

New York Gaming Facility Location Board
Response to Request for Applications to Develop and Operate a
Gaming Facility in New York State

TIOGA DOWNS RACETRACK, LLC

Exhibit VIII.B.8.

Tioga Downs is presently one of nine VLT facilities in New York State. Tioga Downs competes with three other racetrack casinos in Upstate New York (Finger Lakes Gaming & Raceway, Vernon Downs Casino & Hotel and Monticello Casino and Raceway) as well as four other Native American and commercial casinos in New York **and Pennsylvania** (Oneida Turning Stone Resort Casino, Mohegan Sun at Pocono Downs, Mount Airy Casino Resort and Seneca Allegany Casino). Together, the eight properties generated estimated 2013 gross gaming revenues of \$1.18 billion with approximately 14,900 gaming positions.

The local market sees significant competition including advertising and promotional offers from Turning Stone Casino in New York and Mohegan Sun at Pocono Downs Casino in Pennsylvania. Both offer full hotel/casino resort offerings with table games and are located in larger population markets. In fact all of the tribal casinos and the Pennsylvania casinos in the area have a hotel product and some are currently expanding their existing hotel supply.

An expanded Tioga Downs facility will allow Tioga Downs to better compete with the Pennsylvania competition and other area competition. An expanded Tioga Downs Casino & Resort will include:

Gaming

- 1,000 slot machines
- 50 table games
- Live harness racing
- Simulcast wagering
- Lottery games

136 Room Luxury Hotel

- Event Center – flexible space to accommodate meeting rooms, concerts, weddings
- Parking garage (already under construction)
- Fitness and Day Spa
- 5 restaurants, including nationally recognized PJ Clarkes
- 2 lounges
- Indoor and outdoor pools, and waterslide
- 18-hole golf course and country club

In addition, the second phase of the project will add an Adventure Center (batting cages, rock climbing, mini-golf) and Virgil's Real Barbeque and Honky Tonk Restaurant. Even once fully built out, the site will still boast over 100 acres available for future development.

Tioga Downs primarily expects to mitigate the risks of competition through offering a competitive property closer to the level of its current competition. At present, Tioga Downs is susceptible to losing share to other gaming facilities primarily due to the lack of table games and full slot machines with all the latest and greatest games. In addition, Tioga Downs is competing mostly with gaming facilities which offer a hotel and full resort amenities which can attract higher value customers. Tioga Downs will counter the competitive challenges by utilizing its robust database of gaming patrons to market an expanded and upgraded casino. With almost 8

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Exhibit VIII.B.8. (cont.)

years of operation, Tioga Downs has a significant base of casino patrons to further entice with a new and improved property. While competing facilities will remain larger with potentially more amenities, Tioga Downs believes the expansion project detailed above will put it on much more level footing and keep many area residents from driving much greater distances to get a quality gaming experience.

Tioga Downs is in the best position to compete with Pennsylvania competition because it already is doing so. Expanded gaming operations and amenities at Tioga Downs will only better position Tioga Downs in this competitive environment. With an expanded Tioga Downs Casino & Resort, New York will not have to wait twenty four to thirty months to compete with Pennsylvania's gaming facilities along its borders as Tioga Downs is already competing and expanded operations is the only way for Tioga Downs to compete on an even playing field - the best result for the Southern Tier and for the State of New York."

For additional information on the competitive environment in which Tioga Downs anticipates to operate over the next 10 years, please see Exhibit VIII.A.3.