

STATE AND LOCAL REVENUES:

There are three key deliverables for this component:

1. State and Local Revenue Worksheet Matrix

A completed worksheet matrix is provided to the Board on the various competitive scenarios, which includes our estimate of total gaming revenue and gaming tax within each competitive scenario. At Tab 2 we have projected the revenue impact on existing facilities, including VLT facilities and other commercial casinos. Please reference the attachment Bally's.Stateandlocalrevenuesupplement.xlsx for the complete detailed spreadsheet.

2. Updated Summary Narrative of Total Gaming Revenue

- **The Applicant shall provide an updated summary narrative of:**
 - **Total gaming revenue under each of the scenarios as outlined in Tab 1.**
 - **The gaming revenue impact on existing facilities for each of the scenarios, where applicable in Tab 2.**

Note: None of the proposal parameters submitted in the first submission (including but not limited to: jobs, capital investment, gaming facility of the highest caliber) shall be amended based on the tax rate(s) selected by the Applicant.

The revenue forecasts for Bally's Bronx, developed through a market revenue analysis by Victor-Strategies, utilize gravity modeling techniques to predict gross gaming revenue (GGR) for the proposed casino at Ferry Point. In order to project the various revenue scenarios outlined in Tab 1, our analysis considers the demographics within expanding drive-time rings from our proposed casino location, factoring in gambling propensities, budgets, and cultural predispositions. In each scenario, whether low, medium or high, we assume that as we approach either existing VLT facilities or the proposed locations of other properties (depending upon the number of alternative locations based on the number of commercial casino licenses to be awarded within a given scenario) we were able to project differing levels of revenue based upon the number of commercial licenses to be awarded. We have examined scenarios for high, medium and low, in accordance with the original intent of the market study. Ultimately, we are able to form conclusions on the level of tax generation, GGR impact and overall impact for the state in a given scenario.

As set forth in Tabs 1.a-1.c, the most favorable scenario for total gaming revenue, and thus tax revenue for the state and city, is a commercial scenario in which the Bally's Bronx, Resorts World NYC and Metropolitan Parks projects all receive licenses. The impact of this scenario is twofold. First, this is the most tax-generative scenario

for the State. As proposed, the total GGR is projected to exceed \$3.5 billion, when factoring in free and incentive play. This does not include ancillary tax impacts from all sources revenue (hotel taxes, sales taxes, etc.) meaning that the taxable revenue available to the state from direct gaming taxes other induced tax sources to the state likely exceeds \$4 billion dollars. Notably, this is not the first time the Board has considered siting commercial casinos in proximity to existing VLT facilities. The 2013-2014 Board process resulted in the siting of the Rivers Casino in Schenectady in proximity to the existing Saratoga VLT facility (see Market Study segment of this supplemental submission). The Board's decision to site Rivers Casino in Schenectady is evidence of successful integration and long-term success for the new commercial casino, the existing VLT facility, and largest positive impact on total tax revenue. Given the vastly larger concentration of population in the greater New York City region, the proximity of siting issues is likely to be less severe. Discussion of individual scenarios is included in further detail below.

1.a. Low Scenario

Assumes that within a fifty-mile radius of the proposed Bally's Bronx site, there are three commercial casino licenses awarded with at least one of the two existing VLT facilities not receiving a downstate casino license in the most tax generative scenario for the state.

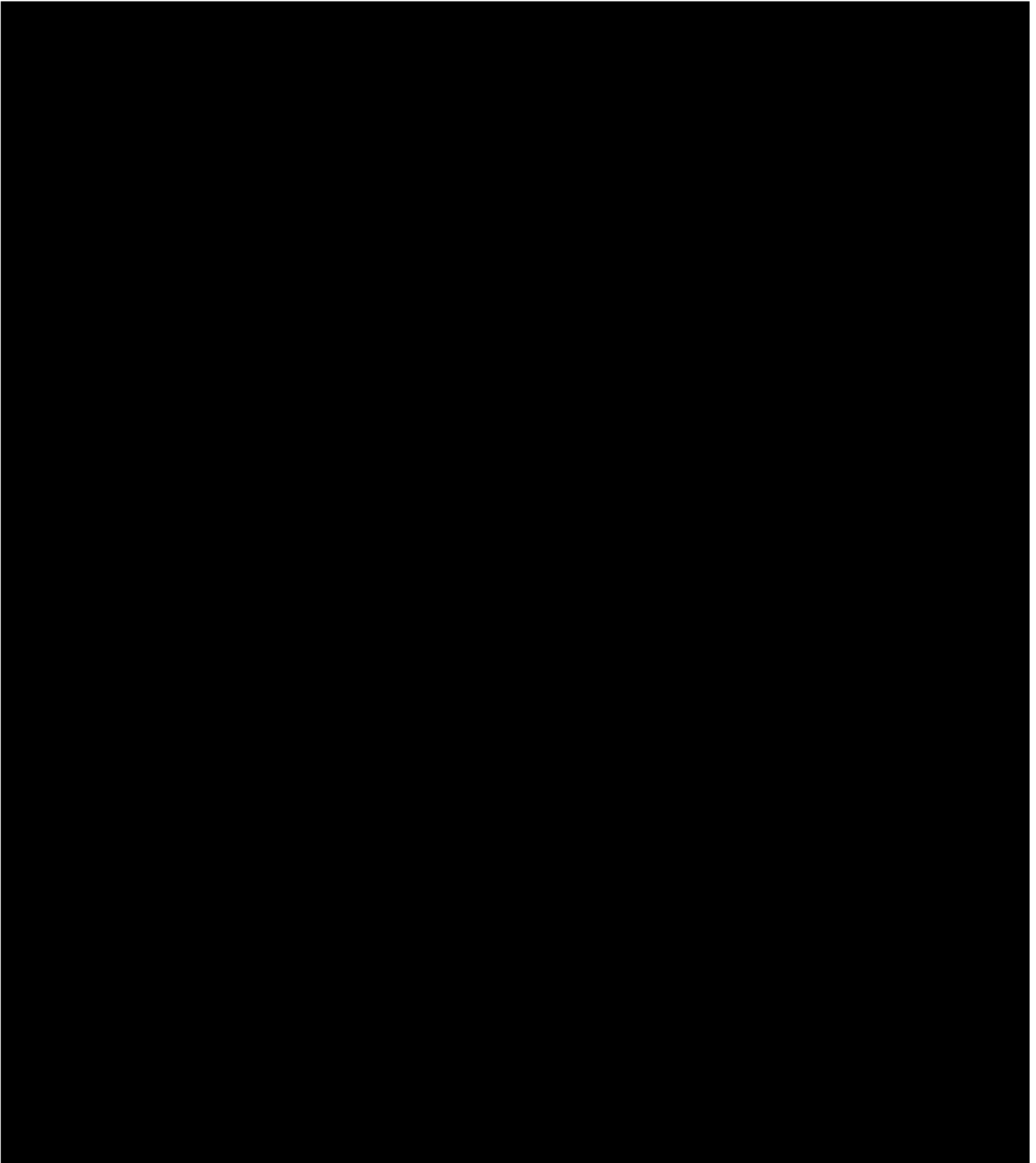
1.b. Average

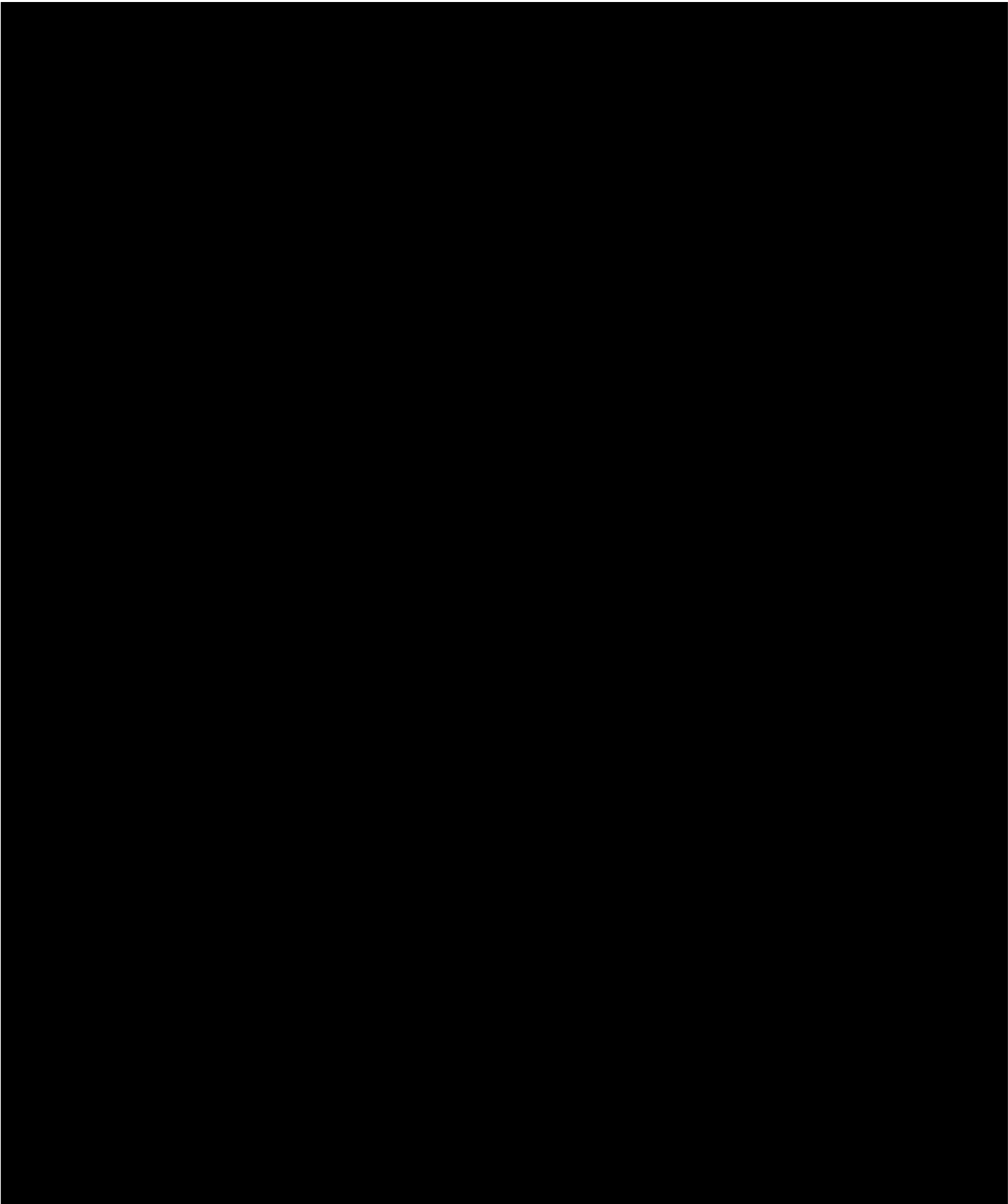
Assumes that within a fifty-mile radius of the proposed Bally's Bronx site there are two commercial casino licenses awarded. In this instance, the most tax generative scenario for the state would be where Bally's Bronx and Metropolitan Park are awarded licenses and Resorts World New York City and MGM Empire City remain as VLT facilities. Both are stable facilities that have a long history of competing against other full-casino competition within the state and region, While there would be some initial nominal impact, the incremental tax generation from Bally's Bronx and Metropolitan Park would be exceptional when combined with this existing base of revenues.

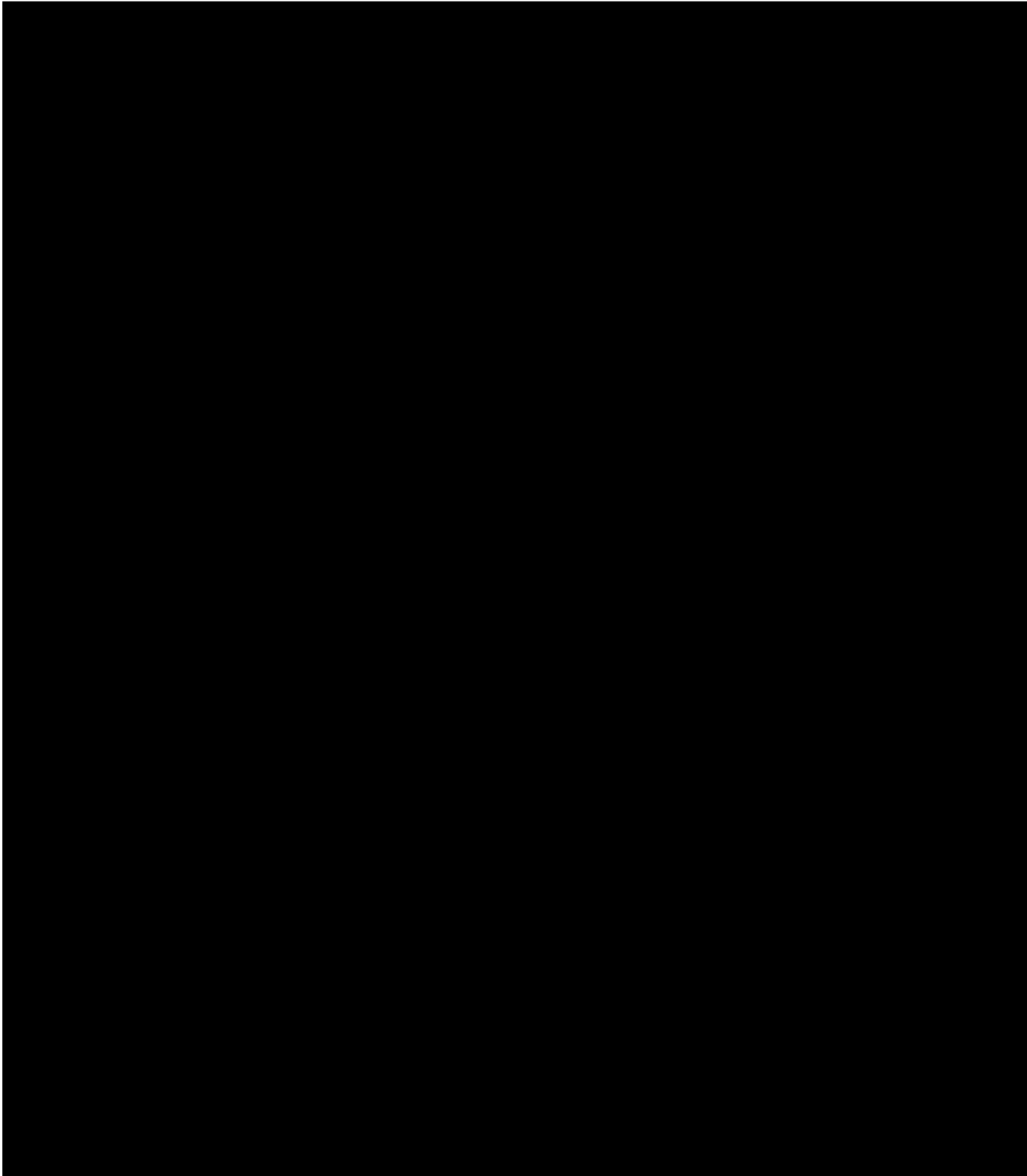
1.c. High Scenario

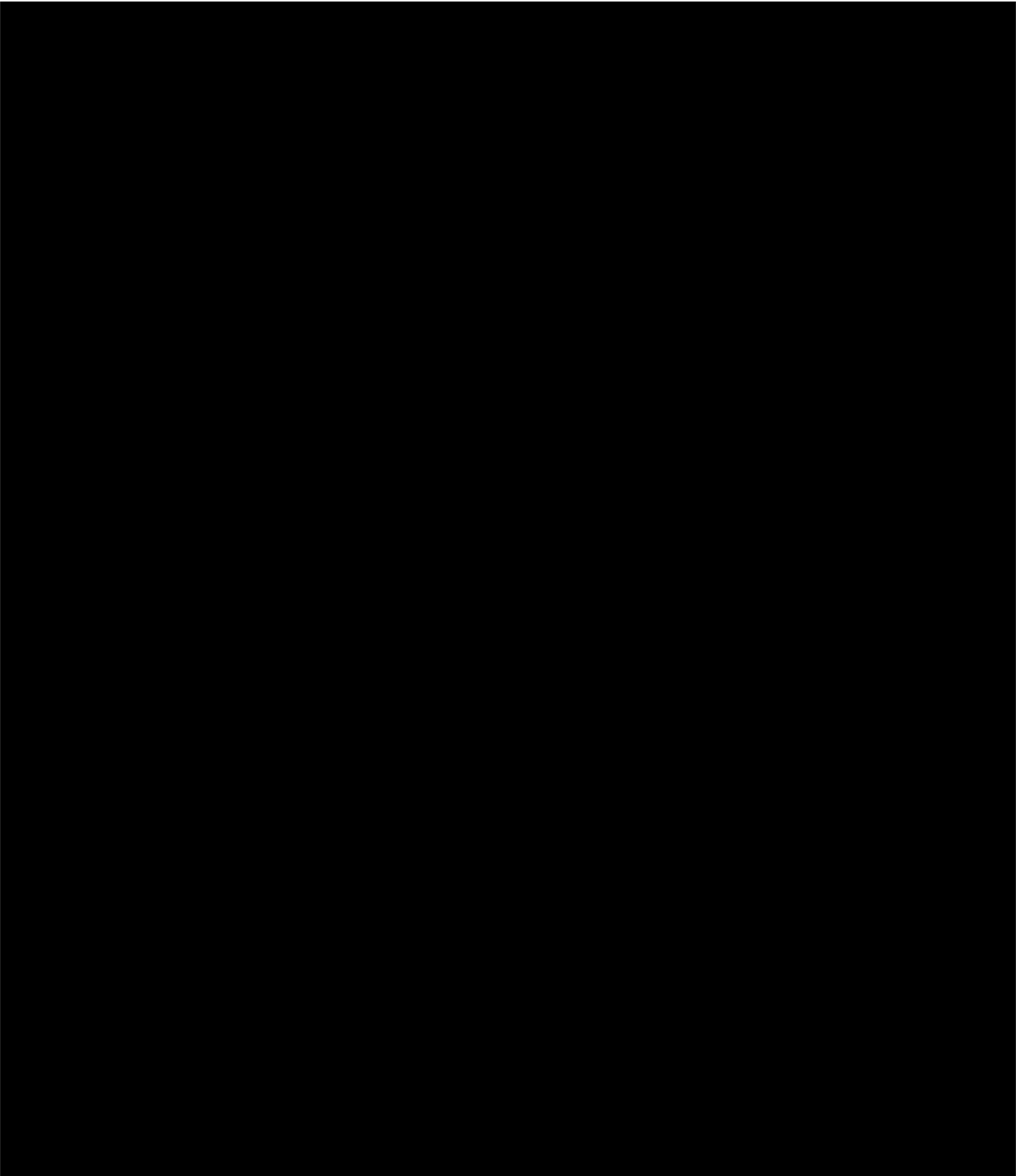
In this scenario we assume that Bally's Bronx is the only commercial casino license awarded within a fifty-mile radius and the other existing VLT facilities would remain as VLT facilities. As currently contemplated, these properties have a long standing history of competing in this market and Bally's Bronx would pose a relatively limited local competition to both facilities, given that its geographic proximity to the existing facilities, in contrast with other competitors that would either split a market, like Queens, or otherwise materially reduce the overall tax generative nature of existing properties within the market to a much greater extent than what is proposed by Bally's Bronx.

In addition to geographic proximity, we studied the impact of individual scenarios and the various permutations of potential licensees under a high, average and low case scenario as originally outlined under the requirements of the RFA and the Supplemental Guidance outlined herein. We provided ranges of impact and note that individual permutation study analysis would have been of limited value or incomplete given the time constraints. We have outlined the impact ranges on a scenario by scenario basis with summary takeaways and analysis of potential impacts in each of the following 14 scenarios outlined below.









3. Dynamic Financial Model.

As part of this supplemental submission, we have included a dynamic financial model for three of the competitive scenarios. The information is provided to allow the Board to run sensitivity models and analyze the calculations and formulas. For our modeling, we have limited access to data and metrics of other applicants and the existing VLT facilities (Empire City and Resorts World NYC). With that said, however, we view our projections as appropriately achievable and conservative based upon our review of other applicant materials. We have listened to the Board's guidance. We are aware of the post-license award issues that developed because applicants inflated their projections in the 2013-2014 Board process. Our intent is to provide the State with actionable, conservative estimates upon which evaluations and budgets can be made and not designed to simply win the license, only to create future regulatory and budget problems for the Gaming Commission and the State. Please reference the attachment Bally's.FinancialModel.Supplement.xlsx for the detailed, dynamic financial model as required for these responses.