For purposes of providing the information required in Exhibit VIII.A.2.a, the Applicant shall not include costs incurred prior to the Effective Date of the Act. Rather, the Applicant shall submit as Exhibit VIII.A.2.b, (i) a description of any capital investment made by the Applicant prior to the Effective Date including the date, type and dollar amount of any such investment and the reason for making the investment; (ii) the current fair market value of capital assets obtained from such prior capital investment; (iii) the amount of VLT Capital Award funds or other external reimbursement of such prior capital investment costs; and (iv) state whether the Applicant believes such capital investment(s) should be included in calculating the Applicant’s Minimum Capital Investment and if yes, the reasons why such amounts should be included. Pursuant to PML Section 1315, the Board may, in its sole discretion, determine what portion, if any, of such capital investments may be included toward computing the Applicant’s Minimum Capital Investment.

Tioga Downs is a proven commodity in the Southern Tier region and has served as a catalyst for job creation, economic growth and community development for nearly a decade. As evidenced throughout this RFA submission, Jeff Gural and his management team have made a substantial economic commitment to the Southern Tier, not only at the Tioga Downs facility as detailed in this exhibit, but throughout the community.

Following are details of the prior capital investments made by Tioga Downs.

i) Tioga Downs has invested $as of December 31, 2014 in the 88,000 sq. ft. facility offering VLT’s, live harness racing, simulcasting, multiple food and beverage outlets and entertainment venues. These capital investments include the construction of a brand new parking facility which was built in anticipation of conversion to a full scale resort facility and built after the Effective Date of the Act, January 1, 2014. Therefore, the total amount invested by Tioga Downs prior to the Effective Date of the Act was $as.

ii) Because of the uniqueness of the Tioga Downs facility, a fair market appraisal is difficult to ascertain. The property has a current book value of $ (Land & Land Improvements, plus furniture, fixtures and equipment and excluding and minus Accumulated Depreciation - excluding Construction in Progress). As detailed further in the Gaming Market Assessment & Pro Forma Financial Analysis found in response to Exhibit VIII.A.3., the full replacement cost for the existing Tioga Downs facility is $98.6 million.

iii) Tioga Downs’ Capital Award Funds as of December 31, 2014 are $as.
Tioga Downs respectfully requests that the Gaming Facility Location Board include the entire prior capital improvements of [REDACTED] as part of Tioga Downs’ Minimum Capital Investment because the investments to date have been vital components of the Tioga Downs property and are essential elements of the planned expansion. These prior capital improvements are an accurate reflection of Tioga Downs’ costs thus far to provide the Southern Tier with a first class facility, which will only be enhanced with the expanded casino and amenity operations proposed in this RFA.

The RFA details a list of proposed investments that an applicant can include as part of the Minimum Capital Investment - such as construction costs, demolition, excavation and improvements to existing or construction of new infrastructure. Tioga Downs is different from other applicants because it has already made these investments. These investments are not just promises, Tioga Downs’ improvements are jobs already created and infrastructure already built. Accordingly, the Gaming Facility Location Board should consider Tioga Downs’ previous contributions to the Southern Tier.