

Rob: This present meeting of the Gaming Facility Location Board is now called to order. The establishment of a quorum requires three members being present. Please indicate your presence when your name is called. Dennis Glaser [PH].

Dennis: Present.

Rob: Kevin Law [PH].

Kevin: Present.

Rob: Stuart [PH] Rabinowitz [PH].

Stuart: Present.

Rob: Chairman Law.

Kevin: Good afternoon. Welcome to the meeting of the New York Gaming Facility Location Board. I'm the chairman, Kevin Law. I'm joined by my colleagues, Dennis Glaser and Stuart Rabinowitz. First item on the agenda is the minutes from the September 30<sup>th</sup>, 2015, meeting. They were circulated previously. Take a motion by Dennis, seconded by Stu. Any comments, revisions, additions? All in favor.

Unidentified Male: Aye.

Kevin: Aye. Any opposed. Motion is carried, the minutes are approved. Now onto Item 3 of the agenda. We have before us a document outlining the board's proposed selection of an applicant to apply to the Gaming Commission for a Gaming Facility license. It would be appropriate to provide an overview of the contents of this document, and then open for discussion amongst the board members before voting on the report. Pursuant to Racing Paramutual Wagering and Breeding Law Section 1306, this board has the power to select up to four entities to apply to the New York State Gaming Commission for a Gaming Facility license in three regions of the state as defined by Section 1310 of that legislation. In December, 2014, this board selected three applicants. We now have before us a fourth entity.

The board received and thoroughly evaluated a single application for the Southern Tier, Tioga Downs Casino Racing and Entertainment in Nichols in Tioga County. Through market evaluation, review of the economic climate and the examination of potential competitive scenarios in the regional gaming landscape, we have sought to select a proposal that would maximize prospects for sustained success and be in the best overall interest of the state. In that regard, we have sought a destination gaming resort proposal of the right scope, the right size and the right financing that will have the best opportunity to succeed in New York State, and bring jobs and economic development to the distressed Southern Tier.

On September 10<sup>th</sup>, the applicant provided an overview of the project, and we were permitted to ask a number of questions directly to the applicant and their consultants, which we did over at the Jacob Javits Center. We held a very well-attended public comments session on September 18<sup>th</sup> at SUNY Broome. We heard from 50 speakers, all overwhelmingly in support of the applicant. We also heard from an additional 2,850 individuals writing to the board, and almost every comment was supportive of the applicant. We also visited the site after the September 18<sup>th</sup> public comment event.

In evaluating the RFA response, we followed the statutory criteria that required the evaluation of economic activity and business development at 70% weight, local impact and siting at 20% weight, and workforce enhancement at 10% weight. We also considered additional criteria as permitted under the statute. Most particularly, we asked, “Does the proposal fulfill the intent of the act in regards to providing economic assistance to the Southern Tier while enhancing upstate New York’s tourism industry?” We also considered the challenges facing the gaming industry and other jurisdictions with the intention of maximizing the chances for sustainable success of a facility in the Southern Tier. Accordingly, this board examined the strength of the applicant’s capital structure and experience, and we looked at competition from other possible gaming facilities. For the Eastern/Southern Tier, this board recommends Tioga Downs Casino Racing and Entertainment in the town of Nichols in Tioga County to apply to the commission for a Gaming Facility license.

In contrast to the 2014 unsuccessful application as I will now described, there is a whole lot more than lipstick with this application. This Tioga application commits substantially more equity to the project and decreases debt, which significantly improves the financial stability of the proposal. There is a greater than 9% increase in proposed new investment, including a larger hotel and enhanced outdoor concert venue, and additional outdoor parking. The increased scope of the project is anticipated to create more construction job opportunities than the previous application. The Tioga applicant now commits to completing all phases of the project. Also, the Tioga applicant will guarantee grants to not-for-profit organizations and loans to small businesses in the Southern Tier.

The board has determined that the Tioga applicant has very strong local support, will provide a good environment for its workforce and is of the appropriate scope and quality to fulfill the intent of the act to bring jobs and economic development to long-distressed regions of the state in the Southern Tier. The Tioga applicant has a significant operational track record as a video lottery gaming vendor at the proposed location, which has enable it to gather important information about the regional gaming market and its potential customers. Also, the gaming facility has the potential to capture gaming revenue in-state than may currently be spent in neighboring state, in a neighboring state. Given the appropriate scope of the project for its market, the board believes that the gaming facility is viable, will increase tax revenues to New York State, and will contribute to the tourism industry, becoming a benefit to the state economy in an area of great need of further economic development.

And, finally, the board believes that the Tioga applicant will meet the statutory criteria for measuring the potential for long-term economic growth and sustainability. Tioga Downs would further develop the Tioga Downs harness race track and current video lottery gaming facility, expanding the facility and converting the gaming facility to a casino facility. Tioga’s facility would include a 32,590-square foot casino with 1,000 slot machines and 50 gaming tables, 161 hotel rooms, multiple restaurants and lounges, an event center, and expansion to include the existent Tioga Country Club. Tioga Downs’ total proposed capital investment is \$138 million in new investment. Tioga projects gross gaming revenues of \$107 million and gaming tax revenues in 2019 of \$32 million. The Tioga applicant anticipates creating approximately 1100 jobs and has an experienced team of professionals to execute the project plans. The scope of the project is also reasonable in relation to the potential market. The Tioga applicant intends to implement a workforce development program that employs the existent nearby labor force, including those who are currently unemployed. Tioga has organized labor support of the project through signed agreements as well. Tioga Downs proposes a thoughtful and well-designed facility and a reasonable and credible financing structure.

With the adoption of this document and resolution, we select Tioga Downs Casino Racing and Entertainment to apply to the commission for the second license in the Eastern/ Southern Tier Finger Lakes region. Do either of my colleagues wish to speak on the matter? Stu or Dennis?

Dennis: I'd like to say something yes.

Kevin: Sure.

Dennis: I'm happy to support this proposal and this application as improved for the reasons stated. But, I also wanted to make a personal comment to Mr. Goral [PH]. That the testimony we heard about your unselfish, philanthropic support for the area was extraordinarily impressive. You have a lot to be proud of, irrespective of what goes on at your facility and your casino in the future. And, I think it should be, it should not go unnoticed. We noticed it, we commented on it as we discussed your application, and you have a lot to be proud of, you and your family.

Stuart: I second what both of my colleagues have said. I just want to point out two things that have not been mentioned yet that gave us some pause and that were satisfactorily answered during our deliberative process. One was that all of our experts said that, that the existence of a full Tioga Downs Casino would have a minimal, if any, impact, negative impact on Logos, the Logos Casino, which was one of the ones that we previously had recommended. So, we did take special care in selecting this to protect the net/net to the state.

And, secondly, there was some question, both orally and in consultations about Mr. Goral's succession plan in terms of the ongoing entity. And, he presented to us a written succession plan that was satisfactory to us, and hopefully, will be satisfactory to lenders who I know are going to require a clear succession plan, and I note that he does not have a commitment on financing yet, although he does have letters expressing great confidence. So, we thought that this is, the written succession plan would not only be helpful to us in making sure this was an entity that would continue, but in helping Mr. Goral get the financing secured that he needs.

Kevin: Good, thank you, Stu. What we have before us discusses recommendations and a solution in great detail, as well as a resolution outlining the recommendation. Rob, can you read the resolution for the record?

Rob: Certainly. Resolution of the New York State Gaming Facility Location Board to select an applicant from Zone 2, Region 5, to be considered for a Gaming Facility licensure of the New York State Gaming Commission. Whereas, the New York legislature passed in two consecutive legislatures in 2012 and 2013, concurrent resolutions to amend the State Constitution to permit casino gambling.

And, whereas, the people of the State of New York voted to amend Section 9 of Article I of the Constitution of the State of New York to permit casino gaming as authorized and prescribed by the legislature.

And, whereas, the legislature passed and the governor approved the Upstate New York Gaming Economic Development Act in 2013, authorizing and prescribing casino gambling in New York State upon appropriate amendment to the State Constitution.

And, whereas, the Act authorized up to four destination casinos to boost upstate economic development, create thousands of well-paying jobs and provide added revenue to the state located in three defined regions of the state, Hudson Valley/Catskills area, Capitol region and Eastern/Southern Tier, with a second license to a qualified applicant to be awarded if at all in no more than a single region.

And, whereas, the New York State Gaming Commission established the Gaming Facility Location Board as prescribed by Racing Paramutual Wagering and Breeding Law Section 109 (a), to select up to four applicants following a competitive application process to be considered for gaming facility licensure.

And, whereas, on December 17<sup>th</sup>, 2014, the board selected three applicants to be considered for licensure by the commission.

And, whereas, on March 23<sup>rd</sup>, 2015, the board issued a second request for applications to develop and operate a gaming facility in New York limited to applicants from Zone 2 Region 5.

And, whereas, by July 6<sup>th</sup>, 2015, the board received one set of application materials from an entity in response to the RFA.

And, whereas, on September 10<sup>th</sup>, 2015, the applicant made an informal, introductory presentation of its application to the board.

And, whereas, at a public comment event convened on September 18<sup>th</sup>, 2015, in Binghamton, the board heard comments on the application from 50 speakers.

And, whereas, the board received and catalogued more than 2,860 pieces of unique communications related to the siting of the casino following the RFA.

And, whereas, the board is required to evaluate the RFA submissions pursuant to the statutory requirements of Paramutual Wagering Law Section 1320.

And, whereas, the board is authorized under Subdivision 3 of the Racing Law Section 1306 to develop additional criteria to assess whether the application provides the highest and best value to the state.

And, whereas, the board is required under Subdivision 7 of the Racing Law Section 1306 to issue detailed findings of fact and conclusions demonstrating the reasons supporting its decision to select applicants for licensure and to issue a finding on how each applicant proposes to advance the criteria of Racing Law Section 1320.

Now, therefore, be it resolved that the board evaluated the application based on the statutory criteria of Racing Law Section 1320, and the additional criterion developed by the board under Subdivision 3 of the Paramutual Racing and Wagering Law Section 1306 as to whether the proposal best fulfills the intent of the Act in regard to providing economic assistance to disadvantaged areas of the state while enhancing Upstate New York's tourism industry.

And, be it further resolved that based on the board's evaluation, the board selects the applicant to apply to the commission for a gaming facility license.

Be it further resolved that the board hereby adopts as its initial findings the attached selection of the New York Gaming Facility Location Board dated October 14<sup>th</sup>, 2015, which summarizes the board's evaluation and selection of the applicant to apply to the commission for a gaming facility license.

And, be it further resolved that the board hereby shall issue the findings required by Subdivision 7 of the Racing Paramutual Wagering and Breeding Law Section 1306 and Section 1320 with the intention of issuing such findings on or about 30 days following the adoption of this resolution.

Be it further resolved that the aforesaid resolution shall be effective immediately.

Be it further resolved that the chair of the board be authorized to sign this resolution indicating the assent of the board to the contents herein.

Kevin: Also moved, seconded by Dennis. Roll call on the vote. Any questions or comments on the resolution? Roll call on the vote.

Rob: Kevin Law.

Kevin: Yes.

Rob: Dennis Glaser.

Dennis: Yes.

Rob: Stuart Rabinowitz.

Stuart: Yes.

Kevin: Thank you all. We will issue a full report of findings on the applicant later this fall. We want to congratulate the Tioga Downs team and wish them the best success on their development. We want to thank the people of the Southern Tier, a beautiful region of the state, a community with passion, who their voices were heard. We thank the staff. The staff really did an incredible job throughout the entire process. And, a lot of people in government get a bad rap for a lot of different things, but we saw firsthand how hard you guys worked, the entire staff, and we want to thank you for guiding us through the last year and a half, both processes. And, so we thank you.

Stuart: Could we except anybody from that?

Kevin: And, I want to thank my two colleagues, Dennis Glaser and Stuart Rabinowitz for all the time, effort and commitment they had into this process as well. So, with that, no further items on our agenda, motion by Dennis to adjourn, seconded by Stu. All in favor.

Unidentified Male: Aye.

Kevin: This meeting is adjourned. Thank you.

[End of audio]