

## HVS Gaming Services Division - San Francisco Featured Clients and Engagements

### Proposed Saratoga Gaming and Raceway “As Is,” “Prospective” Upon Completion, and “Prospective” Upon Stabilization Appraisal

*Saratoga Springs, New York*

The Saratoga Gaming and Raceway originally opened in 1941. The Saratoga Gaming and Raceway, which opened its video lottery terminal (VLT) gaming operations in January 2004, was the first racetrack to add casino-style gaming in New York.

First Pioneer Farm Credit ACA retained HVS to perform an appraisal of the Saratoga Gaming and Raceway, located in Saratoga Springs, New York, for project financing, and "as is" and "prospective" market values were derived. In addition, the market value opinions were allocated to real property, personal property, and intangible business value.

The property's improvements consist of a main building that houses the device-only casino, a grandstand with a food court, several bars, a gift shop, and a large room utilized for simulcast wagering. Attached to the south end of the grandstand is the clubhouse, which offers a tiered dining room and a bar. The other developed areas of the site include a primary racetrack, a training track, a jogging track, various stables, administrative buildings, a paddock barn, horsemen's dormitories, blacksmith's shops, a harness shop, an equine pool, a diner, maintenance buildings, a carpenter's shop, a hall of fame, polo fields, and surface parking. The Lodge, a restaurant that is open only six weeks of the year and features an in-ground pool and pool house, is located at the southeast corner of the site. At the time of the appraisal, the property was undergoing an expansion of the improvements, including construction of additional casino area, a restaurant, a two-story nightclub/multi-use public space, and an administration building.

HVS analyzed the existing video lottery terminal market and projected the potential impact of the property's proposed expansion of gaming facilities. Challenges with this assignment included consideration of the relatively brief history of casino-style gaming at New York racinos and the variety of gaming facilities that compete for gaming revenue and inhibit the subject property's ability to expand its target market in the surrounding area, including Native American and Canadian facilities, as well as other New York racinos.

**Size:**

- ±161.33 acres
- Three one-half mile racetracks
- ±82,500-square-foot grandstand
- ±28,000-square-foot clubhouse
- ±47,500-square-foot casino

**Clients**

First Pioneer Farm Credit, ACA

**Project Type**

Harness racetrack and casino facility with ancillary facilities

**Project Analysis**

- Site Analysis
- Market Area Overview
- Surveys and interviews with on-site management, local and regional tourism professionals, business leaders, and public officials.
- Projections of gaming income and expense
- Discounted Cash Flow Analyses
- Cost Approach
- Allocation of Market Value to real property, personal property, and intangible business value
- USPAP Conforming Appraisal and Appraisal Report

**Results**

Comprehensive appraisal for project financing

**Role**

Appraiser

**Date of Service**

2007