ARE NOT ONLY HIGH PAYING BUT WE HAVE HEALTH INSURANCE FOR OUR EMPLOYEES.

WE HAVE 401(k) THAT WE DO MATCHING FUNDS FOR SO PEOPLE CAN BUILD UP FOR THEIR RETIREMENTS. I'VE HAD MORE THAN ONE PERSON COME UP TO ME AND SAY AT OUR CASINO UP IN SARATOGA THAT THEY ENJOY WORKING AT OUR PLACE SO MUCH THAT THEY WISH THEY COULD PAY ME TO WORK THERE.

>> AS PRESIDENT OF THE NEW YORK HOTEL TRADE COUNCIL I CAN ATTEST TO THE FACT THAT A SARATOGA CASINO AND RACEWAY IS A GOOD EMPLOYER.

WE'VE HAD A RELATIONSHIP REPRESENTING 300 OF OUR 32,000 MEMBERS AND IT'S BEEN A POSITIVE RELATIONSHIP.

WORKERS THERE ARE PAID WELL, THEY HAVE ACCESS TO HEALTH CARE, AND THEY HAVE A PATHWAY TO THE MIDDLE CLASS.

THEY HAVE DONE ALL THE RIGHT THINGS.

THEY INTERACT WITH US IN A

CONSTRUCTIVE FASHION, AND WE'RE
EXCITED THAT THEY'RE BIDDING FOR
LICENSE TO OPERATE A CASINO IN
THE CAPITAL DISTRICT.

WE EXPECT THAT IF THEY ARE
SUCCESSFUL, THEY WILL PROVIDE
EMPLOYEES THERE WITH THE SAME
GOOD JOBS, SAME PATHWAY TO THE
MIDDLE CLASS, THE SAME ACCESS TO
HEALTH CARE, AND OTHER BENEFITS
OF UNIONIZATION.

WE ARE EXCITED TO BE A PART OF
IT AND WE WISH THEM LUCK.

>> SARATOGA CASINO AND RACEWAY
IS A GREAT PLACE TO WORK BECAUSE
IT HELPS ME PROVIDE FOR MY
FAMILY AND IT HELPS ME PAY MY
BILLS AND BE INDEPENDENT AND IT
HAS A UNION IN PLACE.

>> CAPITAL VIEW CASINO AND
RESORT IS STRATEGICALLY SITUATED
AT THE CROSSROADS OF THE NEW
YORK THRUWAY SYSTEM, ALBANY
NATIONAL AIRPORT, THE
RENSSELAER TRAIN STATION AS WELL
AS PUBLIC TRANSPORTATION
OPTIONS.

LOCATED OFF INTERSTATE 90 VERY
CLOSE TO THE MASSACHUSETTS
BORDER, IT IS THE PERFECT
LOCATION TO KEEP NEW YORK GAMING
DOLLARS IN NEW YORK WITH
EXISTING COMPETITION IF
CONNECTICUT AND MOHICAN SUN AND
FOXWOODS AND SOON TO BE A
VALUABLE PROPERTY IN
SPRINGFIELD, MASSACHUSETTS, NOW
IS THE BEST TIME TO FIGURE OUT
HOW TO KEEP GAMING DOLLARS IN
THE STATE.

>> IT IS THE GATEWAY TO THE
ADIRONDACKS AND MOHAWK VALLEY.
PROVIDING US WITH A UNIQUE VAC
ADVANTAGE OF BEING A STOPPING
POINT AND A DESTINATION FOR
TOURISM.

WITH OUR CONVENIENT ACCESS,
CAPITAL VIEW WILL ATTRACT
TOURISM DOLLARS FROM ACROSS NEW
YORK AS WELL AS FROM NEIGHBORING
STATES LIKE CONNECTICUT,
MASSACHUSETTS AND VERMONT.

AN IMPORTANT PART OF OUR LEGACY
HAS ALWAYS BEEN TO WORK WITH OUR

COMMUNITY AND GIVE BACK.
CAPITAL VIEW WILL CONTINUE THAT
LEGACY, ALLOWING US TO PARTNER
WITH OUR COMMUNITY AND ENSURE
ITS STRENGTH FOR THE LONG TERM.
>> SARATOGA CASINO AND RACEWAY
HAS BEEN A STRONG, TRUSTED
COMMUNITY PARTNER.
CHURCHILL DOWNS INCORPORATED HAS
GIVEN BACK TO VARIOUS NON-PROFIT
ORGANIZATIONS, THE NEIGHBORHOOD
ASSOCIATIONS, WITH SCHOLARSHIP
DOLLARS, BREAST CANCER
AWARENESS.
WE'VE BEEN REALLY STRONG IN THAT
SPACE.
I KNOW THE SAME FOR SARATOGA
CASINO AND RACEWAY.
WITH US COLLABORATING, I AM
CERTAIN THAT THE TWO OF US WILL
BE ABLE TO LEAVE A LARGER
FOOTPRINT ON THE CAPITAL VIEW
PROJECT AS WE ENTER THAT
COMMUNITY.
WE ARE REALLY EXCITED ABOUT
DOING THAT AND CAN'T WAIT TO SEE
THE MANY LIVES THAT WE'RE ABLE
TO TOUCH AND MAKE A DIFFERENCE.
>> CAPITAL VIEW CASINO AND
RESORT WILL HAVE AN IMMEDIATE
AND POSITIVE IMPACT ON LOCAL AND
STATE ECONOMIES.
I'VE SEEN WHAT PROJECTS LIKE
THIS CAN DO.
I'VE SEEN IT MYSELF.
I'VE BEEN PART OF PROJECTS ON
THE MISSISSIPPI GULF COAST AND
IN MINNESOTA.
I'VE SEEN THE TRANSFORMATION
TOWNS HAVE GONE THROUGH.
I'VE SEEN THE POSITIVE IMPACTS
TO THE ECONOMY.
I'VE DEVELOPED PARTNERSHIPS WITH
LOCAL RESTAURANTS, LOCAL HOTELS,
LOCAL VENDORS, AND I'VE SEEN THE
COMMUNITY GROW AS A PARTNER.
POSITIVE GROWTH.
IT DOES WONDERFUL THINGS FOR THE
COMMUNITY.
IT HELPS OTHER BUSINESSES GROW.
WE'RE LOOKING FORWARD TO BE PART
OF THAT.
BETWEEN OUR CAPITAL INVESTMENTS,
THE JOBS WE'LL CREATE, AND THE

TAX REVENUES, THIS WILL BE A GOOD THING FOR THE CAPITAL REGION.

WE ARE THE BEST PROPERTY IN THE BEST POSITION TO KEEP NEW YORK GAMING DOLLARS IN NEW YORK.

>>> THE CAPITAL REGION NOW STANDS AT THE CROSSROADS OF HISTORY AND DESTINY.

BEFORE US IS THE OPPORTUNITY TO BUILD AN INFRASTRUCTURE OF SUSTAINED ECONOMIC PROSPERITY WITH PROVEN PARTNERS, STRONG LOCAL TIES, AND A WINNING HISTORY.

WE LOOK TOWARD A BRILLIANT FUTURE.

CAPITAL VIEW CASINO AND RESORT.

>> WE TALK ABOUT STIMULATING AN ECONOMY AND RUNNING A SUCCESSFUL CASINO OPERATION, IT ALL STARTS WITH LOCATION.

CAPITAL VIEW OF LOCATION IS THE BEST IN THE CAPITAL DISTRICT.

PITCHED HIGH ATOP THOMPSON HILL, WE HAVE BEAUTIFUL SWEEPING VIEWS OF NEW YORK'S CAPITAL CITY.

WE ARE POISED FROM THIS POSITION TO BE THE CATALYST FOR THE ECONOMY IN THE ENTIRE REGION.

WHEN YOU LOOK AT OUR LOCATION, YOU CAN SEE THE WONDERFUL ACCESS WE HAVE THROUGH THE ROADWAY SYSTEM THROUGHOUT NEW YORK.

IT STARTS WITH A THRUWAY SYSTEM, I-90, 787, 87, AND 88.

WE HAVE VERY, VERY EXCELLENT ACCESS VIA THE ROADS.

ALTHOUGH I WILL TELL YOU, MY TRIPS HERE ARE OFTEN TO DOWNTOWN ALBANY.

I LEARNED THAT THE SHORTEST DISTANCE BETWEEN TWO POINTS, THERE AND THERE, FOR EXAMPLE, IS NOT ALWAYS A STRAIGHT LINE.

THE SHORTEST DISTANCE BETWEEN THOSE TWO POINTS IS UP I-787 AND I-90.

THERE IS A TERRIBLE PINCH POINT RIGHT ON THAT BRIDGE WHEN YOU CROSS OVER INTO RENSSELAER.

WORD TO THE WISE, IF YOU WANT TO CROSS THE BRIDGE AND GO INTO RENSSELAER AND GET TO CAPITAL

VIEW, DON'T DO IT DURING RUSH HOUR.

IT IS A SEVEN-MINUTE TRIP FROM 787 TO I-90.

IF YOU LOOK AT THIS FROM A REGIONAL PERSPECTIVE, YOU GET A GOOD FEEL FOR WHY WE ARE THE RIGHT CHOICE.

SITUATED PERFECTLY ON HIGHWAY 90, AN IDEAL BACK STOP TO THOSE DOLLARS.

WHEN YOU THINK ABOUT THE DOLLARS IN OTHER STATES THAT ARE AVAILABLE TO COME TO NEW YORK WITH A NEW PROPERTY LIKE CAPITAL VIEW, HERE AGAIN WE ARE THE FIRST PROPERTY LOCATED ACROSS STATE LINES ON I-90.

PERFECT LOCATION FOR NEW CASINO AND RESORT IN THE CAPITAL DISTRICT.

FOR A MORE DETAILED LOOK AT FINANCES AND ECONOMIC IMPACT, I'D LIKE TO INTRODUCE MICHAEL POLLACK, MANAGING DIRECTOR OF SPECTRUM GAMING.

>> THANK YOU, AUSTIN.

GOOD AFTERNOON.

SPECTRUM GAMING GROUP WAS PASSED WITH PROJECT BEING THE REVENUE AND ECONOMIC IMPACT OF THE PROPOSED CAPITAL VIEW CASINO AND RESORT AND IN DOING SO WE EXAMINED A NUMBER OF FACTORS STARTING WITH THE NOTION THAT THE CAPITAL REGION AND THE STATE OF NEW YORK WOULD BENEFIT BOTH IMMEDIATELY AND MATERIALLY FROM HAVING TWO GAMING PROPERTIES, SARATOGA CASINO AND RACEWAY, AND CAPITAL VIEW CASINO AND RESORT, UNDER A UNIFIED STRUCTURE.

UNIFIED OWNERSHIP OF GAMING IN ONE REGION IS NEITHER UNUSUAL NOR IS IT UNDESIRABLE.

INDEED, IT IS THE DOMINANT MODEL IN THE UNITED STATES, INCLUDING AMONG THE EXISTING CASINOS IN NEW YORK.

CAPITAL VIEW WOULD SIMPLY EXTEND THE ONE PROPERTY REGION INTO A TWO PROPERTY REGION WHICH WOULD ENGENDER A NUMBER OF THE BENEFITS THAT YOU SEE HERE,

NOTABLY A FASTER TIME TO MARKET
AND ENHANCED OPERATING
EFFICIENCIES.
FROM DAY ONE, CAPITAL VIEW WOULD
HAVE ACCESS TO SARATOGA'S
DATABASE AND CAN OFFER
COMPELLING REWARDS TO THOSE
CUSTOMERS.
IN TURN, CAPITAL VIEW WOULD
ENJOY A GREATER GEOGRAPHIC AND
DEMOGRAPHIC REACH CREATING MORE
OPPORTUNITIES FOR GROWTH AT
SARATOGA.
SO THE CHOICE THEN IS BETWEEN A
UNIFIED MARKETING APPROACH OR
THE POTENTIAL OF COSTLY
PROMOTIONAL WARS WHICH WE HAVE
SEEN IN NUMEROUS OTHER STATES
AND WHICH WE SUBMIT, NOBODY
WINS.
A GOOD EXAMPLE CAN BE FOUND IN
INDIANA WHERE WE RECENTLY DID
SOME WORK.
THERE'S TWO PROPERTIES IN THE
INDIANAPOLIS MARKET.
BOTH VYING HEAD-TO-HEAD IN WHAT
IS CLEARLY A DIFFICULT
ENVIRONMENT.
THE STATE OF INDIANA HAS SINCE
ALLOWED ONE OPERATOR TO OWN AND
MANAGE BOTH PROPERTIES AND THIS
HAS CREATED A COORDINATED
MARKETING APPROACH AND THE
ABILITY TO ACHIEVE THE BENEFITS
LISTED HERE.
AND WE SUGGEST THE SAME OUTCOME
COULD CERTAINLY OCCUR IN THE
CAPITAL REGION.
WE ALSO LOOKED AT THE BENEFITS
OF ADVANCE PLANNING THROUGH A
APPROACH WORKING WITH A VARIETY
OF PUBLIC AND PRIVATE STAKE
HOLDERS.
ADVANCE PLANNING CAN FURTHER THE
REGION'S GOALS AT THE SAME TIME,
WE SUBMIT, THAT A LACK OF
ADVANCE PLANNING CERTAINLY AS
PROPOSED BY CAPITAL VIEW RESULTS
IN OPPORTUNITIES THAT, QUITE
FRANKLY, IF LOST, ARE LOST
FOREVER.
THE OPPORTUNITY TO GIVE CROWNING
PREFERENCE, PARTICULARLY TO
THOSE IN URBAN CENTERS OR THOSE

UNEMPLOYED OR UNDEREMPLOYED, YOU HAVE EARLY ACCESS TO TRAINING AND PREFERENTIAL HIRING CAN BUILD FUTURES WITHIN THE CAPITAL REGION.

THE INDUCED SPENDING FROM THAT WILL CERTAINLY BENEFIT LOCATELE BUSINESSES.

AS NOTED HERE, ONE OF THE ADVANTAGES TO EXISTING LOCAL RESIDENTS, IT PUTS SIGNIFICANTLY LESS PRESSURE ON SCHOOLS, HOUSING AND OTHER SERVICES.

NOW AT THE SAME TIME, PLANS FOR A COORDINATED MARKETING EFFORT WITH THE ALBANY CONVENTION CENTER, AS WELL AS WITH EXISTING HOTELS AND OTHER BUSINESSES, CERTAINLY HAS THE POTENTIAL TO CREATE A WIN-WIN SCENARIO.

WE FUNDAMENTALLY BELIEVE THAT EFFORTS BY CAPITAL VIEW AND THE ALBANY CONVENTION CENTER TO MARKET THE REGION, PARTICULAR TO MEETING PLANNERS, IF THEY CAN OFFER THE SIGNIFICANTLY ENHANCED BENEFIT OF HAVING THE WIDER VARIETY OF ENTERTAINMENT OPTIONS, INCLUDING GAMING, IT WILL RESULT IN MORE CONVENTIONS. AND NOTABLY -- THIS IS CLEARLY A WIN-WIN, BECAUSE CONVENTIONS AND GAMING DOVETAIL PERFECTLY.

CONVENTIONS FOCUS ON MIDWEEK WHILE CASINOS CLEARLY HAVE THEIR PEAK PERIODS ON WEEKENDS.

THROUGH OUR SEARCH, IT WAS CLEAR THAT ONE OF THE AREAS THIS AREA NEEDS IN ORDER TO HELP DIVERSIFY AND GROW ITS ECONOMY IS MORE ATTRACTIONS ON WEEKENDS, AS WELL AS MORE ATTRACTIONS ON BOTH SIDES OF THE RIVER.

THE REVENUE NUMBERS WE DEVELOPED WERE DEVELOPED TO BE CONSERVATIVE AND ACHIEVABLE.

OUR METHODOLOGY AND THE ASSUMPTIONS THAT WENT INTO OUR MODEL WERE SIMILARLY CONSERVATIVE, TRANSPARENT, AND SUPPORTABLE.

IN OUR EXPECTED CASE, WE PROJECT \$217 MILLION IN GROSS GAMING REVENUE FOR CAPITAL VIEW, AND A

COMBINED \$306 MILLION THROUGH CAPITAL VIEW AND SARATOGA, AGAIN UNDER A UNIFIED OWNERSHIP APPROACH.

OUR ANALYSIS ALSO PROJECTS THAT \$33 MILLION IN ANNUAL GGR, WHICH IS APPROXIMATELY 11% OF THE COMBINED TOTAL, WOULD COME FROM OUT OF STATE RESIDENTS.

NOW, WE ALSO PROJECT THAT CAPITAL VIEW WOULD GENERATE APPROXIMATELY \$40 MILLION ANNUALLY IN NON-GAMING REVENUE FOR A TOTAL ANNUAL PROPERTY REVENUE OF \$256 MILLION.

NOTABLY, THE SMALLEST NUMBER THERE IS HOTEL REVENUE AT \$3.4 MILLION.

WHICH CERTAINLY WOULD SUPPORT THE NOTION THAT CAPITAL VIEW WOULD NOT BE COMPETING WITH AREA HOTELS FOR LOCAL CASH PAYING, OVERNIGHT VISITORS.

OUR ANALYSIS REVOLVED AROUND THE REGIONAL INTERNATIONAL MODELS. THEIR CLIENT LIST INCLUDES MANY AGENCIES IN NEW YORK STATE GOVERNMENT.

THEY'RE SIMPLY IN OUR VIEW THE GOLD STANDARD FOR THIS TYPE OF ECONOMIC MODELING.

WORKING WITH REMI, WE PROJECTED OVER THE FIRST TEN YEARS, CAPITAL VIEW WOULD ADD \$2.4 BILLION TO THE GROSS REGIONAL PRODUCT WHICH REPRESENTS THE TOTAL VALUE OF ALL GOODS AND SERVICES PRODUCED IN THE REGION. OVER THE SAME PERIOD, THE NET CUMULATIVE GAMING TAXES WOULD APPROACH \$1 BILLION.

NOW IN TERMS OF EMPLOYMENT, WE SUGGEST THAT IN ALL AREAS THAT WOULD APPROACH 2,400 JOBS ALL ATTRIBUTABLE TO THIS PROJECT, INCLUDING CONSTRUCTION WORK.

I NOTE AGAIN WITH A PLAN TO HIRE AND TRAIN EXISTING LOCAL RESIDENTS TO GET AS MANY OF THESE JOBS AS POSSIBLE, WE BELIEVE THE ECONOMIC BENEFITS WOULD BE ENHANCED.

I WOULD ALSO NOTE THAT THE AVERAGE SALARY, WHICH WOULD

INCLUDE TIPS AND BENEFITS, WOULD BE JUST SHY OF \$51,000.
THANK YOU.

>> THANKS, MIKE, FOR DEMONSTRATING CAPITAL VIEW'S IMPRESSIVE ECONOMIC IMPACT ON NEW YORK.

>>> NOW I'D JUST LIKE TO TAKE A MOMENT TO TALK ABOUT THE MORE LOCAL AND REGIONAL IMPACT. EACH GREEN BUSH AND RENSSELAER COUNTY WILL BENEFIT, JUST AS EVERY SINGLE COUNTY IN THE REGION EAST GREEN BUSH, IN ADDITION, WILL SEE ADDITIONAL PROPERTY TAXES OF OVER \$9 MILLION.

WE ALSO MADE THE DECISION TO GO ABOVE WHAT IS REQUIRED BY ENTERING INTO AN AGREEMENT WITH CAPITALIZED ALBANY THAT DELIVERS ECONOMIC DEVELOPMENT AND JOB DEVELOPMENT IN THE CITY OF ALBANY.

THAT'S \$11 MILLION OVER TEN YEARS FOR THE SOLE PURPOSE OF DRIVING ECONOMIC DEVELOP MANY AND JOBS IN ALBANY.

ALL TOLD, AS MIKE SAID, CAPITAL VIEW WILL HAVE A \$2.4 BILLION IMPACT OVER TEN YEARS.

OUR REGION NEEDS THIS KIND OF ECONOMIC INVESTMENT.

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AND EAST GREEN BUSH IS A PRIME EXAMPLE.

IN FACT, A WITHOUT JOURNAL ECONOMICS WRITERS RANKS EAST GREEN BUSH SECOND ONLY TO COMPTON, CALIFORNIA ON HIS LIST OF 20 CITIES TO WATCH FOR FINANCIAL TROUBLE.

NEXT DOOR IN THE CITIES OF ALBANY AND TROY, 25% OF THE RESIDENTS LIVE BELOW THE POVERTY LINE.

WE BELIEVE THAT THE BEST WAY TO ACHIEVE WHAT'S NEEDED AND THE TRUE LONG-TERM BENEFITS IS TO PARTNER WITH OUR COMMUNITY.

WE ARE SUCCESSFUL ONLY WHEN OUR COMMUNITY IS SUCCESSFUL.

THE TROUBLES EAST GREEN BUSH IS FACING, THE PERSON WITH THE

INCREDIBLY DIFFICULT JOB OF LEADING HIS COMMUNITY BACK TO FINANCIAL STABILITY IS SUPERVISOR KEITH LANGLEY, WHO SAID THE FOLLOWING.

"THE PROPOSAL THAT CAPITAL VIEW CASINO AND RESORT IS SUBMITTING TO THE STATE IS, BY FAR, THE STRONGEST FOR THE CAPITAL REGION.

PRECISELY BECAUSE IT WILL BENEFIT MORE THAN JUST EAST GREEN BUSH BUT ALSO ALL OF RENSSELAER COUNTY AND THE CITY OF ALBANY AS WELL.

THE SUPPORT THAT WE'VE SEEN FROM TOWNS, CITIES AND COUNTIES ACROSS THE REGION FURTHER SUMS IT UP.

EAST GREEN BUSH IS THE BEST LOCATION IN THIS REGION. ECONOMIC DEVELOPMENT IN THE CAPITAL REGION MEANS MORE THAN PAYING SCHOOL TAXES IN EAST GREEN BUSH AND PROVIDING THOSE JOBS.

IT MEANS WORKING WITH OTHERS, AS WELL.

WITH THAT IN MIND, OUR COMMITMENT TO THE CITY OF ALBANY TO CAPITALIZE ALBANY OF \$11 MILLION OVER TEN YEARS -- AND THIS IS, I SHOULD NOTE, AN ORGANIZATION WHOSE SOLE PURPOSE IS TO DRIVE ECONOMIC DEVELOPMENT AND JOBS IN ALBANY.

THIS IS ABOVE AND BEYOND WHAT'S REQUIRED.

WE BELIEVE IT'S THIS KIND OF INVESTMENT THAT IS EXACTLY EMBODY BE THE TRUE SPIRIT OF THE ACT IN ECONOMIC DEVELOPMENT AND JOBS IN UP STATE NEW YORK.

OVER THE TEN YEARS NOW THAT I'VE BEEN WITH SARATOGA CASINO AND RACEWAY, ONE OF MY FAVORITE THINGS HAS BEEN TO WORK WITH THE LOCAL COMMUNITY, TO WORK WITH BUSINESSES, TO WORK WITH TOURISM, TO DRIVE MORE BUSINESS, MORE TOURISM DOLLARS TO OUR COMMUNITY.

TWO GREAT EXAMPLES OF WHAT WE HAVE BEEN ABLE TO ACCOMPLISH ARE

SARATOGA OLIVE OIL AND SARATOGA
BREWERY.

BOTH OF THESE PRODUCTS ARE
FEATURED IN OUR FACILITY AND
WE'RE SELLING MORE THAN ANY OF
US HAD EVER ANTICIPATED.
OUR REWARDS PROGRAM OFFERS
DOWNTOWN BUSINESS ASSOCIATION
GIFT CARDS TO OUR GUESTS.
IN THE FIRST SIX MONTHS ALONE OF
THAT PROGRAM, WE PURCHASED OVER
\$25,000 WORTH OF GIFT CARDS THAT
ARE NOW BEING REDEEMED AND SPENT
IN OUR LOCAL COMMUNITY.
THIS IS EXACTLY THE KIND OF
GROWTH AND OPPORTUNITY THAT THE
RENSSELAER COUNTY CHAMBER OF
COMMERCE RECOGNIZED, AND DOZENS
OF LOCAL BUSINESSES WANT AND
NEED THESE PARTNERSHIPS.
I REALLY LOOK FORWARD TO THE
OPPORTUNITY TO FURTHER
COMMITTING TO THESE LOCAL
BUSINESSES.

>> SO LET'S FACE IT, A CASINO IS
ABOUT ENTERTAINMENT.

IT'S WHAT WE DO.

IT'S WHAT PEOPLE COME LOOKING
FOR.

THEY WANT THE FUN, THEY WANT THE
EXCITEMENT THAT THEY FIND INSIDE
OUR FACILITIES.

AND WE WANT TO ENSURE THAT THE
GREATEST ENTERTAINMENT OPTIONS
ACROSS THE REGION ARE AVAILABLE
FOR OUR GUESTS.

OUR AGREEMENTS WITH THE PALACE,
TROY SAVINGS BANK MUSIC HALL,
PARKS PLAY HOUSE, ALBANY
INSTITUTE OF HISTORY AND ART AND
ALBANY SYMPHONY ARE JUST THE
KIND OF ENTERTAINMENT AGREEMENTS
THAT WILL MAKE SURE THAT WE
CREATE AN ENTERTAINMENT CORRIDOR
FROM ALBANY TO EAST GREEN BUSH.
IT'S IMPORTANT TO NOTE THAT
THESE AGREEMENTS ARE NOT JUST
ABOUT THE MONEY.

THEY ARE DESIGNED TO BE
PROACTIVE AGREEMENTS THAT ARE
GOING TO CREATE ADDITIONAL
BUSINESS FOR ALL OF OUR LOCATION
LONG BEFORE I CAME TO SARATOGA
CASINO AND RACEWAY -- LONG --

THEY STARTED A RELATIONSHIP WITH THE UNIONS THAT GOES BACK OVER 50 YEARS.

AS YOU HEARD PETER WARD MENTION IN THE VIDEO, WE HAVE A STRONG AND WONDERFUL RELATIONSHIP WITH OUR UNIONS.

IN FACT, WE ARE THE ONLY BIDDER IN THE REGION WHO THAT FULLY EXECUTED AGREEMENTS, BOTH THE POA AND THE LABOR PIECE AGREEMENT THAT ARE ALREADY ARE IN PLACE AND READY TO GO.

WE ALSO HAVE A VERY DEEP COMMITMENT TO OUR MWBE PARTNERS. I'D LIKE TO INTRODUCE CAROL.

>> THANK YOU, I'M PRESIDENT OF McKISIC AND McKISIC, THE OLDEST MINORITY-OWNED CONSTRUCTION FIRM.

WE WERE STARTED IN THE SOUTH BUT EXPANDED IT NEW YORK IN THE EARLY, EARLY '90s.

WE HAVE FOCUS THROUGHOUT THE STATE AND NEW YORK CITY, AND TODAY WE ARE ABOUT 200 CONSTRUCTION PROFESSIONALS AND WE PROVIDE CM AND GENERAL CONTRACTING, AS WELL AS MWBE CONSULTING SERVICES.

DUE TO THIS TEAM'S DESIRE TO MEET AND EXCEED MWBE GOALS, THEY HAVE ASKED US TO COME IN AND HELP CONSULT THEM IN THIS AREA. WE ARE EXCITED ABOUT THAT BECAUSE WE DO UNDERSTAND WHAT THE REGION DOES HAVE TO OFFER. AND WE KNOW TO HAVE A SUCCESSFUL PROGRAM, IT STARTS, NUMBER ONE, WITH A CONTRACTOR WHO UNDERSTANDS MWBE.

AND WE ARE GLAD THAT WE HAVE SIMONELLI IN THAT POSITION. WE ALSO UNDERSTAND SOURCING CONTRACTORS THAT ARE COMPETENT AND QUALIFIED TO THE PROJECT IS EQUALLY IMPORTANT AND WE ARE STAFFED AND READY TO DO THAT AS WELL.

ALONG WITH PROCUREMENT STRATEGIES AND REPORTING. SO WE WILL BE THE MWBE ADVOCATE ON THIS PROJECT FOR THIS TEAM.

>> THANK YOU, CHERYL.

AS MUCH AS WE ARE ABOUT ENTERTAINMENT, THERE ARE TIMES WHEN ENTERTAINMENT STOPS BEING FUN.

AND WHEN THAT HAPPENS, WE HAVE A FULLY INTEGRATED PROGRAM THAT INCLUDES TRAINING AND RESOURCES FOR OUR TEAM MEMBERS, AS WELL AS OUR GUESTS.

THIS IS AN IMPORTANT PART OF OUR DAILY ACTIVITIES AT EACH OF OUR FACILITIES AND IT WILL BE THE SAME WITH CAPITAL VIEW.

NOW I'D LIKE TO INTRODUCE TO YOU BRIAN DAVIS, DIRECTOR OF DESIGN AND DEVELOPMENT FOR SARATOGA CASINO, TO SPEAK TO YOU ABOUT THE VISION OF OUR BUILDING.

>> THANK YOU, RITA.

BEFORE I GET INTO DESCRIBING THE OVERVIEW OF THE PROJECT AND THE VISION, LET ME JUST SAY THAT OVER THE PAST COUPLE OF MONTHS IT'S BEEN A VERY EXCITING, REWARDING, AND MOST IMPORTANTLY, VERY INCLUSIONARY DESIGN PROCESS THAT WE'VE BEEN GOING THROUGH.

WE'VE HAD DOZENS OF MEETINGS WITH COMMUNITIES, BUSINESS AND INSTITUTIONAL LEADERS.

WE'VE ACTUALLY SAT DOWN TO TALK. WE'VE LISTENED.

WE'VE TAKEN ON INPUT AND THE INPUT WE'VE GOTTEN FROM THAT HAS HAD A MAJOR INFLUENCE ON THE PROJECT WE ARE ABOUT READY TO DESCRIBE FOR YOU, A PROJECT THAT TRULY REFLECTS THE COMMUNITY, PEOPLE, HISTORY, TRADITIONS AND ASPIRATIONS OF THE ENTIRE REGION.

YOU'VE HEARD ABOUT THE WORLD CLASS TEAM WE'VE PUT TOGETHER BUT I WOULD LIKE TO SAY THAT IN ADDITION TO THIS DESIGN AND CONSTRUCTION TEAM BEING HIGHLY REGARDED FOR THEIR ACCOMPLISHMENTS WITHIN THIS INDUSTRY, THEY'RE ALSO ALL NEW YORK BORN AND BRED.

NOW LET ME JUST GIVE YOU A VERY QUICK OVERVIEW OF THE JOURNEY THROUGH THIS FACILITY.

DOWN AT THE BOTTOM OF THE PAGE

IS ROUTE 4, TROY ROAD.
FROM THAT POINT YOU WILL GET ON
A BEAUTIFULLY LANDSCAPED
BOULEVARD THAT'S GOING TO WIND
PAST SOME PONDS AND SOME STONE
RETAINING WALLS.
FINALLY BRINGING YOU TO THE TOP
OF THOMPSON HILL AT OUR GRAND
CENTRAL ARRIVAL.
ONE OF THE OTHER GREAT THINGS
ABOUT THIS SITE OTHER THAN THE
TREMENDOUS VIEWS AND
ACCESSIBILITY, THE FACT THAT
WE'VE GOT 180 ACRES WHICH GIVES
US A LOT OF ELBOW ROOM.
FIRST OF ALL, IT ALLOWS US TO
HAVE A VERY EFFICIENT BUILDING
BECAUSE WE DON'T HAVE TO MAKE
ANY COMPROMISES DUE TO EXCISING
SITE CONDITIONS.
IT'S ALSO GIVEN US THE
OPPORTUNITY TO PROVIDE WALKING
PATHS.
IF YOU LOOK AT THE UPPER LEFT
HAND PORTION OF THE IMAGE, WE
HAVE OUR OWN KITCHEN FARMS THAT
WILL SERVE OUR RESTAURANTS AND
EVENTUALLY OUR PATRONS.
THE OTHER THING WE HAVE IS AN
OPPORTUNITY THAT IF THE MARKET
DICTATES, WE WILL BE ABLE TO
EXPAND ON THIS SITE.
LOOKING AT THE NEXT VIEW, OUR
AERIAL VIEW, YOU HEARD US SAY
EARLIER THAT WE LOOK TO THE
REGION FOR OUR INFLUENCE AND
INSPIRATION.
YOU LOOK AT THE IMAGE OF THIS UP
THERE AND YOU SEE SORT OF VERY
RECOGNIZABLE ROOFLINES AND
MATERIALS.
ALL OF THESE THINGS THAT ARE
BORN OUT OF THE DUTCH
ARCHITECTURAL AND DESIGN
TRADITIONS THAT ARE SO EMBEDDED
IN OUR REGION.
PAY PARTICULAR ATTENTION TO THE
VERY RICH LANDSCAPING WHICH
ALSO, WHEN YOU THINK OF HOLLAND,
YOU THINK GARDENS.
IN CONCLUSION, I'LL GO VERY
QUICKLY THROUGH THIS.
THE VIEW YOU ARE LOOKING AT
RIGHT NOW IS OUR LOBBY THAT WILL

GIVE YOU ALSO A VIEW INTO THE CASINO.
OUR CASINO WHICH IS ABSOLUTELY THE RIGHT SIZE.
HAS 1,500 MACHINES AND 56 TABLE GAMES, WILL BE BRIGHT, VERY ATTRACTIVE AND VIBRANT.
IT HAS A FEATURE BAR IN THE CENTER.
ALSO WILL HAVE V.I.P. LUXURY GAMING.
THE VIEW RIGHT NOW IS A VERY SPECIAL PLAZA THAT WILL -- SKIP RIGHT OVER THAT FOR NOW.
OUR AMENITIES ARE VERY IMPORTANT.
OUR FOOD AND BEVERAGE OPPORTUNITIES.
I'D LIKE TO POINT OUT SPECIFICALLY THAT ANGELO MISONE, CURATOR OF THE 677 PRIME, WE ARE VERY HONORED TO HAVE HIM ON-BOARD WITH OUR TEAM.
WE'LL HAVE A RESORT SPA.
WE'VE GOT CONCIERGE SERVICES.
A 100-ROOM HOTEL WITH FANTASTIC SUITES, WITH TERRIFIC VIEWS.
AND LASTLY, I HAD HE'S LIKE TO CALL YOUR ATTENTION TO THE OVAL WINDOW ON THE TOP OF THE BUILDING WHICH IS HOME TO OUR SPECTACULAR CAPITAL VIEW LOUNGE, APTLY NAMED BECAUSE OF OUR SPECTACULAR CAPITAL VIEW.
I'D LIKE US ALL TO TOAST OUR SUCCESSFUL GRAND OPENING 18 MONTHS AFTER WE ARE AWARDED THIS LICENSE.
THANK YOU.
>> THANK YOU.
MR. CHAIRMAN, MEMBERS OF THE BOARD, PLEASE ALLOW ME TO INTRODUCE TO YOU MR. BILL MUD, PRESIDENT AND CHIEF FINANCIAL OFFICER OF CHURCHILL DOWNS, INCORPORATED, FOR A FEW WORDS ON OUR FINANCIAL PROFILE.
>> THANKS, AUSTIN.
OUR \$330 MILLION PROJECT ENVISIONS THE CAPITAL STRUCTURE XRISD OF A 25% EQUITY AND 75% THIRD PARTY FINANCING.
AS FAR AS THE APPLICATION PROCESS, WE RECEIVED COMMITTED

FINANCING, LETTERS FROM THREE
HIGHLY REPUTABLE GLOBAL BANKING
INSTITUTIONS.

CREDIT SUISSE AND RBS CITIZENS
WITH THIS EXACT CAPITAL
STRUCTURE IN MIND.

IF THE FINANCIAL MARKETS,
REGULATORS OR OTHER FINANCIAL
CIRCUMSTANCES DICTATE THE NEED
FOR A HIGHER EQUITY
PARTICIPATION, WE ARE WILLING
AND CAPABLE TO INCREASE THAT
SHARE OF EQUITY.

WE ARE FINANCIALLY SOUND
OWNERSHIP TEAM.

CHURCHILL DOWNS INCORPORATED IS
140-YEAR-OLD PUBLICLY TRADED
COMPANY WITH DIVERSIFIED
ENTERTAINMENT COMPANY WITH A
MARKET CAPITALIZATION OF \$1.7
BILLION.

\$150 MILLION-PLUS OF ANNUAL CASH
FLOW FROM OPERATIONS.

AS OF THE SECOND QUARTER, WE
HAVE \$431 MILLION CURRENTLY
AVAILABLE UNDER AN EXISTING
CREDIT FACILITY AND WE COULD
EASILY INCREASE THAT TO \$650
MILLION SO WE HAVE THE
WHEREWITHAL TO DO THIS PROJECT.
SARATOGA CASINO AND RACEWAY, OUR
PARTNER, ALSO HAVE A VERY
CONSERVATIVE PROFILE AND THEY
HAVE A COMMITMENT LETTER FROM
McQUARRY CAPITAL.

THIS TEAM IS FINANCIALLY SOUND
AND CAN EASILY FINANCE AND FUND
THIS DEVELOPMENT IF WE ARE
AWARDED THIS LICENSE.

>> THANK YOU, BILL.

NOW ONE MORE TIME FROM OUR CHIEF
EXECUTIVE OFFICER TO WRAP THINGS
UP AND BRING IT TO A CLOSE.

>> THANKS, AUSTIN.

CHAIRMAN, MEMBERS OF THE BOARD,
WE RESPECTFULLY SUBMIT THAT OURS
IS THE BEST PROPOSAL FOR THE
CAPITAL REGION AND NEW YORK
STATE.

LET ME EXPLAIN WHY.
FIVE REASONS.

WE HAVE THE BEST LOCATION WITH
THE MOST CONVENIENT ACCESS WITH
ANY OF THE BIDDERS IN THE

CAPITAL REGION.

THAT MEANS WE'VE GOT THE BEST SITE TO KEEP MORE DOLLARS IN NEW YORK AS WELL AS BRING NEW GAMING EMPLOYEES AND DOLLARS INTO THE STATE.

TWO, WE HAVE AN UNMATCHED COMMITMENT TO OUR COMMUNITY AND WHEN WE SAY COMMUNITY, WE MEAN THE LARGER COMMUNITY EVEN BEYOND EAST GREEN BUSH, INCLUDING ALBANY AND TROY.

THREE, WE HAVE A VERY STRONG AND LONG HISTORY OF WORKING WITH LABOR UNIONS WHICH WILL FACILITATE THE TIMELY CONSTRUCTION, AND THEN OPERATION OF THE RESORT.

FOUR, WE HAVE THE FINANCIAL STRENGTH AND WHEREWITHAL, PLUS THE DEEP BALANCE SHEET AND OPERATING EXPERIENCE TO DELIVER THIS RESORT AND SUSTAIN IT. WE BUILD TO OWN AND GROW OUR COMMUNITIES.

FIVE, WE WILL CREATE THOUSANDS OF JOBS IN A COMMUNITY WITH SIGNIFICANT NEEDS AND WE WILL DO THIS WHILE PRESERVING THE JOBS AT SARATOGA CASINO AND RACEWAY BECAUSE WE HAVE EVERY INCENTIVE TO GROW WITH THE PARTNERSHIP OF CHURCHILL DOWN AND SARATOGA CASINO AND RACEWAY, NOT CANNIBALIZE IT.

AFTER ALL WE ARE A TEAM WITH DEEP LOCAL ROOTS AND LOCAL EXPERIENCE.

WE ARE ALREADY INVESTED IN MAKING IT REGION ONE OF GROWING OPPORTUNITIES.

IN CONCLUSION, ONE THING THAT DAN AND I CAN TELL YOU HERE TODAY, IS THAT IF YOU HONOR US WITH THE CASINO LICENSE, THAT GIVES US THE OPPORTUNITY TO BRING THIS PROJECT TO LIFE IN THE CAPITAL REGION, WE WON'T LET YOU DOWN.

WE WILL DELIVER THIS PROJECT ON TIME, AND WE WILL OPERATE THE RESORT IN A WAY THAT WILL DELIVER ALL OF THE BENEFITS ENVISIONED BY THE GOVERNOR, AND

BECOME ITSELF A PART OF THE
FABRIC AND HISTORY OF THE
CAPITAL REGION ITSELF.
THANK YOU VERY MUCH.
>> THANK YOU.
>> QUESTIONS.
>> YES, JUST ONE STATEMENT.
THIS IS A COMPLIMENT FOR
BREAKING OUT AND COMBINING AND
HIGHLIGHTING MWBE PARTICIPATION
IN THIS PROJECT.
IT IS SOMETHING WE HAVE
MENTIONED IN OUR RFP AND I THINK
IT IS A IMPORTANT COMPONENT TO
EVERY PROJECT AND I WANT TO
CONGRATULATE YOU FOR
HIGHLIGHTING THAT.
>> THANK YOU.
>> I HAVE A QUESTION.
IN DOING YOUR COMPUTATION ON
REVENUES, DID YOU HAVE AN
OPPORTUNITY TO TAKE INTO ACCOUNT
WHAT WOULD HAPPEN IF ANYTHING --
IF THERE WERE CASINOS -- OTHER
CASINO LICENSES GRANTED SOUTH OF
YOU, FOR EXAMPLE, IN THE
CATSKILLS IN SULLIVAN COUNTY, OR
IN ORANGE COUNTY.
I MEAN DID YOU TAKE THAT INTO
ACCOUNT IN YOUR PROJECTIONS?
AND IF SO, WHAT, IF ANY, IMPACT
DID YOU FIND THAT MIGHT HAVE ON
YOUR PROJECTIONS.
>> I THINK WE'D LIKE TO HAVE MR.
POLLACK JOIN US FOR THAT.
>> WOW, THAT REQUIRES TWO
PEOPLE.
THAT WAS A GOOD QUESTION.
[INAUDIBLE].
>> SO YOUR OPTIMISTIC
PROJECTIONS ASSUME THEY'RE NOT
GOING TO GOBBLE UP SOME OF THE
BUSINESS THAT MIGHT OTHERWISE BE
COMING TO YOU.
SO YOU WOULD HAVE EVEN HIGHER
PROJECTIONS -- OR IS THAT
FACTORED IN OR NOT FACTORED IN
[INAUDIBLE]
>> STATE YOUR NAME FOR THE
RECORD SO WE HAVE THAT.
[INAUDIBLE]
>> IF THE VOTERS IN
MASSACHUSETTS ON ELECTION DAY
VOTE TO REPEAL GAMBLING WHICH

THEY APPROVED THREE YEARS AGO,
AND PROJECTS THEN GET STALLED OR
DON'T GET BUILT, DOES THAT
BENEFIT YOUR PROJECT?

[INAUDIBLE]

>> ONE OTHER QUESTION, PAUL.
NOT FINANCIAL, SO I'M NOT SURE
WHO ELSE ON THE TEAM CAN HANDLE
THIS.

I'M SURE IN A COUPLE WEEKS WITH
THE PUBLIC HEARINGS WE'LL GET
MORE OF THIS.

BUT OF ALL THE PROPOSALS, THE
ONLY ONE I'M HEARING OR
RECEIVING NOTICES OF OPPOSITION
TO THE PROJECT IS ON THIS
PROJECT.

I WAS JUST WONDERING IF SOMEBODY
COULD COMMENT ON THE COMMUNITY
SUPPORT AND IF THOSE WHO ARE
OPPOSING THIS PARTICULAR
PROJECT, ARE THEY FROM WITHIN
THE COMMUNITY OR OUTSIDE THE
COMMUNITY, IF YOU KNOW.

>> SURE.

THERE'S -- THERE HAS BEEN SOME
OF THAT FROM INSIDE THE
COMMUNITY.

IT IS HARD TO TELL EXACTLY WHERE
ALL OF IT HAS COME FROM.

WE'VE BEEN FROM THE VERY
BEGINNING VERY TRANSPARENT ABOUT
WHAT WE WANTED TO DO AND HOW WE
WANTED TO DO IT AND HAVE VERY
ACTIVELY ENGAGED IN A DIALOGUE
WITH THAT COMMUNITY.

BRIAN SPOKE TO THAT A LITTLE
BIT.

THE ENTIRE BUILDING WAS CHANGED
BASED UPON COMMUNITY INPUT SO
THAT WE COULD FIT IN WITH THAT.

SO THOSE EFFORTS CONTINUE.
WE RECENTLY HELD A CAREER FAIR
SO THAT WE CAN START TO TALK
ABOUT THE OPPORTUNITIES THAT
WOULD BE HERE IF WE ARE HONORED
WITH THE LICENSE.

A VENDOR FAIR, SAME THING, FOR
BUSINESSES.

SO THOSE OUTREACH EFFORTS AND
THOSE DIALOGUES WITH THE
COMMUNITY ARE GOING TO CONTINUE
UNTIL A DECISION IS MADE.

>> THANK YOU.

>> IS THE OWNERSHIP STRUCTURE OF CAPITAL VIEW IDENTICAL TO THE OWNERSHIP STRUCTURE OF SARATOGA RACEWAY IS IT.

>> NO, THERE ARE SOME DIFFERENCES.

THE PARTNERSHIP FOR THE CAPITAL REGION IS A 50%-50% PARTNERSHIP WHEREAS CHURCHILL DOWNS WOULD HAVE A MINORITY INTEREST IN THE EXISTING SARATOGA RACEWAY AND CASINO AND THEIR ASSOCIATED PROPERTIES.

>> IT'S NOT CREATED OUT OF A MISALIGNMENT OF INTEREST IN TRYING TO MARKET BOTH FACILITIES DECIDING WHERE TO PUT RESOURCES?

>> I DON'T THINK SO.

THAT'S AN EXCELLENT QUESTION, AND IT IS ONE THAT WE FACED FROM THE VERY BEGINNING OF TALKING ABOUT A PARTNERSHIP.

WE WANTED TO CREATE A STRUCTURE WHERE WE WERE ALIGNED TO GROW BOTH PROPERTIES TO MAKE THEM BOTH SUCCESSFUL AND THAT WE DIDN'T GET INTO A PARADIGM WHERE WE WERE SIMPLY TRYING TO TAKE FROM ONE TO GIVE TO THE OTHER.

SO ALTHOUGH THERE ISN'T A PERFECT ALIGNMENT AND OWNERSHIP PERCENTAGE, THERE IS STILL QUITE AN ECONOMIC INCENTIVE TO FOCUS THE MARKETING TEAMS AND MARKETING EFFORTS ON GROWING THE PIE INSTEAD OF TRYING TO CHEAT AND CANNIBALIZE IT FROM THE SARATOGA FACILITY.

>> THANK YOU.

>> SIR, IF I CAN JUST ADD ONE FURTHER THING TO THE CHAIRMAN'S QUESTION ABOUT MASSACHUSETTS, I'D SUPPLEMENT MR. POLLACK'S ANSWER BY NOTING THAT OUR SITE IS CLOSEST IN THE CAPITAL REGION, CLOSEST TO THE MASSACHUSETTS BORDER.

TO THE EXTENT THAT MASSACHUSETTS DIDN'T SEE CASINOS, IT WOULD BE BEST POSITIONS FOR TO US CAPITALIZE ON THAT.

>> COULD YOU EXPLAIN TO ME WHY THE SARATOGA RACEWAY CASINO IS NOT GOING TO LOSE CUSTOMERS IF

YOU GET A FULL-BLOWN CASINO IN SARATOGA?

I MEAN YOU KEEP SAYING THAT YOU'RE NOT GOING TO CANNIBALIZE THE HARNESS TRACK.

BUT I ASSUME THE HARNESS TRACK , WHAT ATTRACTED THEM WAS THE CASINO.

WHY WOULDN'T THEY -- IT'S NOT THAT FAR AWAY.

WHY WOULDN'T THEY GO TO YOUR BEAUTIFUL NEW PLACE HERE AND PUT SARATOGA RACEWAY -- IT MAY BE IN SOME DANGER.

>> THAT'S AN EXCELLENT QUESTION. LET ME EXPLAIN HOW WE THINK ABOUT IT.

IN OUR VIEW, WHEN YOU HAVE TWO COMPLIMENTARY PROPERTIES, TWO PROPERTIES IN CLOSE PROXIMITY OWNED BY ONE OWNERSHIP TEAM, YOU ALWAYS WANT TO GIVE THE CUSTOMER THE CHOICE TO GO WHEREVER THEY ARE MOST COMFORTABLE.

SOMETIMES THAT'S A FUNCTION OF THE LEVEL OF DECOR AND FINISH, SOMETIMES IT IS THE QUESTION OF PROXIMITY TO THEIR HOMES OR WORKPLACE.

I WOULDN'T SUGGEST THAT THERE AREN'T CUSTOMERS WHO ARE GOING TO LEAVE THE SARATOGA FACILITY TO COME TO THE CAPITAL VIEW FACILITY.

THERE VERY WELL MAY BE.

AND THAT'S OKAY.

WE WANT TO SEND CUSTOMERS TO GO TO WHERE THEY ARE MOST COMFORTABLE AS OPPOSED TO TRYING TO DRIVE THEIR BEHAVIOR TO ONE FACILITY OR THE OTHER.

SO WHAT I MEANT IN MY PRIOR REMARKS IS THE FOCUS IS ON GROWING PARTICIPATION IN TERMS OF CUSTOMER PARTICIPATION IN GAMING AND THE REGION, NOT CONVINCING PEOPLE TO PICK ONE PLACE OVER THE OTHER.

>> IF I COULD ADD ONE THING. TO ANSWER YOUR QUESTION VERY DIRECTLY, THAT CANNIBALISM IS BAKED INTO OUR NUMBER.

WE THINK WE ARE UNIQUELY QUALIFIED TO MANAGE THAT

COMPETITION AND TO STRUCTURE THE PROMOTIONS AND THE MARKETING BETWEEN THE TWO PROPERTIES SO THAT THERE IS A UNIFIED OFFERING AND WE CAN MANAGE THE CANNIBALISM AND WHAT WE HOPE TO AVOID IS WHAT'S HAPPENED IN SO MANY OTHER MARKETS AROUND THE COUNTRY WHERE YOU HAVE FIERCE COMPETITION IN A CONSTRAINED MARKET, THERE IS A RACE TO THE BOTTOM.

WHERE COMPANIES ARE JUST LITERALLY BUYING VISITS AND THAT'S NOT SUCCESSFUL OR BENEFICIAL TO ANYBODY. THANK YOU.

>> THANK YOU VERY. NICE JOB.

NEXT UP WILL BE HARD ROCK IN RENSSELAER.

WE'LL ASK THEM TO BEGIN SETTING UP.

>>> I AM THE PRESIDENT OF OXFORD REAL ESTATE.

IN ADVANCE, IN CASE YOU CAN'T HEAR, I APOLOGIZE.

I AM GETTING OVER A LITTLE BIT OF A SORE THROAT.

IF I GO A LITTLE QUIET, JUST ASK ME TO REPEAT MYSELF.

I'M HAPPY TO DO SO.

LET'S SPEND A LITTLE BIT OF TIME AND I WILL INTRODUCE THE ENTIRE TIME AS WE MOVE THROUGH THE PRESENTATION.

>> EXCUSE ME.

>> FOLKS, HAVE YOUR SIDEBARS OUTSIDE THE ROOM, PLEASE.

THANK YOU.

SORRY, BEAR WITH US FOR A MINUTE.

JUST A QUICK SNAPSHOT OF THE TEAM.

I'M PLEASED TO BE JOINED TODAY BY JIM ALLEN, CHAIRMAN OF HARD ROCK INTERNATIONAL, AS WELL AS JOHN ELLIOTT, CEO OF GLOBAL GAMING CONSULTING, AS WELLING A MY COLLEAGUE WHO IS SENIOR PRINCIPAL OF REAL ESTATE.

WHAT I WANT TO COVER TODAY BRIEFLY IS A LITTLE BIT OF A

WALK-THROUGH OF OUR TEAM, TALK ABOUT FINANCIAL CERTAINTY WHICH I THINK IS A CRITICAL ELEMENT OF OUR PRESENTATION HERE.

I'M GOING TO TURN IT OVER TO JAMIE TO SPEND A LITTLE BIT OF TIME ON THE BACKGROUND OF THE HARD ROCK BRAND, AS WELL AS A DETAILED OVERVIEW OF THE PROJECT, LOCATION AND DESCRIPTION.

NICK WILL COME UP AND SPEAK A LITTLE BIT ABOUT THE PROJECTED ECONOMIC IMPACT OF THE PROJECT. FIRST BEFORE JUMPING INTO A LITTLE BIT OF DETAIL ON THE TEAM AND THE FINANCIAL CONSIDERATIONS, I WANTED TO SPEND A MINUTE TALKING ABOUT WHY WE ARE SO EXCITED ABOUT THE PROJECT AND WHY I THINK THE PROJECT WILL BE DIFFER AND IS BEST SUITED FOR THE CAPITAL REGION.

LET'S START RIGHT AT THE TOP WITH WORLD CLASS DESTINATION RESORT.

WE ARE NOT BUILDING JUST ANOTHER LOCALS CASINO.

A LOCALS CASINO WILL NOT GENERATE THE REVENUE THAT IS SORELY NEEDED BY THE CAPITAL REGION.

WHAT WE ARE LOOKING TO DO IS CREATE A WORD ARE CLASS DESTINATION RESORT BY PLAYING ON THE BRAND POWER OF HARD ROCK INTERNATIONAL.

AGAIN, WE'LL SPEND A LOT OF TIME TALKING ABOUT THAT THROUGHOUT COURSE OF THE DAY BUT WE BELIEVE THE COMBINATION OF THE PROJECT THAT NEEDS DEVELOPED ALONG WITH THE HARD ROCK BRAND WILL ALLOW US TO ATTRACT NEW VISITORS TO THE REGION AND THAT, TO US, IS REALLY A WIN-WIN FOR EVERYONE. IN TERMS OF LOCATION WE'LL SPEND TIME TALKING ABOUT IT TODAY.

WE BELIEVE THE PROXIMITY TO ALBANY, PROXIMITY TO THE TRANSPORTATION NETWORKS AND IN PARTICULAR LOCATION ON THE WATER FRONT GIVES US A VERY UNIQUE

SITE THAT NOT ONLY ALLOWS PEOPLE
PROPER ACCESS BUT, OVER TIME,
WILL LEAD TO SIGNIFICANT FUTURE
DEVELOPMENT ALONG THE WATER
FRONT.

KEY COMPONENT -- NO FINANCING
RISK.

WE ARE NOT GOING TO GO OUT AND
SECURE THIRD PARTY FINANCING.
WE, AS THE EQUITY PROVIDERS,
WILL SPEAK FOR ALL OF THE
CAPITAL THAT'S REQUIRED IN THE
PROJECT.

SO WE WON'T NEED TO RELY ON
THIRD PARTY FINANCING SOURCES.
I THINK BECAUSE OF THOSE THREE
KEY PIECES, WE HAVE FOUND
OURSELVES IN A UNIQUE POSITION
TO HAVE GENERATED VERY
SIGNIFICANT LOCAL AND REGIONAL
SUPPORT.

I JUST HEARD AS WE WERE WALKING
IN THAT WE GOT OUR 11th COUNTY
IN THE REGION THAT SUPPORT OUR
PROJECT SO WE'RE VERY PLEASED
WITH THAT.

I THINK THAT SPEAKS TO THE
QUALITY OF THE TEAM AND THE
QUALITY OF THE PROPOSED PROJECT.
WE THINK THE COMBINATION OF ALL
OF THAT WILL ALLOW US TO HAVE A
TRUE TRANSFORMATIONAL IMPACT ON
THE CAPITAL REGION.

AS WE GO THROUGH, I THINK WHAT
YOU'LL SEE IS THE PROJECTS THAT
WE HAVE DONE AND THE PROJECTS
THAT HARD ROCK HAS WORKED ON
HAVE TRULY CHANGED THE AREAS
THAT WE HAVE INVESTED IN.

I THINK THIS IS A CRITICAL
ASPECT TO DIFFERENTIATING THE
PROJECT.

EVERYONE IS WELL AWARE OF WHAT'S
GOING ON IN THE GAMING INDUSTRY.
WE HAVE EXPERIENCED A LONG
PERIOD OF INCREASED SUPPLY IN
THE GAMING INDUSTRY, LARGELY
REGIONAL AND LOCAL CASINOS.
THAT IS NO LONGER A RECIPE FOR
SUCCESS.

YOU HAVE TO BE DIFFERENT.
YOU HAVE TO HAVE AN ATTRACTION.
YOU HAVE TO HAVE A REASON FOR
PEOPLE TO WANT TO COME TO YOUR

PROJECT.

WHAT WE HAVE SEEN IS HARD ROCK IS THAT DIFFERENCE.

THERE IS A CERTAIN LEVEL OF EXPERIENCE THAT PEOPLE HAVE COME TO EXPECT FROM THE HARD ROCK BRAND AND HARD ROCK HOTELS AND HARD ROCK CASINOS.

THAT'S WHAT WE ANTICIPATE DELIVERING HERE.

I THINK WE DON'T SPEAK ABOUT THAT IN THE ABSTRACT OR IN PROJECTIONS.

WE LOOK AT IT BECAUSE WE ARE DOING IT RIGHT NOW IN ANOTHER MARKET.

WE RECENTLY COMPLETED A PROJECT JUST OUTSIDE CLEVELAND, OHIO, THE HARD ROCK RACIOS.

BOTH HAVE THE SAME POPULATION AND BOTH COST, PLUS OR MINUS, THE NAMED AMOUNT.

IF YOU LOOK AT OUR PERFORMANCE, WE OPERATE CLOSE TO FOUR TIMES THE LEVEL OF OUR COMPETITION. SO IT'S NOT JUST THAT WE HOPE WE CAN DO IT HERE.

WE KNOW WE CAN DO IT HERE BECAUSE WE'RE DOING IT IN OTHER MARKETS WITH SIMILAR DEMOGRAPHICS.

LET'S TURN TO THE TEAM. I'LL SPEND TWO MINUTES.

WE ARE A PRIVATE EQUITY FUND I FOUNDED.

WE ARE BASED IN NEW YORK.

WE HAVE \$6 BILLION OF REAL ESTATE ASSETS OVER THE PAST 10 OR 11 YEARS.

OUR KEY DIFFERENTIATING FACTOR IS MOST OF THOSE INVESTMENTS HAVE BEEN IN OPERATIONALLY INTENSIVE BUSINESSES.

SO WE HAVE INVESTED SIGNIFICANTLY IN HOTELS.

WE'VE INVESTED SIGNIFICANTLY IN GAMING PROJECTS.

SENIOR HOUSING.

GOLF COURSES.

ALL BUSINESSES WHERE YOU REALLY DIFFERENTIATE YOURSELF AND YOU REALLY DELIVER A BETTER PRODUCT BY FOCUSING ON THE OPERATIONAL SIDE OF THE BUSINESS.

THAT IS WHERE OUR EXPERIENCE LIES AND THAT IS WHAT WE WILL BRING TO BEAR IN THIS PROJECT. MORE SPECIFICALLY, JUST TO GIVE YOU SOME RECENT EXPERIENCE THAT WE'VE HAD, WE'VE JUST COMPLETED TWO PROJECTS, ONE I MENTIONED WHICH IS JUST OUTSIDE CLEVELAND, OHIO.

ANOTHER WE JUST FINISHED IN PORTLAND, MAINE.

GROUND-UP CASINO DEVELOPMENTS PROJECTS.

BUILT THEM ON TIME, ON BUDGET AND THEY'VE BOTH OUTPERFORM OUR EXPECTATIONS.

SO VERY PLEASED ON THAT FRONT. THEN WITH RESPECT TO THE -- ONE OF THE PURPOSES OF TODAY, TO GIVE YOU A SENSE OF OUR BACKGROUND, WE HAVE BEEN VETTED BY -- SORRY ABOUT THAT.

WE HAVE BEEN VETTED BY THE NEW YORK STATE LOTTERY DIVISION IN CONNECTION WITH OUR PURSUIT OF THE OF AQUEDUCT LICENSE IN 2009. WE HAVE BEEN THROUGH THE PROCESS AND HAVE BEEN VETTED THERE AS WELL.

JUST A LITTLE BIT MORE ON OUR EXPERIENCE.

OBVIOUSLY THIS IS A COMPLEX PROJECT AND IT FITS VERY WELL WITH THE THINGS THAT WE HAVE DONE.

THE CASINO IN MAINE THAT I MENTIONED.

MULTI-PHASE CASINO DEVELOPMENT PROJECT.

WE'VE BUILT OVER 1,500 HOTEL ROOMS IN VACCERVILLE, OKLAHOMA. OVER THE LAST FIVE OR YEARS, ROUGHLY SPEAKING.

A \$300 MILLION.

DEVELOPMENT PROJECT RECENTLY COMPLETED IN VAIL, COLORADO.

WE HAVE EXPERIENCE IN HARD TO BUILD LOCATIONS WITH COMPLEX PROJECTS AND DOING THEIR OWN MULTIPLE PHASES.

HARD ROCK, NOT SURE HOW MUCH OF AN INTRODUCTION THEY NEED.

JUST A COUPLE OF COMMENTS.

EVERYONE IN THE PROBLEM HAS

PROBABLY EITHER VISITED, BEEN TO OR PASSED BY ONE ARE OF OUR HARD ROCKS.

ONE OF THE MOST ICONIC BRANDS INTERNATIONALLY.

TODAY THE PORTFOLIO CONSISTS OF CLOSE TO 190 LOCATIONS.

WHEN YOU THINK ABOUT WHAT THAT MEANS TO US, THERE'S NO OTHER PROJECT THAT WILL BE PRESENTING OR THAT'S UNDER CONSIDERATION THAT CAN CREATE THE SAME LEVEL OF CROSS MARKETING OPPORTUNITIES THAT WE CAN WITH HARD ROCK.

WE BELIEVE THAT WE WOULD BE ABLE TO ATTRACT PEOPLE TO THIS FACILITY IN LARGE PART BECAUSE OF SOME OF THE MARKETING OPPORTUNITIES THAT WE'LL BE ABLE TO DO.

SOMEONE WILL COME HERE.

WE CAN SEND THEM TO PUNTA CANA AND THOSE TYPE OF THINGS

DISTINGUISH OUR PROPERTY.

BEING INVOLVED IN 190 DIFFERENT INDIVIDUAL ASSETS BRINGS VERY SIGNIFICANT OPERATIONAL EXPERPER TEASE.

WE'VE ALREADY BEEN WORKING WITH HARD ROCK TO DEVELOP OUR SENIOR MANAGEMENT TEAM AND REALLY CALL UPON THAT EXPERIENCE BECAUSE ULTIMATELY IT IS THE DELIVERY OF OPERATIONS AND EXPERIENCE THAT WILL SEPARATE OUT THIS PROJECT. ALSO PART OF OUR TEAM GLOBAL GAMING CONSULTING.

THEY ARE ACTUALLY A SUBSIDIARY OF WHAT I BELIEVE IS NOW THE LARGEST CASINO IN THE COUNTRY BY GAMING POSITIONS.

WE'VE WORKED WITH THEM FOR MANY YEARS, BOTH IN TERMS OF CASINO EXPANSIONS, AS WELL AS HOTEL DEVELOPMENTS.

THEY ALSO BRING TO BEAR VERY SIGNIFICANT STRATEGIC ADVICE ON THE OPERATIONS SIDE.

I THINK WHEN YOU LOOK AT THE TEAM, THE KEY TAKE-AWAY IS WE'VE DONE THIS BEFORE, WE'VE WORKED TOGETHER, AND WE DELIVERED PROJECTS THAT HAVE BEEN QUITE SUCCESSFUL AND WE THINK WE CAN

DO IT HERE IN THE CAPITAL REGION
AS WELL.

FINANCIAL CERTAINTY.

PROBABLY THE AREA I AM MOST
FAMILIAR TALKING ABOUT.

THE CAPITAL MARKETS ARE
INCREDIBLY VOLATILE AND MOVE
FASTER AND FASTER SEEMS WITH
EACH YEAR THAT PASSES.

BRINGING FINANCIAL CERTAINTY TO
THE PROJECT IS THE, IN MY
OPINION, MOST IMPORTANT FACTOR.
WE NEED TO GET THIS BUILT, WE
NEED TO GET IT BUILT ON TIME, ON
BUDGET.

IF YOU ARE RELYING ON OUTSIDE
CAPITAL PROVIDERS TO DO THAT,
YOU WILL, AND CAN, RUN INTO A
SNAG AND IT DOESN'T -- YOU DON'T
HAVE TO LOOK TOO FAR TO SEE A
WHOLE BUNCH OF RECENT SNAGS IN
THE INDUSTRY WHERE PROJECTS THAT
LOOKED SOUND UP FRONT ENDED UP
BECOMING STALLED OR ABANDONED
BECAUSE THEY DIDN'T PUT IN PLACE
THE RIGHT CAPITAL STAFF.

FOR US, AS WE THINK ABOUT THE
PROJECT, WE WILL SPEAK FOR THE
ENTIRE CAPITAL STAFF.

WE WILL NOT RELY ON THIRD PARTY
VENDORS OR THIRD PARTY FINANCING
SOURCES.

WHAT THAT ALLOWS US TO DO IS
REALLY MAXIMIZE THE PROJECT
CERTAINTY.

ON TOP OF THAT, IT ALLOWS US TO
ENHANCE THE SPEED TO MARKET.
AGAIN, NOTHING WILL GET IN THE
WAY OF US GETTING A SHOVEL IN
THE GROUND AND GETTING THIS
PROJECT BUILT AND DELIVERED.
SO CLEARLY THE TEAM HAS A LOT OF
THE EXPERIENCE TOGETHER.

WE'VE WORKED TOGETHER.

WE CAN DO THIS AND GET IT DONE
ON TIME AND ON BUDGET.

FROM THE FINANCIAL SIDE, WE FEEL
LIKE THAT'S COMPLETELY BUTTONED
UP AS WELL.

WITH THOSE INTRODUCTORY
COMMENTS, JIM WILL GIVE YOU SOME
INFORMATION ON THE HARD ROCK
BRAND AND THE PROJECT ITSELF.

>> THANK YOU, STEVE.

GOOD AFTERNOON, EVERYONE.
ONCE AGAIN, THANK YOU FOR THE
OPPORTUNITY FOR OUR PRESENTATION
TODAY.

THE HARD ROCK BRAND IS SOMETHING
THAT IS TRULY LEGENDARY.
BRAND ITSELF HAS BEEN AROUND
ITSELF IN EXISTENCE FOR 42 YEARS.
IT IS A BRAND THAT PARTICIPATES
IN 58 COUNTRIES AROUND THE
WORLD.

WE THINK THAT EXPERIENCE OF THE
BRAND, OBVIOUSLY ITS NOTORIETY,
CREATES AN ENVIRONMENT THAT WILL
PRODUCE REAL REVENUE FOR THE
STATE OF NEW YORK AND OBVIOUSLY
A GREATER SUCCESS THAN ANY OF
THE OTHER APPLICANTS THAT ARE
EVALUATING THIS PARTICULAR
REGION.

AS WE LOOK AT THE BRAND, ITS KEY
ADVANTAGES ARE PEOPLE KNOW THE
BRAND.

THEY KNOW THE EXPERIENCE.
ONE OF THE THINGS THAT IS TRULY
A CHALLENGE TODAY IN OUR
INDUSTRY IS THAT THE FACT THAT
LOCAL GAMING IS BECOMING
REDUNDANT.

PEOPLE SEE THIS JUST ABOUT EVERY
STATE NOW IN THE UNITED STATES.
WE BELIEVE IT'S VERY IMPORTANT
TO CREATE AN ENTERTAINMENT
DESTINATION, NOT JUST SLOTS IN
THE BOX.

THE CONCEPT OF JUST PUTTING
GAMING DEVICES AND TABLES ON A
PARTICULAR CASINO FLOOR AND THEN
LOOKING AT DEMOGRAPHICS AND
SUGGESTING THAT THERE WILL BE
"X" REVENUES AND MODELS.

WE'VE ALL BEEN DOING THAT.
I'VE BEEN IN THE BUSINESS FOR 34
YEARS.

WHAT'S CLEARLY HAPPENING NOW IS
THAT'S DEMONSTRATING THAT THAT
IS NOT A LONG-TERM SOLUTION.
WE THINK THE BRAND ITSELF CAN
SEPARATE OURSELVES FROM OTHER
PHILOSOPHIES THAT DIFFER FROM
THAT.

WE HAVE A PROVEN TRACK RECORD.
WHEN YOU LOOK AT THE SUCCESS
THAT THE BRAND HAS ENJOYED --

OBVIOUSLY OUR TEAM WORKING TO THE ON OTHER PROJECTS, THIS IS SOMETHING THAT IS, WE BELIEVE, A REAL KEY TO SUCCESS OF THE PROJECT ITSELF.

VERY RARELY DOES THE STATE HAVE THE OPPORTUNITY TO JOIN IN A PARTNERSHIP WITH A GROUP THAT SAYS THE MONEY IS IN PLACE, THE MONEY IS IN THE BANK.

THERE IS NO SECONDARY FINANCING. THERE'S NO QUESTION ABOUT WHAT MAY OR MAY NOT HAPPEN IN THE CAPITAL MARKETS.

THAT'S VERY UNIQUE IN OUR INDUSTRY AND WE THINK IT IS SOMETHING THAT CREATES A TRUE ATTRACTION TO OUR PROJECT.

THE NEXT ITEM IS THAT WHEN WE THINK ABOUT PHILANTHROPIC EFFORTS.

WHEN WE THINK ABOUT BEING INVOLVED WITH A COMMUNITY, WE HUMBLY BELIEVE THAT NO OTHER COMPANY IN THE WORLD IN THE HOSPITALITY SPACE HAS THE PROVEN TRACK RECORD THAT HARD ROCK DOES AS FAR AS WORKING, BECOMING PART OF LOCAL COMMUNITIES.

NOT JUST AT THE COMMUNITY LEVEL, NOT AT THE COUNTY LEVEL, NOT JUST AT THE STATE LEVEL.

BUT ACTUALLY ON AN INTERNATIONAL AND COUNTRY LEVEL.

THAT'S SOMETHING THAT'S REALLY UNIQUE.

THAT'S SOMETHING THAT PUTS US IN AN ENVIRONMENT WE ARE USED TO DEALING WITH GOVERNMENTS, WE'RE USED TO DEALING WITH MUNICIPALITIES, AND MOST IMPORTANTLY, WE DON'T EXPECT THE RED CARPET.

WHAT WE EXPECT IS TO NAVIGATE INTO THE COMMUNITY, FIGURE OUT THE LOCAL CHARITIES, FIGURE OUT LOCAL INDIVIDUALS SO THAT WE CAN BE PART OF THE COMMUNITY AND OBVIOUSLY HELP OTHERS.

JUST REAL QUICKLY, WE'RE ACTUALLY 189 LOCATIONS.

BY THE END OF THE YEAR WE'LL BE AT 200 LOCATIONS.

90 MILLION PEOPLE VISITED A HARD

ROCK LAST YEAR.

WE CLEARLY HAVE BRAND AWARENESS.
IF WE ARE GOING TO RELY SOLELY
ON THE LOCAL POPULATION, WE DO
NOT BELIEVE THE CAPITAL REGION
IS SOMETHING THAT WILL HAVE
LONG-TERM SUCCESS.

WE THINK IT IS VERY, VERY
IMPORTANT TO HAVE A BRAND LIKE
HARD ROCK THAT CAN MAKE PEOPLE
TRAVEL NOT JUST 30 MINUTES OR 50
MINUTES OR 90 MINUTES, BUT
ACTUALLY TRAVEL GREAT DISTANCES
TO SEE THE NEWEST AND THE LATEST
HARD ROCK.

WE HAVE OVER 77,000 PIECES OF
MUSIC MEMORABILIA.

THAT IS TRULY ONE OF THE ITEMS
THAT SEPARATES OURSELVES FROM
OUR COMPETITION.

BECAUSE WHAT WE KNOW -- IT'S
BEEN PROVEN OVER AND OVER
AGAIN -- IS PEOPLE WILL TRAVEL
THE GLOBE TO FIND AND EXPLORE
THE MUSIC MEMORABILIA THAT WE
OWN.

IT IS THE WORLD'S MOST VALUABLE
AND LARGEST COLLECTION OF MUSIC
MEMORABILIA.

AND WE HAVE OVER 34,000 PEOPLE
THAT WORK WITH THE BRAND ON A
DAILY BASIS.

ARE YOUR REVENUES ARE A LITTLE
IN EXCESS OF \$4 BILLION ON AN
ANNUAL BASIS.

THIS SLIDE HERE GIVES A
DEMONSTRATION OF HOW THE BRAND
HAS RESONATED TO THE WORLD'S
POPULATION.

SOME MAY ASK, HOW IS THAT GOING
TO AFFECT THE CAPITAL REGION IN
THE STATE OF NEW YORK.

WELL, WHAT WE KNOW IS THAT NEW
YORK IS AN AMAZING STATE AND WE
KNOW THAT PEOPLE VISIT THIS
STATE.

OBVIOUSLY ALBANY BEING THE
CAPITAL, WE KNOW PEOPLE TRAVEL
THE GLOBE, OVER 10 MILLION
PEOPLE IN OUR DATABASE TODAY,
THAT WE KNOW WILL HAVE ACCESS
AND INTEREST IN OUR PARTICULAR
LOCATION IF WE ARE CHOSEN TO BE
THE OPERATOR IN THE CAPITAL

REGION.
MUCH OF THE WORLD THERE IS RED
WHICH INDICATES THAT THERE IS
HARD ROCK LOCATION IN THOSE
PARTICULAR DESTINATIONS.
MUSIC IS A DIFFERENTIAL.
PEOPLE THINK SOMETIMES THAT HARD
ROCK IS A BRAND OF ROCK 'N'
ROLL.
THAT USED TO BE THE CASE IN THE
'80s.
BUT NO LONGER.
YOU CAN SEE THERE TO THE FAR
RIGHT, THAT'S RIHANNA.
JUST IN JUNE OF THIS YEAR WHEN
WE WERE WORKING WITH HER
DIRECTLY AND ONE OF HER
CHARITIES IN ORDER TO TRY TO
HELP LOCAL COMMUNITIES.
WE HAVE A TREMENDOUS
RELATIONSHIP WITH KENNY CHESNEY
IN THE COUNTRY WORLD.
OBVIOUSLY WE HAVE OUR OWN RECORD
LABEL AND WE ARE ALWAYS WORKING
WITH ARTISTS TRYING TO HELP AND
CREATE A TRIANGULAR EFFECT SO
THAT IN CELEBRITY PHILANTHROPIC
EFFORTS, WORKING WITH
COMMUNITIES AND STATES IN ORDER
TO CREATE EXCITEMENT SO THAT
OBVIOUSLY THAT, IN THEORY, WILL
ENHANCE VISITOR PARTICIPATION.
SO THIS HAPPENS TO BE A FACILITY
THAT WE RECENTLY OPENED AT THE
END OF LAST YEAR.
OUR FIRST FULL MONTH, THIS IS IN
OHIO, RIGHT OUTSIDE OF
CLEVELAND.
THE FIRST FULL MONTH WAS IN
JANUARY OF THIS YEAR.
EACH MONTH WE HAVE NOT ONLY BEEN
NUMBER ONE IF THE STATE IN SLOT
REVENUE BUT EXCEEDING OUR
COMPETITION BY OVER 40%.
WE DO NOT THINK THAT'S LUCK.
WE THINK THAT'S THE MANAGEMENT
TEAM.
WE THINK THAT'S THE PROJECT AND
MANAGEMENT TEAM IN THE FACILITY
THAT WE CREATED.
MOST IMPORTANTLY WE THINK THE
BRAND HAS A LOT TO DO WITH THAT.
THIS GIVES YOU SOME SHOTS OF
WHAT TRADITIONALLY OUR HARD ROCK

FACILITY CAN LOOK LIKE.

ONE OF THE GREAT THINGS ABOUT
THE BRAND IS, AS I MENTIONED,
THE MUSIC MECHANICAL --
MEMORABILIA.

NOW AS YOU GO TO HARD ARE ROCK
LOCATIONS, WE'RE DOING THEM IN
MUSEUM QUALITY.

THERE'S ACTUALLY A HISTORY AND
THERE'S ACTUALLY EDUCATIONAL
INFORMATION THAT'S PROVIDED WITH
EACH OF THESE PIECES.

THEREFORE, IN ITSELF THAT
BECOMES AN EXPERIENCE.

WE THINK SOMETHING LIKE THAT IS
VERY, VERY IMPORTANT.

MOST IMPORTANTLY, WE HAVE THE
ABILITY TO ROTATE OUR MUSIC
MEMORABILIA.

HYPOTHETICALLY, IF THERE IS AN
AMAZING CONCERT OVER IN THE CITY
OF ALBANY AND WHATEVER THE
PARTICULAR ACT MAY BE, WE WILL
THEN MOVE OUR MEMORABILIA TO
ACTUALLY BECOME PART OF THE
EVENT.

SO THAT WE'RE WORKING WITH THE
CITY OBVIOUSLY, WITH THE REGION
SO THAT WHEN PEOPLE POTENTIALLY
PURCHASE TICKETS AT ANY ONE OF
THE ENTERTAINMENT FACILITIES
OVER THERE, THEY'LL HAVE ACCESS
TO SEE SOME OF THE TREMENDOUS
MEMORABILIA THAT THE ARTIST HAS
OBVIOUSLY WORKED WITH US TO
CREATE.

WE HAVE A PRETTY GOOD TRACK
RECORD.

THIS PARTICULAR SITE
DEMONSTRATES PEOPLE PREFER
PREFER THE BRAND.

WE WERE COMPETING WITH OUR
FRIENDS AT HARRAH'S AND
HORSESHOE.

IF SOMEBODY IS ASKED THE
QUESTION WHERE WOULD THEY LIKE
TO GO TO AN ENTERTAINMENT
FACILITY THIS WEEKEND, THEY KNOW
THE BRAND, EXPERIENCE, THE
LONGEVITY AND THE TRACK RECORD,
WE BELIEVE THAT WILL GENERATE
MORE VISITS.

MORE TRIP VISITATION CREATES
MORE REVENUE AND EVENTUALLY MORE

TAX DOLLARS AND A MORE STABLE FACILITY HERE IF THE CAPITAL REGION OF THE STATE OF NEW YORK. SO, WE LIKE TO DO OUR HOMEWORK. WE WENT OUT AND HIRED A GROUP THAT WENT OUT AND DID A STUDY. THEY DID A COMPARISON OF THE DIFFERENT BRANDS AND WE LOOKED AT OUR REVENUES INITIALLY IN THE STATE OF OHIO.

YOU CAN SEE HERE, CLEARLY DOMINANT COMPARED TO ALL THE OPERATORS IN THE STATE. THEN WE TOOK THAT INFORMATION AND WE SAID, HOW WILL THAT RELATE TO HERE IN THE CAPITAL REGION.

THIS IS AN INDEPENDENT STUDY WHICH WE'D BE HAPPY TO PROVIDE. I THINK WE ACTUALLY DID IN OUR APPLICATION.

YOU CAN SEE AGAINST THE OTHER APPLICANTS THAT HAVE SUBMITTED IN THIS PARTICULAR AREA, HANDS-DOWN, HARD ROCK BRAND IS THE CHOICE BY THE LOCAL CUSTOMERS IN THE NEW YORK MARKET HERE.

SO WHEN YOU HAVE THOSE TYPE OF PREMIUMS WHICH WE KNOW ALREADY UP FRONT, WE'RE FAIRLY CONFIDENT THAT THAT WILL CREATE MORE REVENUE FOR THE STATE ITSELF. I MENTIONED ABOUT BEING PART OF THE COMMUNITY.

THE COMMUNITY IS REALLY THE ROOFTS BRAND.

BACK IN 1971 WHEN PETER MORTON AND ISAAC TIGER STARTED THE BRAND, ONE OF THE FOUNDATION BLOCKS WAS LOVE ALL, SERVE ALL. EVERY EMPLOYEE GOES THROUGH TREMENDOUS TRAINING WORKING WITH LOCAL COMMUNITIES, WORKING WITH OBVIOUSLY HELPING OTHER PEOPLE. WHETHER IT'S SHAKIRA, RINGO STAR.

IMAGINE THIS -- YOKO ONO HAS ACTUALLY GIVEN UPS THE RIGHTS TO THE JOHN BY JOHN LENNON, "IMAGINE."

THERE IS A GLOBAL CAMPAIGN, NONE OF THE ARTISTS WE PAY ANY MONEY TO.

THEY VOLUNTEER THEIR TIME TO
HELP US GIVE BACK TO OTHERS.
OTHER THING THAT'S INTERESTING
ABOUT THE HARD ROCK BRAND --
SAVE THE PLANET.
BACK IN 1971 WHO WAS THINKING
ABOUT SAVE THE PLANET?
BUT THAT'S THE ROOTS OF OUR
PARTICULAR BRAND.
AS WE MARKET THAT AND AS WE LET
PEOPLE KNOW THAT WE'RE NOT JUST
THINKING ABOUT THAT TODAY, AS
OBVIOUSLY THE WORLD STARTS
FOCUSING MORE ON ENERGY AND THE
CHALLENGES, IT'S SOMETHING THAT
OUR PARTICULAR BRAND HAS BEEN
DOING IN EXCESS OF 40 YEARS.
SO OUR LOCATION.
SO WE HAVE LOOKED AT A LOT OF
LOCATIONS IN THE STATE OF NEW
YORK.
I PROMISE YOU THAT.
WHAT WE LEARNED WAS THAT
OBVIOUSLY THE LOCAL SUPPORT FROM
THE MAYOR AND FROM THE COUNCIL,
THE CITY OF RENSSELAER, FROM ALL
THE COUNTIES STEVE TALKED ABOUT,
WE BELIEVE TRULY THAT THIS IS,
BY FAR, THE BEST LOCATION.
WHY IS THAT.
AS I MENTIONED, I'VE BEEN IN THE
BUSINESS FOR OVER 30 YEARS.
LOCATION MEANS A LOT.
WHEN THERE IS INFRASTRUCTURE IN
PLACE THAT EXISTS, THAT'S VERY
IMPORTANT.
THE SITE ITSELF WITH IT'S MAZING
VIEW OF THE CITY OF ALBANY.
MOST IMPORTANTLY, IT IS THE ONLY
SITE THAT DIRECTLY SITS ON THE
HUDSON RIVER.
IF WE THINK ANYTHING ABOUT THE
STATE OF NEW YORK, OBVIOUSLY THE
HUDSON RIVER IS SYNONYMOUS WITH
THAT.
WE BELIEVE THE SITE ON THE RIVER
CREATES A BOARDWALK ENVIRONMENT
UTILIZING THE NATURAL ATTRIBUTES
OF THE SITE IS SOMETHING THAT'S
INCREDIBLY IMPORTANT.
LAST, BUT NOT LEAST, THIS SICK .
THIS PARTICULAR SITE HAS BEEN
WAITING TO BE USED.
WE ACTUALLY HAVE WHAT WE REFER

TO AS THE SPEED TO MARKET.
SPEED TO MARKET MEANS MORE
REVENUE, MORE JOBS, MORE
EMPLOYEES THAT ARE WORKING AND
OBVIOUSLY TAX DOLLARS COMING
BACK TO THE STATE OF NEW YORK.
BUT THEN THE RIPPLE EFFECT OF
ALL THESE NEW EMPLOYEES BOTH ON
THE CONSTRUCTION SIDE AND ALSO
ON THE OPERATIONAL SIDE THAT
WILL BE GOING TO THE LOCAL
VENDORS, GOING TO THE LOCAL
COMMERCE, AND HOPEFULLY PUTTING
MORE DOLLARS BACK INTO THE NEW
YORK ECONOMY, SPECIFICALLY HERE
IN THE CAPITAL REGION.
WE MENTIONED EASE OF ACCESS.
I'M FAIRLY CONFIDENT THAT MOST
PEOPLE KNOW OUR SITE BUT THAT'S
KIND OF IT RIGHT THERE AS WE GO
OVER THE BRIDGE THERE INTO
RENSSELAER, OVER TO THE NORTH,
THAT LARGE KIND OF GREEN AREA ON
THE SLIDE ITSELF.
WHAT ALSO IS INTERESTING, AS WE
STUDIED THE INITIAL INFORMATION
THAT THE STATE OF NEW YORK
PROVIDED, IT WAS VERY CLEAR THAT
THE STATE WAS LOOKING FOR
PROJECTS, LOOKING FOR
DESTINATIONS THAT WOULD BRING
PEOPLE FROM FAR DISTANCES.
WELL, I'VE TAKEN THE TRAIN
NUMEROUS TIMES BACK AND FORTH,
OBVIOUSLY INTO NEW YORK CITY.
WE HAVE ONE OF THE BUSIEST TRAIN
STATIONS IN THE UNITED STATES OF
AMERICA WITHIN MINUTES OF OUR
FRONT DOOR.
NO OTHER APPLICANT CAN SAY THEY
HAVE THE PROXIMITY TO THIS
PARTICULAR LOCATION.
OBVIOUSLY WE'LL WORK WITH THE
SCHEDULES, WORK WITH MARKETING
PLANS IN ORDER TO MAKE SURE THAT
OUR BRAND THAT HAS ALL THIS
INCREDIBLE HISTORY CAN NAVIGATE
PEOPLE MUCH FURTHER FROM THE
AREA, WE'RE NOT JUST IN THE FREE
PLAY GAME, NOT JUST IN THE
CONCEPT OF SEE WHO WE CAN MARKET
THIS WEEK TO GENERATE A FEW
DOLLARS, OUR BUSINESS PLAN, AND
OVER 30% OF OUR GUEST

VISITATIONS, WE BELIEVE, WILL BE OUTSIDE OF THE AREA ITSELF. WE'VE ALSO REACHED OUT AND HAVE ALREADY CREATED RELATIONSHIPS, AS I MENTIONED, WITH SOME OF THE TRUE DESTINATIONS THAT ARE OVER IN ALBANY, WHETHER TIMES UNION CENTER, PALACE THEATER, WE'VE ALSO COMMITTED TO PARTICIPATE WITH THE NEW CONVENTION CENTER TO BE A PARTNER IN THIS RELATIONSHIP.

KIND OF, IF YOU WILL, A PLUS OR TRIANGULAR WAY.

SO, OUR LOCATION, OBVIOUSLY THAT'S A SHOT AT NIGHTTIME LOOKING HOW WE HAVE TRULY ENERGIZED THE WATER FRONT.

AS WE STUDIED, THIS IS NOT A HARD ROCK IDEA.

THIS IS AN IDEA THAT'S BEEN AROUND IN EXCESS OF 20 YEARS. BOTH CITIES HAVE TALKED ABOUT UTILIZING, CREATING EXCITEMENT, CREATING ENTERTAINMENT ON THE WATER FRONT.

WE BELIEVE THIS PARTICULAR DESIGN WHICH WILL GO IN MORE DEPTH IN A MOMENT HAS MET THAT CRITERIA THAT THE STATE AND BOTH THE CITIES HAVE BEEN TRYING TO ACCOMPLISH FOR SOME TIME.

SO SPEED TO MARKET, I HAVE ALREADY MENTIONED.

OBVIOUSLY THE PERMITS ARE IN PLACE.

WE BELIEVE WE CAN PERMIT THIS FACILITY IN A 12 TO 14-MONTH PERIOD.

WE'RE FORTUNATE ALL THE PREVIOUS WORK THAT HAS BEEN DONE ON THE SITE ITSELF.

PEOPLE SAY THAT THEY KNOW HOW TO BUILD A CASINO.

LET ME TELL YOU THE CHALLENGES THAT HAPPEN IN UNSUCCESSFUL CASINO PROJECTS.

USUALLY UNDERFUNDED.

TWO, THEY ARE USUALLY COMPANIES THAT DON'T HAVE THE EXPERIENCE OF DESIGNING, BUILDING, CONSTRUCTING, NEGOTIATING, CONTRACTUAL RELATIONSHIPS TO BUILD FACILITIES LIKE THIS.

WE HAVE OVER 70 HOTEL AND CASINO PROJECTS IN OUR DESIGN SHOP AS WE SPEAK.

MY HEAD OF DESIGN AND CONSTRUCTION IS SITTING HERE. HE DOESN'T GET MUCH SLEEP BUT IT CERTAINLY DEMONSTRATES OUR EXPERIENCE AND OUR ABILITY TO DESIGN AND COMPLETE THIS PROJECT ON TIME.

IN OHIO, NOT ONLY DID WE MEET BUDGET, WE WERE ACTUALLY UNDER BUDGET AND NEVER TOUCHED THE CONTINGENCY AND BUILT THE PROJECT 2 1/2 WEEKS AHEAD OF THE INITIAL SCHEDULE THAT WE ANTICIPATED.

THAT'S SOMETHING THAT'S VERY, VERY UNIQUE AND IT IS SOMETHING THAT YOU DON'T FIND VERY OFTEN IN OUR BUSINESS.

BUT THE LIST IS LONG AND LENGTHY OF PROJECTS THAT HAVE BEEN PROJECTED FOR ONE DAY THAT HAVE BEEN OVERBUDGET THAT HAVE TRIED TO GO BACK IN THE CAPITAL MARKETS TO COMPLETE FINANCING DURING THE PROJECT ITSELF, AND THAT USUALLY LEADS TO TROUBLE. IN OUR PARTICULAR CASE, OUR RECORD IS PROVEN, THAT'S NOT THE CASE.

SO THE DESCRIPTION OF THE PROJECT ITSELF.

IT IS A \$280 MILLION PROJECT. WHAT'S VERY UNIQUE ABOUT OUR NUMBER, BECAUSE OF THE AMAZING STRENGTH, OUR FINANCES ARE STRONG.

FEES ARE SOMETHING THAT, IF WE WERE ACTUALLY GOING OUT TO THE CAPITAL MARKETS TO RAISE FINANCING, THIS NUMBER WOULD GO UP SIGNIFICANTLY.

WE BELIEVE THE FIRST PHASE OF THIS PROJECT SHOULD BE 1,500 MACHINES WITH 50 TABLES AND 100-ROOM HOTEL.

OUR HARD ROCK HOTEL ROOMS ARE TRULY LEGENDARY.

WE DO NOT BELIEVE THAT A HOTEL SHOULD JUST BE 350 TO 500 SQUARE FEET.

THERE ARE CERTAIN AMENITIES

BECAUSE OF ALL OF OUR LOCATIONS
ON A WORLDWIDE BASIS, AND
FRANKLY, BECAUSE OF OUR
INTERNATIONAL EXPERIENCE.
WHEN I LOOK AT THE INFORMATION
THAT WE GATHER AS WE ARE
BUILDING SOMETHING, SAY, IN YOU
DUBAI, OR ABU DHABI OR SINGAPORE
OR MACAO, OR WHEREVER THAT MAY
BE, THAT GIVES US EXPOSURE TO A
LOT OF DIFFERENT CULTURE AROUND
A LOT OF AMAZING DIFFERENT
DESIGN THINGS THAT ARE HAPPENING
ON A GLOBAL BASIS.
OBVIOUSLY THE HARD ROCK CAFE.
WE KNOW PEOPLE TRAVEL THE WORLD
TO COME TO THESE HARD ROCK
CAFES.
WE HAVE A RESTAURANT CALLED THE
MARKETPLACE, KIND AFTER FOOD
MARKETPLACE CONCEPT.
A HIGH-END STEAKHOUSE.
RETAIL.
ROCK SPA.
ON OBVIOUSLY AMENITIES THAT GO
WITH THE CONVENTION AREA.
DOES THE PROGRAM MATTER.
WELL, ONE OF MY OPENING COMMENTS
WAS, SLOT MACHINES AND -- WHAT
WE REFER TO AS SLOTS IN THE BOX.
IT WILL GENERATE SOME BUSINESS
INITIALLY, BUT IF WE'RE LOOKING
FOR A COMMITMENT, LOOKING FOR
LONGEVITY FOR THE STATE OF NEW
YORK, AND FOR THIS LOCAL CAPITAL
REGION, CLEARLY OUR DESIGN IS
MUCH DIFFERENT THAN THAT.
WE BASICALLY LOOK AT IT AS THE
OLD VERSUS THE NEW.
THERE IS A LOT OF COMPANIES THAT
ARE FRANKLY USING METHODS BASED
UPON OLD TECHNOLOGY, BASED UPON
AN OLD THOUGHT PROCESS AND
OBVIOUSLY DO NOT HAVE THE GLOBAL
EXPERIENCE THAT WE DO TO BE
THINKING ON CURRENT, BUT NOT
JUST CURRENT BUT REALLY LOOKING
WHAT'S HAPPENING IN THE FUTURE.
THESE ARE SOME DIFFERENT SHOTS
OF DIFFERENT HARD ROCK
LOCATIONS.
THIS IS A VERY INTERESTING ONE.
WHETHER IT IS THE OLD OF SOME OF
THE DIFFERENT COMPARATIVE

MARKETS WE ARE IN, OR WHETHER IT'S JUST UTILIZING THE BRAND TO CREATE MORE REVENUE, THAT IS SOMETHING WE THINK THAT'S VERY, VERY IMPORTANT.

SO ONE OF THE THINGS WE TRIED TO DO AND WE HAD SOME GREAT DEBATES INTERNALLY.

BUT POSITION THE BUILDING ON THE WATER FRONT.

I CAN HONESTLY TELL YOU THAT WHEN THE DESIGNERS FIRST PRESENTED IT TO ME THEY HAD THE BUILDING RIGHT SMACK IN THE MIDDLE.

WE DID NOT THINK THAT WAS A GOOD IDEA.

I SAID IF YOU THINK ABOUT BASICALLY FROM THE PERIOD OF LATE APRIL ALL THE WAY THROUGH EARLY NOVEMBER, WE HAVE THIS AMAZING AMENITY OF BEING ON THE WATER, THAT WILL NOT JUST LEAD TO LOCAL BUSINESS BUT CLEARLY WE WILL BE ABLE TO MARKET FROM MUCH FURTHER AWAY TO COME TO THIS NEW RIVER FRONT DESTINATION.

SO THIS GIVES YOU A VIEW OF OUR BUILDING ITSELF.

VERY SIMILAR TO OTHER CONVERSATIONS WE'VE SEEN AND HEARD.

WE WANTED TO MAKE SURE THAT WE COMPLIMENTED THE LOCAL ARCHITECTURE OF THIS PARTICULAR NEW YORK AREA SO WE DID NOT THINK A GLASS TOWER, IF YOU WILL, WAS SOMETHING THAT WOULD BE FITTING TO THIS PARTICULAR MORE CONSERVATIVE VIEWPOINT TO AN ENTERTAINMENT DESTINATION. THERE IS A TREMENDOUS SHOT HOW YOU CAN SEE THE FACILITY ITSELF PROJECTS ITSELF RIGHT ON TO THE HUDSON RIVER.

THIS IS THE GLOBAL VIEWPOINT FROM THE FRONT.

OBVIOUSLY FOCUS ON AN AMAZING ENTRY DRIVE ITSELF.

THIS IS ACTUALLY OUR FLOOR PLAN. YOU CAN SEE THE YELLOW AREA THERE, THAT IS THE GAMING FLOOR. BUT YOU CAN SEE AROUND THE PARTICULAR CASINO ITSELF, THE

SERIES OF AMENITIES,
ENTERTAINMENT, SOME RETAIL, HARD
ROCK CAFE, CENTER BAR, THE
MARKETPLACE, THESE ARE ALL ITEMS
THAT WE THINK WILL CREATE THAT
MUST-SEE, MUST COME VISIT THE
NEW HARD ROCK IN THE CAPITAL
REGION.

THIS SHOT HERE I THINK REALLY
GETS A GREAT KIND OF UP-CLOSE
VIEWPOINT OF THE FACILITY ITSELF
AND THE BOARDWALK, THE RIVER
FRONT, IF YOU WILL, HOW WE ARE
CREATING YET ANOTHER
ENTERTAINMENT DESTINATION.

WE'VE ACTUALLY INCORPORATED THE
POOL TO THE HOTEL INTO THIS
PARTICULAR AREA SO THAT BECOMES
ALSO AN ENTERTAINMENT VIEWPOINT
AND AMENITY BY ITSELF.

I THINK AT THIS POINT WE HAVE A
VIDEO WHICH WILL HOPEFULLY TAKE
YOU TO THE NEXT LEVEL OF OUR
HARD ROCK HERE IN THE CAPITAL
REGION.

OUR PARTICULAR SHOT HERE IS
REALLY COMING IN GLOBALLY.
YOU GET TO SEE THE SHEER SIZE OF
THE DESTINATION ITSELF.
ONE OF THE THINGS WE KNOW VERY,
VERY WELL, AS I LOOK AT OUR
CASINO BUSINESS, OUR MARGINS ARE
52%.

WE KNOW THEY'RE THE STRONGEST IN
THE INDUSTRY.

WITH THAT, WE KNOW HOW TO DESIGN
AND BUILD A FACILITY.

SO ANOTHER GREAT EXAMPLE OF
HAVING CHALLENGES THERE IS THE
MOST RECENT PROJECT THAT STEVE
HAD TALKED TO, IS WITHOUT PROPER
OPERATIONAL VIEWPOINT.

THIS GIVES YOU HOW WE STUDIED
THE DISTANCE FROM THE FRONT DOOR
TO ALL THE ENTRANCE POINTS FROM
A PARKING PERSPECTIVE.

OBVIOUSLY NOT JUST CREATING A
SEA OF PARKING.

TRULY TRYING TO CREATE A
BEAUTIFICATION WITH LANDSCAPING.
AS WE COME IN HERE, WE'RE NOT AT
THE FRONT DOOR ITSELF.

NOW I HAVE SOME NAVIGATING
THROUGH THE HOTEL LOBBY.

THIS KIND OF GIVES YOU A NICE
LOOK AT HOW MEMORABILIA CAN BE
PRESENTED.
MUCH DIFFERENTLY TODAY THAN SAY
BACK IN THE '80s OR THE '90s.
CERTAINLY THE CASINO FLOOR.
WE CERTAINLY HAVE A LOT OF
EXPERIENCE IN CASINO FLOORS.
THIS KIND OF GIVES YOU AN IDEA
OF WHAT OUR CASINO FLOOR AND THE
DIFFERENT COLORS THAT WE
UTILIZE.
KIND OF MORE OF A VIEW FROM
FURTHER AWAY.
SOME OF THESE SHOTS ACTUALLY ARE
FROM SOME OF OUR LOCATIONS.
IS OBVIOUSLY THE HARD ROCK
CENTER BAR.
HARD ROCK CAFE.
THOSE PARTICULAR VIEWPOINTS,
HERE BEING THE CENTER BAR, TRULY
LEGENDARY.
THE CENTER BARS IN THE HARD ROCK
PEOPLE GRAVITATE.
I ALWAYS ASK THE QUESTION -- TRY
TO GO TO AN AIRPORT AND NOT RUN
INTO SOMEBODY WEARING A YANKEE
CAP OR A HARD ROCK SHIRT.
VERY, VERY HARD TO DO.
OUR RETAILERS TRULY GLOBALLY,
AMAZINGLY THE AMOUNT OF BUSINESS
THAT WE DO IN THIS PARTICULAR
AREA AND A LOT OF THE PROCEEDS
FROM OUR RETAIL AMENITIES
ACTUALLY GO TO CHARITY.
THIS IS A HARD ROCK ROOM.
SHOWS YOU A LITTLE BIT OF THE
FUNNESS OF THE ROOM ITSELF.
ONCE AGAIN, WITH THE AMOUNT OF
EXPERIENCE WE HAVE AT DESIGNING
AND CREATING HOTELS, IT IS
SOMETHING WE THINK THIS WILL BE
AN AMAZING AMENITY HERE TO THE
CAPITAL REGION.
THIS IS A SHOT COMING BACK OVER
INTO THE SITE FROM THE RIVER
ITSELF AND TRYING TO DEPICT
OBVIOUSLY THIS AMAZING
ENTERTAINMENT EXTERIOR FACADE
WITH RETAIL WITH ALL THE
DIFFERENT THINGS WE SPOKE OF
EARLIER.
AS YOU CAN SEE, WE HAVE TRULY
MADE THIS A PRIORITY IN OUR

DESIGN SHOP.

THIS IS SOMETHING THAT'S VERY IMPORTANT TO US.

WE RECOGNIZE THIS IS AN AMAZING OPPORTUNITY FOR US.

AND WE CERTAINLY THINK THAT WE COULD BE SOMEONE WHO IS AN AMAZING PARTNER WITH THE STATE OF NEW YORK.

I THINK THIS KIND OF WRAPS UP THE END OF THE VIDEO ITSELF. AS WE LOOK FORWARD, WE THINK THAT OUR DATABASE, OUR MARKETING EXPERTISE, ALL THOSE PARTICULAR AMAZING ABILITIES, OBVIOUSLY WITH OUR TWO PARTNERS, TRULY CREATE THE DESTINATION FOR THE STATE OF NEW YORK AND THE CAPITAL REGION.

WITH THAT, I'M GOING TO TURN IT BACK OVER TO NICK.

NICK WILL TALK A LITTLE BIT ABOUT THE ECONOMIC BENEFITS OF THE PROJECT ITSELF.

NICK?

>> THANK YOU, JIM.

I'M GOING TO FINISH UP BY TALKING ABOUT ECONOMIC IMPACT, AS JIM SAID.

IN ADDITION TO MYSELF, THERE ARE A COUPLE MEMBERS OF OUR TEAM WHO ARE AVAILABLE AS WELL TO ANSWER QUESTIONS ON THIS TOPIC.

RICH BALDWIN AT THE END THERE, COMMUNITY GAMING ADVISORS WHO DID OUR GAMING LAW.

MIKE ENDOLO WHO DID OUR ECONOMIC IMPACT STUDY.

AGAIN, BOTH AVAILABLE ALONG WITH THE REST OF OUR TEAM TO TALK THROUGH ANY QUESTIONS THAT MIGHT COME UP ON THESE NUMBERS.

BUT BEFORE GOING INTO THE IMPACT OF THE PROJECT, I THINK IT IS IMPORTANT TO GIVE A LITTLE CONTEXT FOR THE CURRENT CONDITIONS IN RENSSELAER AND NEIGHBORING AREAS.

IF YOU LOOK AT THE LOCAL AREA, THE DIRECT LOCAL AREA WHERE THE PROJECT WILL BE RENSSELAER AROUND THE FIVE ADJACENT WARDS IN ALBANY, 29% OF THOSE RESIDENTS CURRENTLY LIVE IN

POVERTY.

THAT'S MORE THAN DOUBLE THE
POVERTY RATE IN BOTH ALBANY AND
SCHENECTADY COUNTIES.

WHEN YOU LOOK AT THE OTHER SIDE
OF THE EQUATION, WHAT IS THE
ASSETS THAT THE LOCAL GOVERNMENT
HAS TO BE ABLE TO PROVIDE FOR
THOSE RESIDENTS.

IN THE CITY RENSSELAER,
TWO-THIRD OF THE PROPERTY IS TAX
EXEMPT.

THAT'S THE HIGHEST IN THE STATE
OF NEW YORK.

YOU HAVE A LOCAL GOVERNMENT
THAT'S VERY CONSTRAINED IN ITS
ABILITY TO GENERATE REVENUE TO
HELP ITS POPULATION.

IN ADDITION TO THAT, YOU HAVE
THE MOST VALUABLE AND TANGIBLE
ASSET OF THE CITY OF RENSSELAER,
ON THE HUDSON RIVER, IT'S BEEN
BASICALLY UNDERUTILIZED AND
DORMANT.

THOUGH DECADES AGO A VIBRANT
PROGRAM FOR THE WATER FRONT WAS
PROPOSED.

WE THINK OUR PROJECT HAS
GENERATED TREMENDOUS LOCAL
SUPPORT TO ADDRESS BOTH THOSE
ISSUES HEAD-ON.

WE SEE WHAT WE WILL DO IN FOUR
CATEGORIES.

CAPITAL INVESTMENT, JOB
CREATION, THEN REVENUES, BOTH
DIRECT AND INDIRECT.

CAPITAL INVESTMENT IS A \$280
MILLION PROJECT.

JIM MENTIONED I THINK VERY
IMPORTANTLY THAT ALL PROJECT
COST NUMBERS ARE NOT EQUAL.
OUR NUMBER DOES NOT INCLUDE
FINANCING COSTS.

IN A PROJECT OF THIS SIZE THAT
COULD BE TENS OF MILLIONS OF
DOLLARS OF INCREMENTAL MONEY
THAT ISN'T GOING INTO THE
GROUND, NOT CREATING ADDITIONAL
JOBS, NOT ENHANCING THE SCOPE OF
THE PROJECT, JUST GOING TO
BANKS.

ON A JOB CREATION FRONT WE THINK
WE'LL BE A SUBSTANTIAL GENERATOR
OF NEW JOBS.

OVER 900, BOTH CONSTRUCTION
PERMANENT AND OPERATING JOBS,
DIRECT JOBS GHB ADDITION TO FAR
MORE INDIRECT JOBS.
ON THE REVENUE SIDE, STABILIZED
GROWTH GAMING REVENUES PROJECTED
OF \$260 MILLION ANNUALLY.
THAT TRANSLATES INTO \$100
MILLION ANNUAL TAX REVENUE TO
THE STATE OF NEW YORK.
OF THAT, \$10 MILLION GOES
DIRECTLY TO THE LOCAL
COMMUNITIES WHERE OUR PROJECT
WILL BE LOCATED.
IN ADDITION TO THAT, THIS IS
CRITICALLY IMPORTANT -- WHEN
LOOKING AT INDIRECT IMPACT.
WHAT DIFFERENTIAL YATES OUR
PROJECT, MORE THAN ONE-THIRD OF
OUR VISITATION WE PROJECT COMING
MORE THAN 90 MILES AWAY FROM OUR
SITE.
THIS MEANS ONE, THIS IS BRINGING
NEW REVENUE THAT THE AREA.
NOT JUST RECYCLING DOLLARS OR
RECANNIBALIZING DOLLARS.
THOSE VISITORS COMING FROM A
FURTHER DISTANCE WILL SPEND MORE
AND ARE MORE LIKELY TO STAY
LONGER AND SPEND MORE OUTSIDE OF
OUR CASINO IN THE LOCAL
COMMUNITY.
HAVING THE HARD ROCK BRAND BEING
ABLE TO DRAW PEOPLE FROM OVER 90
MILES AWAY WE THINK DRAMATICALLY
IMPACTS OR ABILITY TO GENERATE
REVENUES FOR THE CITY AND STATE
OF NEW YORK.
>> FIVE-MINUTE WARNING.
>> AS A RESULT OF ALL THESE, WE
HAVE BEEN PRIVILEGED TO BE VERY
STRONGLY SUPPORTED BY BOTH OUR
LOCAL CITY BUT NOT ONLY THE CITY
OF RENSSELAER, WE HAVE TEN
COUNTIES.
JUST THIS MORNING WE GOT OUR
11th EXCLUSIVE ENDORSEMENT FROM
ANOTHER COUNTY.
WE GRAPHICALLY DEPICT IT HERE.
AGAIN WE JUST THINK A VERY, VERY
STRONG DEMONSTRATION OF THE
SUPPORT THAT THIS PROJECT HAS
GIVEN ALL OF ITS ATTRIBUTES.
WE HAVE THE BEST LOCATION IN THE

CAPITAL REGION, THE MOST CERTAINTY OF EXCUSE AND COMPLETION AND THE STRONGEST LOCAL SUPPORT GIVEN THE TRANSFORMATIONAL IMPACT THAT WE CAN HAVE ON THE REGION AND STATE AS A WHOLE, WITH THAT, JUST A LIST OF WHO'S AVAILABLE FOR YOUR QUESTIONS, IT IS THE FULL BOARD OF DIRECTORS. APPLICANT MYSELF, AND MARK SCHWARTZ.

>> TWO QUESTIONS, FIRST, AND I HAVE ASKED THIS OF SOMEBODY ELSE.

THAT IS WHAT, THE ADVANTAGE YOU GET FROM ONE -- DID YOUR ESTIMATES ON, ESPECIALLY THE OUT OF STATE CUSTOMERS, WHICH IS -- SOUNDS HIGH, 35%, DOES THAT TAKE IN TO ACCOUNT THE POSSIBILITY THAT THERE WILL BE BIG, IF I CAN USE THE TERM, BRAND -- THERE MAY BE BIG BRAND NAME CASINOS WAY SOUTH OF YOU CLOSER TO NEW YORK CITY AIRPORTS AND CLOSER TO WEST CHESTER AIRPORTS LIKE IN LAWRENCE COUNTY?

DO WE STILL SEE -- DO WE STILL SEE THE HARD ROCK BRAND AS BEING SUFFICIENT TO ATTRACT 35% OUT OF STATE VISITORS?

>> THE SHORT ANSWER, IS YES.

>> WAS IT IN YOUR FIGURES.

DID YOU ACTUALLY CALCULATE?

>> WITH RESPECT TO OUR REVENUE

ESTIMATES, CAN YOU HEAR ME?

WITH RESPECT TO OUR SOURCE OF

REVENUE, IN TERMS OF OUT OF

STATE REVENUE AND POST GAMING

REVENUE, OUR MIX IS ABOUT 20% AS A PERCENTAGE OF THE TOTAL.

>> I THOUGHT I HEARD 35%.

>> THAT WAS 90 MILES --

>> 90 MILES.

OKAY.

OKAY.

AND LAST QUESTION, WHEN IS UNFAIR, NONETHELESS, I WILL ASK IT.

GIVEN THE SUCCESS OF THE HARD ROCK BRAND, AND THE CONFIDENCE YOU HAVE IN EQUITY, HAVE IN ANY

OF THE PRIOR -- FOR SAY FIVE YEARS AFTER THE DEVELOPMENT?
>> HAVE YOU EVER GUARANTEED ANYTHING IN THIS PARTICULAR PARTNERSHIP ONNER THROUGH ANOTHER ORGANIZATION?
WE HAVE GUARANTEED THE STATE OF FLORIDA, A FIVE-YEAR COMMITMENT AND WE EXCEEDED THAT.
>> WOULD YOU CONSIDER SOMETHING LIKE THAT ON THE THIS?
>> I THINK WE SHOULD PROBABLY TALK INTERNALLY.
>> JUST PLANTING AN IDEA.
>> I CAN ASSURE YOU THAT WE CANNOT GUARANTEE --
>> NOT AT THE TABLE RIGHT NOW, THANK YOU.
>> FOLLOWING UP ON THAT.
MAYBE A QUESTION FOR RICH BALDWIN, AGAIN, I ASKED WHEN YOU WERE THE CONSULTANT FOR THE PROJECTS IN THE BINGHAMTON AREA, DOES IT WORK FOR MORE THAN ONE CASINO IN THE CAPITAL MARKET, OR IS IT ONE IN THE ALBANY AREA, THAT WORKS, AND TWO REALLY DON'T WORK?
>> I THINK THE -- WE THINK THE SITUATION IS DIFFERENT IN THE CAPITAL REGION.
A LARGER AMOUNT OF BODIES AND INCOME AND POPULATION DENSITY IN WHICH TO DRAW UPON.
SO, AND ALSO, THERE'S A HIGHER BASE OF REVENUE ALREADY IN THE REGION AT THE CURRENT FACILITY AND SO, MY EARLIER COMMENTS ABOUT THE IMPACT OF THE REVENUE BEING AT A LEVEL THAT IS ON A SMALLER BASE, IS KIND OF A DIFFERENT COMPARISON THEN WHEN COMPARING THE CURRENT CASINO THAT IS OPERATING IN THE CAPITAL REGION AND WHAT OUR ESTIMATE WILL BE.
>> THANK YOU, HAVE YOU ESTIMATED CASINO?
>> YEAH, WE HAVE, WE ARE ESTIMATING \$40 MILLION.
>> SAY AGAIN?
>> WE ARE ESTIMATING IT AT \$40 MILLION.
>> THAT YOU TAKE \$40 MILLION IN BUSINESS IN.

>> YES.
>> I SHOULD HAVE ASKED THIS FOR ANY OF THE APPLICANTS SO FAR. BUT THE PROPOSED HOTEL, 100 ROOMS AND SOMEBODY PROPOSED 106 AND SOME PROPOSED A BOUTIQUE. IS THAT BECAUSE YOU ARE ENVISIONING MORE DAY TRIPPERS THAN PEOPLE SPENDING THE NIGHT OR YOU ARE ASSUMING THAT PEOPLE WILL USE OTHER HOTELS IN THE AREA?
>> I THINK IT'S A COMBINATION OF BOTH.
WE WANT TO CREATE A RELATIONSHIP, LIKE WE HAVE DONE IN OTHER PROPERTIES, AN EXAMPLE IS HARD ROCK IN TAMPA A, IT'S THE NUMBER ONE CASINO AND IT ONLY HAS 250 HOTEL ROOMS. IT'S ABOUT THE QUALITY OF THE ROOM YOU PROVIDE. AND OBVIOUSLY WORKING AND CREATING IN TAMPA IS A GREAT EXAMPLE WITH THE LOCAL HOTELS, TAMPA IS A GREAT EXAMPLE OF THAT.
>> TWO QUESTIONS.
STEVE, I KNOW YOU'RE FULLY FINANCING THIS AT THE CLOSING, IS THERE ANY EXPECTATION OF RAISING DEBT FINANCING. IF WE CAN REQUEST THE OVERALL RETURN PROFILE, IT'S NOT SOMETHING THAT WE ARE THINKING OF --
>> HOW DO YOU ADDRESS THE ISSUE OF THE BOTTLENECK ON, POTENTIAL BOTTLENECK ON MEMORIAL DUNN BRIDGE?
YEAH, SURE.
[INAUDIBLE]
OKAY.
THANK YOU.
>> ANYTHING ELSE?
>> NICE JOB, GUYS, THANK YOU VERY MUCH.

NEXT UP, WILL BE HOWE CAVERNS RESORT AND CASINO.
>> THE PROCESS THAT HAS RIGOR AND A TRANSPARENCY. IT'S GOT REAL SUBSTANTIVE CRITERIA, IT HAS BEEN

INTERPRETED TO -- RESORT
ORIENTED PROJECTS.
WE ALIGN WELL WITH THOSE AS PART
OF THE PROCESS.
WE'VE RUN OUR NUMBERS TO THE
GROUND, AS YOU ARE GOING TO SEE.
WE KNOW WE CAN SUCCEED WE KNOW
IT WILL WORK.
WE KNOW WE WILL SUCCEED
MIGHTILY.
OUR NUMBERS, OUR PROJECT
CONCEPT, IT'S REALISTIC AND
SUSTAINABLE.
IT HAS AN OUT-SIZED IMPACT ON
THE LOCAL COMMUNITY.
AS IMPORTANT, YOU STATED THAT
SPEED TO MARKET IS IMPORTANT.
I THINK YOU WILL FIND NOBODY
UNDER THE SUN CAN GET THIS THING
OPEN FASTER THAN WE CAN.
>> I COULD ON PROBABLY PULL MY
VEHICLE AROUND IN THE CAPITOL
MALL AND BE AT THE CASINO IN 40
MINUTES OR SO.
IT'S VERY PROXIMATE AND SOMEHOW,
WHEN YOU GET TO THE INTERSECTION
OF INTERSTATE 88 AND 90, YOU SEE
IT TRANSEND IN TO A DIFFERENT
AND IN SOME WAYS IT'S A GOOD
SENSE.
YOU DON'T HAVE TO PEEL THE ONION
VERY FAR TO FIND A LOT OF
ECONOMIC HARDSHIP.
AND IN SOME CASES AND IN SOME
COMMUNITIES, MADE WORSE BY
FLOODS WITH THE COMMUNITIES
STILL NOT FULLY REBUILT.
WE ARE A FORGOTTEN ZONE, OUR
CURRENT CONDITIONS ARE OUR
CHALLENGES.
WE HAVE OLD INDUSTRIAL CITIES
AND TOWNS THAT HAVE NOT MANAGED
TO REINVENT THEMSELVES.
AND AS A RESULT, OUR
UNEMPLOYMENT LEVELS, REGULARLY
TRACK SOME OF THE STATE'S
HIGHEST.
WE HAVE GOT THIS REGION AND THIS
PEOPLE IN NEED.
AND THIS PROCESS UNFOLDING.
WHAT DO WE DO ABOUT IT?
WHAT DUO, AS A REGION, AND AS A
PEOPLE IN NEED IS WE PURSUE THAT
PROJECT.

YOU ARE THE DESTINATION, WE WANT
A DESTINATION, WHY NOT START
WITH A DESTINATION.

WE'VE BEEN GIVEN A SPECTACULAR
PLATFORM TO BUILD ON LITERALLY
AND FIGURATIVELY, IT'S BEEN A
DRAW FOR VISITORS OF UP TO
275,000 VISITORS PER YEAR, FOR
150 YEARS.

WHAT IT'S NOT, IT'S NOT AN
ECONOMIC ENGINE, IT'S UNABLE TO
HOLD SOMEBODY FOR MORE THAN A
DAY.

IT DOES NOT HAVE A BIG
EMPLOYMENT ROLL.

BUT TO THEIR CREDIT, THEY HAVE
PURSUED AND ENVISIONED A
DESTINATION RESORT AMENITY ABOVE
GROUND ON THEIR SITE.

AMBITIOUS AND IMPACTFUL.
AND REVENUE.

THEY INVESTED ALONG SIDE LOCAL
GOVERNMENT PARTLY AS TO THE
TUNE OF \$13 MILLION.

AND THEY PUT ALL THE
INFRASTRUCTURE IN NECESSARY TO
BUILD THIS PROJECT OUT.

FULLY READYING THE SITE.

AND AS A RESULT, BECAUSE WE ARE
ALREADY A DESTINATION, AND
BECAUSE ALL THAT DIFFICULT SPADE
WORK IS DONE TOWARDS SITE
READINESS.

COUPLED WITH THIS GAMING
FACILITY OPPORTUNITY IN FRONT OF
US, WE FINALLY HAVE THIS WINDOW
IN OUR COMMUNITY FOR OUR PEOPLE
IN NEED TO MAKE THAT VISION THAT
THEY HAVE HAD SEVERAL YEARS AGO
A REALITY.

AND NOW, THAT VISION HAS
EVOLVED, IT'S THE CAVES FOR OUR
PROJECT, IT'S TWO HOTELS, 250
ROOMS EACH.

WATER PARKS, PLURAL, IN DOOR AND
OUTDOOR.

A WHOLE BUNCH OF SITE BUILD OUT
AND AMENITIES THAT YOU EXPECT
WITH THIS SIZE PROJECT AND OH,
BY THE WAY, A CASINO.

THERE IT IS.

ICONIC.

MY WIFE AND I, WE TOOK OUR KIDS
TO THE CAVERNS A COUPLE OF YEARS

AGO, I THINK I WAS THE FOURTH GENERATION IN MY FAMILY TO VISIT THE SITE.

AND I'M NOT FROM HERE BUT IT IS A DESTINATION.

WE ARE A BIG SITE, WE HAVE CRITICAL MASS.

THIS IS THE WHOLE 330 ACRES, HOW IT'S DEPICTED, WE WILL LOCATE ON 100 PLUS ACRES IN THE NORTHWEST CORRIDOR.

THE HIGHEST ELEVATION ON THE PROPERTY WITH PANARAMIC VIEWS, THREE ACCESS POINTS TO OUR GAMING FACILITY PROJECT.

LOOKED AT MORE CLOSELY.

THE GAMING FACILITY, 100 PLUS ACRES.

AND NOW YOU CAN SEE KIND OF THE INTERACTION OF THE TWO PRIMARY COMPONENTS.

THE HOTE CASINO ASPECT AND THE WATER PARK ASPECT.

TOGETHER BUT SEPARATE DESIGN HOW THEY WORK AND 500 FEET APART.

IN THE SPRING, WE GOT TOGETHER AND STARTED TALKING ABOUT WHAT THIS RESORT SHOULD LOOK LIKE AND FEEL LIKE.

AND BE.

AND WE QUICKLY REALIZED THAT WE WERE NOT JUST BUILDING A CASINO, BY ANY STRETCH.

WE WERE GOING TO BUILD A PROJECT FOR OUR REGION AND THEY NEEDED TO HAVE THAT ENDURING QUALITY. WE HAD TO INVEST ACCORDINGLY.

SO, THEMATICALLY AND CONCEPTUALLY, WE WILL SHOW YOU A LOT LESS GLITZ AND GLAMOUR, WE WILL SEE BIG SPACES.

WE WILL SEE NATURAL MATERIALS. WOODS AND EXPOSED WOOD AND STONE.

WE ARE AFTER A CONNECTION TO AROUND INVITATION TO OUR IMMEDIATE ENVIRONMENT, OUR VIEWS.

WE WILL CELEBRATE OUR REGION THROUGHOUT, IT'S NOT JUST, YOU KNOW, A PORTION THAT IS COOPERS TOWN AND BASEBALL.

WE HAVE PLENTY OTHER TO FEATURE. WE WANT SOMEBODY TO BE HERE AS

AN EXPERIENCE FOR THE WHOLE REGION.

A COMFORTABLE, A WARM ENVIRONMENT.

IT OUR RESORT IN OUR REGION, WE WILL BE RIGHTFULLY PROUD OF IT AND WE WILL HAVE ENDURING ASTHETICS, THE WATER PARK WE COULD HAVE DONE MORE TOGETHER. IT'S BEEN DONE THAT WAY WITH GAMING.

BUT WHEN WE LOOKED ACROSS THE TABLE AT EACH OTHER, WE KNEW THE BEST CONFIGURATION WAS THE TOGETHER BUT SEPARATE.

CROSS POLLINATING, CO-EXISTING, CO-FUNCTIONING, THE TWO PRIMARY COMPONENTS, BUT WITH THE HEALTHY SEPARATION YET ACCESSIBILITY AT THE SAME TIME.

WHAT DOES THE WATER PARK GIVE US?

>> FIRST OF ALL.

IT BUILDS ON THE EXISTING FAMILY DESTINATION THAT IS HOWE.

WHAT ALSO IT GIVES US IS A BROAD REACH.

WE HAVE DRAWN A 180 MILE REACH HERE BECAUSE IT HAS PROVEN TO HAVE A DRAW FROM A 3 TO 4 HOUR DRIVE.

AND THIS NORTHEAST CORRIDOR IS UNDER SERVED BY THIS PRODUCT TYPE.

AS A BUSINESS PROPOSITION, WE HAVE A COMPONENT THAT PRODUCES SOLID AVERAGE DAILY RATES, GREAT

OCCUPANCIES, AND EVERY TIME THAT CHILDREN ARE OUT OF SCHOOL THE RATING WILL BE HIGH.

THAT IS OUR PROJECT AT THIS JUNCTURE.

LET'S HEAR FROM MIKE AND JIM. MIKE?

>> GOOD AFTERNOON EVERYONE, AND THANK YOU FOR ALLOWING US THE OPPORTUNITY TO COME BEFORE YOU, I WOULD LIKE TO START WITH A BIT OF BACKGROUND.

I STARTED MY CAREERS DEVELOPING PROJECTS FROM HOUSING TRACKS TO INDUSTRIAL PARKS AND OFFICE PARKS.

VERY SUCCESSFULLY.

THE LAST 25 YEARS THOUGH I HAVE SPECIALIZED IN THE DEVELOPMENT OF CASINOS, LARGE AND SMALL, CONVENTION SPACES, LIVE ENTERTAINMENT FACILITIES, AND I MEAN MAJOR ONES AND NIGHTCLUBS AND PROFESSIONAL SPORTS STADIUMS AND I HAVE BEEN INVOLVED IN THREE MAJOR ONES IF IN THE CITY ON OF DETROIT.

I HAVE BEEN A PARTNER WITH THE FAMILY AND I AM PROUD OF THE RELATIONSHIP, WE HAVE CREATING ENERGIES IN ONE OF THE TOUGHEST LOCATIONS IN THE COUNTRY IN DETROIT AND WE ARE PROUD OF WHAT WE HAVE DONE ATTRACTING SOME 3.9 MILLION VISITORS THERE TO THE CITY BY OURSELVES.

IT INSPIRES THE GAMING DEVELOPMENT WHICH I STARTED IN 25 YEARS AGO, I'M THE FIRST PERSON THAT DECIDED TO TAKE GAMING OUTSIDE OF LAS VEGAS AND ATLANTIC CITY AND LED THE FIRST STATE-WIDE BALLOT INITIATIVE THAT PASSED WITH MY TEAM OF PARTNERS IN THE CITY ON OF DETROIT.

IT'S THE FIRST ONE SINCE 1979 TO PASS AND WE DID IT IN 1995. WE HAD ALLOWED THREE CASINOS IN THE CITY, DETROIT CAN AND THEY PERFORMED GENERALLY IN THE SECOND OR THIRD PLACE IN PUBLICALLY TRADED COMPANIES IN THE NATION.

MGM SECOND'S MOST PROFITABLE PROPERTY IN THE STATE AND MOTOR CITY, WE ARE PROUD OF BEING THE ONE THAT WE GAVE BIRTH TO.

WE HAVE A -- WE HAD AN OPPORTUNITY FROM THAT TO GO AHEAD AND HELP SOME FRIENDS WHO WANT WITHEDED TO HAVE GAME -- WHO WANTED TO HAVE HAVE GAMING IN OHIO.

I HELPED IN THAT PASSAGE AND CREATED NEW GAMING IN OHIO NEXT. I HELPED TO EXPAND THE GAME ENGINE THE STATE OF MARYLAND FROM HORSE TRACKS AND CLASS-2, TO EXPANDED CLASS-3.

THAT IS IMPORTANT BECAUSE WE UNDERSTAND HOW TO START FROM THE BEGINNING AND BUILD IT TO THE END, PROUDLY CUT THE RIBBONS AND CREATE SUCCESS AND JOBS.

SO, NOT MANY PEOPLE CAN SAY THAT.

MANY PEOPLE COME TO OUR BUSINESSES AS A CAREER AFTER WE START THEM.

AND MOST OF THE PEOPLE WHO CAN COME TO OUR LOCATIONS ARE WITH US FOR A LONG PERIOD OF TIME.

I HAVE PARTNERS WITH MAJOR INDUSTRY LEADERS, I HAVE BEEN A PARTNER OVER THE YEARS WITH HARRAHs.

MANDALAY RESORTS.

I'M PROUD OF MY RECORD.

I HAVE DONE DESTINATION RESORTS. AND IN THE STATE OF MICHIGAN, I HAVE SUCCESSFULLY ATTRACTED CUSTOMERS THAT WILL DRIVE SOME SIX HOURS AWAY PAST 13 OTHER KA

-- CASINOS TO COME PLAY AT IT, I'M ONE OF THE FIRST INDIVIDUALS TO NEGOTIATE A COMPACT WITH NATIVE AMERICANS AND HAVE COMPLETED 12 COMPACTS AND MUCH LIKE THE REGIONS YOU ARE LOOKING FOR, NATIVE AMERICAN CASINOS ARE GENERALLY IN RURAL LOCATIONS OR OUTSIDE OF MAJOR CITIES. BECAUSE WE ARE FOCUSED ON OUR CUSTOMERS WANTS AND NEEDS WE HE TREAT OUR CUSTOMERS AND GUESTS AS FRIENDS.

AND WE OFFER A GREAT EXPERIENCE IN THE IS A SAFE ENVIRONMENT, WHICH IS IMPORTANT TODAY.

WE ARE NOT JUST LOOKING FOR SOMEBODY TO COP IN SPEND MONEY AND LEAVE, WE TRY TO CREATE A RELATIONSHIP AND A CONTINUED RESPONSE TO COME BACK TO US.

WE ARE NOT LAS VEGAS.

AND WE ARE GOING TO -- AND WE HAVE COMPETED SUCCESSFULLY AGAINST ALL OF THE MAJOR PARTNERS AND THAT IS WHY WE HAVE PARTNERED WITH US.

WE ARE HERE TO BRING NEW

TOURISTS AND CUSTOMERS TO NEW YORK STATE AND NOT HERE TO BUILD OUR PLAYER LOYALTY CARDS IN ORDER TO MARKET THE NEW YORK CUSTOMERS TO OUR OUTSIDE LOCATIONS.

WE ARE HERE TO DRIVE TOURISM THAT IS WHEN WHAT THE LAW CALLED FOR, FOR THE STATE OF NEW YORK.

I HAVE STUDIED AND WORKED IN THE NEW YORK MARKET FOR 20 YEARS AND LIVED HERE NOW 10, AND I HAVE BEEN HONORED TO BE ABLE TO BE PART OF MANY RESORT PROJECTS HERE.

SO, WE LOOK FORWARD TO THE OPPORTUNITY TO ALLOW US TO COMPETE IN THIS MARKET.

SO I'M GOING PASS THAT ON NOW TO OUR PARTNER, JIM.

>> THE FUNDAMENTAL QUESTION THAT THE BOARD HAS TO ASK THEMSELVES IS CAN WE DO IT?

AND I WOULD LIKE TO SEE IF I CAN PUT CONTEXT ALONG THAT LINES FOR YOU WE WERE FOUNDED IN 1987.

WILL -- HAS BEEN A BOARD MEMBER OF OURS AND WITH THAT, HE BROUGHT A VISION, DISCIPLINE AND INTEGRITY TO THE COMPANY THAT LIVES THROUGH IT TODAY AND BEYOND.

HE IS FAMILIAR WITH TURN AROUNDS AND IN IACOCCA CAME IN AND HAD PUT IN PEOPLE WITH DEEP EXPERIENCE IN ALL ASPECTS OF GAMING AND REBUILT THE FULL HOUSE.

WE ARE CURRENTLY LICENSED IN MULTIPLE JURISDICTIONS.

AND WE OPERATE IN -- THE TOP OF THE THE SLIDE KIND OF GIVES YOU THE BIGGER EXPERIENCE OF THE COLLECTIVE EXPERIENCE.

IF YOU LOOK AT THE FACILITIES, YOU WILL FIND THEM TO BE BIG SCALE, BIG OPPORTUNITIES IN BIG MARKETS WITH BIG EXPERIENCE AND BIG EXPECTATIONS.

AND I LIKE TO THINK WE MET ALL THE EXPECTATIONS.

BUT WHAT WE HAVE DONE IN THE HALF OF THE SLIDE IS WHAT WE OWN

AND OPERATE.
FALLON, NEVADA, THE SHORE OF
LAKE TAHOE, RISING SUN INDIANA
AND BAY ST. LOUIS.
AND IT'S GENEROUS TO SAY IT'S
SANTA FE, IT NORTH OF THAT.
SO THOSE ARE REGION ALLOCATIONS.

REGIONAL LOCATIONS IS THE CORE
BUSINESS FOR US, THAT IS WHAT
FEEDS US AND WHAT WILL PROVIDE
OUR FUTURE.
I WOULD LIKE TO WALK YOU AROUND
THE SLIDES, THE PICTURES.
THE MIDDLE ONE IS IN RISING SUN

INDIANA, IT'S ALONG THE HYAT,
ALONG THE GRAND LODGE AND BELOW
IT FIRE KEEPER'S CASINO IN
BATTLE CREEK MICHIGAN, TO THE
BOTTOM OF THAT IS BUFFALO
THUNDER OPERATION.
NORTH OF SANTA FE, YOU WILL SEE
SOME OF OUR INTERIORS AS WELL.
THIS THIS SLIDE HAS GOT STUFF ON
IT YOU HAVE PROBABLY READ A
THOUSAND THINGS IN OUR
APPLICATION AND YOU HAVE HEARD
IF FROM MANY PEOPLE TODAY AND I
FRANKLY DON'T KNOW HOW YOU CAN
STAND THERE FOR THIS MANY HOURS
AND ABSORB ALL THIS DATA.
IT'S A DIFFICULT CHOICE BEFORE
YOU.
SO I WILL TRY TO NET IT OUT FOR
YOU REAL QUICK.
THIS IS A BUSINESS OF PEOPLE.
RIGHT?
IT'S A BUSINESS OF PEOPLE.
YOU ARE GOING TO SEE DRAWINGS,
YOU WILL SEE FLASH.
YOU ARE GOING TO SEE ALL THAT
STUFF THAT PEOPLE PUT OUT THERE.
BUT IT'S A BUSINESS OF PEOPLE.
IT'S OUR SUPPLIERS, IT'S OUR
EMPLOYEES.
IT'S OUR GUESTS.
IT'S THE COMMUNITY THAT WE LIVE
AND OPERATE IN.
WE THINK WE ARE PRETTY GOOD AT
BRINGING PEOPLE SOLUTIONS AND
TREATING PEOPLE THE WAY THEY
NEEDED TO BE TREATED.
YOU HEARD PEOPLE SAYING WE ARE

GOING TO HIRE LOCALLY AND BUY LOCAL.
OF COURSE, YOU ARE.
IT'S JUST GOOD BUSINESS.
AND IT'S THE RIGHT THING TO DO.
WE ARE AN EGOLESS COMPANY.
IT'S NOT ABOUT US.
YOU HAVE HEARD A MILLION STORIES ABOUT WHAT BRANDING DOES TO THE BUSINESS.
WELL, WE ARE GOING TO BRAND IT.
IF I GO BACK TO THE SLIDE, YOU WON'T SEE A FULL HOUSE SOFT BRAND ON ANY OF IT.
YOU WILL NO SEE A FULL HOUSE BRAND ON ANY -- YOU WILL SEE A REGIONAL BRAND BECAUSE THAT IS WHAT WE ARE HERE TO DO.
WE ARE HERE TO MAKE THAT THE -- THAT REGION CASINO, THAT REGION'S DESTINATION, THAT IS REGION'S GO TO PLACE, IT WILL BE AS IMPORTANT TO US AS IT IS TO THE PEOPLE THAT WORK FOR US, THE PEOPLE THAT COME VISIT US, AND THAT REGIONAL AND THAT COMMUNITY.
SO, I HOPE THAT THE FUNDAMENTAL QUESTION THAT I ASKED EARLIER, YOU HAVE TO DECIDE WHETHER WE CAN DO THIS.
AND I THINK THE STRAIGHT FORWARD ANSWER FROM US -- MICHAEL AND MYSELF IS WE CAN DO IT.
WE WANT TO DO IT.
WE WANT TO BE PART OF THE REBIRTH.
>> I WOULD LIKE TO INTRODUCE CHRISTOPHER WILKS TO DISCUSS MARKET REVENUE HOUSE.
THANK YOU.
>> THANK YOU, JEFF, CAN YOU HEAR ME ALL RIGHT?
I DIDN'T WANT TO GLOSS OVER, JUST THROWING OUT A NUMBER, SO YOU BEAR WITH HAD ME A MINUTE, WE CAN A BIT ABOUT THE DETAILS OF THE MODEL THAT EVERYONE IS USING.
THE MODEL IS THE SET OF VARIABLES OF THE POPULATION, THE DISTANCE THE POPULATION LIVES AWAY FROM CASINO, THE NUMBER OF CASINO ATTRACTERS AND THE NUMBER

OF DEVICES IN THE CASINO, AS WELL AS OTHER QUALITY FACTORS. THIS IS A CALCULATED SCIENCE. WE KNOW IT BECAUSE WE HAVE A VAST AMOUNT OF INFORMATION THAT THE CASINOS UTILIZE IN THEIR DATABASE.

WHEN YOU SEE A PLAYER'S INFORMATION, WHETHER IT'S ANY FACILITY, AND YOU COMPARE THEIR PLAYER RATE INFORMATION TO THE POPULATIONS THAT SURROUND IT AND THE DISTANCE IT IS AWAY FROM THE CASINO, IT FORMS A J, NOT ONE CASINO, THEY ALL COULD. THEY ALL FORM THE J CURVE. SO GIVEN TWO IDENTICAL CASINOS, PEOPLE WILL GO TO THE CLOSER ONE.

AND GIVEN TWO CASINOS, THEY WILL GO TO THE LARGER ONE.

IF WE KNOW THE FORMULA, THE J-CURVE, AND WE KNOW THE ADULT POPULATION FROM THE CENSUS INFORMATION AND WE KNOW GIS INFORMATION FROM THE DISTANCES, AND WE KNOW THE CASINO ATTRACTERS FOR ALL THE CASINOS WE GET A SENSE OF THE BASELINE FOR GAMING REVENUES BY ZIP CODE. IT'S NO SECRET HERE.

THOSE ARE THE CASINOS AND THOSE ARE THE REVENUES BY POPULATION. SO SO GIVEN THIS BASELINE FORMULA, AND FACTORING IN THE NEW SET OF ASSUMPTIONS LIKE ADDING IN MASSACHUSETTS AND SPRINGFIELD AND BOSTON.

SO ON, SO FORTH.

THE FUTURE STATE, THE NORTHEAST CORRIDOR, BECOMES A \$6.6 BILLION MARKET.

SO, IF YOU TURN YOUR ATTENTION TO THIS MAP, WITH THE REGION AT HAND, THE ALBANY CAPITOL REGION. >> PUT A CASINO.

ANY SINGLE SITE OPERATOR,

[INAUDIBLE]

TODAY, \$250 MILLION.

LET ME MAKE SURE THAT IT WAS CLEAR ON THAT.

SINGLE SITE CASINO.

IN THE MOST IDEAL LOCATION IS ONLY GOING TO GENERATE \$185

MILLION.

AGAIN, ABOUT THAT, FOR A SECOND NOW, AND FOCUS ON THE PROJECT THAT WE ARE PRESENTING AT HOWE CAVERNS, SO, WHEN WE LOOK AT THE 130.

NOW, CONSIDERING THE CANABILIZATION, THE CASINO IN THAT REGION WILL CANABALIZE SARATOGA.

LAST TOPIC IS THE IDEA OF -- GENERALLY, IT'S IN VERY SIMPLE TERMS THE NUMBER OF TOURIST DOLLARS.

ALIENLY THE BOX, GENERALLY, 92% OR MORE OF THE REVENUES HAVE COME FROM LOCALS MARKET AND YOU HAVE A DESTINATION SAY EVEN LAS VEGAS, IT'S 10%.

THAT NUMBER IS MORE IN LINE WITH THE DESTINATION RESORTS OF 80% TO 20%, 20% LOCALS, AND 80 -- EXCUSE ME, 20% FROM THE TOURISTS.

THIS IDEA ABOUT TOURISM, THE LOCALS MARKET GOES HAND IN HAND WITH SEASONALITY, AND IT'S A HIGH DEGREE OF SEASONALITY, WHICH IS A HIGH SEASON, TYPICALLY, FROM FURTHER AWAY FROM GRAPH TAGZ.

SKPAKTLY WHAT YOU SEE HERE. SARATOGA IS ON THESS -- LOCALS MARKET.

THIS REGION NEEDS A MONTH TO DRIVER.

AND HOWE DOES JUST THAT.

ANCHORED BY 131, THE DESTINATION --

[INAUDIBLE]

>> IT WILL INJECT GOODS AND SERVICES AND LABOR, THE EBIDA FIGURES ARE MORE THAN SUFFICIENT TO SUPPORT THE CAPITOL FINANCING PROGRAM THAT JEFF IS ABOUT TO DESCRIBE.

SO IN SUMMARY WE HAVE GIVEN SCIENTIFIC METHODOLOGY TO PREDICT GAMING REVENUES AND PUBLIC THE DETAILS RESULTS IN THE RFA.

NO CASINO IN THE REGION IS GENERATING -- NOT EVEN IN THE MOST IDEAL SPOT.

YOU MUST CONSIDER SARATOGA AS A HEAVILY RELIED LOCALS MARKET. VERY VULNERABLE TO ON CANIBALIZATION, AND HOWE CAVERN, LAST AN ARRAY OF DESTINATION ATTRACTERS, THE HOWECAVERNS, ZIP LINE, AND CASINO, IT DELIVERS THE BEST PACKAGE TO LIFT IT. >> IN THE SPRING OF THE PROJECT. SUFFICE IT TO SAY, WE DRILL DOWN HARD WITH OUR TEAM. THE PEOPLE HAVE \$350 MILLION PROJECT IN TOTAL. WE LOOK AT THREE GENERAL CATEGORIES AND ACHIEVERS, WE THINK, HOW DO WE PAY FOR IT? YOU ARE FAMILIAR WITH THE PROGRAM, RUN THROUGH U.S. DOESN'T FIT EVERY PROJECT. FITS OUR WELL, IT REVOLVES AROUND THE JOBS. JOB COUNT DETERMINES HOW MUCH OF YOUR TOTAL STAFF WILL YOU PUT IN THE SOURCE, THE EV-5 PROGRAM, WE HAVE GOT \$200 MILLION IN A COMMITMENT LETTER, WE CAN TALK ABOUT IT IN A MOMENT. THAT IS ACTUALLY CONSERVATIVE, RELATIVE TO OUR JOB COUNT BY THE METRICS OF THE PROGRAM. ONE OF THE LEADING PROVEN AGGREGATORS OF EB-5 CAPITOL IS VIET BRIDGE, IT HAS EXECUTED A COMMITMENT LETTER FOR \$200 MILLION FOR OUR PROJECT. HENRY D YOUNG THE PRINCIPAL OF THE BRIDGE IS HERE WITH OUR TEAM TODAY. THE LAST STEP IN THE PROCESS FOR EV-FIVE IS PROCEDERAL. WE NEED TO HAVE THE USE OF A CONDUIT SPONSOR, A REGION AAL CENTER, NOW THAT WE ARE GOING DOWN A PARALLEL TRACK. AND AVAILING US OF EXISTING CENTERS AND WE WILL USE ONE THAT FITS OUR TIMING. WHAT IT HAS REALLY DONE AS A BACKBONE AND A FOCAL OF OUR STACK, IS TO HAVE OUR BOOK ENDS. GOING TO THE DEBT ALTERNATIVES FOR A MOMENT, WE KNOW WE CAN STAY IN THE MOST EFFICIENT OF THOSE THAT WE HAVE TALKED TO AND

AVAILED OURSELVES OF.
WE KNOW THE CONVENTIONAL
CONSTRUCTION AND LOAN WITH
FAVORABLE TERMS CAN EXIST IN A
CAPITOL STACK.
ALL OF THE METRICS, ONE IN THE
CROSS, THE VALUE, THE DEBT
SERVICE COVERAGE, SAY IT WILL BE
A EASY UNDER WRITING FOR THEM.
AS FOR EQUITY, THE SLUG THAT WE
WILL USE HERE GETS A HEALTHY
RETURN FOR THE INVESTMENT AND IT
ALL WORKS WELL, WE ARE PLEASED
TO SAY THAT WE HAVE BEEN ABLE TO
GRADUATE OUR CAPITALIZATION
MEANINGFUL.
LET'S TRY A FEW MINUTES AS WE GO
TO THE END TO PUT THE PROJECT IN
TO CONTEXT AND IN THE CONTEXT OF
OUR LOCAL COMMUNITY.
YOU WANT MAXIMUM CAPITOL
INVESTMENT.
WELL, WE ARE GOING TO BRING A
\$350 MILLION PROJECT.
YES.
BUT, PUT THAT IN TO CONTEXT OF
THE COUNTY AND OUR FORGOTTEN
ZONE.
IT JUST DOES NOT HAPPEN HERE, IT
HAPPENS HERE IN MULTIPLE \$100
MILLION BLOCKS AND NOW IT'S
HAPPENING TO THE REST OF US IN
UTICA, WE ARE NOT RESENTING
THAT, WE ARE JUST SAYING IT DOES
NOT HAPPEN IN OUR REGION.
WE DON'T GET \$50 MILLION BLOCKS.
WE DON'T GET \$5-10 MILLION.
UNTIL NOW.
THIS IS REAL, AND SEISMIC FOR
US.
YOU WANT MAXIMUM STATE AND LOCAL
GOVERNMENT REVENUES LET'S LOOK
AT THIS.
COUNTY \$80 MILLION BUDGET.
YOU ARE ONE FROM US.
WE WILL SEE AN EXTRA \$14
MILLION.
TRACKING TOWARD 20% OF THE
BUDGET YEAR ONE.
OUR PROJECT ALONE, IN THOSE
DIRECT REVENUES ONLY, NOT
INDIRECT, 2.2, TO 2.5 THEIR
EXISTING -- EXISTING ANNUAL
BUDGET FROM US.

AND SCHOOLS, 31% OF THE CURRENT
TOTAL TAX LEVY.
SEAMS TACK IN THE IS \$15
MILLION.
WE WILL ADD ANOTHER 9.
THAT IS NOT INDIRECT, THAT IS
JUST DIRECT.
YOU WANT THE HIGH HE WAS LEFT OF
QUALITY JOBS.
LET'S USE THE PERMANENT JOB
FIGURE FOR A MOMENT.
LET'S SAY WE CAN SOURCE FOR OUR
LABOR PURPOSES, 20% OF THE NEED.
WELL THE PROJECTS ARE MAKING A
DENT IN UNEMPLOYMENT, WE PUT 425
PEOPLE TO WORK IN OUR PROJECT,
WE THE TAKE DOWN THE
UNEMPLOYMENT RATE BY 30 TO 55
PLUS PERCENT.
WE HAVE SHOWN YOU THE NONGAMING
FACILITIES.
WE ARE NOT A BUNCH OF BARS AND
CAFE, WE ARE HOLDING OURSELVES
TO A HIGH STANDARD AND BUILDING
AN ICONIC PROPERTY.
YOU WANT A VALUABLE GAMING
MARKET?
YOU HAVE ONE CHANCE TO GET IT
RIGHT IN THE REGION, WHICH IS A
TOUGH JOB.
WE KNOW HOW TO DO THIS.
WE HAVE RUN THE NUMBERS TO THE
GROUND AND WE KNOW WE ARE
REALISTIC AND ATTAINABLE AND
SUSTAINABLE.
YOU WANT OUT OF MARKET DRAW, WE
HAVE GIVEN YOU A WAY TO EXPAND
THE DRAW BY THREE TO FOUR TIMES.
FASTEST TO OPEN.
YOU KNOW, OUR FEET ARE CLOSER TO
THE FIRE THAN ANY PROJECT.
BECAUSE 24 MONTHS CLOCK, THAT
STARTS TICKING WHEN YOU ARE DONE
WITH SECRA AND WE ARE DONE WITH
THAT AND MAKING MODEST
AMENDMENTS, AND WE WILL BE DONE
IN 30 TO 45 DAYS.
THEY MADE THE \$13 MILLION
INVESTMENT TO GET US ON OUR WAY.
LET'S GIVE THEM THE RETURN TO

INVESTMENT THE THAT THEY THE
WANT AND DESERVE AND NEED.
FINANCIAL CAPACITY, WE VISITED

ON THESE TWO GUYS.
THEY HAVE NEVER FAILED ON A
PROJECT.
MINIMUM LOCAL IMPACTS.
WE SENT OUR INDEPENDENT
CONSULTANT IN AND HE TALKED TO
THE LOCAL STAKEHOLDERS AND IT'S
A POSITIVE IMPACT FOR US.
THERE'S STAFFING NEEDS, THE FIRE
DEPARTMENT OPERATES IN THAT
FUNDING.
PARTNERSHIP WITH THE REGIONAL
TOURISM INDUSTRIES, WE PROPOSE
TO DEVOTE UP TO A MILLION
DOLLARS TO A NEW REGIONAL FUND
AND SUSTAIN IT WITH 2.5% SUR
CHARGES ON ACTIITIES WITHIN OUR
PROJECT.
WE WILL REIDENTIFY OUR REGION
AND CROSS SELL IT WITH EVERYBODY
THAT IS A STAKEHOLDER IN OUR
REGION.
SO, LOCAL SUPPORT.
HERE IS MY CHANCE TO SAY THANK
YOU FOR OUR REGION.
ALL OF YOU IN THE COUNTY AND OUR
NEIGHBORS.
WE DID NOT HAVE TO GO OUT AND
DANGLE CHECKS IN FRONT OF OUR
NEIGHBORS FOR SUPPORT, WHY?
BECAUSE IT'S A REGIONAL BID AND
REGIONAL PROJECT.
THERE'S A PEOPLE IN NEED THAT
CAME TO US AND SAID, WE NEED
THIS, WE ARE BEHIND YOU, WHAT
CAN WE DO?
UNIVERSALLY POSITIVE,
UNSOLICITED SUPPORT.
EXISTING LIVE ENTERTAINMENT, WE
LOOK FORWARD TO TREATING OUR PAY
RONS TO EVERYTHING THAT A THE
VENUES INSIDE THE REGION THAT IS
TO OFFER.
WORKFORCE ENHANCEMENT.
ANOTHER MISSION OF THE REGIONAL
FUND TO US IS TO INVEST IN AND
EXPAND ON PROGRAMS THAT EXIST.
WE THINK OF THE SCHOOLS, THEY
HAVE TOURS IN MANAGEMENT,
RESTAURANT MANAGEMENT, WE ARE
GOING TO NEED PEOPLE, WE ARE
GOING TO FURTHER INVEST IN THE

PROGRAMS.

WE WILL DO IT IN SCHOOLS.
WE HAVE TO INVEST REAL CAPITAL
IN THE LOCAL SUPPLY CHAIN.
THE TRACK RECORD IS IN DOING
JUST THAT IN JURISDICTIONS LIKE
THIS IS UNMATCHED.

PROBLEM GAMBLING, BAD FOR
BUSINESS AND WE WILL BE AS
VIGILANT AS ANYBODY IN THE
INDUSTRY TO BE AN ACTIVE PARTNER
WITH THE STATE COUNCIL.
YOU CAN COUNT ON THAT.

SUSTAINABLE DEVELOPMENT, WE HAVE
A UNIQUE OPPORTUNITY HERE AT
THIS SITE, THERE ARE GIO THERMAL
RESOURCES THAT WE CAN TAP TO
SOURCE OUR HVAC SYSTEM, WHICH IS
NEAT.

FINALLY ORGANIZED LABOR.
WE HAD PLA IN PLACE SINCE ALL
THE WAY BACK IN JUNE.
WHETHER IT'S NEED FOR SPEED, THE
DESTINATION QUALITIES THAT WE
HAVE INTERPRETED THE STATUTE TO
NEED TO DIRE AS FAR AS OUTCOMES

GO, IMPACTS IN THE COMMUNITY.
THAT IS US, WE WILL RUN OUR
NUMBERS TO THE GROUND.
ALL WE CAN SAY, WE ARE A PERFECT
MATCH OF THE CRITERIA, AND WE
HOPE YOU WILL RECOGNIZE THAT.

>> 5 MINUTE.

>> 5 MINUTE?

>> I WOULD LIKE TO CALL ON SUSAN
MMP -- MACGUYVER.

>> GOOD AFTERNOON, I'VE LIVED IN
THIS VALLEY SINCE THE MID 40s
WHEN MY FATHER, WHO WAS AN
ENGINEER WITH AMERICAN LOKOMOTIV
WAS TRANSFERRED.

HE LEFT HIS JOB AND CAME HOME
AND SCARED HIS MOTHER TO DEATH
BY SAYING I HAVE RESIGNED FROM
MY JOB, BUT DON'T WORRY, WE ARE
GOING IN TO BUSINESS FOR
OURSELVES.

AND AT THAT TIME, HE STARTED THE
HARVA COMPANY, STANDS FOR HARRY
AND VIRGINIA.

HE THEY ARE GONE NOW, BUT I'M
STILL THERE.

THEIR DAUGHTER.

THEY BROUGHT ME BACK TO THE
COMMUNITY BECAUSE THEY HAD A
PLACE TO OFFER ME A JOB.
I HAVE THREE CHILDREN.
I'M FORTUNATE THAT I WAS ABLE TO
BRING ONE OF THE THREE BACK TO
THE COUNTY.
BECAUSE I WAS ABLE -- SHE IS AN
ENGINEER AND I WAS ABLE TO OFFER
HER A JOB THAT SATISFIED HER
ACCOMPLISH MENTES.
MY TWO SONS HAVE LONG GONE TO
MAKE THEIR FORTUNES SOMEPLACE
ELSE AND THIS IS A PROBLEM THAT
OUR COMMUNITIES, NOT JUST THIS
COUNTY, BUT ALL OF THE
COMMUNITIES IN OUR AREA HAVE IS
SUFFERED FOR A LONG TIME.
EVER SINCE SHOPPING CENTERS
RAISED THEIR LOVELY HEADS, IN
THIS AREA, WE LOST OUR GROCERY
STORE, OUR NEWS STORE, OUR MOVIE
THEATER, OUR DRUG STORE, OUR
DRUG SHOP AND OUR BASICALLY
WHOLE DOWNTOWN.
I THINK A LOT HAPPENED IN OTHER
AREAS AS WELL.
SINCE THEN, I HAVE NOTICED OTHER
THINGS IN OUR AREA THAT ARE NOT
G SOME OF THE LARGER BUSINESSES
HAVE GONE OUT OF BUSINESS OR
MOVED TO ANOTHER AREA.

A LOT OF THE SMALL MOMS AND
POPS, THAT MEANS THERE'S NOT THE
JOBS FOR OUR KIDS BEING RAISED
IN THE MOST BEAUTIFUL PLACE IN
THE STATE AND THEY HAVE
WONDERFUL SCHOOLS AND THEN THEY
GO TO SCHOOL AND LEAVE.
IRENE WENT NORTH AND DUMPED
EIGHT FEET OF MUDDY WATER
THROUGH OUR PLANT.
FOR MY HOME AND FOR A HOME THAT
I WAS RENOVATING TO RETIRE IN,
WHERE I WOULD HAVE BEEN RETIRED
BY NOW IF THAT HAD NOT HAPPENED.
I WOULD LIKE TO MENTION
SOMETHING ABOUT THE OWNER OF
HOWE CAVERNS IS, A BUSINESS
PERSON THAT I HAVE KNOWN FOR
MANY, MANY YEARS.
HE HAS BEEN IN THE COMMUNITY AS
LONG IF NOT LONGER THAN I IS

HAVE.

HERE IS THE PERSON HE IS.
AS SOON AS I WAS ABLE TO GET
PHONE SERVICE AFTER THE FLOOD,
WITH ONE OF THE FIRST CALLS I
GOT WAS FROM THEM, SAYING WHAT
CAN I DO TO HELP YOU?
WHAT CAN I -- WHAT DO YOU NEED
IN MANPOWER?
MACHINERY?
WHAT?

LET ME HELP YOU.
AND HE DIDN'T JUST HELP ME, HE
PULLED HIS MEN FROM THE QUARY
AND FILLED UP HIS TRUCKS WITH
STONE AND GRAVEL AND WENT OUT
AND FIXED ROADS AND CREEK BEDS
AND I DON'T THINK THAT HE SENT
ANYBODY A BILL FOR THIS.
THIS IS THE KIND OF PERSON THAT
IS THE PRESIDENT OF THIS
WONDERFUL ORGANIZATION THAT HOWE
CAVERNS.

FORTUNATELY THE VALLEY STILL HAS
ITS BEAUTIFUL, BEAUTIFUL
AGRICULTURAL, IT'S LOVELY FARMS.
UNFORTUNATELY THESE TYPES OF
BUSINESSES DON'T OFFER A WHOLE
BUNCH OF JOBS FOR EVERYONE.
NOW, WE HAVE BEEN WAITING AND
WAITING BUT NOBODY HAS COME TO
US AND SAID, HOW ABOUT A CHIP
PLAN?

AND I DON'T THINK HAD THAT IS
GOING TO HAPPEN.
AND EVEN IF IT DID, I HAVE BEEN
THINKING ABOUT THAT, EVEN IF IT
DID, WOULD IT REALLY BE ABLE TO
EMPLOY A LOT OF THE PEOPLE IN
THE COMMUNITY OR SURROUNDING
COUNTIES?

WOULD THEY PULL MOST OF THEIR
PEOPLE FROM OUR AREAS AND OUT OF
THE COUNTRY?

THEN I THINK ABOUT A CASINO AT
HOWE CAVERN AND ABOUT THE
DIVERSE OPPORTUNITY THAT ONLY A
CASINO CAN OFFER TO OUR AREA.
THINK ABOUT IT.

THINK OF ALL THE DIFFERENT
PROFESSIONS.
ALL THE LEVELS OF SKILL REQUIRED
TO RUN A CASINO.
IT IS -- IT'S JUST GOING TO

PROVIDE SUCH AN OPPORTUNITY FOR
THE PEOPLE IN OUR COMMUNITIES
AND SURROUNDING COMMUNITIES.
I HONESTLY BELIEVE AND I BELIEVE
THIS IN MY HEART.

KNOWING WHAT THE ORIGINAL
CRITERIA SET UP BY THE
GOVERNOR'S OFFICE FOR THIS
OPPORTUNITY IS -- IF WE LOOK
VERY CAREFULLY AT THAT CRITERIA,
I DON'T BELIEVE THAT THERE'S
ANOTHER AREA OR DESTINATION THAT
COULD POSSIBLY FILL THE CRITERIA
AS COMFORTABLY AND COMPLETELY AS
HOWE CAVERNS IN OUR COUNTY.
THANK YOU, WAIT A MINUTE, I HAVE
ONE LAST THING TO SAY.
AND IT'S THIS, BECAUSE IT'S
PRETTY GOOD.

I THINK.

I DON'T JUST THINK THAT THE
CASINO WOULD IMPROVE OUR
ECONOMY, I HONESTLY BELIEVE IT'S
NOT GOING JUST IMPROVE IT.
IT COULD BE THE ONE THING THAT
SAVES OUR ECONOMY.

THANK YOU.

>> THANK YOU.

>> THANK YOU.

>> QUESTIONS?

>> QUESTIONS FROM THE PANEL?

>> I LIKE TO ASK ONE QUESTION.

SO MY QUESTION TO YOU AND I'M
SURE IT'S A QUESTION OUT OF MY
IGNORANCE.

I DON'T GET THE RELATIONSHIP
BETWEEN THE NATURAL RESOURCE OF
HOWE CAVERNS AND A WATER PARK,
BOTH OF WHICH I ASSUME ARE
TRADITIONALLY FAMILY ORIENTED
DRAWING FAMILY WITH YOUNG
CHILDREN AND A CASINO?
AREN'T THEY, AT LEAST FOR SOME
CUSTOMER BASE, INCONSISTENT?
WOULDN'T PEOPLE WHO REALLY WANT
TO GAMBLE NOT WANT TO HAVE TWO
CHILDREN'S RESORTS AS PART OF
IT?

AND WOULDN'T FAMILIES BE
RELUCTANT TO COME TO HOWE
CAVERNS AND WATER PARK, BE
CHILLED FROM DOING IT BECAUSE
THERE'S A CAN CASINO ON THE
PREMISES?

>> WE HAVE BEEN CONSCIOUS OF THIS THROUGHOUT -- THERE'S AFFIRM CALLED HNLA OUT OF CLEVELAND THAT IS CONSIDERED TO BE THE PREMIER CONSULTANT WHEN IT COMES TO MARKET AND FEASIBILITY FOR THE WATER PARK PROJECT FOR PRODUCT RATHER. THEY DID A MARKET AND FEASIBILITY STUDY FOR THE PROSPECT OF THE DESTINATION SIZED FACILITY AT HOWE CAVERNS A FEW YEARS AGO. WE HAD A PROTRACTED DISCUSSION ABOUT THAT AND I THINK WHERE HE

LANDED WAS, HE HAD SEEN IT PROPOSED AND PULLED OFF, IT WAS THE NIAGRA FALLS FACILITY WHERE THEY ARE FUSED TOGETHER. AND THE CONCLUSION WAS, I THINK I LANDED IN THE SAME PLACE, THERE MAY BE A FEW PEOPLE THAT WILL NOT COME TO THAT COMPONENT. I WILL ACKNOWLEDGE THAT. AND THERE WOULD BE AN EQUAL NUMBER THAT WILL COME BECAUSE THEY HAVE THE OTHER AMENITY, AS FOR THE CASINO SIDE, WE RAN IT DOWN WITH JIM AND MIKE HEAVILY. WE KNOW WHAT THIS MARKET IS ABOUT IT'S A LOCALS MARKET. AND WE ARE STRIVING CREATE A DESTINATION. THEY DON'T THINK IT'S A RISK ARE AT ALL.

>> I THINK JEFF HAD AN EARLIER COMMENT, TOGETHER BUT SEPARATE. THERE ARE DESIGNED FEATURES IN THE ELEMENT THAT RECOGNIZE THAT SEPARATION IF YOU WILL. AND SO, QUITE CANDIDLY, THE WATER PARK ELEMENT WILL NOT OPERATE BY THE GAMING OPERATOR, IT WILL BE OPERATED BY THE WATER PARK, IT WILL BE A STAND ALONE OPERATION. P AND L ETCETERA IS HIS RESPONSIBILITY. WE AS A GAMING COMPANY, UNDERSTAND THAT WE HAVE LICENSES THAT HOPEFULLY WILL BE GRANTED TO US AND THEY WILL NOT BE JEOPARDIZED BY UNDER AGE GAMERS

OR THE STORIES YOU HEAR ABOUT THAT.

IN THIS PARTICULAR REGION, I THINK IT WORKS.

I THINK IT WORKS AND I THINK WE RECOGNIZE THE CHALLENGE OF KEEPING THEM SEPARATE BUT TOGETHER THEY PROVIDE A BETTER SOLUTION.

AND WE WILL BUILD THEM IN THE PROCESSES AND THE POLICIES. BUT MOST IMPORTANTLY, WITH WE BUILD THEM IN THE DESIGN ELEMENTS SO THEY ARE SPRIT BUT CONTRIBUTE TO THE REGION COLLECTIVELY.

>> LET ME TALK TO MANUFACTURE THE SUCCESS I HAVE HAD IN UP STATE MICHIGAN.

ALL THE WAY THROUGH THE UPPER PENINSULA.

IF YOU HAVE NEVER BEEN THERE, IT'S A BEAUTIFUL AREA.

BUT I TALK ABOUT DRIVING SIX HOURS PAST OTHER CASINOS AND OTHER OPPORTUNITIES.

IF YOU LOOK AT THIS SITE, WHAT EXCITED ME AFTER I WENT THERE, FIRST OFF, I'M NOT A GUY THAT DRIVES OUT OF MY WAY TO DRIVE TO A CAVERN, MY KIDS WOULD LOVE IT. I WENT FROM AND WAS LIKE, HOLY COW, IT'S UNBELIEVABLE.

YOU CAN BOAT UNDER THE EARTH IN THIS FACILITY.

AND THAT WAS THE FIRST PART.

AS I GO UP THE HILL, THEY HAVE

ZIP LINES AND A BUNCH OF OTHER OUTSIDE ACTIVITIES AND WE WERE TALKING ABOUT THE CASINO AND THEN WE GOT TALKING ABOUT WHERE IS THE CLOSEST GOLF COURSE AND THEN WE GOT TALKING ABOUT THINGS LIKE COOPERSTOWN, IS JUST OVER HERE.

THE STATE CAPITOL IS OVER HERE. HOW DO YOU BRING ALL THE ASSETS TOGETHER AND I WILL HE TELL YOU SOMETHING, I'M HOLDER, I HAVE THREE BEAUTIFUL SONS.

WE ALL DON'T HAVE THE SAME INTERESTS.

BUT I COULD GO TO HOWEs AND HAVE

THEM AT THE WATER PARK, THEY CAN HAVE THE CAVERNS.

I CAN TAKE THEM TO COOPERSTOWN AND AS A GRANDPARENT AND AS A FATHER, I WOULD ENJOY BEING ON THE CASINO SIDE OF THE PROPERTY AND YET, WE ARE CONNECT BY JUST A SHORT DISTANCE WHERE WE CAN SEE EACH OTHER WALK TO EACH OTHER, AND WHAT HAVE YOU.

AND I THINK THAT TO BUILD A DESTINATION IS NOT A CASINO WITH AN INSIDE ENTERTAINMENT VENUE.

IF I'M GOING TO BE A DESTINATION, I HAVE TO HAVE PEOPLE COME UP AND PICK APPLES IN THE FALL.

WE ARE GOING TO HAVE FARMER'S MARKETS.

WE ARE GOING TO DO THINGS THAT PEOPLE DO NOT THINK OF, TO TALK ABOUT THE ELEMENTS OF THE COMMUNITY IN OUR UPPER PENINSULA ONES, PEOPLE COME TO FISH, AND HUNT AND TO HIKE, THEY COME TO SKI.

ALL THE THINGS ARE ALSO RIGHT HERE BY HOWES CAVERN, WE WANT TO BUILD OFF OF THE ASSETS OF THE COMMUNITY AND THE COMMUNITY CAN BUILD OFF OF PART OF OUR ATTRACTION.

PEOPLE DRIVE ALL THOSE THINGS AND THE MORE MONEY PEOPLE SPEND IN THAT COMMUNITY THE BETTER IT IS.

AND I WILL TELL YOU SOMETHING, I HAVE HAD HOME FOR TEN YEARS IN NEW YORK CITY AND THAT CONCRETE JUNGLE, I THINK THERE'S A LOT OF KIDS THAT ARE WANTING PARENTS TO TAKE THEM TO SEE WHAT TREES LOOK LIKE, DO A HAY RIDE, COME UP SKI, AND ENJOY MORE THAN A CITY OF TOWERS AND THAT IS WHAT WE SEE HERE.

WE WANT TO ATTRACT FAMILIES HERE AND I THINK YOU CAN DO IT HERE WITHOUT PUTTING THE KIDS AS IN LAS VEGAS WHERE THEY CAN WALK AROUND THE OUTER FLOOR OF A CASINO, WE DON'T WANT TO DO THAT.

THAT IS WHY IT'S LAID OUT OVER
100 ACRES, WE WERE LOOKING FOR
ALL THE OTHER THINGS.
EVENTUALLY THERE'S GOING TO BE A
GO-KART TRACK AND TO BE A DESTINATION, YOU
HAVE TO BE A DESTINATION NOT AN
OVERNIGHT TRIP.
>> FAIR ANSWER AND MUCH LONGER
THAN ANY QUESTION.
THANK YOU.
>> THANK YOU VERY MUCH, GOOD
JOB.
>> MR. CHAIRMAN, THANK YOU.
>> OKAY.

LAST BUT CERTAINLY NOT LEAST WE
HAVE THE RIVERS CASINO AND
RESORT.
GET READY TO GEAR UP.
>>> WE ARE GOING TO GET STARTED.
OUR LAST APPLICANT IS THE RIVERS
CASINO AND RESORT.
CAN YOU PLEASE INTRODUCE
YOURSELF AND THE MEMBERS OF THE
PANEL.
>> GOOD AFTERNOON, THANK YOU FOR
GIVING US THE OPPORTUNITY TO THE
BE HERE TODAY.
I KNOW IT'S BEEN A LONG DAY FOR
ALL OF YOU.
MY NAME IS DAVID I'M JOINED BY
OUR PARTNERS IN SUPPORTING THE
RIVERS CASINO AND RESORT AS MOW
HAWK HARBOR.
JOINING ME ARE -- TONY, AND GARY
HUGHES, RAY GILLAN, METROPLEX
DEVELOPMENT AND AUTHORITY.
AND WAYNE BENNETT, FORMER
SUPERINTENDENT OF NEW YORK STATE
POLICE.
THANK YOU FOR GIVING US THE
OPPORTUNITY TO TELL YOU ABOUT
OUR VISION.
BEFORE WE TALK ON THE MATTER WE
WILL SHOW YOU A VIDEO THAT
HIGHLIGHTS OUR PROJECT AND CITY.
>> ONE OF AMERICA'S MOST
HISTORIC CITY.
A CITY PROUD OF ITS HERITAGE AND
DEDICATED TO MAKING THE FUTURE
BRIGHTER.
IT'S WHERE THE WORLD RECEIVED
THE FIRST TELEVISION BROADCAST
AND IMMIGRANTS STARTED DIGGING A

DITCH THAT BECAME THE ERIE
CANAL.
IT'S A CITY THAT ONCE LIT UP THE
WORLD AND COMPANIES LIKE
AMERICAN LOCOMOTIVE MAKE NEW
YORK AN EMPIRE STATE.
>> WE USED TO BE A VERY BUSY
CITY.
AS GE LAID OFF, THE NEIGHBORHOOD
CHANGED.
IT GOT DEPRESSED.
AND IT WAS HARD TO SEE THE
BUILDINGS THAT THEY WERE FOR SO
MANY YEARS.
>> IT'S A SHAME.
GOOD THE FORMER ALCO PROPERTY
HAS BEEN VACANT SINCE 1969 WHEN
THE COMPANY CLOSED I.T. DOORS.
SINCE THEN THESEY HAS FALL HEN ON
HARD TIMES.
PARTS ARE AMONG THE POOREST IN
THE REGION AND UNEMPLOYMENT RUNS
A AS HIGH AS 22%.
THANKS TO YEARS OF HARD WORK,
STRONG COMMUNITY LEADERSHIP,
SCHENECTADY'S TIME HAS COME
AGAIN.
THEY HAVE PARTNERED WITH A TEAM
THAT HAS A PROVEN TRACK RECORD
AND A COMMON GOAL OF SUCCESS.
>> WE INTRODUCED A VARIETY OF
CASINO OPERATORS, WE FELT THAT
RUSH WAS THE MOST QUALIFIED,
THEIR EXPERIENCE IN TERMS OF
DEAL GROUND UP DEVELOPMENT WAS
UNIQUE.
THE CITIES THAT THEY ARE IN,
PHILADELPHIA, PITTSBURGH, OUT OF
CHICAGO, ALL CAPITALIZED ON
RIVER AND GROUND UP
CONSTRUCTION.
>> ONE OF THE REALITIES THAT WE
HAD IS THAT FIRST AND FOREMOST
WE WERE REAL ESTATE DEVELOPERS.
DEVELOPING GREAT REAL ESTATE
PROJECTS.
WE KNOW HOW TO BUILD A REALLY
FIRST CLASS PROJECT, DO IT ON
TIME AND ON BUDGET, GET IT
FINANCED AND MOST IMPORTANTLY
MAKE SURE IT INTEGRATED IN THE
COMMUNITY THAT WE ARE BUILDING.
IN ADDITION, WE THINK WE HAVE A
TERRIFIC PARTNER IN THE GROUP.

AND THEY HAVE BEEN THE LEADING DEVELOPERS OF COMMERCIAL REAL ESTATE WITHIN THE CAPITAL REGION.

>> THEY WANT TO CONTINUE THEIR RECORD OF SUCCESS.

AND INTRODUCING RIVERS CASINO AND RESORT AT MOHAWK HARBOR. SCHENECTADY IS A GREAT CITY, WE TOURED THE REGION AND LOOKED AT SITES THE FIRST TIME WE STEPPED FOOT ON THE SITE WE KNEW IT WAS THE RIGHT PLACE FOR CASINO.

\M \M

>> RIVERS CASINO AND RESORT AT MOHAWK HARBOR IS COMMITTED TO WORKING WITH DOWNTOWN BUSINESSES TO BRING POSITIVE BENEFITS TO THE COMMUNITY.

WORKING WITH LOCAL VENUES AND ATTRACTIONS TO MAKE THE CAPITAL REGION A WELL ROUNDED ENTERTAINMENT DESTINATION.

>> WE LOOK AT PROJECTS FROM A DEVELOPMENT STANDPOINT, NOT JUST FLOPPING A CASINO HAD THIS THE MIDDLE OF A PIECE OF LAND.

WHAT WE WANT TO DO IS DEVELOP SOMETHING THAT COMPLIMENTS WHAT HAS BEEN INVESTED IN THE COMMUNITY.

>> THE PROPOSAL TO PUT A CASINO HERE IN SCHENECTADY COMPLIMENTS THE DEVELOPMENT THAT HAS OCCURRED DOWNTOWN.

THE PROPOSAL WILL HAVE THE MOST SIGNIFICANT BROAD-BASED ECONOMIC IMPACT FOR THE CAPITOL DISTRICT.

>> I'M EXCITED ABOUT RIVERS CASINO AND THE POSSIBILITY OF THE GAMING COMMISSION APPROVING OUR POSITION.

IT WILL POSITION US WELL WITH JOBS AND TAX BENEFITS AND THE THINGS THAT THE CONSTITUENTS ARE

SCREAMING FOR REALLY.

>> THEY HAVE DEMONSTRATED A HISTORY OF BUILDING COMMUNITY PARTNERSHIPS IN THE MARKETS THEY OPERATE IN.

WE HAVE HAD TERRIFIC RELATIONSHIPS WITH THE COMMUNITIES THAT WE OPERATE IN.

>> AND IT REALLY MEANS A LOT
THAT WHAT WE DO IN A COMMUNITY
MAKES A DIFFERENCE.

>> RIVERS CASINO HAS SUPPORTED
US IN A VARIETY OF DIFFERENT
WAYS.

>> IN ADDITION TO FINANCIAL
INVESTMENTS THEY MAKE A POINT TO
HAVE THE EMPLOYEES INVOLVED IN
COMMUNITY WORK.

>> WHAT RIVERS DOES FOR US IS
GIVE BACK TO THE CHICAGO
COMMUNITY AS A WHOLE.
BY GETTING FOLKS BACK TO THE
WORKFORCE.
IF PEOPLE ARE NOT WORKING THEY
CANNOT SUPPORT THEIR FAMILY.

>> THEY ARE A SUPPORT TO OUR
COMMUNITY.

>> RIVERS CASINO WILL CREATE
PROJECTED 1200 PERMANENT HIGH
QUALITY JOBS.
THEY HAVE BEEN NAMED A TOP PLACE
TO WORK FOR A TOP WORKPLACE IN
EACH OF THE MARKETS.

>> IT'S NOT A TYPICAL JOB, IT'S
MORE LIKE COMING TO WORK AND
HAVING FUN.
IT'S NEVER A DULL MOMENT, EVER.

>> DOESN'T FEEL LIKE WORK.

>> A LOT OF EXCITEMENT,
ESPECIALLY WHEN PEOPLE ARE
WINNING BIG.

>> I'M PROUD TO WORK AT RIVERS.

>> IT'S A GREAT JOB.

>> RIVES CASINO BELIEVES THAT A
GREAT JOB HAS GREAT BENEFITS.

>> I TAKE ADVANTAGE OF THE
SCHOLARSHIP PROGRAM, WHICH IS
PAYING MY TUITION.

>> WE STARTED A PROGRAM THAT IS
AN OPPORTUNITY TO TRAIN STUDENTS
ABOUT HOW TO WORK IN A CASINO,
HAVING A CASINO DOWN THE ROAD
FOR US WOULD BE WONDERFUL.
WHAT AN AMAZING UP THE FOR THEM
TO GET THE DEGREE PROGRAM AND GO
GET THE JOB RIGHT DOWN THE ROAD
AND WORK.
WE ARE EXCITED FOR THE
OPPORTUNITY.

>> THE STUDENTS HERE ARE EXCITED
ABOUT THE JOB OPPORTUNITIES THAT
THE LOCAL CASINO WILL BRING TO

US.

>> WE ARE VERY EXCITED AND CONFIDENT THAT THIS WILL BE A TERRIFIC JOB IN THE REGION. FURTHER THE REVITALIZATION OF THE COME BACK OF THE REGION. IT'S SOMETHING THAT WE KNOW WE WILL BE PROUD OF AND SUCCESSFUL AND WE HAVE STRONG COMMUNITY SUPPORT FOR THIS PROJECT.

>> SCHENECTADY, NEW YORK IS READY.

>> WE ARE READY.

>> SCHENECTEDY IS READY.

>> RIVERS CASINO AND RESORT AT MOHAWK HARBOR, BEST FOR THE REGION, AND BEST FOR NEW YORK.

>> THEY BRING THE ABILITY TO SUCCESSFULLY DEVELOP, FINANCE AND OPERATE A GAMING FACILITY IN THE REGION.

THE GROUP HAS DEEP ROOTS HERE IN THE REGION ARE, AND WE HAVE BEEN MAKING INVESTMENTS AND DEVELOPING THE REGION SINCE 1969, INCLUDING SOME OF THE MOST SIGNIFICANT PROJECTS IN THE REGION AND THE CITY.

OUR PARTNERS, RUSH FREE GAMING IS A LEADING PLAYER IN THE GAMING INDUSTRY.

AND HAS BEEN A DEVELOPER OF GROUND UP CASINOS IN URBAN AREAS LIKE SCHENECTADY WE HAVE AN OPPORTUNITY TO TALK TO ALL THE MAJOR OPERATORS WHEN WE WERE PURSUING THE LICENSE, IT WAS CLEAR AFTER MEETING NEIL AND GREG AND VISITING THE CASINOS THEY WERE THE BEST OPERATORS AND PARTNERS.

WE HAVE THE FIRST ROUND DRAFT PICK.

WE PRIDE OURSELVES IN OPERATION AND IT QUICKLY TURNED OUR HANDSHAKE IN TO A GAME CHANGING PROJECT FOR SCHENECTADY.

WE PEEL SO STRONGLY THAT WE HAVE COMMITTED TO INVEST IN THE PROJECT AS WELL.

IT -- THE PROPOSAL WILL HELP THE MOST PEOPLE.

WE ARE THE BIGGEST HOST COMMUNITY WITH THE LARGEST NEED.

AN INVESTMENT THAT WILL GENERATE MORE REVENUE THAN ANY OTHER REGION.

WE WILL CREATE THOUSANDS OF JOBS WHERE THEY ARE NEED MOST, IT WILL TURN IT IN TO A HISTORIC DESTINATION.

WE HAVE A STRONG RECORD OF COMMUNITY OUTREACH, AND WE ALL HAVE COMMUNITY PAURT.

I'M PROUD TO SAY, WE HAVE BEEN WELCOMED IN THE COMMUNITY WITH OPEN ARMS AND ON THAT NOTE, I WOULD LIKE TO WELCOME SCHENECTADY MAYOR TO TALK ABOUT HIS CITY AND WHY THE CITY WANTS AND DESERVES THE PROJECT.

>> THANK YOU, DAVE.

LET ME JUST SAY THAT THE GROUP'S WORK IN SCHENECTADY HAS BEEN A ENORMOUS BENEFIT AND I'M PROUD TO CALL THEM PARTNERS.

THE GROUP HAS BEEN THE DRIVING FORCE IN THE CAPITAL REGION FOR 45 YEARS AND THE CITY OF SCHENECTADY HAS BEEN THANKFUL FOR ALL THEY HAVE DONE FOR THE CITY.

AND THANK YOU FOR THE BOARD FOR HEARING APPROXIMATE ABOUT A PROJECT THAT I THINK WILL BE A TREMENDOUS BENEFIT TO SCHENECTADY IN THE REGION. A PROJECT THAT OUR CITY STRONGLY SUPPORTS.

SCHENECTADY IS THE LARGEST OF ALL THE POTENTIAL HOST COMMUNITIES AND HAS SEEN JOB FORCE -- JOB DWINDLE OVER THE LAST FEW DECADES, AS A POST INDUSTRIAL CITY ON THE ERIE CANAL, THEY HAVE STRUGGLED TO REPLACE COMPANIES LIKE AMERICAN LOCOMOTIVE THAT EMPLOYED THOUSANDS.

OUR CITY SAW A LOSS OF 24,000 JOBS IN GENERAL ELECTRIC ALONE. THE CITY NEEDS THE JOBS THE PROJECT WILL BRING.

NOT ONLY ARE WE THE BIGGEST HOST COMMUNITY, WE HAVE THE BIGGEST NEED.

AS YOU CAN SEE FROM THE CHART, SCHENECTADY HAS THE LOWEST PER

CAPITA INCOME OF ANY POTENTIAL
HOST COMMUNITY.

AND ACCORDING TO A RANKING OF
COMMUNITY AFFLUENCE OUT OF 861
UP STATE CITIES, TOWNS AND
VILLAGES SURVEYED, SCHENECTADY
RANKED 816th IN COMPARISON TO
OTHER COMMUNITIES.

SADLY POVERTY DISPROPORTIONATELY
AFFECTS OUR YOUNGEST MEMBERS.

77% ON -- 77% OF THE STUDENTS
ARE ELIGIBLE FOR FREE AND
REDUCED PRICED LUNCHES.

OUR CHILDREN NO LONGER HAVE THE
BENEFIT OF GOOD WORK, UPON
GRADUATION.

AND AS MAYOR, I KNOW THIS
CHRONIC LACK OF OPPORTUNITY MUST
BE REVERSED IF WE WILL EVER
EXPERIENCE A TRUE REBIRTH.

AS YOU CAN SEE, THE CITY OF
SCHENECTADY WOULD GREATLY
BENEFIT FROM THIS PROJECT.

AND I AM CONFIDENT THAT THE TEAM
BEHIND RIVERS CASINO AND RESORT
CAN DELIVER A SUCCESSFUL AND
RESPONSIBLE GAMING FACILITY TO
OUR COMMUNITY.

IT'S WITH THAT AND MY PLEASURE
TO INTRODUCE THE CHAIR TO TELL
YOU ABOUT HIS COMPANY, NEIL?

>> THANK YOU, MAYOR.

YOUR CITY HAS WELCOMED US WITH
OPEN ARMS.

AND WE REALLY APPRECIATE IT.
WE LOOKED AT SITES ALL OVER THE
CAPITOL REGION AND IT WAS
SCHENECTADY AND IN PARTICULAR,
MOHAWK HARBOR, THAT REALLY
JUMPED OUT AT US.

LET ME TELL YOU ABOUT MYSELF AND
OUR COMPANY.

I GREW UP IN CHICAGO.

IN MODEST MEANS, SUPPORTED BY A
SINGLE WORKING MOTHER.

I ATTENDED NORTHWESTERN
UNIVERSITY LAW SCHOOL ON A
SCHOLARSHIP.

I BECAME A YOUNG PARTNER IN A
LARGE LAW FIRM IN CHICAGO, MAYOR
BROWN.

I ALWAYS WANTED ON GO IN TO
BUSINESS, SO IN 1970, I LEFT TO
START A REAL ESTATE COMPANY

KNOWN AS J AND B REALITY CORP,
WE STARTED IT FROM SCRATCH AND I
STARTED IT WITH MY ROOMMATE FROM
COLLEGE.

WE STARTED WITH THREE PEOPLE, I
HAD THREE KIDS, \$37,000, AND A
\$25,000 MORTGAGE.

AND THE DIFFERENCE MINUS MY
CREDIT CARD DEBT WAS MY NET
WORTH.

J AND B GREW TO BE A LEADER IN
THE REAL ESTATE INDUSTRY.

WE STARTED BY FORMING REAL
ESTATE PARTNERSHIP WHICH WERE
SPONSORED BY MAJOR FIRMS LIKE ME

RRILL LYNCH AND THEN STARTED TO
DEVELOP PRIME RETAIL HOTELS AND
MIXED USE PROJECTS FOR OUR OWN
ACCOUNT.

IN THE MID '90s, I FORMED A
COMPANY KNOWN AS WALTON STREET
CAPITAL, I HAVE DEVELOPED OR
ACQUIRED \$50 BILLION OF PRIME
REAL ESTATE AND CASINOS DURING
MY CAREER.

JUST AN EXAMPLE OF SOME OF THE
PROJECTS THAT WE HAVE BEEN
INVOLVED IN, INCLUDE SEVERAL
FOUR SEASONS HOTELS AND RITZ
CARLTON HOTELS.

FOR EXAMPLE, WE DEVELOPED THE
FOUR SEASON HOTEL AND
BLOOMINGDALE SHOPPING CENTER
CHICAGO AND DEVELOPED A GOOD
PART OF CENTURY CITY IN LOS
ANGELES AND WE DEVELOPED THE
CHICAGO MERCANTILE EXCHANGE AND
WE DEVELOPED MANY RETAIL
PROPERTIES, INCLUDING COPPITY
PLACE IN BOSTON.

MY PARTNER, GREG CARLIN AND I
GOT IN THE REAL ESTATE BUSINESS
15 YEARS AGO.

AS YOU CAN SEE ON THE SLIDE,
WE HAVE DEVELOPED OVER \$2.5
BILLION OF GAMING PROJECTS OVER
THE LAST TEN YEARS AND WE HAVE
BEEN THE LEADING AND MOST ACTIVE
DEVELOPER OF GAMING FACILITIES
IN THE U.S. IN MAJOR MARKETS
SINCE THE GREAT RECESSION.

FURTHER, EVERY CASINO WE HAVE
DEVELOPED IS A VERY SUCCESSFUL

PROPERTY.
AND THEY'VE ALL PRODUCED MORE
THAN THEIR FAIR SHARE OF REVENUE
IN THEIR MARKETS.
ONE THING THAT SETS US APART,
ALL OF THE CASINOS ARE GROUND UP
DWOM.
WE KNOW HOW TO BUILD THEM AND
OPEN AND OPERATE THEM.
IT'S AN ENTIRELY DIFFERENCE
SKILL SET THAN PURCHASING AN
EXISTING CASINO OR INVESTING IN
A CASINO.
ALL OF OUR CASINOS HAVE BEEN
BUILT ON TIME AND ON BUDGET.
WE CURRENTLY OPERATE FOUR KA KA
SEE -- FOUR CASINOS THAT WE
DEVELOPED.
AND THREE IN THE UNITED STATES
THAT WERE DEVELOPED RECENTLY
AFTER THE 2008 RECESSION.
OUR FIRST CASINO THAT WE BUILT
WAS THE FALLS VIEW CASINO RESORT
IN NIAGRA FALLS CANADA.
WE BUILT IT AT A COST OF A
BILLION CANADIAN.
AND THEN WE BUILT THE RIVERS
CASINO IN PITTSBURGH.
THE ONLY CASINO IN THE CITY OF
PITTSBURGH.
AND WE BUILT THE SUGAR HOUSE
CASINO IN PHILADELPHIA.
THE ONLY CASINO THERE.
AND WE DEVELOPED THE RIVERS
CASINO IN DES PLAINS, THE ONLY
CASINO IN COOK COUNTY WHERE
CHICAGO IS LOCATED.
THESE PROPERTIES PRODUCE OVER A
BILLION AND A HALF DOLLARS OF
GAMING REVENUE HAVE CREATED 8400
FULL TIME JOBS.
THE CASINO IN DES PLAINS
PRODUCE THE HIGHEST REVENUE PER
GAMING POSITION IS IN NORTH

AMERICA.

AS I'VE TOUCHED ON, ALL OF THE
CASINOS HAVE BEEN GROUND UP.
WE PLANNED, FINANCED AND BUILT,
DURING AND IMMEDIATELY AFTER THE
GREAT RECESSION, WHEN OTHERS
WERE UNABLE TO SECURE FINANCING
AND GET SHOVELS IN THE GROUND.
FURTHER, NOT ONLY DO WE KNOW

BRICKS AND STICKS, AS YOU WILL HEAR ABOUT BUT WE KNOW HOW TO SUCCESSFULLY OPEN CASINOS THAT REQUIRES HIRING, TRAINING AND THOUSANDS OF EMPLOYEES FROM SCRATCH AND THEN SUCCESSFULLY OPERATING OUR CASINOS.

WE HAVE A SIMPLE BUSINESS PHILOSOPHY.

WE ARE NOT JUST PUTTING OUR NAME BEHIND THIS PROJECT.

WE ARE PUTTING UP SUBSTANTIALLY ALL OF THE EQUITY BEHIND IT.

WE ARE GOING TO DEVELOP IT AND WE ARE GOING TO OPERATE IT FOR THE LONG-TERM TO BE OWNED BY ME, MY FAMILY AND PARTNERS AND KEY EMPLOYEES.

THE EQUITY IS COMING FROM ME, MY FAMILY AND MY PARTNERS.

NOT SOME FUND.

AND WE HAVE THE RESOURCES TO FUND WHATEVER EQUITY IS NEEDED FOR THIS PROJECT WHETHER FINANCING IS AVAILABLE OR NOT. WE ARE NOT LOOKING TO FLIP FOR A QUICK PROFIT.

OUR GOAL IS TO BUILD A LASTING GAMING FACILITY WITH DEEP ROOTS IN THE COMMUNITY AND TO OWN AND OPERATE IT FOR THE LONG-TERM.

AND OUR RETAIL DEVELOPMENT EXPERTISE HELPS US TO DEVELOP FIRST RATE PROJECTS THAT FITS IN TO THE COMMUNITIES THAT SOMETHING WE AND OUR NEIGHBORS CAN BE PROUD OF.

WE ARE INTERESTED IN QUALITY, NOT QUANTITY.

AN EXAMPLE OF GETTING SOMETHING DONE IN TOUGH TIMES, THERE ARE TWO CASES AND I WILL TELL YOU ABOUT ONE.

QUICKLY WE DID AND DEVELOPED THE PHILADELPHIA KA CASINO, WHICH WAS THE FIRST IN THE COUNTRY. TO BE BUILT AFTER THE RECESSION. BUT I WILL TELL YOU ABOUT OUR PITTSBURGH CASINO.

THE ORIGINAL LICENSE IN PITTSBURGH WAS ISSUED TO ANOTHER CASINO, IN 2007 TO BE THE ONLY CASINO IN THE CITY.

THE GREAT RECESSION HIT.

THEY COULD NOT GET FINANCING.
THE PROJECT WAS ABOUT TO GO IN
TO BANKRUPTCY.
WE TOOK OVER THE PROJECT WITH
ENCOURAGEMENT FROM THE
PENNSYLVANIA GAMING BOARD, PUT
UP A SIGNIFICANT AMOUNT OF NEW
EQUITY AND COMPLETED THE PROJECT
ON TIME AND ON BUDGET.
WE OPENED IT IN AUGUST 2009.
TODAY, IT IS AN AWARD-WINNING

CASINO, GENERATING JOBS AND
REVENUE FOR PENNSYLVANIA.
EARLY ON, GREG CARLIN AND I CAME
TO THE REGION TO LOOK AT VARIOUS
SITES.

WE FRANKLY HAD LOTS OF OPTIONS.
WHEN WE SAW THE MOHAWK HARBOR
SITE IN SCHENECTADY WE KNEW IT
WAS THE BEST SITE IN THE REGION.
WE WERE REALLY IMPRESSED WITH
DAVID BUCCO AND THE GILLESIE
GROUP AND THEIR PASSION FOR
SCHENECTADY AND DEVELOPING IN
THE REGION.

THE SCHENECTADY SITE REMINDED US
OF OUR PITTSBURGH SITE ON THE
RIVER, SCHENECTADY IS GOING
THROUGH A SIMILAR INDUSTRIAL
TRANSFORMATION AND
REVITALIZATION, WITH A SIMILAR
CULTURE.

THE CAPITOL REGION MARKET IS
SIMILAR TO PITTSBURGH, ALTHOUGH,
OBVIOUSLY SOMEWHAT SMALLER.
WE ARE CONFIDENT THAT THE RIVERS
CASINO IN MOHAWK HARBOR WILL BE
EQUALLY SUCCESSFUL.

TO TELL YOU MORE ABOUT OUR
OPERATIONS, I LIKE TO INTRODUCE
THE PRESIDENT AND CHIEF
OPERATING OFFICER OF RUSH STREET
GAMING, DAVID PATTON.

>> THANK YOU, WE ARE PROUD OF
OUR TEAM AND HOW THEY RUN THEIR
OPERATION.

ON THE SLIDE, YOU SEE SOME OF
THE MAJOR AWARDS THAT OUR
APPROPRIATE -- THAT OUR
PROPERTIES HAVE WON.

OVER IN PITTSBURGH THE RIVERS
CAN CASINO, HAS BEEN NAMED BEST
OVERALL GAMING RESORT IN THE

STAY OF PENNSYLVANIA NOW FOR FIVE YEARS RUNNING. WE FOUND OUT LAST WEEK THAT WE WON IT AGAIN THIS YEAR. EVERY YEAR IT HAS BEEN NAMED THE BEST OVERALL GAMING RESORT IN THE STATE AND THIS YEAR, IT WAS NAMED A BEST PLACE TO WORK IN PITTSBURGH IN DES PLAINS WE HAVE BEEN NAMED BEST CASINO IN THREE YEARS RUNNING AND ONE OF THE TOP 20 WORKPLACES FOR THREE YEARS RUNNING AS WELL. THAT WAS A RECENT AWARD THAT WE LEARNED OF AFTER WE TURNED OUR PRESENTATION. WE BELIEVE THAT THE AWARDS THAT OUR PROPERTIES WIN ARE A REFLECTION OF THE OPERATIONS AND IF YOU LOOK AT THE OPERATIONS IN EVERY MARKET, WE OUTPERFORM OUR FAIR SHARE IN TERMS OF REVENUES. WE OPERATE IN COMPETITIVE MARKETS. IF YOU LOOK AT THE 100% LINE. IF YOU WERE RIGHT THERE, YOU WOULD BE AVERAGE AND YOU CAN SEE THAT FOR SLOT REVENUE AND TABLE GAME REVENUE, IN PITTSBURGH AND PHILADELPHIA AND IN DES PLAINS WE SUBSTANTIALLY OUTPERFORM. AND IN THE DES PLAINS, IN TERMS OF TOTAL REVENUE, EVEN THOUGH OUR REVENUE IS THE SAME SIZE AS OTHERS IN ILLINOIS, WE DO TWO TIMES THE REVENUE OF OUR NEAREST COMPETITOR. BUT BEYOND THE NUMBERS, OUR PROPERTIES AND OUR TEAM MEMBERS WORK TO WEAVE THEMSELVES INTO THE FABRIC OF THE COMMUNITY. YOU CAN SEE ON THE SLIDE, A SMALL SAMPLE OF THE RECOGNITION THAT THE VARIOUS COMMUNITY GROUPS THAT WE WORK WITH ARE HAVE GIVEN TO US. OUR TEAM MEMBERS DONATE LITERALLY THOUSANDS OF HOURS EVERY YEAR. BECAUSE AT THE END, WE WANT TO MAKE SURE THAT WE ARE MAKING POSITIVE CONTRIBUTIONS TO THE COMMUNITY THAT GO BEYOND TAX REVENUES BEYOND OTHER BENEFITS.

WE SEEK TO BE A TRUE PARTNER IN THE COMMUNITIES THAT WE OPERATE. AND IF IN THAT SPIRIT, I WOULD LIKE TO INTRODUCE A VIDEO THAT WAS DONE FOR THE FIFTH ANNIVERSARY IN PITTSBURGH.

>> IN THE FIRST FIVE YEARS RIVERS CASINO HAS BECOME A PROUD PARTNER IN THE PITTSBURGH COMMUNITY, FROM VOLUNTEERING IN THE CITY.

>> THEY ARE INVESTED IN MAKING PITTSBURGH A BETTER PLACE TO LIVE.

>> TO HOSTING COMMUNE -- COMMUNITY GROUPS.

>> THEY OPEN THEIR DOORS AND GIVE BACK.

>> A PROUD COMMUNITY PARTNER, RIVERS CASINO, THANKS TO THE TEAM, THE COMMUNITY AND YOU --

>> ADDITION ON TO THE COMMUNITY COMMITMENT, WE TAKE VERY SERIOUSLY OUR COMMITMENT TO RESPONSIBLE GAMING.

WE PROVIDE NEW HIRE TRAINING AND ON GOING REFRESHER TRAINING FOR ALL OF THE TEAM MEMBERS AS LONG AS THEY WORK FOR US.

WE HAVE A VIGOROUS SELF EXCLUSION PROGRAM THAT WE ENFORCE AND BOUNTIES FOR THE TEAM MEMBERS THAT FINDS SOMEBODY ON THE GAMING FLOOR THAT SHOULD NOT BE ON THE GAMING FLOOR AND WE ARE READY TO WORK WITH THE RESPONSIBLE PLAY COMMISSION AND FULFILL OUR COMMITMENTS FOR RESPONSIBLE GAMING.

TO DAVID.

>> RUSH IS AN INCREDIBLE PARTNER.

THE GROUP IS COMMITTED TO UP TATE NEW YORK.

HEAD QUARTERED IN SCHENECTADY KLT WE HAVE ADOPTED SCHENECTADY.

WE HAVE INVESTED A BILLION DOLLARS ACROSS NEW YORK STATE, OUR PROJECT IS THE ONLY ONE LOCATED IN A LARGE YOU WERE BAN AREA THAT CONNECTS AND KPLIPS OUR INVESTMENT IN DOWNTOWN.

OUR LOCATION WITH APPROXIMATE THREE QUARTERS OF A MILE,

PROVIDES ACCESS BY ROAD, RAIL,
RIVER, BIKE AND AIR.
WE ARE LESS THAN A MILE AWAY
FROM INTERSTATE 890.
IT CONNECTS THROUGH EXITS.
AND INSTEAD OF TALKING ABOUT
TRAFFIC IMPROVEMENTS, THEY ARE
DONE OR UNDER WAY AND FUNDED.
IN 2013, ERIE BOULEVARD
UNDERWENT A \$15 MILLION UPGRADE
AND THE PRIMARY ACCESS FROM THE
NORTH HAS BEEN COMPLETED AS
WELL.
A NEW \$15 MILLION TRAIN STATION
IS FUNDED AND UNDER DESIGN WITH
A SECOND SET OF TRACKS BEING
CONSTRUCTED, AND FROM OUR SITE,
YOU CAN BIKE TO BUFFALO, TY A
TRAIN AND DRIVE ANYWHERE.
THIS SITE IS THE BEST LOCATION
TO BE A PREMIER UP STATE
ENTERTAINMENT AND TOURIST
DESTINATION.
THIS SITE WAS A FORMER
MANUFACTURING FACILITY FOR
AMERICAN LOCOMOTIVE, ONE OF THE
LARGEST IN THE WORLD, IT CLOSED
IN 1969.
WE TOOK IT OVER THREE YEARS AGO
AND FILLED A VACANT BUILDING,
FILLED WITH ASBESTOS AND LEAD
PAINT.
THIS PROJECT IS ACTUALLY A
CONTINUATION OF OTHER PROJECTS
THAT WERE DONE AND OUR REASONLY
COMPLETED LEASE CERTIFIED GOLD
BUILDING ACROSS THE STREET.
WE ARE CREATING A NEW URBAN
WATERFRONT COMMUNITY CALLED
MOHAWK HARBOR.
TO MAKE THE TRANSPORTATION
COMPLETE ON THE SOUTHEASTERN
HALF, IT TAKES THE CASINO.
WE ARE TRANSFORMING THE
ABANDONED FIELD IN TO
RESIDENTIAL UNITS.
WE ARE CONSTRUCTING RETAIL,
OFFICE AND TECH SPACE AND A NEW
RECENTLY ANNOUNCED 124 ROOM
MARRIOTT HOTEL.
MOST IMPORTANTLY WE ARE
CONSTRUCTING A NEW HARBOR, THAT
WILL HAVE 50 BOATS THAT HAS
ACCESS TO 40,000 BOATERS.

ENABLING TOURISTS TO ACCESS OUR CITY.

THIS PROJECT IS ALREADY UNDER WAY.

WE ARE NOT SHOVEL READY, WE ARE SHOVEL IN GROUND.

INFRASTRUCTURE IS BEING WORKED ON AS WE SPEAK.

THEY HAVE SIGNED AN MOU WITH A PLA AGREEMENT AND A LABOR PIECE AGREEMENT WITH THE NEW YORK HOTEL AND MOTEL COUNCIL.

THE CONSTRUCTION OF THE PROJECT WILL REINFORCE AND ACCELERATE NEEDED ROW TAIL AND DEVELOPMENT TO THE CITY.

THE CASINO WILL HELP DRIVE THE DEVELOPMENT AND THE DEVELOPMENT WILL HELP DRIVE THE CASINO.

I WOULD LIKE TO TURN IT OVER TO SPEAK ABOUT THE FACILITY ITSELF.

>> THANKS, DAVID, AS NEIL MENTIONED OUR COMPANY HAS BEEN IN THE REAL ESTATE BUSINESS LONGER THAN THE CASINO BUSINESS. DEVELOPMENT IS ONE OF OUR CORES AND BUILT OUR FACILITIES FROM THE GROUND UP.

THE RIVERS CASINO HAS A BUDGET OF \$330 MILLION, THAT DOES NOT INCLUDE THE \$150 MILLION THAT THEY ARE COMPLETING THAT HE JUST MENTIONED CURRENTLY UNDER CONSTRUCTION.

THERE'S APPROXIMATE APPROXIMATELY 1150 SLOT MACHINES AND A TABLE GAMES AND A POKER ROOM.

IT'S MORE THAN A CASINO, THERE WILL BE A STAR DD WOOD TOTAL CONNECT CASINO.

IT WILL BE THE SECOND IS TO BE DEVELOPED BY THE GROUP.

IT WILL BE OPERATED BY A HIGHLY RESPECTED HOTEL RATER IN THE REGION.

THE MARKETPLACE AND BANQUET FACILITY WILL BE MANAGED BY A FAMILY THAT OPERATES A SUCCESSFUL HOSPITALITY BUSINESS IN THE CAPITOL REGION, WE WILL HAVE OUTDOOR SPACE.

OUTDOOR PATIOS, WALKING AND BIKE TRAILS AND GREEN SPACE LIKE

OTHER PROPERTIES.

OUR SCHENECTADY DEVELOPMENT TEAM IS THE SAME TEAM THAT BUILT ALL THE OTHER PROPERTIES.

I WOULD MATCH OUR DEVELOPMENT TEAM AGAINST ANY IN THE GAMING INDUSTRY.

AS MEFT OF YOU KNOW, THE CASINO INDUSTRY HAS BECOME COMPETITIVE IN THE LAST FEW YEARS AND PEOPLE HAVE CHOICES TO WHERE THEY SPEND THEIR DOLLARS. THAT IS WHY WE SWEAT DETAILS.

YOU WOULD NOT BELIEVE ALL THE DEBATE AND DESIGN TIME THAT WE SPEND ON THE PARKING GARAGE, BUT THE GARAGE IS THE FIRST TOUCH POINT WHEN A CUSTOMER VISITS A PROPERTY, AND IT'S AN IMPORTANT ELEMENT OF THE DEVELOPMENT.

ONE OF THE REASONS WE LIKE THE MOHAWK HARBOR SITE IS BECAUSE OF THE LOCATION ON THE RIVER.

TWO OF THE PROPERTIES ARE ON THE RIVER.

IN BOTH PLACES, WE TRANSFORMED A BLIGHTED INDUSTRIAL SITE THAT WAS CLOSED TO THE PUBLIC IN TO THE THRIVING DEVELOPMENTS. WE HAVE THE SAME PLANS FOR

MOHARBORS.

WE MADE THE DECISION TO PURSUE LEAD CERTIFICATION FOR OUR PROJECT IN DES PLAINS ILLINOIS AND THE RIVER CASINO THERE IS THE FIRST LEAD GOLD CERTIFIED CASINO IN THE WORLD.

WE MADE SIGNIFICANT DESIGN CHANGES AND THE UP FRONT CONSTRUCTION COSTS WERE HIGHER AND LOOKING BACK IT WAS WELL WORTH THE EFFORT.

AND OUR PROJECT HAS A SMALLER IMPACT ON THE ENVIRONMENT AS A RESULT.

WE ARE LOOKING FORWARD TO HAVING THE SAME DEVELOPMENT PROCESS IN SCHENECTADY IF WE ARE SELECTED.

WE HIRED THE INNOVATION GROUP, THEY ARE A LEADING CONSULTANT TO THE GAMING INDUSTRY, REPRESENTING BIG GAMING COMPANIES AND LOCAL GOVERNMENTS.

BASED ON THEIR MODEL, OUR
AVERAGE CASE, INNOVATION GROUP
PROJECTS THAT THAT WE WILL DO
\$223 MILLION OF GAMING REVENUE.
THE ACCURACY OF A MARKET STUDY,
IS DEPENDING ON ASSUMPTIONS
USED.

I HAVE SEEN MARKET STUDIES, WE
ARE CONFIDENT THAT THIS OUR SITE
WILL DO AS MUCH OR MORE THAN ANY
OTHER SITE IN THE CAPITOL REGION
WHAMP IS NOT TACK FORRED IN TO A
MARKET STUDY PROJECTION IS THE
SKILL OF THE OPERATOR AND
DEVELOPER.

AS DAVID PATTON MENTIONED ALL OF
THE PROPERTIES FAR EXCEED THEIR
FAIR SHARE BY A CONSIDER CANABLE
AMOUNT.

NEXT BACK TO DAVID TO TALK ABOUT
THE JOB OPPORTUNITIES.

>> THANKS, GREG.

AND YOU KNOW, TO YOUR POINT
ABOUT ECONOMIC BENEFITS AND THE
ISSUE OF JOBS.

WE BELIEVE AS LONG AS THE MARKET
IS NOT OVER SATURATED A HEALTHY
EXPEDITION, WHEN YOU HAVE TWO
PROPERTIES COMPETING FOR
BUSINESS -- NOW, TO THE POINT OF
JOBS, WE TAKE PRIDE IN OFFERING
NOT JUST JOBS FOR THE TEAM
MEMBERS BUT CAREERS.

THROUGH A COMBINATION OF GREAT
BENEFIT PACKAGES AND STRAINING.
YOU HEARD IN THE FILM ABOUT THE
BENEFITS WE PROVIDE.

BUT I WANT TO TOUCH ON TWO.

THE FIRST IS OUR TUITION
REIMBURSEMENT PLAN.

WHERE WE PAY UP TO \$5,000 A YEAR
FOR TUITION REIMBURSEMENT FOR
COURSES THAT DO NOT HAVE TO BE
RELATED TO THE TEAM MEMBERS JOB.
IN TERMS OF TRAINING, WE PROVIDE
DOZENS OF TRAINING PROGRAMS FOR
LINE EMPLOYEES UP THROUGH
MANAGEMENT TO ADVANCE THEIR
CAREERS.

AND WE SEE THE RESULTS OF THAT,
IN THE FACT THAT 1900 OF OUR
TEAM MEMBERS HAVE BEEN PROMOTED
SINCE OPENING.

WE OPERATE IN DIVERSE LOCATIONS.

OUR TEAMS ARE VERY DIVERSE AND REFLECT THE DIVERSITY OF THE COMMUNITIES.

BUT WE ARE PARTICULARLY PROUD THAT AT THE SENIOR IS EXECUTIVE LEVEL, THAT VICE PRESIDENT AND UP, THE MORE THAN HALF OF THEM ARE WOMEN AND ABOUT A THIRD OF THEM ARE MINORITY.

NOW, YOU HAVE HEARD ABOUT SCHENECTADY BEING A COMMUNITY IN NEED FROM DAVE AND THE FILM AND YOU CAN BELIEVE WE ARE COMMITTED TO MAKING SURE THAT THE UNEMPLOYED HAVE THE ABILITY TO COME WORK WITH US, AND WE ARE WORKING WITH TWO WELL ESTABLISHED GROUPS THAT YOU MAY BE FAMILIAR WITH.

THE NORTHERN RIVERS FAMILY SERVICES, AND THE NORTHEAST CAREER PLANNING GROUP.

WE ARE CONFIDENT THAT WE WILL BE ABLE TO WORK WITH THE GROUPS AND OTHERS AND BE SUCCESSFUL BECAUSE OUR EXISTING CASINOS HAVE A GOOD RATE OF HIRING THE UNEMPLOYED.

HOW DO WE DO IT?

THERE'S A NUMBER OF STRATEGIES. ONE OF THE THINGS WE DO IS HOST JOB FAIRS.

IN THE PAST, THE JOB FAIRS THAT WE HOSTED FOR THE OTHER THREE PROPERTIES DREW 110,000 APPLICANTS FOR 4,000 POSITIONS AND WE ARE PARTICULARLY EXCITED ABOUT THE PARTNERSHIP WITH SCHENECTADY COUNTY COMMUNITY COLLEGE, AND I WOULD LIKE TO TURN IT OVER TO DR. MARTHA -- TO DISCUSS THE PARTNERSHIP MORE FULLY.

>> THANK YOU, DAVE, THE PARTNERSHIP BETWEEN RIVERS CASINO AND RESORT, AND SCHENECTADY COUNTY COMMUNITY COLLEGE TRULY PRESENTS A GREAT OPPORTUNITY FOR SCHENECTADY ON. THE COLLEGE STARTED CASINO AND GAMING MANAGEMENT PROGRAM WITH FULL EXPECTATION THAT THE THIS DAY WOULD COME.

AND I AM OVER JOYED THIS A DEVELOPER AND CONTRACTOR

OPERATOR LIKE RUSH STREET MAY BE COMING TO SCHENECTADY RIGHT DOWN THE ROAD FROM OUR CAMPUS AND OFFERING UNPARALLELED RESOURCES FOR THE STUDENTS.

TODAY, SO MANY PEOPLE HAVE TO MOVE AWAY TO FIND GAINFUL PLOIM. I BELIEVE RIVERS IS AN INFLECTION POINT FOR SCHENECTADY.

ONE THAT WILL ENABLE A YOUNG PERSON TO EXPERIENCE A WHOLE SPETRUM OF OPPORTUNITY FOR THE REGION.

I CAN SAY WITH CERTAINTY THAT I HAVE NEVER BEEN MORE EXCITED ABOUT OUR FUTURE.

IN ADDITION TO CLASSROOMS IN SCHENECTADY, OUR NEW DOWNTOWN ALBANY EXTENSION SITE OFFERS CLASSES IN OUR SEE KNOW AND GAMING MANAGEMENT PROGRAM.

OUR COLLEGE IS A REGIONAL EDUCATOR.

UNDERSTANDING THE POTENTIAL, THE COLLEGE AND THE REGION HAS HERE, THE COLLEGE'S BOARD OF TRUSTEES UNANIMOUSLY VOTED TO SUPPORT THE PROJECT AND I'M PROUD TO STAND BEHIND THEM.

I THANK RUSH STREET FOR GIVING ME THE OPPORTUNITY TO SPEAK TODAY, AND FOR BELIEVING IN OUR COLLEGE.

AS SO EVIDENT IN THE POSITIVE COMMUNICATIONS AND CONVERSATIONS THAT WE HAVE HAD OVER THE PAST WEEKS AND MONTHS.

I WISH TO THANK YOU FOR THE KIND OF CONSIDERATION.

I TURN IT BACK TO DAVE.

>> THANK YOU, MARTHA.

WE BELIEVE THAT PARTNERING WITH LOCAL BUSINESSES IS THE WAY TO PROVIDE THE GREATEST BENEFITS FOR ALL CONCERNED.

YOU SEE ON THE LIST OF THE NUMBER OF BUSINESSES THAT WE HAVE PARTNERSHIPS WITH OR ARE EXPLORING PARTNERSHIPS THE ONE I WANT THE TO TALK ABOUT IS WITH PROCTERS.

IT'S THE LARGEST REGIONAL PERFORMS ARTS VENUE AND IT'S A

HUGE DRAW TO THE THE REGION.
WHAT WE WOULD LIKE TO DO AND WE
BELIEVE IT A GOOD STRATEGY IS TO
ALIGN OUR ENTERTAINMENT STRATEGY
WITH PROCTERS TO BRING OUR
CUSTOMERS TO THEM AND THE OTHER
WAY AROUND AND WE BELIEVE THAT
COMBINED WE WILL MAKE BOTH A
MORE COMPELLING DESTINATION.
I WILL TURN IT TO MARY TO
DISCUSS RELATIONSHIPS WITH
VENDORS AND OTHER BUSINESS
OPPORTUNITIES.

>> THANK YOU, DAVID.
GOOD AFTERNOON.

>> FOR THE PAST 20 PLUS YEARS I
HAVE DIRECTED THE FINANCES OF
CASINOS IN NEW JERSEY AND
PENNSYLVANIA, SINCE 2010, I HAD
THE PLEASURE OF SERVING IN
CAPACITY OF SENIOR VICE
PRESIDENT IN SUGAR HOUSE, IN
PITTSBURGH, ONE OF THE DUTIES
THAT BRINGS ME ENJOYMENT IS
BUILDING VENDOR AND BUSINESS
RELATIONSHIPS.

THIS IS DONE IN SEVERAL WAYS.
THIS IS A LOYALTY CARD THAT
DRIVES CUSTOMERS TO LOCAL
BUSINESSES.

SUCH AS RESTAURANTS,
ENTERTAINMENT VENUES, CAR
RENTALS AND SPORTING EVENTS.
ALSO, WE WILL USE HE LOCALLY
SOURCED GOODS AND INGREDIENTS
AND SERVICES.

WE WILL SPONSOR VENDOR FAIRS TO
CREATE AND BROADEN OUR RELATIONS
AND WE LOOK FORWARD TO
PARTNERING WITH PROCTERS,
FURTHERMORE, WE HAVE SIGNED AN
AGREEMENT WITH UP THE STATE
THEATERS FOR A FAIR BECAME,
BETTER KNOWN AS JUST FAIR GAME
TO PROVIDE OUR SUPPORT TO
THEATERS ENTERTAINMENT VENDORS.
AS REFLECTED IN THE SPENDING
STACK ON THE SLIDE WE TAKE OUR
VENDOR RELATIONSHIPS SERIOUSLY.
LET ME TALK ABOUT HOW WE PLAN TO
ACCOMPLISH THE SPEND GOAL HERE
IN SCHENECTADY.

IT WILL BE KEY TO WORK CLOSELY
WITH MWBEs, LBES AND AS WELL AS

ALL COMMUNITY ORGANIZATIONS.
WE WILL HOST VENDOR AND
LICENSING REQUIREMENTS AND HELP
WITH BIDS THROUGH VOLUME
BUY-INS.

THE VENDOR PARTNER PROCESS IS
KEY AND WILL REMAIN A FOCUS.
I WILL NOW LIKE TO REINTRODUCE
THE MAYOR.

>> THANK YOU, MARY.

WE ENJOY UNPARALLELED SUPPORT.
THIS PROJECT WILL BE CONNECT TO
A REVITALIZED DOWNTOWN AREA, IT
WILL COMPLIMENT THE PROCTERS
THEATER THAT DRAWS 650,000
VISITORS A YEAR TO OUR
COMMUNITY.

THIS CASINO WILL ARE ATTRACT
PROJECTED 2.8 MILLION VISITORS
ANNUALLY.

THE COMMUNITY SUPPORT INCLUDES A
CHAMBER OF COMMERCE OR DOWNTOWN
IMPROVEMENT CORPORATION.

THE EAST FRONT STREET
NEIGHBORHOOD ASSOCIATION AND HE
LOCAL BUSINESS COALITIONS.

WE ARE ALSO EXCITED TO HAVE THE
SUPPORT OF THE SURROUNDING
COMMUNITIES.

AND TO FURTHER DEMONSTRATE THE
NEIGHBORS I WOULD LIKE TO
INTRODUCE MY FRIEND, THE MAYOR
OF THE CITY OF AMSTERDAM.

>> THE LAST TIME I ADDRESSED THE
GAMING BOARD IT WAS UNDER
SLIGHTLY DIFFERENT
CIRCUMSTANCES.

IT'S GOOD TO SEE YOU AGAIN.
OUR CITY WAS AT ONE TIME THE
SITE OF A CASINO PROPOSAL AS YOU
WELL KNOW, BUT THAT IS NOW IN
THE PAST.

TODAY I'M IN FULL SUPPORT OF
RIVERS CASINO AND RESORT IN
MOHAWK HARBOR.

IT'S THE LARGE MUNICIPALITY IN
MONTGOMERY COUNTY AND THE FOURTH
LARGEST CITY.

ANY BENEFIT TO OUR REGION.

>> TALKING TO THE TEAM, THAT
RIVERS CASINO AND RESORT AT MO-D
HAWK HARBOR AND RESORT HAS
BEHIND IT.

I'M CONFIDENT THAT THE GAMING

FACILITY WILL BE HUGE
SUCCESSFUL AND WITH OUR
PROXIMITY BEING 15 MINUTES AWAY
APPROXIMATE THE PROJECT, IT WILL
BE A HELP TUESDAY.

IT'S ALREADY A JOB SITE FOR MANY
OF OUR RESIDENTS THE ADDITION TO
MORE QUALITY JOBS WILL HELP
AMSTERDAM FIGHT THE UNEMPLOYMENT
THAT PLAGUES OUR CITY AND
MONTGOMERY COUNTY.

I'M PROUD TO SAY THAT I'M
PLEDGING MY FULL SUPPORT TO THIS
PROJECT.

AMSTERDAM IS READY TOO, AND I
TURN IT BACK TO THE MAYOR.

>> AND MAYOR, OUT OF TIME.

YOU HAVE A CLOSING STATEMENT?

>> SCHENECTADY IS READY, IT
FULFILLS THE GOALS OF THE UP
STATE NEW YORK GAMING AND
DEVELOPMENT ACT BETTER THAN ANY
PROPOSAL.

THIS COMMUNITY WANTS AND
SUPPORTS THIS PROJECT.

THAT IS WHY I'M HERE TODAY TO
ASK YOUR FAVORABLE CONSIDERATION
FOR THIS PROPOSAL, THIS TEAM AND
THE CITY OF SCHENECTADY.

AND I THANK YOU FOR YOUR TIME
THIS AFTERNOON.

AND WE WELCOME YOUR QUESTIONS.

>> THANK YOU.

QUESTIONS, ONE TO THE APPROVALS
YOU HAVE IN PLACE?

NUMBER ONE.

>> YES, THEY DO.

>> YOU ARE SHOVEL READY?

>> WE ARE SHOVEL READY AND WE
ARE DOING MINOR AMENDMENTS RIGHT
NOW TO ADJUST FOR SIGNAGE

VARIANTS.

>> WHAT IS THE STATUS OF THE
FULL FINANCING NOT JUST THE
EQUITY PIECE BUT THE FULL
FINANCING?

>> WE'VE RECEIVE SIX HIGHLY
COMPETENT LETTERS FROM THE MAJOR
BANKS AND INVESTMENT BANKS WHO
WE HAVE DONE OUR FINANCING WITH
IN THE PAST.

WE ARE PREPARED TO PUT UP
WHATEVER EQUITY IS NECESSARY, TO

GET IT DONE.

WE HAVE THE RESOURCES.

>> YOU WILL PUT UP THE FINANCING
IF IT DOES NOT GET FINANCED?

>> WE HAVE THE CAPACITY TO DO
IT, AND WE HAVE FINANCED
PROJECTS WHEN NOBODY ELSE COULD
BECAUSE OF OUR RECORD, AND OUR
DEBT TRADES FOR THE LOWEST
YIELDS BECAUSE OF THE SUCCESS OF
OUR PROPERTIES NONE OF WHICH ARE
OVER LEVERED.

>> THANK YOU.

>> JUST I WOULD LIKE TO MAKE
SURE YOU UNDERSTAND, THIS IS
PROJECT IS \$330 MILLION, IT'S
COMPLIMENTARY TO THE \$150
MILLION PROJECT THAT THEY HAVE
UNDER WAY TODAY.

>> SIMILAR TO A LOT OF THE OTHER
QUESTIONS WE HAVE BEEN ASKING
THE OTHER APPLICANTS.

DOES YOUR ECONOMIC MODEL AND AND
CORE CAST TAKE IN TO
CONSIDERATION IF ONE OF THE
OTHER PROPOSELY AS AND THE
CAPITOL REGION IMPROVE?

WITH THE STUDIES THAT WE HAVE
DONE WITH THAT I SAY, WE, IT'S
THE INOH, VAGSZ GROUP, ASSUMES
THAT WE ARE THE ONLY CASINO IN
THE REGION.

>> I THOUGHT I HEARD AT ONE
POINT, A STATEMENT ABOUT A
RELATIONSHIP THERE WAS MORE ONE.

>> THERE'S --

>> IT'S ASSUMED THAT THE
SARATOGA PROPERTY IS THERE AND
OPERATING.

WE DID NOT AWAY ASSUME THAT
THERE'S TWO CASINOS PLACED IN
THE REGION.

>> OKAY.

GOT IT.

AS FAR AS THE SPLIT OWNERSHIP,
HOW DOES IT BREAK OUT?

>> GILLESIE WILL OWN THE HOTEL
THAT IS ATTACHED TO THE CASINO
AND HE IS GOING TO MAKE A SMALL
INVESTMENT IN THE PROJECT AND BE
OUR PARTNER BUT THE VAST
MAJORITY OF THE EQUITY IS
COMING, A AS I SAID, DIRECTLY
FROM US.

DAVID BUCCO AND DAVID GILLESPI
BEING HE.
>> GREAT JOB, GUYS, THANK YOU
VERY MUCH.
>> THANK YOU.
>> THAT CONCLUDES OUR
PRESENTATIONS FOR TODAY.
[APPLAUSE]
>> WE WILL RECONVENE AT 8:00
A.M. TOMORROW TO HEAR SEVEN MORE
APPLICATIONS.