



As described in this Response, it is currently contemplated that Capital OTB will be a partner with FMI in the acquisition of the Site and also will operate a pari-mutuel wagering outlet at the Gaming Facility. Horseracing in the Capital Region is a popular year-round attraction. Capital OTB is a public benefit corporation which has been in the Capital Region for more than 35 years and employs more than 250 upstate residents. The Applicant believes that the addition of Capital OTB to the Gaming Facility could increase visitation, especially during the busiest times of thoroughbred and harness racing seasons, such as the Triple Crown races.

As a public benefit corporation, Capital OTB distributes profits on a regular basis to participating jurisdictions in the region which are comprised of 16 counties and the City of Schenectady. It is Applicant's understanding that, pursuant to the Act, of the moneys in the Commercial Gaming Revenue Fund (as defined in the Act), 80% goes towards elementary and secondary education or real property tax relief, 10% goes towards the host municipality and the host county, and 10% goes towards other counties in that gaming facility's gaming region – that is, in the case of the Gaming Facility, the eight-county Capital Region.

Capital OTB has suggested to the Applicant that, with its interest in the ground lease for the Site as well as its operations at the Gaming Facility, profits will likely increase overall for the company which will potentially result in higher distributions to participating jurisdictions. While a casino at any location in the Capital Region would lead to increased revenues for the eight counties in the Capital Region, only with Capital OTB involved would an additional eleven counties – Clinton, Greene, Columbia, Warren, Herkimer, Oneida, Franklin, Madison, St. Lawrence, Essex, and Cortland – potentially benefit through Capital OTB's participation.

The Applicant believes that the role of OTB is significant both in generating incremental "foot traffic" to the Gaming Facility as well as through increased revenues to local counties, which the Applicant believes best maximizes the benefit of the Gaming Facility to the local and regional community.