

TIOGA COUNTY INDUSTRIAL DEVELOPMENT AGENCY

APPLICATION FOR FINANCIAL ASSISTANCE

PLEASE NOTE: PRIOR TO SUBMITTING A COMPLETED FINAL APPLICATION AND EAF, PLEASE ARRANGE TO MEET WITH THE AGENCY'S STAFF TO REVIEW YOUR DRAFT APPLICATION AND EAF

Date: 11/2/12

APPLICATION OF:

TIOGA DOWNS RACETRACK LLC
APPLICANT NAME

(SAME)
OWNERSHIP OF PROPOSED PROJECT
(APPLICANT OR OTHER OWNER)

Type of Application:

- | | |
|--|--|
| ☐ Tax-Exempt Bonds | ☒ Taxable Bonds |
| ☐ Both Taxable and Tax-Exempt Bonds | ☒ Sale/Leaseback |
| | ☒ Bank Financing |
| ☐ Refunding | ☐ Amendment |
| ☐ Second Mortgage | ☐ Transfer |

Type of Project:

- | | |
|--|---|
| ☐ Industrial/Manufacturing | ☐ Warehousing |
| ☒ Commercial/Office | ☐ Pollution Control/
(indicate type) _____ |
| ☐ Not-for-Profit/Civic
(Specify) _____ | ☐ Energy or Cogeneration Facility |
| ☒ Commercial/Retail | ☒ Other (specify)
<u>CONVENTION CENTER, HOTEL,
PARKING GARAGE AND CASINO
FLOOR EXPANSION</u> |
| ☐ Solid Waste | |

Description of Project (check one or more):

- | | |
|---|---|
| ☒ New Construction | ☐ Acquisition of existing facility |
| ☒ Addition to existing facility
☐ Existing IDA project | ☒ Purchase of new machinery and equipment |
| ☐ Renovation/modernization of existing facility
☐ Existing IDA project | ☐ Purchase of used machinery and equipment |

Please respond to all items either by filling in blanks, by attachment (by marking space "See Attachment Number 1," etc.) or by N.A., where not applicable. This application must be filed in 4 copies. A complete application is essential for the Agency's determination of whether to provide the financial assistance requested. A non-refundable application fee of \$2,500.00 is required at the time of submission of this application to the Tioga County Industrial Development Agency (the "Agency"). In the event that multiple public hearings are required, \$500.00 per hearing will be charged in addition to the application fee.

The attached Environmental Assessment Form ("EAF") is an integral part of this application. This application will not be deemed complete unless accompanied by a fully completed EAF.

Before inducement, Bond Counsel (or Transaction Counsel, in the case of a Sale/Leaseback) will require a \$2,500 deposit which will be applied to actual out-of-pocket fees and disbursements made during the inducement and negotiation processes, and will be reflected on their final statement at closing.

Information provided herein will not be made public by the Agency prior to the passage of an Official Inducement Resolution, but may be subject to disclosure under the New York Freedom of Information Law.

APPLICANTS FOR FINANCIAL ASSISTANCE TO RETAIL FACILITIES ALSO COMPLETE RIDER A

APPLICANTS FOR TAX-EXEMPT BONDS ALSO COMPLETE RIDER B

I. OWNER DATA

A. PROPOSED PROJECT OWNER (THE "OWNER")

NAME TIOGA DOWNS RACETRACK, LLC
 ADDRESS 2384 W. RIVER Rd, NICHOLS, NY 13812
 CONTACT JAY DINGA POSITION DIRECTOR OF BUSINESS Development, Gov Relations.
 PHONE ⁽⁶⁰⁷⁾ 348-8435 FEDERAL EMPLOYER I.D.# 20-1280492
 FAX ⁽⁶⁰⁷⁾ 699-7279 E-MAIL jdinga@tiogadowns.com
 NAICS CODE 711210 ARTS, ENTERTAINMENT & Recreation
713200 Amusement, GAMBLING & Recreation
 BUSINESS TYPE:

SOLE PROPRIETORSHIP ☐ LIMITED LIABILITY COMPANY ☒

GENERAL PARTNERSHIP ☐ LIMITED PARTNERSHIP ☐

OTHER (PLEASE DESCRIBE) _____

State and Date of Organization September, 2005 NY

PRIVATELY HELD CORPORATION ☒ N/A

PUBLIC CORPORATION ☐ LISTED ON _____ EXCHANGE

State and Date of Incorporation _____

NOT-FOR-PROFIT CORPORATION ☐

Qualified Under Section ____ of Internal Revenue Code (attach a copy of IRS Determination Letter)

State and Date of Incorporation or Charter _____

EDUCATION CORPORATION ☐

Qualified Under Section ____ of the Internal Revenue Code (attach a copy of IRS Determination Letter)

State and Date of Incorporation or Charter _____

ATTORNEY _____

FIRM NAME _____

ADDRESS _____

PHONE _____ FAX _____

E-MAIL _____

B. FACILITY USER (tenant using more than 10% of the square footage of the Facility, if different than the Owner) (THE "USER")

NAME _____

ADDRESS _____

CONTACT _____ POSITION _____

PHONE _____ FEDERAL EMPLOYER I.D.# _____

FAX _____ E-MAIL _____

NAICS CODE _____

BUSINESS TYPE:

SOLE PROPRIETORSHIP ☐ LIMITED LIABILITY COMPANY ☐GENERAL PARTNERSHIP ☐ LIMITED PARTNERSHIP ☐

OTHER (PLEASE DESCRIBE) _____

State and Date of Organization _____

PRIVATELY HELD CORPORATION ☐PUBLIC CORPORATION ☐ LISTED ON _____ EXCHANGE

State and Date of Incorporation _____

NOT-FOR-PROFIT CORPORATION ☐

Qualified Under Section ____ of Internal Revenue Code (attach a copy of IRS Determination Letter)

State and Date of Incorporation or Charter _____

EDUCATION CORPORATION ☐

Qualified Under Section ____ of the Internal Revenue Code (attach a copy of IRS Determination Letter)

State and Date of Incorporation or Charter

ATTORNEY _____

FIRM NAME _____

ADDRESS _____

PHONE _____ FAX _____

E-MAIL _____

(Please provide names of each additional User, if any, and all of the information requested above, on a separate sheet and attach it to this questionnaire.)

- C. Any related person (e.g., stockholder, principal, partner, member, parent corporation, sister corporation, subsidiary) to the above Owner or User proposed to be a user of the Project.

<u>NAME</u>	<u>BUSINESS TYPE</u>	<u>RELATIONSHIP</u>
_____	_____	_____
_____	_____	_____

- D. Principal stockholders or partners of the Owner and the User, if any (i.e., owners of 5% or more equity in the Owner or the User):

<u>NAME</u>	<u>% OWNED</u>	<u>WHICH COMPANY</u>
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

- E. **APPLICANTS FOR TAX-EXEMPT FINANCING:** If any of the above persons, or a group of them, owns more than a 50% interest in the Owner or the User, list all other persons that are related to the Owner or the User by virtue of such owners having more than a 50% interest in such other persons.

- F. **APPLICANTS FOR TAX-EXEMPT FINANCING:** Is the Owner or the User related to any other person by reason of more than 50% common ownership? If so, indicate the name of each related person and the Owner's or User's relationship to such person.

- G. List the Owner's and the User's parent corporations, sister corporations and subsidiaries if any.

OWNER PARENT Company : American Racing : ENTERTAINMENT LLC

OWNER SISTER Company : Vernon Downs Acquisitions, LLC

- H. Has the Owner or the User (or any other entity listed in answer to questions C-G above) been involved in or benefitted by any prior tax-exempt bond financing in the town/city/village in which this Project is located, whether through the Agency, JDA or another issuer? If so, please explain in full (e.g., name of issuer and beneficiary; original amount of issue; date of issue; current amount outstanding; purpose of issue; etc.).

NO

- I. Has the Owner or the User (or any related person) made a public offering or private placement of its stock within the last year? If so, please describe and provide the prospectus or other offering materials used.

NO

- J. Has the Owner or the User (or any related person) applied to any other Industrial Development Agency in regard to this Project? If so, please provide details of any action taken with respect to the Project and the current status of such application.

NO; HOWEVER I ASK THE TIOGA County Economic Development Department to guide us toward GRANT opportunities from THE ESD programs.

- K. List the major bank references of the Owner and the User.

TIOGA STATE BANK

II. OWNER'S OPERATIONS AT CURRENT LOCATION

- A. Address 2384 W. RIVER Rd., Nichols NY 13812

- B. Acreage of existing facility 149

- C. Number of buildings and square feet of each building

18 Buildings (including HORSE BARNS) Square Footage for current & gaming FACILITY only is 84,675 sq. FT.

- D. Owned or leased OWNED

- E. Please describe the type of operation (e.g., manufacturing, wholesale, distribution, retail, etc.) and products and services offered at current location: _____

CASINO, HAWKMAN HORSE RACETRACK, & Food & Beverage operations

F. Employment (current number of full-time employees or the equivalent) _____

FTE = 235 11/1/12

G. Annual payroll amount \$6,400,000 w/o BENEFITS + AN additional BENEFITS COST OF \$3,100,000.

III. USER'S OPERATIONS AT CURRENT LOCATION

A. Address _____ Fully Burdened Payroll = \$9,500,000

B. Acreage of existing facility _____

C. Number of buildings and square feet of each _____

D. Owned or leased _____

E. Please describe the type of operation (e.g., manufacturing, wholesale, distribution, retail, etc.) and products and services offered at current location: _____

F. Employment (current number of full time employees or the equivalent) _____

G. Annual payroll amount _____

IV. PROPOSED PROJECT DATA

A. Location of Project - Please attach a map highlighting the location of the Project. In addition, please give the real property tax map number and exact street address of the Project, including the city or village (if any) and town in which the Project will be located. (If no street address is available, please include a survey and the most precise description available.) Please also identify the school district within which the Project will be located: TAX Map ID# 158-00-3-49

MAP IS ATTACHED. THE TOWN, County & School Bills are ALSO ATTACHED



TOWN OF NICHOLS/COUNTY OF TIOGA

Bill # 001209

Fiscal Year: Jan. 1, 2012-Dec. 31, 2012
Warrant Date: January 1, 2012

Bank Code:

Account #: 00000000237

Collector:

Karen Hunsinger

PO Box 296

Nichols

NY 13812

SWIS: 492889

Property class: Racetrack

Dimensions: 87.09 acres

Location:

Roll Section: 1

School: Tioga

State Aid: TOWN 112,902

Tax Map ID: 158.00-3-49

ATTACHMENT IV A

PER

Exemption	Amount	Full Value	Tax Purpose
BUS. C	1,575,000	5,625,000	COUNTY

Tioga Downs Racetrack Llc

% Finance

PO Box 509

Nichols, NY 13812

Total Assessed Value of your property: \$6,900,000
 Assessor's stated uniform % used to establish assessments: 28.00%
 Assessor's estimate of Full Market Value as of July 1, 2010 \$24,642,857

If you feel your assessment is too high, you have the right to seek a reduction. For further information, please ask your assessor for the booklet "How to File a Complaint on Your Assessment." Please note that the period for filing a complaint on this assessment has passed.

TAX INFORMATION

Taxing Purpose	Total Tax Levy	% Change	Taxable Value	Tax Rate	Tax Amount
COUNTY	20,596,898	1.6	5325,000.00	30.666000	163,296.45
RECYCLE	931,408	9.8	5325,000.00	1.387000	7,385.78
TOWNWIDE	336,589	-5.4	6900,000.00	9.677536	66,775.00
PART TOWN	48,130	-12.2	6900,000.00	1.597295	11,021.34
Nichols fire	135,400	0.0	6900,000.00	2.929780	20,215.48
TOTAL M					

Apply for Senior Citizen Exemption by: March 1, 2012
 Apply for third party notification by: July 1, 2012

Full Payment Amount Due by: 01/31/2012 \$268,694.05

To pay In person: Monday & Thursday from 8AM to 5PM; Tuesday & Wednesday from 8AM to 2PM and Fridays from 8AM to 12PM. No holiday or weekend collection. Phone (607) 699-3110 x 10.

Collector:

Karen Hunsinger

PO Box 296

Nichols

NY 13812

492889

158.00-3-49

Account #:

00000000237

Bank Code:

2384

W River Rd

Bill # 001209

If Paid By	01/31/2012	02/29/2012	04/02/2012
Interest %		1 %	2 %
Tax	\$268,694.05	\$268,694.05	\$268,694.05
Interest		2,686.94	5,373.88
Total Due	\$268,694.05	\$271,380.99	\$274,067.93

Please make checks, drafts or money orders payable to:
 Town of Nichols Tax Collector

Tioga Downs Racetrack Llc

% Finance

PO Box 509

Nichols, NY 13812

Paid By _____

Received Base _____ Int _____ Total _____

Rcvd By _____ Date _____ CK _____ Cash _____

For Receipt, Check This Box ☐ And Return Entire Bill.

- 8.2 -

Keprint

Bill No. 001461

Tioga Central School District
2011 - 2012 School Tax Bill
 For Fiscal Year Ending 06/30/12

ATTACHMENT IV A PG 3

MAKE CHECKS PAYABLE TO

Tax Collector, Tioga CSD
 PO Box 241, 3 Fifth Avenue
 Tioga Center, NY 13845

TO PAY IN PERSON

Monday-Friday 7:30 a.m. to
 4:00 p.m. in the Admin Bldg
 Closed: 9/5/11, 10/10/11 and
 11/11/11.
 Phone: 807.687.6000 x1005

PROPERTY ADDRESS & LEGAL DESCRIPTION

S/B/L 492889 158.00-3-49

Address: 2384 W River Rd

Town of: Nichols

School: 493603 - TIOGA

Class: 522 Racetracks

Acres: 87.09

Roll Section:1

Bank:

Tioga Downs Racetrack Llc
 % Finance
 PO Box 509
 Nichols, NY 13812

Property Taxpayer's Bill of Rights

The assessor estimates the Full Market Value of this property to be:

\$24,842,857

The assessed value of the property was:

\$6,900,000

The Uniform Percentage of Value used to establish assessments was:

28.00%

If you feel your assessment is too high, you have the right to seek a reduction in the future. For further information, please ask your assessor for the booklet "How to File a Complaint on Your Assessment". Please note that the period for filing complaints on the above assessment has passed.

Exemption	Value	Tax Purpose	Full Value Est.	Please make checks, drafts, or money orders payable to: Tax Collector, Tioga CSD. NOTE: This year's STAR tax savings generally may not exceed last year's by more than 2%.

PROPERTY TAXES

Taxing Purpose	Total Tax Levy	% Change from Prior Year	Taxable Value or Units	Rate per \$1000 or Per Unit	Tax Amount
School Tax	993,180	0.1%	6,900,000.00	98.415070	251,283.98
Library Tax	1,433	0.3%	6,900,000.00	0.054190	373.81

Payment Schedule

Payment Period	Penalty	Late Fee	Total Due
09/01/11 - 10/17/11			251,637.89
10/18/11 - 11/15/11	2.00%	5,032.76	256,670.65

TOTAL TAXES DUE 10/17/11**\$251,637.89**

2011 - 2012 School Tax Bill
RECEIVER'S STUB

Tioga Downs Racetrack Llc
 % Finance
 PO Box 509
 Nichols, NY 13812

Bill No. 001461**492889 158.00-3-49****Payment Schedule**

Payment Period	Penalty	Late Fee	Total Due
09/01/11 - 10/17/11			251,637.89
10/18/11 - 11/15/11	2.00%	5,032.76	256,670.65

RECEIVER'S STUB MUST BE RETURNED WITH PAYMENT. IF YOU WISH TO RECEIVE A RECEIPT FOR A PAYMENT OF THIS TAX BILL, PLACE A CHECK MARK IN THIS BOX []

SPC 9/27/11

- B. Project Site - Please submit 3 copies of plans or sketches of the proposed acquisition, renovation or construction (under separate cover is permissible). Also attach a photograph of the site or existing facility to be improved.

1. Acreage 8.78 ACRES

2. Acquisition of existing buildings:

- a) Existing buildings to be acquired (number of buildings and square feet of each building):

N/A

- b) Does the Project consist of additions and/or renovations to existing buildings? If so, indicate the nature of the expansion and/or renovation in reasonable detail.

YES : 1) CASINO FLOOR EXPANSION = 22,456 sq FT
2) OFFICE SPACE EXPANSION = 1,900 sq FT

3. New Construction:

- a) Number and square feet of each new building to be constructed:

ATTACHED - PAGE TWO OF LP CIMINELLI BUDGET
1) HOTEL = 84,357 sq FT 2) EVENTS CENTER = 85,743
3) PARKING GARAGE 105,552 sq FT

- b) Builder or contractor and address:

LP CIMINELLI

2421 MAIN ST., BUFFALO NY 14214

- c) Architect and address:

CLIMANS GREEN LIANG ARCHITECTS, INC

160 PEARS AVENUE, SUITE 418

TORONTO ONTARIO M5R 3P8

4. Present use of the Project site:

GRASS AREA, OLD HORSE Paddock, GRAVEL PARKING

Building Areas Analysis

Scheme #1 - 5/2/12 Drawings

5.22.12 Draft Estimate

3/30/12 Draft
Estimate7/11/11
EstimateProposed Casino Expansion

New Const.	Elevation 824'-10"	17,362 gsf	16,500 gsf	10,365 gsf
Reconstruction.	Elevation 824'-10"	<u>5,094</u> sf	<u>4,913</u> sf	0 gsf
Proposed Casino Expansion Total		22,456	21,413	10,365

Proposed Hotel

New Const.	Level 1 - El. 802'-0"	13,364 gsf		
New Const.	Level 2 - Assumed Elevation +/- 814'-5"	13,403 gsf		
New Const.	Level 3 - El. 824'-0"	13,364 gsf		
New Const.	Levels 4, 5 & 6 x 13,403 SF/Level	40,209 gsf		
	gross up	5% 4,017 gsf		
Hotel Total		84,357	79,125 gsf	79,800 gsf +/-
		135 keys	134 keys	132 keys

Proposed Hotel Amenities

New Const.	El. 802/804'-0" - BOH, Pool, Fitness	56,800 gsf	48,492 gsf	37,300 gsf +/-
New Const.	El. 824'-0" - Multi-Purpose & Restatuant	w/		
New Const.	El. 824'-6" - Structural Outdoor Wood Deck	7,176 gsf	7,673 sf	5170 sf
New Const.	El. 824'-6" - Roof top Wood Deck	4,688 gsf	w/	w/
New Const.	El. 846'-0" - Roof Terrace	14,870 gsf	12,400 gsf	<u>5170</u> sf
New Const.	Outdoor Water Slide Area	0	0 sf	0 sf
Renovations	Food Court Renovations	<u>2,209</u> gsf	2,500 sf	allowance
Hotel Amenities Total		85,743	71,065 sf	47,640 sf

Office Expansion

New Const.	Assumed Elevation +/- 837'-3"	1,900		
Office Expansion Total		1,900	1,900 gsf	0 sf

TOTAL FACILITY BUILD-OUT AREA	194,456	173,503	137,805
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Proposed Parking Deck

		308 cars	308 cars	224 cars
New Const.	Level 1	35,184		
New Const.	Level 2	35,184		
New Const.	Level 3	<u>35,184</u>		
Parking Deck Total		105,552		

5. Present user of Project site:

OWNER - TIOGA DOWNS RACETRACK LLC

6. Relationship of present user of Project site to the Owner, if any: (SAME)

- C. Project Use Description – Please provide a detailed description of the Project and the Project's intended use. (E.g., "The construction and equipping of an approximately _____ square foot building, of which _____ square feet will be used for the manufacturing of _____, _____ square feet will be used for warehousing finished products and _____ square feet will be used for office space, and the acquisition and installation of the following items of machinery and equipment: _____, all to be used by the Owner/User in connection with the manufacturing and/or warehousing of _____ for the _____ industry.) If additional space is necessary, please attach an exhibit to this application. (ATTACHED)

APPLICANTS FOR TAX-EXEMPT FINANCING PLEASE NOTE: The Tax Reform Act of 1986 limits the types of facilities that are eligible for tax-exempt financing to manufacturing facilities, civic facilities and certain other exempt facilities.

D. Are there utilities on site? YES

- a. Water (indicate municipal or other) WELL
 b. Sewer (indicate municipal or other) ON-SITE WASTE WATER FACILITY-OWNED
 c. Electric (Name of utility company) NYSEG
 d. Gas (Name of utility company) N/A

ATTACHMENT

IV. Proposed Project Data

C. Project Use Description:

Tioga Downs Racetrack, LLC is in the planning stages of an estimated \$50,000,000 new construction project on our property.

Based on a preliminary design (May 22, 2012), the project consists of a six (6) story, 135 key hotel (84,357 sq ft), a new (85,743 sq ft) convention/events center that includes a restaurant, pool & fitness area, and a roof top terrace that overlooks the racetrack, a three (3) level (105,552 sq ft) parking garage with covered entry into the facility, casino floor expansion (22, 456 sq ft) and office space expansion (1,900 sq ft).

This expansion project will help Tioga Downs specifically and Tioga County in general to attract additional tourism by serving as a new overnight/extended stay destination point.

- E. If any space in the Project is to be leased by the Agency or the Owner to third parties, or subleased by the User to third parties, indicate the total square footage of the Project to be leased to each tenant, and the proposed use of that space by each tenant. Although the tenants may not yet be known, the general purposes for which the Project will be used must still be indicated (e.g., manufacturing, office, warehouse, etc.). Use a separate sheet, if necessary.

THERE IS AN OUTSIDE CHANCE THAT THE
RESTAURANT IN THE NEW CONVENTION CENTER
MAY BE LEASED TO A PROMINENT "NAMED" CHAIN.

- F. 1. List principal items or categories of equipment to be acquired as part of the Project and identify whether equipment will be new or used.

ALL NEW:

KITCHEN EQUIPMENT, HVAC, REFRIGERATION
HOTEL FF&E, HOTEL MGT SYSTEMS, F&B SYSTEMS
SURVEILLANCE SYSTEM, AV SYSTEMS, FIRE SAFETY SYSTEMS,
I.T. & DATA PORT SYSTEMS.

2. Have any of the items or categories listed above been ordered or obtained?
 If so, enclose copies of purchase orders, contracts and/or invoices.

NO

- G. Has construction work on the Project begun? If so, complete the following:

- | | | | |
|----|----------------|------------------------------|---|
| 1. | Site clearance | ☐ yes | ☒ no _____ % complete |
| 2. | Foundation | ☐ yes | ☒ no _____ % complete |
| 3. | Footings | ☐ yes | ☒ no _____ % complete |
| 4. | Steel | ☐ yes | ☒ no _____ % complete |
| 5. | Masonry | ☐ yes | ☒ no _____ % complete |

6. Other (describe below):

ENVIRONMENTAL STUDIES, TRAFFIC STUDIES & WATER

CAPACITY STUDIES ARE BEING CONDUCTED.

ENGINEERING & DESIGN PLANS HAVE BEEN DRAFTED
REQUEST FOR WAIVER ON HEIGHT CODE (AS ATTACHED)

H. Existing facilities within New York State:

1. Are there other facilities owned, leased or used by the Owner or User (or any related person) within the state? If so, tell where such facilities are located and describe the terms of the Owner's or the User's (or any related person's) interest in such facilities.

~~YES~~ ^{QAD} NO, NOT BY TIoga DOWNS RACE TRACK, LLC

2. If there are other facilities within the state, is it expected that any of these other facilities will close or be subject to reduced activity as a result of the proposed Project?

☐ yes

☐ no

3. If you answered "No" to question 2 above, please explain in detail how current facilities will be utilized.

N/A

4. If you answered "Yes" to question 2 above, please indicate whether the Project is reasonably necessary for the Owner or User, as applicable, to maintain its competitive position in its industry and explain in detail.

N/A

5. Has the Owner or the User thought about moving to another state? Has the Owner or the User engaged in any negotiations in that regard? If so, please explain.

CURRENTLY THE NY STATE LEGISLATURE IS
CONSIDERING ISSUING ONLY SEVEN (7) LICENSES
FOR TABLE GAMING TO THE NINE (9) FACILITIES
REGULATED BY THE NY STATE LOTTERY
STATEWIDE. FAILURE TO ADD THIS FEATURED
PROJECT COULD PUT TIoga DOWN AT HIGH RISK
FOR NOT SECURING A TABLE GAMING LICENSE.

6. Will the Project meet current zoning requirements at its proposed location?

☒ yes

☒ no

- a) What is the present zoning? _____
- b) What zoning is required? Height Variance Waiver
- c) If a change of zoning is required, please provide the details regarding, and described the status of, any change of zoning request.

N/A ⁹¹⁰ A REQUEST FOR A Height Variance
WAIVER HAS BEEN REQUESTED OF THE TOWN.

7. Is the Project site in an Agricultural District, in a primarily agricultural area, or currently in agricultural use? If yes, provide details.

N/A

8. Is the Project site in a Historic District or does it contain any buildings of historical significance? If yes, describe.

NO

9. Are any federal or state wetlands or any other environmentally critical or sensitive areas on or contiguous to the Project site? If yes, describe.

10. Does the Project site contain any underground or above ground storage tanks or wells, whether or not currently in use? If yes, describe.

NO

11. List any state, local or federal consents or approvals (e.g., site plan approval, special use permit, environmental permits, certificates of need) that will be necessary in connection with the Project and describe the status of each such consent or approval.

DEC SPDES PERMIT, DEC SEQRA APPROVAL,
DOT TRAFFIC MITIGATION ISSUES,

- I. Does the Owner or the User (or any related person) currently lease the Project site?

☐ yes

☒ no

- J. Does the Owner or the User (or any related person) now own the Project site?

☒ yes

☐ no

1. If so, indicate:

- a) Date of purchase SEPTEMBER, 2005
- b) Purchase price _____
- c) Balance of existing mortgage 40,400,000
- d) Holder of mortgage FS INVESTMENT CORP.
- e) Special conditions 2 Financial RATIOS & A CAPITAL SPENDING CAP.

2. If not, does the Owner (or any related person) have an option or a contract to purchase the site and/or any buildings on the site?

☐ yes

☐ no

3. If so, please attach a copy of the option or contract and indicate:

- a) Date signed N/A
- b) Purchase price _____
- c) Proposed settlement/closing date _____

K. Has an Environmental Audit or other examination of the environmental condition of the Project site been prepared within the last five years?

☐ yes

☒ no

If yes, please attach a copy.

V. PROJECT COSTS

- A. Give an accurate estimate of the cost of each of the following items, specifying in each instance the best estimate of the portion of such costs to be financed with tax-exempt or taxable bond proceeds, if applicable:

	TOTAL COST AND % BOND FINANCED
LAND*	_____ (_____ %)
ACQUISITION AND REHABILITATION COSTS:	(See ATTACHED)
Existing Building**	_____ (_____ %)
Cost of Rehabilitation	_____ (_____ %)
COST OF NEW CONSTRUCTION:	
Construction of New Building	_____ (_____ %)
New Additions to or Expansions of Existing of Existing Building	_____ (_____ %)
ENGINEERING/ARCHITECTURAL FEES	_____ (_____ %)
MANUFACTURING EQUIP. TO BE INSTALLED...	_____ (_____ %)
OTHER EQUIP. TO BE INSTALLED	_____ (_____ %)
LEGAL FEES (Bank, Bond, Agency & Company Counsel).....	_____ (_____ %)
FINANCIAL CHARGES (specify).....	_____ (_____ %)
AGENCY FEES.....	_____ (_____ %)
OTHER FEES/CHARGES, etc. (specify):	
_____	_____ (_____ %)
_____	_____ (_____ %)
TOTAL PROJECT COSTS:	\$ _____ (_____ %)
AMOUNT OF BOND REQUESTED (if applicable):	\$ <u>PENDING</u>

* **APPLICANTS FOR TAX-EXEMPT FINANCING NOTE:** If acquiring land, please note that federal law prohibits the use of 25% or more of tax-exempt bond proceeds for the purchase of land.

** **APPLICANTS FOR TAX-EXEMPT FINANCING NOTE:** If acquiring existing buildings, please note that federal law prohibits the acquisition of existing buildings with tax-exempt bond proceeds unless the rehabilitation expenses to be incurred with respect

**Attachment V
(Revised)**

	12/20/2012 Preliminary Budget	%
Land	\$ -	0.0%
Acquisition/Rehab:		
Existing Building	\$ -	0.0%
Cost of Rehab	\$ -	0.0%
New Construction:		
New Building	\$ 41,605,291	79.5%
Additions/Expansions	\$ -	0.0%
Engineering/Architect fees	\$ 3,094,400	5.9%
Mfg Equip. to be installed		
Other Equip to be installed	\$ 5,676,704	10.9%
Legal Fees	\$ -	0.0%
(Bank, Bond, Agency, etc)		
Financial Charges	\$ -	0.0%
Other Fees/Charges:		
Budget Reserve	\$ 1,934,015	3.7%
	\$ 52,310,410	100.0%

ATTACHMENT V A

	5/22/2012 Preliminary <u>Budget</u>	%
Land	\$ -	0.0%
Acquisition/Rehab:		
Existing Building	\$ -	0.0%
Cost of Rehab	\$ -	0.0%
New Construction:		
New Building	\$ 36,437,958	72.9%
Additions/Expansions	\$ 5,862,700	11.7%
Engineering/Architect fees	\$ 2,675,700	5.4%
Mfg Equip. to be Installed	\$ -	0.0%
Other Equip to be Installed	\$ 3,302,854	6.6%
Legal Fees (Bank, Bond, Agency, etc)	\$ -	0.0%
Financial Charges	\$ -	0.0%
Other Fees/Charges:		
Budget Reserve	\$ 1,672,315	3.3%
	\$ -	0.0%
	\$ -	0.0%
	\$ 49,951,527	100.0%

to the building within three years are equal to or greater than 15% of the portion of the cost of acquiring the building that is financed with tax-exempt bond proceeds. Rehabilitation does not include any amount expended on new construction (additions or expansions). These provisions do not apply to "Civic Facilities" for 501(c)(3) organizations.

B. Method of financing costs:

		<u>AMOUNT</u>	<u>TERM</u>
1.	Tax-exempt bond financing	\$ _____	_____ years
2.	Taxable bond Financing	\$ _____	_____ years
3.	IDA Sale/Leaseback with conventional financing***	\$ <u>PENDING</u>	<u>20</u> years
4.	IDA Sale/Leaseback with Owner/User Financing	\$ <u>PENDING</u>	<u>20</u> years
5.	JDA or other governmental funding***	\$ <u>PENDING</u>	_____ years
6.	Other loans***	\$ _____	_____ years
7.	Company's/Owner's equity contribution	\$ _____	
TOTAL PROJECT COSTS:		\$ _____	

*** Copies of all commitments must be submitted to the Agency before drafting of any bond or transaction documents can begin.

C. **APPLICANTS FOR TAX-EXEMPT FINANCING:** Have any of the above costs, which are to be reimbursed out of tax-exempt bond proceeds, been paid or incurred (including contracts of sale or purchase orders) as of the date of this application?

☐ yes

☐ no

If so, please give particulars, including dates paid or incurred on a separate sheet.

- D. **APPLICANTS FOR TAX-EXEMPT FINANCING:** Are costs of working capital, moving expenses, work in progress or stock in trade included in the proposed uses of the tax-exempt bond proceeds? Give details.

N/A

- E. Will any of the funds to be borrowed through the Agency be used to repay or refinance an existing mortgage, outstanding loan or outstanding bond issue? Give details.

N/A

- F. Has the Owner made any arrangements for the marketing or the purchase of the bond or bonds? If so, indicate with whom and provide copies of any commitments and/or term sheets.

N/A

VI. MEASURES OF GROWTH AND BENEFITS

- A. Please complete the chart below by indicating on line #1 the present number of full-time or equivalent employees and the annual payroll for all current facilities of the User. On line #2, please provide the information with respect to Tioga County facilities only. (If no facilities are currently in Tioga County, indicate "0.") On lines #3 and #4, provide projections of employment and payroll at the proposed Project in Tioga County for the first and second year after the Project's completion:

	Full Time or Equivalent Employees	Annual Payroll \$
		* WITH BENEFITS
1. PRESENT (All Current Facilities)	<u>235</u>	<u>\$ 9,500,000</u>
2. PRESENT (Tioga County Only)	<u>235</u>	<u>\$ 9,500,000</u>
3. FIRST YEAR (Tioga County Only)	<u>275</u>	<u>\$ 10,458,000</u>
4. SECOND YEAR (Tioga County Only)	<u>305</u>	<u>\$ 11,587,290</u>

- B. What, if any, will be the expected increase in the annual dollar amount of sales or business activity?

\$ 31,500,000 OVER 10 Full Years

- C. Describe, if applicable, other benefits anticipated as a result of this Project, including but not limited to job retention.

* Job Retention, Construction job FOR Local Contractors
 * Tioga Downs must Better position ITSELF FOR THE
Battle over Limited Numbers of Expanding gaming licenses.
THIS PROJECT IF Completed in 2014, Does THAT.

VII. PROJECT CONSTRUCTION SCHEDULE

- A. What is the proposed date for commencement of construction or acquisition of the Project?

APRIL, 2013

- B. Give an accurate estimate of the time schedule to complete the Project and when the first use of the Project is expected to occur (use additional sheets if necessary).

SHOVEL IN THE GROUND APRIL 1, 2013. Project
Expected to BE completed BY MAY 31, 2014.

- C. At what time or times and in what amount or amounts is it estimated that funds will be required? Please provide your most accurate estimate.

PENDING LP Ciminelli Construction timeline
TO BE PROVIDED.

VI. Measures of Growth and Benefits

	<u>FTE Count</u>	<u>Annual Wages</u>	<u>Annual Benefits</u>	<u>Total</u>	<u>Average Wages</u>	<u>Average w/ Benefits</u>
1.) Present (all facilities)	235	\$ 6,400,000	\$ 3,100,000	\$ 9,500,000	\$ 27,234	\$ 40,426
2.) Present (Tioga Co. only)	235	\$ 6,400,000	\$ 3,100,000	\$ 9,500,000	\$ 27,234	\$ 40,426
3.) First Year (Tioga Co. only)	275	\$ 7,208,000	\$ 3,250,000	\$ 10,458,000	\$ 26,211	\$ 38,029
4.) Second Year (Tioga Co. only)	305	\$ 8,103,000	\$ 3,484,290	\$ 11,587,290	\$ 26,567	\$ 37,991

VIII. WHAT TYPE OF FINANCIAL ASSISTANCE IS THE APPLICANT REQUESTING?

- ☐ Standard PILOT
- ☒ Deviation from Standard PILOT

If Deviation from Standard PILOT is requested, please explain THE HOTEL

Revenue Study Projects an increase in Revenue of \$31,500,000
over 10 years. We need 20 years of operating to Achieve
payback. We seek A 20 years PILOT PUSN.

IX. ATTACH THE FOLLOWING FINANCIAL INFORMATION OF THE OWNER AND THE USER

- A. Financial statements for last two fiscal years (unless included in the Owner's or User's annual report). (ATTACHED)
- B. Owner's and User's annual reports (or Form 10-Ks) for the two most recent fiscal years. N/A
- C. Quarterly reports (Form 10-Qs) and current reports (Form 8-Ks) since the most recent annual report, if any. N/A
- D. In addition, if applicable, please attach the financial information described above in items A, B, and C of any expected guarantor of a proposed bond issue other than the Owner or the User. N/A
- E. Upon the request of the Applicant, the Agency will review the information submitted pursuant to this Section VIII and return all copies to the Applicant within two weeks after the inducement date. Please indicate whether you require the information to be returned.

☒ yes

☐ no

BY SIGNING THIS APPLICATION, I CERTIFY THAT I HAVE READ AND UNDERSTOOD THE PROJECT POLICY MANUAL PROVIDED TO ME BY THE IDA AND AGREE TO COMPLY WITH THE TERMS AND CONDITIONS SET FORTH THEREIN.

SIGNATURE OF PERSON
COMPLETING APPLICATION

Name: Jay J. Dinga
 Title: DIRECTOR OF Business Development
 Company: TUGA DOWNS RACETRACK, LLC
 Date of Application: 11/2/12

ATTACHMENT VIII

Draft Analysis Packet - Proposed Hotel at Tioga Downs, Nichols, NY
For REVISED Phase II - Financial Projections and Feasibility Analysis

To: Tom Osiecki
From: HVS Gaming Division
Date: 10/1/2012

Assignment Number: 2012040062

This is not an appraisal report. This document is for the client for discussion purposes only.

20.1 -

Draft Analysis Packet
Proposed Hotel at Tioga Downs Casino, Nichols, New York



DCF

ATTACHMENT VIII

Discount Rate	10.00%
Terminal Cap	8.0%
Transaction Costs	2.0%
Term	10 Years

Year	Net Income	Discount Factor @ 10.0%	Discounted Cash Flow
2014/15	1,743,306	0.90909	1,584,824
2015/16	2,336,361	0.82645	1,930,877
2016/17	2,569,673	0.75131	1,930,634
2017/18	2,649,042	0.68301	1,809,332
2018/19	2,732,404	0.62092	1,696,608
2019/20	2,818,183	0.56447	1,590,791
2020/21	2,907,209	0.51316	1,491,858
2021/22	2,998,530	0.46651	1,398,836
2022/23	3,092,970	0.42410	1,311,721
2023/24	43,430,823 *	0.38554	16,744,462

Reversion Analysis

11th Year's Net Income Capitalization Rate	3,285,000
Total Sales Proceeds	41,062,500
Less: Transaction Costs @ 2.0%	821,250
Net Sales Proceeds	40,241,250

Estimated Market Value (Say)	31,489,942
	31,500,000

CONCLUSION: IS SCENARIO #1(ASSUMING NO TABLE GAMES)

The value of \$31,500,000 does not exceed the cost of \$46,700,000.

HxH

This is not an appraisal report. This document is for the client for discussion purposes only.

CERTIFICATION

JAY J. DINGA (name of representative of entity submitting application, or name of individual submitting application) deposes and says that s/he (choose and complete one of the following two options) (i) is a/the DIRECTOR OF BUSINESS DEV (title) of TIoga DOWNS RACETRACK LLC (entity name), the entity named in the attached application, or (ii) is the individual named in the attached application; that s/he has read the foregoing application and knows the contents thereof; and that the same is true to his/her knowledge.

Deponent further says that s/he is duly authorized to make this certification on behalf of her/himself or on behalf of the entity named in the attached application. The grounds of deponent's belief relative to all matters in said application which are not stated upon his/her own personal knowledge are investigations which deponent has caused to be made concerning the subject matter of this application as well as, if deponent is not an individual applicant, information acquired by deponent in the course of his/her duties in connection with said entity and from the books and papers of said entity.

As (i) the representative of said entity, or (ii) the individual applicant (such entity or individual applicant hereinafter referred to as the "Applicant"), deponent acknowledges and agrees that the Applicant shall be and is responsible for all costs incurred by the Tioga County Industrial Development Agency (hereinafter referred to as the "Agency") acting on behalf of the Applicant in connection with this application and all matters relating to the issuance of bonds or the provision of financial assistance to which this application relates. If, for any reason whatsoever, the Applicant fails to conclude or consummate necessary negotiations or fails to act within a reasonable or specified period of time to take reasonable, proper or requested action or withdraws, abandons, cancels or neglects the application, then upon presentation of an invoice, the Applicant shall pay to the Agency, its agents or assigns, all actual costs incurred with respect to the application up to that date and time, including fees to bond counsel or transaction counsel for the Agency and fees of general counsel for the Agency. Upon the successful conclusion of the transaction or sale of the bond issue contemplated herein, the Applicant shall pay to the Agency an administrative fee set by the Agency in accordance with its fee schedule in effect on the date of the foregoing application, which amount is payable at closing. The Applicant understands that the Agency's bond counsel's fees and general counsel's fees are considered issuance expenses and, therefore, can be paid or reimbursed out of the proceeds of any resultant tax-exempt bond issue only up to an aggregate amount not exceeding 2% of the face amount of such tax-exempt issue.

Name: JAY J DINGA
 Title: DIRECTOR OF BUSINESS DEVELOPMENT

Sworn to before me this 2ND
 day of NOVEMBER, 2012

Betty Koster
 (Seal)

BETTY KOSTERS
 Notary Public, State of New York
 No. 01K06265957
 Qualified in Broome County
 Commission Expires July 23, 2016

NEW YORK STATE FINANCIAL REPORTING
REQUIREMENTS FOR INDUSTRIAL DEVELOPMENT AGENCIES

Please be advised that the New York General Municipal Law imposes certain reporting requirements on IDAs and recipients of IDA financial assistance. Of particular importance to IDA applicants is Section 859 (copy attached). This section requires IDAs to transmit financial statements within 90 days following the end of an Agency's fiscal year (Tioga County IDA FY is calendar), prepared by an independent, certified public accountant, to the New York State Comptroller, the Commissioner of the New York State Department of Economic Development and the governing body of the municipality for whose benefit the Agency was created (Tioga County). These audited financial statements shall include supplemental schedules listing the following information:

1. All straight-lease ("sale-leaseback") transactions and whether or not they are obligations of the Agency.
2. All bonds and notes issued, outstanding or retired during the period and whether or not they are or were obligations of the Agency.
3. All new bond issues shall be listed and for each new bond issue, the following information is required:
 - a. Name of the project financed with the bond proceeds.
 - b. Whether the project occupant is a not-for-profit corporation.
 - c. Name and address of each owner of the project.
 - d. The estimated amount of tax exemptions authorized for each project.
 - e. Purpose for which the bond was issued.
 - f. Bond interest rate at issuance and, if variable, the range of interest rates applicable.
 - g. Bond maturity date.
 - h. Federal tax status of the bond issue.
 - i. Estimate of the number of jobs created and retained for the project.
4. All new straight lease transactions shall be listed and for each new straight lease transaction, the following information is required:
 - a. Name of the project.
 - b. Whether the project occupant is a not-for-profit corporation.
 - c. Name and address of each owner of the project.
 - d. The estimated amount of tax exemptions authorized for each project.
 - e. Purpose for which each transaction was made.
 - f. Method of financial assistance utilized for each project, other than the tax exemptions claimed by the project.
 - g. Estimate of the number of jobs created and retained for the project.

Also of importance to IDA applicants is Section 874(8) of the General Municipal Law (copy

attached), which requires agents (i.e., project owners and/or occupants) of the Agency to file an annual statement with the State Department of Taxation and Finance, of the value of all sales tax exemptions claimed by such agents or their agents, including but not limited to consultants or subcontractors, who claim exemption from sales tax by virtue of the Agency's involvement in a transaction. The penalty for failure to file the statement is removal of authority to act as agent of the Agency.

Please sign below to indicate that you have read and understood the above.


Name: JAY J DINGA
Title: DIRECTOR OF BUSINESS DEVELOPMENT
Company: TIOGA Downs RACETRACK, LLC
Date: 11/2/12

RIDER A

TO BE COMPLETED BY ALL APPLICANTS FOR FINANCIAL ASSISTANCE FOR
RETAIL PROJECTS OR PROJECTS WITH A RETAIL COMPONENT:

1. What percentage of the total Project cost will be used to finance premises that will be primarily used in making retail sales of goods or services to customers who personally visit the premises?

PENDING

2. If the Agency does not provide the financial assistance requested in this application, will the Applicant or the Project User (if different from the Applicant) locate some or all of the jobs attributable to the Project outside New York State? If so, describe.

THE IMPACT OF NOT BUILDING A HOTEL & EVENTS CENTER
COULD BE THE LOSS OF CONSIDERATION FOR 1 OF 7 TABLE

3. Will the proposed Project make available to residents of the city, town or village within which the Project will be located goods or services that are not otherwise reasonably available to such residents? If so, describe.

GAMES LICENSES. THIS WOULD BE A DEVASTATING IMPACT
THAT COULD REVERSE THE GAINS MADE IN PRIOR YEARS RESULTING
IN JOB LOSSES.

PENDING

RIDER B

TO BE COMPLETED BY ALL APPLICANTS FOR TAX-EXEMPT FINANCING

(Note: Bond Counsel also will require applicant to complete a Bond Counsel Questionnaire to determine whether the Project qualifies, in whole or in part, for tax-exempt financing. The information requested in this Rider is for initial screening and structuring purposes.)

A. List capital expenditures with respect to this Project:

	<u>Past 3 Years</u>	<u>Next 3 Years</u>	<u>Total</u>
Land	\$	\$	\$
Buildings			
Equipment			
Engineering			
Architecture			
Research and development			
Interest during construction			
Other (please explain)			

If an expenditure may be either treated as a capital expenditure or may be currently expensed, for these purposes it must be treated as a capital expenditure.

Research and development expenses (other than in-house wages and supplies) with respect to a facility must be treated as capital expenditures with respect to products to be produced at the facility and with respect to equipment to be used there. Research and development expenses allocable to the project under the foregoing rule must be treated as capital expenditures with respect to it even though the research and development work takes place in a different municipality or state.

Costs of molds, etc., to be used at a facility are capital expenditures even if paid by the customer.

Costs of Equipment to be moved to a facility are capital expenditures even if the purchase and initial use of the equipment occurred outside the municipality.

B. List capital expenditures with respect to other facilities of the Company or any related corporation or person, if the facilities are located in the same municipality.

	<u>Past 3 Years</u>	<u>Next 3 Years</u>	<u>Total</u>
Land	\$	\$	\$
Buildings			
Equipment			
Engineering			
Architecture			
Research and development			
Interest during construction			
Other (please explain)			