



EXHIBIT VIII.B.5.

REGIONAL ECONOMIC PLAN COORDINATION

Submit as Exhibit VIII.B.5. a statement as to whether the Applicant's proposed Gaming Facility is part of a regional or local economic plan, and, if yes, provide documentation demonstrating the Applicant's inclusion within, and coordination with, regional economic plans.



Development in Sullivan County, and on the Adelaar site in particular, has stagnated in recent years. The lack of job creation has added to the decline in the local market, some properties have fallen into disrepair and tourism has waned with the compounding effect of discouraging further growth. The independent study summarized in Exhibit VIII.B.3.a. documents the socio-economic conditions within the Town of Thompson, Sullivan County and Region One that cause the region to be considered distressed or disadvantaged. The development of the former Concord Resort into a world-class, four-season

comprehensive master planned resort community will reclaim this significant property and reverse the downward economic spiral within Sullivan County and the Catskills region. Adelaar has the potential to have a transformational impact on established patterns of employment, development and investment in the area. At full build out, Adelaar is estimated to create thousands of new jobs, while revitalizing the local and regional economy. Adelaar will be uniquely positioned to leverage existing infrastructure and public investment to construct and reestablish the legacy of the former Concord Resort with an integrated casino resort destination

firmly rooted in its local community and its physical and fiscal landscape. Montreign Resort Casino will act as an economic catalyst for the area by providing a market-driven modern-day casino and hotel resort destination in the tradition of the beloved historical properties of yesteryear that made the Catskill region famous.

This exhibit identifies various local and regional comprehensive plans and economic development plans with which Adelaar is consistent.

DESCRIPTION OF REGIONAL AND LOCAL ECONOMIC PLAN DOCUMENTS

Town of Thompson / Village of Monticello Comprehensive Plan

The Town of Thompson/Village of Monticello Comprehensive Plan ("Comprehensive Plan") was prepared by the Thompson-Monticello Joint Comprehensive Plan Committee and adopted by both communities in 1999.

The Comprehensive Plan identifies the land use and open space challenges that the area faces due to the years of economic decline and neglect of the resort hotel, horse racing and bungalow colony tourist industries. In the "future land use vision," the Comprehensive Plan recommends providing for land uses such as the former Concord Resort Hotel as necessary to preserve major employment centers and a source of attraction to the Town of Thompson and the region. The Comprehensive Plan notes that the number of major resorts has dwindled, and that those that remain should be protected and should be "permitted to expand and develop," provided that the development plans protect the Town's natural resources, which are integral to the tourist industry. The Comprehensive Plan also encourages "flexibility in development of land to facilitate economical provisions of streets, utilities and parks; preserve the natural and scenic qualities of open space lands for public use and enjoyment; and provide varied housing choices."

Specific to the project area, the Comprehensive Plan identifies the Kiamesha/Route 42 corridor as an area that can support large scale commercial and retail developments "without unnecessarily burdening the regional highway system." "The Kiamesha Regional Center," which is defined in the Comprehensive Plan as NYS Route 17 (I-86), Concord Road, Bard Road and Rock Ridge Lane, is described as a developing regional shopping and service center. The Comprehensive Plan recommends that the area continue to develop as a regional center, but emphasizes protections for existing neighborhoods, as well as measures to improve the quality of the development. In particular, the Comprehensive Plan recommends:

- Infill development through the establishment of internal street systems east of Route 42 and new means of access.
- Buffers and transitional zones between residences on Rock Ridge Lane and the regional center, including lower-density mixed uses such as multi-family housing and offices.
- Apartments located within walking distance of shops and services to facilitate pedestrian access.
- Trail system links around adjoining wetlands and pond areas.
- The retention of a seasonal residential character on Rock Ridge Road.

With respect to casino gaming, the Comprehensive Plan notes that "[l]egalized gaming could also play a role in reinvigorating the race track and area hotels" and "may serve to enhance the prospects for reviving the hotel business." Comprehensive Plan at pp. 6, 48. The Comprehensive Plan definitively states that "[l]egalized gaming is endorsed by the [Comprehensive Plan] Committee." Comprehensive Plan at p. 48.

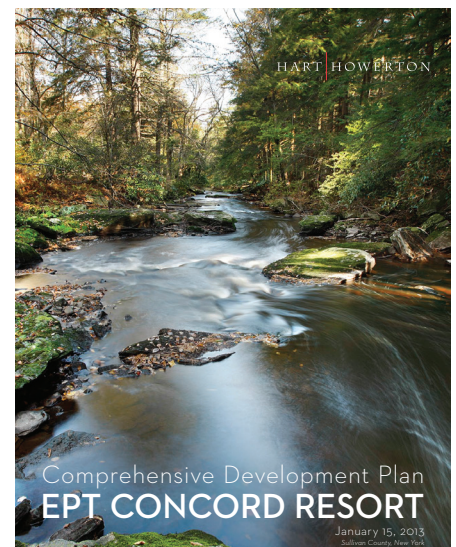
The adopted Comprehensive Development Plan ("CDP") for Adelaar is consistent with the Comprehensive Plan and the Town of Thompson Zoning Code, which implements the Comprehensive Plan within the Town of Thompson. The Comprehensive Plan identified major resort areas as a catalyst for redevelopment and renewal, stating that:

Providing for land uses . . . is necessary to preserve major employment centers and preserve a source of attraction to the Town and region. The number of major resorts has dwindled and those which remain should be protected from incompatible adjacent land uses and permitted to expand and develop, provided those development plans maximize the protection and enjoyment of the Town's natural resources on which the bulk of the tourism industry depends.

The Town Zoning Code (§250-27.2.A(1)) specifically incorporates the goals of the Comprehensive Plan within the intent of the Planned Resort Development ("PRD") Zoning District to facilitate the goals and objectives of the Comprehensive Plan and to provide for the "orderly development of complementary commercial, residential and entertainment uses . . . and the creation of a more desirable community environment than would be possible through strict application of the zoning regulations."

The Town Zoning Code further states that the objectives of the PRD are to permit "the development and/or redevelopment of a destination resort having various commercial, retail, lodging, entertainment and recreational facilities and complementary one-family dwellings and multiple dwellings through comprehensive planning and maximum flexibility of design." The purpose of the flexibility in design is to accomplish the following:

- Preservation of significant natural resources, such as wetlands and water bodies, and other areas of scenic and ecological value.
- Innovation and variety in the type and design of residential development and lodging, providing a wide choice of living environment, occupancy tenure and housing cost.
- Efficient use of a site to facilitate adequate and economical construction and maintenance of streets, stormwater management facilities, and water supply and sanitary sewerage systems.
- Preservation of property values in the vicinity of a PRD and the protection of neighboring areas from any adverse impacts of development of a PRD.
- Enhancement of commercial, entertainment and recreational opportunities for residents of the Town, County and region.
- Creation of diverse full- and part-time employment opportunities for residents of the Town, County and region.

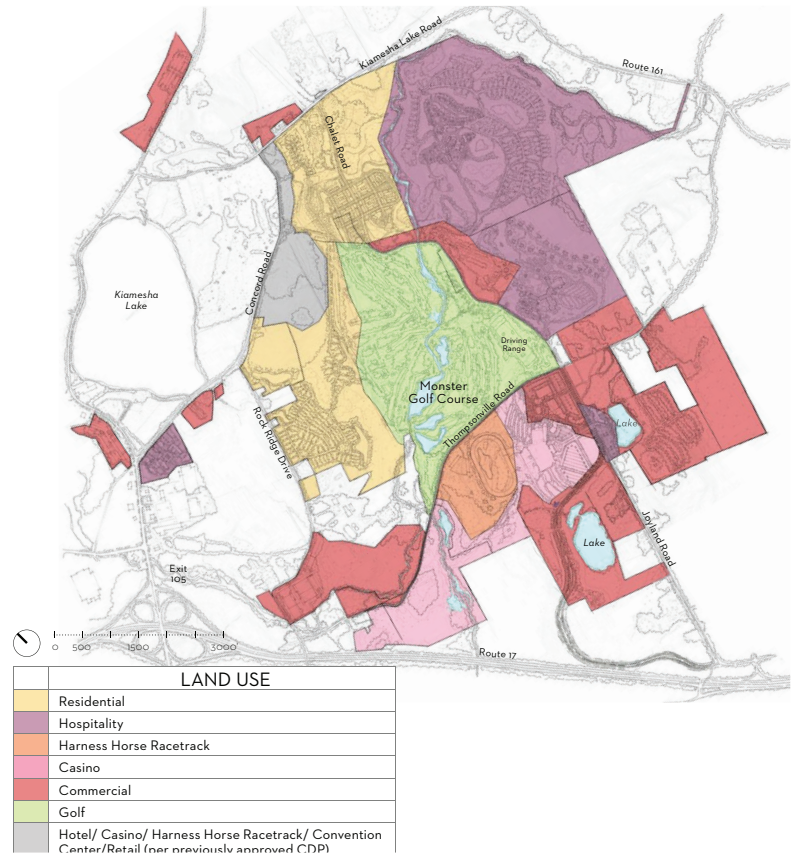


- Inducement of private investment in the Town, County and region, including reinvestment in existing businesses and the attraction of new seasonal and year-round businesses.

Sullivan 2020: A Strategic Plan for Sullivan County

“Sullivan 2020: Defining an Image and Managing Change: A Strategic Plan for Sullivan County – Volume I, May 2005,” and its companion document, “Sullivan 2020: An Implementation Tool Box for Municipalities and Community Partners – Volume II” comprise the Sullivan County comprehensive plan (“Sullivan 2020”). Volume I of the document contains the justification and rationalization for the vision, critical policy areas and strategies established through the stakeholder process. Volume II is an on-line resource that presents the specific action plans to implement the strategies, as well as fact sheets, sources and sample planning techniques.

Sullivan 2020 identifies the importance of redefining and enhancing the tourist industry in Sullivan County. It identifies tourism as a vital component of Sullivan County’s economic development, and states that it should be “one of the elements of a diversified economy in Sullivan County.” It specifically recommends tourism that comprises a balanced mix of year-round activities that include eco-tourism and recreational venues; agri-tourism; casinos, hotels and resorts; and the cultural arts. Sullivan 2020 recommends the development of high quality resorts, accommodations, service facilities and infrastructure. The plan also offers strategies for communities to plan for, and manage, the impacts of gaming to ensure the equitable distribution of community and monetary benefits, and also describes appropriate actions to address any potential adverse effects of this type of use.



Sullivan 2020 identifies the following economic development goals for municipalities within the County:

- A diversified economy;
- A broad based economic marketing identity that reaches beyond the County’s borders;
- A balance between preserving the agricultural economy of the County and allowing growth and development in the rural areas primarily through innovative, progressive implementation techniques, such as promoting cluster development;

- Clean industry is promoted in the County that is compatible with and diversifies the economic base;
- Sustainable development that is compatible with the natural environment;
- The expansion of infrastructure including natural gas, power and widened roads;
- An increase in new industry;
- Attract jobs with higher wages and more benefits;
- Downtown areas with an anchor business;
- Themed industry clusters in the downtowns;
- Eco-tourism;
- Unique destinations that draw visitors to the communities;
- Year-round economic development; and
- An economy that draws from a broad-based market area and type.

Further, Sullivan 2020 also identifies the following open space and natural resource conservation goals:

- Preserve areas that shape the County’s rural character;
- Preserve farmlands and productive forestland;
- Provide sites for recreation;
- Protect surface water, such as lakes, rivers, streams and wetlands;
- Protect steep slopes and scenic viewsheds;
- Encourage municipalities to evaluate their zoning to allow for a diversity of development fitting with local character;
- Encourage meaningful open space preservation within private development through various techniques such as Planned Unit Developments, Clustering and other creative design methods; and
- Encourage the adoption of sustainable land management practices.



With respect to casino gaming, Sullivan 2020 states that “[t]he development of legalized gaming opens up several opportunities for casino and tourism development and restoration of the resort hotel industry.” Sullivan 2020 at p. 53. Sullivan 2020 includes the following goal addressing tourism development: “Develop high quality resorts, accommodations, service facilities and infrastructure.” This goal would be implemented by the

following Strategies: “Strategy 1: Plan for and manage the impacts of possible gaming on local communities to ensure equitable distribution of community and monetary benefits, as well as appropriate actions to counter the adverse effects of this new use” and “Strategy 2: Build up and improve the infrastructure development required to support gaming including: • New and improved lodging facilities; • Improved access to and from the New York City Metropolitan Area; and • Higher capacity roads to cater to the increased traffic in the area.” Sullivan 2020 at pp. 56-57.

ADDITIONAL REGIONAL AND LOCAL ECONOMIC PLAN DOCUMENTS

Numerous planning or economic development studies have been prepared over the last twenty (20) years that have cited the need to revive the destination tourism and resort economy of the Catskills Mountains.

Most recently, Hudson Valley Pattern for Progress prepared a report entitled “Innovation and Change to Create a Sustainable and Diverse Economy: Economic Development Strategies and Recommendations for Sullivan County” (November 2011) for the Sullivan County Economic Development Corporation. The report identifies redevelopment of the former Concord Resort as a “Transformative Project” in the tourism industry in its ability to integrate gaming patrons, hotel guests with diverse tourist destinations and year-round attractions. Further, the Mid-Hudson Region Economic Development Council in its 2011 Strategic Plan supports destination tourism and gambling at appropriate locations.



Adelaar will attract residents and visitors to the area, which will translate into economic benefits not only from dollars spent and property, hotel, gaming and sales tax revenue but also by creating jobs. Adelaar will also incorporate sustainable development initiatives, set aside approximately 45 percent of the Project Site as open space, and provide significant additional indoor and outdoor recreational amenities to both residents of, and visitors to, Adelaar as well as those currently residing in the surrounding communities.

GAMING FACILITY CONSISTENCY WITH REGIONAL AND LOCAL ECONOMIC PLANS

Adelaar has been designed to create a sense of place that respects and enhances the natural landscape of the Catskills. Adelaar includes a mix of land uses, resort amenities, open spaces, and roads and trails that will bring residents and guests to the best features the Project Site has to offer. Further, once construction is underway, Adelaar will represent the first significant and sustained investment in the local and regional economy in several decades. As such, Adelaar will have the potential to transform this portion of the Catskills into an economic engine the likes of which have been sought by the community for some time.

The character of the site and the Catskills would be seen in the details on and within buildings, structures and site elements crafted from the materials and the building traditions of the area. Abiding by four key

development principles, the resort would: (1) nurture a restorative landscape that sustains the streams, forest and wetlands of the Project Site; (2) provide an improved storm water infrastructure system; (3) create a simple road and trail network that blends with the landscape yet orients and leads guests to the social and recreational spaces at Adelaar; and (4) express a cultivated Catskills aesthetic.

The Montreign Resort Casino, Monster Golf Course, Entertainment Village and Indoor Waterpark Lodge will be an area of high energy, activity and visual stimulation. The architecture and landscape character will be evocative of the Catskills, defining a wider style for the resort. Montreign, with casino and table gaming, restaurants and numerous amenities will work to provide a critical mass of entertainment experiences to attract visitors from the New York metropolitan area.



Overall, Adelaar will have a positive effect on the Town of Thompson by redeveloping an underutilized property, improving recreational and tourist opportunities in the Town and encouraging economic growth. Adelaar seeks to enhance and expand land uses that have historically been present on the Project Site and within the surrounding area. The general character of Adelaar will reflect the resort style of the region and will be consistent with the Comprehensive Plan and Sullivan 2020 by creating a year-round destination that includes a balanced mix of activities including recreational venues and hotels in a comprehensive master planned resort community.