



REPORT TO
STATE RACING COMMISSION
COMMONWEALTH OF PENNSYLVANIA
Harrisburg, Pennsylvania

Report to the board and commission from licensee with regards to its efforts to enhance live racing at Presque Isle Downs & Casino's racetrack in accordance with provisions of § 1211(a)(2) of the table games legislation.

Name of Licensee: Presque Isle Downs, Inc.

Part I.
Live Attendance

- 1. Furnish documentation of how the introduction of slot machine gaming at the Licensed racetrack has enhanced live racing by increasing live attendance over the calendar year. Please include the following:**

- A. Total Attendance Statistics – daily, monthly and annually**

With the increase in the number of telephone and computer assisted sites for wagering on horse racing, attendance for simulcast wagering continues to decline. From a high average 136 patrons per day in 2008 to the current average of 65 per day.

The daily attendance for live racing in the past few years has stabilized at 840-850 patrons per day. While Fan Appreciation Day, Family Night Food promotions and live entertainment increase the attendance on those days, (high 5,670) the average daily attendance in 2014 was 841 patrons. Along with the tremendous amounts of snow and the cold weather in the Winter in Erie, our summer storms can be just as deterring to our patrons on a June evening when 243 fans (low) braved the elements to attend a storm shortened race evening.

While the decision of Presque Isle Downs management to race Sunday through Thursday evenings (which is a bit unconventional) has helped increase handle from export simulcast sites attendance at live racing has not increased.

[REPORT - FOLLOWING PAGE]

PRESQUE ISLE DOWNS CASINO
ATTENDANCE LIVE AND SIMULCAST
1/1/2014 - 12/31/2014

Live Simulcast				Live Simulcast				Live Simulcast			
Date	Attend.	Attend.	Total	Date	Attend.	Attend.	Total	Date	Attend.	Attend.	Total
01/01/14	0	16	16	02/21/14	0	108	108	04/13/14	0	54	54
01/02/14	0	14	14	02/22/14	0	74	74	04/14/14	0	20	20
01/03/14	0	58	58	02/23/14	0	64	64	04/15/14	0	22	22
01/04/14	0	80	80	02/24/14	0	22	22	04/16/14	0	64	64
01/05/14	0	34	34	02/25/14	0	20	20	04/17/14	0	62	62
01/06/14	0	2	2	02/26/14	0	38	38	04/18/14	0	128	128
01/07/14	0	8	8	02/27/14	0	32	32	04/19/14	0	112	112
01/08/14	0	42	42	02/28/14	0	122	122	04/20/14	0	20	20
01/09/14	0	40	40	03/01/14	0	106	106	04/21/14	0	26	26
01/10/14	0	92	92	03/02/14	0	54	54	04/22/14	0	32	32
01/11/14	0	104	104	03/03/14	0	20	20	04/23/14	0	62	62
01/12/14	0	46	46	03/04/14	0	18	18	04/24/14	0	62	62
01/13/14	0	18	18	03/05/14	0	42	42	04/25/14	0	98	98
01/14/14	0	18	18	03/06/14	0	58	58	04/26/14	0	118	118
01/15/14	0	60	60	03/07/14	0	112	112	04/27/14	0	68	68
01/16/14	0	54	54	03/08/14	0	112	112	04/28/14	0	26	26
01/17/14	0	88	88	03/09/14	0	60	60	04/29/14	0	26	26
01/18/14	0	98	98	03/10/14	0	20	20	04/30/14	0	54	54
01/19/14	0	44	44	03/11/14	0	20	20	05/01/14	0	66	66
01/20/14	0	34	34	03/12/14	0	16	16	05/02/14	0	396	396
01/21/14	0	14	14	03/13/14	0	46	46	05/03/14	0	678	678
01/22/14	0	24	24	03/14/14	0	92	92	05/04/14	0	58	58
01/23/14	0	26	26	03/15/14	0	124	124	05/05/14	0	20	20
01/24/14	0	74	74	03/16/14	0	46	46	05/06/14	0	32	32
01/25/14	0	56	56	03/17/14	0	28	28	05/07/14	0	58	58
01/26/14	0	40	40	03/18/14	0	22	22	05/08/14	0	38	38
01/27/14	0	14	14	03/19/14	0	52	52	05/09/14	0	88	88
01/28/14	0	12	12	03/20/14	0	46	46	05/10/14	0	110	110
01/29/14	0	34	34	03/21/14	0	108	108	05/11/14	2,103	78	2,181
01/30/14	0	40	40	03/22/14	0	112	112	05/12/14	573	42	615
01/31/14	0	86	86	03/23/14	0	78	78	05/13/14	411	32	443
02/01/14	0	70	70	03/24/14	0	22	22	05/14/14	537	56	593
02/02/14	0	30	30	03/25/14	0	26	26	05/15/14	264	60	324
02/03/14	0	24	24	03/26/14	0	46	46	05/16/14	0	198	198
02/04/14	0	10	10	03/27/14	0	56	56	05/17/14	1,020	330	1,350
02/05/14	0	10	10	03/28/14	0	116	116	05/18/14	828	72	900
02/06/14	0	28	28	03/29/14	0	126	126	05/19/14	402	44	446
02/07/14	0	100	100	03/30/14	0	80	80	05/20/14	342	44	386
02/08/14	0	84	84	03/31/14	0	28	28	05/21/14	639	46	685
02/09/14	0	44	44	04/01/14	0	20	20	05/22/14	0	40	40
02/10/14	0	20	20	04/02/14	0	52	52	05/23/14	0	74	74
02/11/14	0	24	24	04/03/14	0	56	56	05/24/14	0	88	88
02/12/14	0	54	54	04/04/14	0	126	126	05/25/14	1,524	100	1,624
02/13/14	0	36	36	04/05/14	0	108	108	05/26/14	981	64	1,045
02/14/14	0	84	84	04/06/14	0	68	68	05/27/14	423	30	453
02/15/14	0	124	124	04/07/14	0	22	22	05/28/14	903	54	957
02/16/14	0	60	60	04/08/14	0	28	28	05/29/14	612	64	676
02/17/14	0	36	36	04/09/14	0	58	58	05/30/14	0	98	98
02/18/14	0	12	12	04/10/14	0	60	60	05/31/14	0	80	80
02/19/14	0	44	44	04/11/14	0	120	120	06/01/14	1,293	78	1,371
02/20/14	0	36	36	04/12/14	0	136	136	06/02/14	243	34	277

PRESQUE ISLE DOWNS CASINO
ATTENDANCE LIVE AND SIMULCAST
1/1/2014 - 12/31/2014

Live Simulcast				Live Simulcast				Live Simulcast			
Date	Attend.	Attend.	Total	Date	Attend.	Attend.	Total	Date	Attend.	Attend.	Total
06/03/14	528	52	580	07/24/14	1,314	84	1,398	09/13/14	0	102	102
06/04/14	591	68	659	07/25/14	0	98	98	09/14/14	813	72	885
06/05/14	654	70	724	07/26/14	0	152	152	09/15/14	327	32	359
06/06/14	0	202	202	07/27/14	957	100	1,057	09/16/14	519	44	563
06/07/14	1,518	482	2,000	07/28/14	414	44	458	09/17/14	891	66	957
06/08/14	627	70	697	07/29/14	594	64	658	09/18/14	819	74	893
06/09/14	417	32	449	07/30/14	1,011	78	1,089	09/19/14	0	90	90
06/10/14	519	34	553	07/31/14	957	68	1,025	09/20/14	0	116	116
06/11/14	714	76	790	08/01/14	0	88	88	09/21/14	768	70	838
06/12/14	0	54	54	08/02/14	0	0	0	09/22/14	384	34	418
06/13/14	0	108	108	08/03/14	0	0	0	09/23/14	471	50	521
06/14/14	0	86	86	08/04/14	540	50	590	09/24/14	1,023	74	1,097
06/15/14	1,650	86	1,736	08/05/14	453	54	507	09/25/14	1,416	70	1,486
06/16/14	522	28	550	08/06/14	1,308	76	1,384	09/26/14	0	86	86
06/17/14	519	44	563	08/07/14	1,230	60	1,290	09/27/14	0	98	98
06/18/14	1,095	64	1,159	08/08/14	0	110	110	09/28/14	0	40	40
06/19/14	888	58	946	08/09/14	0	88	88	09/29/14	0	20	20
06/20/14	0	100	100	08/10/14	1,308	84	1,392	09/30/14	0	26	26
06/21/14	0	94	94	08/11/14	321	56	377	10/01/14	0	34	34
06/22/14	1,245	92	1,337	08/12/14	450	54	504	10/02/14	0	42	42
06/23/14	504	24	528	08/13/14	873	86	959	10/03/14	0	100	100
06/24/14	528	36	564	08/14/14	783	82	865	10/04/14	0	118	118
06/25/14	1,053	70	1,123	08/15/14	0	94	94	10/05/14	0	70	70
06/26/14	777	56	833	08/16/14	0	140	140	10/06/14	0	26	26
06/27/14	0	82	82	08/17/14	1,272	92	1,364	10/07/14	0	0	0
06/28/14	0	162	162	08/18/14	519	34	553	10/08/14	0	70	70
06/29/14	1,206	86	1,292	08/19/14	5,670	42	5,712	10/09/14	0	46	46
06/30/14	621	42	663	08/20/14	777	76	853	10/10/14	0	68	68
07/01/14	642	48	690	08/21/14	765	58	823	10/11/14	0	92	92
07/02/14	1,083	76	1,159	08/22/14	0	106	106	10/12/14	0	54	54
07/03/14	1,062	82	1,144	08/23/14	0	116	116	10/13/14	0	0	0
07/04/14	0	70	70	08/24/14	1,238	94	1,332	10/14/14	0	0	0
07/05/14	0	114	114	08/25/14	594	17	611	10/15/14	0	60	60
07/06/14	1,434	92	1,526	08/26/14	609	36	645	10/16/14	0	46	46
07/07/14	738	40	778	08/27/14	0	0	0	10/17/14	0	86	86
07/08/14	429	44	473	08/28/14	753	44	797	10/18/14	0	112	112
07/09/14	1,056	68	1,124	08/29/14	0	106	106	10/19/14	0	62	62
07/10/14	918	58	976	08/30/14	0	84	84	10/20/14	0	22	22
07/11/14	0	102	102	08/31/14	1,410	102	1,512	10/21/14	0	28	28
07/12/14	0	138	138	09/01/14	795	74	869	10/22/14	0	72	72
07/13/14	1,233	68	1,301	09/02/14	264	34	298	10/23/14	0	42	42
07/14/14	444	32	476	09/03/14	882	64	946	10/24/14	0	106	106
07/15/14	657	38	695	09/04/14	591	54	645	10/25/14	0	88	88
07/16/14	1,158	52	1,210	09/05/14	0	86	86	10/26/14	0	40	40
07/17/14	651	68	719	09/06/14	0	90	90	10/27/14	0	16	16
07/18/14	0	98	98	09/07/14	1,257	72	1,329	10/28/14	0	28	28
07/19/14	0	134	134	09/08/14	819	56	875	10/29/14	0	56	56
07/20/14	1,194	94	1,288	09/09/14	510	40	550	10/30/14	0	62	62
07/21/14	633	44	677	09/10/14	690	50	740	10/31/14	0	218	218
07/22/14	648	40	688	09/11/14	618	80	698	11/01/14	0	244	244
07/23/14	912	74	986	09/12/14	0	90	90	11/02/14	0	0	0

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Live Simulcast				Live Simulcast				Live Simulcast			
Date	Attend.	Attend.	Total	Date	Attend.	Attend.	Total	Date	Attend.	Attend.	Total
11/03/14	0	18	18	11/22/14	0	72	72	12/11/14	0	20	20
11/04/14	0	0	0	11/23/14	0	56	56	12/12/14	0	80	80
11/05/14	0	54	54	11/24/14	0	20	20	12/13/14	0	68	68
11/06/14	0	52	52	11/25/14	0	36	36	12/14/14	0	42	42
11/07/14	0	94	94	11/26/14	0	54	54	12/15/14	0	28	28
11/08/14	0	90	90	11/27/14	0	22	22	12/16/14	0	24	24
11/09/14	0	68	68	11/28/14	0	136	136	12/17/14	0	0	0
11/10/14	0	26	26	11/29/14	0	78	78	12/18/14	0	32	32
11/11/14	0	36	36	11/30/14	0	50	50	12/19/14	0	68	68
11/12/14	0	56	56	12/01/14	0	24	24	12/20/14	0	90	90
11/13/14	0	20	20	12/02/14	0	18	18	12/21/14	0	42	42
11/14/14	0	70	70	12/03/14	0	56	56	12/22/14	0	26	26
11/15/14	0	46	46	12/04/14	0	48	48	12/23/14	0	48	48
11/16/14	0	34	34	12/05/14	0	78	78	12/26/14	0	128	128
11/17/14	0	12	12	12/06/14	0	108	108	12/27/14	0	106	106
11/18/14	0	6	6	12/07/14	0	42	42	12/28/14	0	70	70
11/19/14	0	34	34	12/08/14	0	20	20	12/29/14	0	30	30
11/20/14	0	26	26	12/09/14	0	30	30	12/30/14	0	44	44
11/21/14	0	62	62	12/10/14	0	52	52	12/31/14	0	30	30

B. Description of the general demeanor and qualities of facility and amenities.

Presque Isle Downs the newest Thoroughbred Race Track built in Pennsylvania it is one of the nations truly integrated Racinos where slot machines and racing coexist in the same building. The Tapeta racing surface continues to be proven one of the safest racing surfaces in the industry. While the one mile Tapeta racing surface is durable, does not retain water and is one of the kindest to racehorses with a minimal number of breakdowns. Through the cooperative efforts of the racing association and the HBPA, additional fibers and liquid have been added in each of the past few. Records support the breakdown occurrences over the past 6 race meets run at Presque Isle Downs. Although slightly higher in 2014, the average racing related catastrophic injuries in the past 5 years is less that 1 per 1000 starts. Presque Isle Downs continues to have one of the safest records in the Country.

Our remodeled buffet opened an additional venue for our patrons to dine and watch live racing. We have indoor seating as well as outdoor patio seating adjacent to the buffet for diners who like to be a little closer to the live racing action. Our facility was designed with families with young children in mind. While gaming laws prevent anyone under the age of 21 from accessing the gaming floor, our racetrack is accessible through outdoor gates. The area also gives access to the buffet and clubhouse from the apron/patio. Free admission and free parking is a big draw for families.

Our outdoor Concession Stand is available for guests who want to grab a hot, delicious and quick snack while enjoying live horse racing very close to the action. Our Wednesday Family Night Food promotions drew large crowds in for a satisfying burger, locally manufactured Smith's hotdog or other offerings.

Our second floor mutuels area is integrated into the Clubhouse for the convenience of our racing fans who would like to dine while wagering on the races. Each table has its own television and there are several large-screen TV's located throughout the dining room.

Mutuel tellers also service the guests outside on the patio, inside in the simulcast area on the first floor and in the mutuels area on the clubhouse second floor level. We also have several self bet stations located throughout the facility including directly adjacent to the Poker room.

During the non-live racing season, we offer live entertainment on our stage in the clubhouse. Race fans can watch and wager on simulcast races from around the country and then stay for the performance by local bands and local and nationally known entertainers. We also offer other sports such as football, hockey and boxing on our large screen TV.

Our poker room was quite well received by our patrons when it opened. Unfortunately, with the opening of the poker room at the Horseshoe in Cleveland, and the continued competition for the gaming dollar at neighboring casinos our revenues have declined substantially.

C. Description of appropriate signage and information so patrons can easily access and utilize racing facilities.

Presque Isle Downs has highway signs on I-90 and I-79. There is a lighted, highly visible high-rise Presque Isle Downs & Casino sign which can be seen when driving on I-90. When patrons arrive on property there is signage that directs them to all areas of the casino. Since the racetrack and casino are integrated, there is easy access from our casino and restaurants to the racetrack. North and South parking lots allow patrons direct access through the gates to the apron. We also have valet parking available for our patrons who prefer the convenience of not having to walk far in inclement weather. We employ shuttle bus drivers to transport our guests from the parking lots to the west side of the Casino to the racetrack and Casino. The Paddock is inside the South apron access gate. Way-finding signs have been installed inside the Casino so our gaming guests are able to locate all amenities of the property.

D. Description of changes to physical plant

Along with the surface addition to the Tapeta, PID constructed a shelter for the Outriders so they can stay out of the weather and still be available for horses and trainers when needed during morning training hours. The Paddock Walls were refinished, covering supports, to make them safer for the humans and animals during racing.

The safety rail which was installed for our Inaugural racing season was also upgraded to eliminate the concerns from horsemen for the safety of the horses and riders.

The initial design of the Sauna in the Jocks room did not perform the way we expected it to. There were upgrades completed to this in 2014. We also added tables to our covered patio area and apron area.

Presque Isle Downs also invested over \$91,000 for upgrading the electric in the five (5) barns which were open for our 2007 race meet.

Along with additional patio seating, we invested \$3,000 in additional TV's for the outdoor patio area to enhance our patrons simulcast viewing. This area was open for KY Derby and other simulcasts before the beginning of our live race meet.

There was a drainage issue along the horse path to the barns, new drainage was installed to direct the water away from that area and allow the water to be directed away from the path.

The Total investment in racing related projects for 2014 was approximately \$300,000. Total investment in 2014 for projects covering all other areas of the operation at Presque Isle Downs, (with the exception of Racing) totaled nearly \$3.6 million.

2 Describe plans to improve attendance at licensee's racetrack over the successive calendar year in addition to a marketing plan that includes:

A. Planned promotional programs to attract patronage

1. Advertising – 50% to 75% of our direct advertising budget during our live race meet is utilized for racing awareness and promotional event nights. The television spots that run year round (with different messaging) contain racing messages. Advertising targets national and state racing publications, local print, radio and television; Print & Radio in Pennsylvania & New York; and Print, Radio & Television in Ohio (specifically the Cleveland and Ashtabula market).

2. Promotions –Throughout the live race meet, we host a variety of promotions and special events

T-shirt giveaways; Sundays Family Night at the Races, Wednesday Night at the Races which also includes food specials (features \$2 Cheeseburgers, Two Hot Dogs for \$2 and other food items at discount prices); Fan Appreciation Nights with free popcorn for kids, \$1 Hot Dogs); Poster Giveaways; and Match Play Wagers. In 2015, we added an additional Sunday Family Night at the Races with live entertainment before racing and \$2 Cheeseburgers and \$1 Hot Dogs.

3. Public Relations & Public Awareness – The local Erie media WJET (ABC), WICU (NBC), WFXP (FOX), WSEE (CBS), and the Erie Times

News provide extensive coverage throughout the live race meet. Live coverage during opening night. We also work with VisitErie and the Convention Authority by offering visiting conventions to experience “A Night at the Races.”

4. Direct Mail – Each month during live racing, our core direct mail piece contains racing information. This is sent to approximately 75,000 to 80,000 each month. A direct mail piece is also sent quarterly to racing players that contain Match Play Wagers to promote upcoming racing events.

B. Plans for public awareness and outreach

1. Groups that come onto property are offered an opportunity to learn the betting basics and are given a \$5 Match Play wager to generate interest in racing.
2. Local groups have “company” nights at Presque Isle Downs on a regular basis. Along with the “company” name in the live racing program, some of the group members go into the Winners Circle for a group picture after the race.

[SAMPLES ON FOLLOWING PAGES]



BEGINNING MAY 14

**\$2 CHEESEBURGERS
\$2 FOR 2 SMITH'S® HOT DOGS
\$1 FRIES AND MORE!**

GET IN YOUR GAME

If You or Someone You Know Has a Gambling Problem, Help is Available. Call 1-800-GAMBLER.

GET IN YOUR GAME!

2014 RACE MEET

NOW - SEPTEMBER 25
SUNDAY - THURSDAY
5:25PM POST TIME

SPECIAL SATURDAY
RACE DATE
JUNE 7
5:25PM POST TIME

WATCH AND WAGER ON
THE BELMONT STAKES
ON JUNE 7

There will not be Live Racing
on Thursday, June 12.

WEDNESDAY NIGHT
RACE MEET

\$2 CHEESEBURGERS
\$2 FOR 2 SMITH'S® HOT DOGS
\$1 FRIES AND MORE!



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\$1,000,000 UP FOR GRABS

Each Friday & Saturday in June • 6pm - 10pm

You could win
\$100,000
cash in our
BigWheel™ Spin!

10 lucky players will be
selected each night for a
chance to win \$100,000!
Win ALL the Free Play
you spin or Cash
when you spin a logo!
Earn entries all month long!

See the INClub™ for details.



presque isle
downs & casino

GET **IN** YOUR GAME

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If You or Someone You Know Has a Gambling Problem, Help is Available. Call 1-800-GAMBLER.

GET IN YOUR GAME!

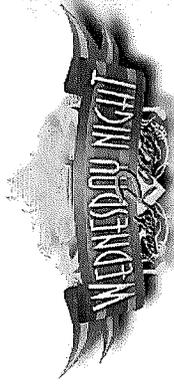
presque isle
downs & casino

2014 RACE MEET

NOW - SEPTEMBER 25
SUNDAY - THURSDAY • 5:25PM POST TIME
SPECIAL SATURDAY RACE DATE
JUNE 7 • 5:25PM POST TIME

WATCH AND WAGER
ON THE BELMONT STAKES
ON JUNE 7

There will not be Live Racing on Thursday, June 12.



\$2 CHEESEBURGERS
\$2 FOR 2 SMITH'S® HOT DOGS
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GET IN YOUR GAME!

2014 RACE MEET

MASTERS WEEKEND
SEPTEMBER 7 & 8, 2014

Free T-shirt on Monday, September 8
to the first 500 fans through the gates at 4:30pm!

FAN APPRECIATION DAY
SUNDAY, SEPTEMBER 14, 2014

First 500 fans through the gates
at 4:30pm receive a free T-shirt and
Hot Dog! Free popcorn to the first
500 kids! Food and drink specials
throughout the night!

While supplies last.



© Gaby Photography



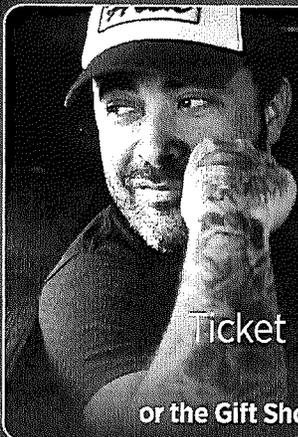
PICK TO WIN!

Tuesday – Sunday,
September 2
December 28, 2014

**OVER \$9,000
IN PRIZES GIVEN AWAY EACH WEEK!**

Visit the Kiosk to play each week!

*See INClub™ for full details.
Thursday games are not included. Management reserves the right to
cancel or modify this promotion at any time.*



AARON LEWIS

FRIDAY,
SEPTEMBER 12
AT 8PM

Ticket Prices \$15 - \$45

Visit Ticketweb.com
or the Gift Shop to purchase tickets.

WIN A FORD® F-150!



BROUGHT TO YOU BY
1 CHAMPION

Fridays in September - 4pm - 10pm
Visit our website for more details.

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presque isle
downs & casino

GET **IN** YOUR GAME

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**Part II.
Handle**

- 1. Furnish documentation of how the introduction of slot machine gaming at the licensed racetrack has enhanced live racing by increasing live handle over the calendar year.**

Please include the following:

- A. Total amount of live handle wagered on races conducted by licensee -**

Presque Isle Down & Casino opened our doors in February 2007. Live Racing began in September 2007. There were no handle numbers to compare before the introduction of slot machine gaming. Following is our handle report for the calendar years 2007 – 2014.

[REPORT FOLLOWING PAGE]

HANDLE LIVE RACES

	2007	2008	2009	2010	2011	2012	2013	2014
1) Live	\$1,456,691.00	\$4,001,392.00	\$4,426,725.00	\$3,564,571.00	\$3,425,082.00	\$3,469,364.80	\$2,921,201.10	\$2,782,759.70
2) Off-Track	N/A							
3) Account Wagering	N/A							
4) Guest Locations	\$13,184,942.00	\$27,746,910.00	\$39,436,847.00	\$41,042,003.00	\$40,543,185.00	\$46,704,985.62	\$67,408,178.23	\$64,716,886.78
Total	\$14,641,633.00	\$31,748,302.00	\$43,863,572.00	\$44,606,574.00	\$43,968,267.00	\$50,174,350.42	\$70,329,379.33	\$67,499,646.48

Presque Isle Downs does not own or operate Off-Track Facilities nor an Account Wagering System

B. Total amount wagered on simulcast races received by the licensee –

[REPORT FOLLOWING PAGE]

HANDLE SIMULCAST RACES

	2007	2008	2009	2010	2011	2012	2013	2014
1) On-Track	\$5,123,207.00	\$11,990,848.00	\$11,867,180.00	\$9,799,750.00	\$5,131,712.00	\$7,604,887.00	\$7,529,506.30	\$6,293,107.10
2) Off-Track	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
3) Account Wagering	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Total	\$5,123,207.00	\$11,990,848.00	\$11,867,180.00	\$9,799,750.00	\$5,131,712.00	\$7,605,887.00	\$7,529,506.30	\$6,293,107.10

Presque Isle Downs does not own or operate Off-Track Facilities nor an Account Wagering System

2. Describe plans to increase live handle and simulcast handle with both licensee and at guest locations.

In 2014, live racing will again be conducted Sunday through Thursday. The increased opportunity for less competition on Sunday and Monday when fewer racetracks conduct live racing opens the market for Presque Isle Downs. Erie Pennsylvania continues to be a draw as a vacation destination and the race fans coming into the area will be able to take advantage of the fact that we race these two days. Erie's Waldameer Park is an attraction for families. The fact that they are closed on Mondays gives Presque Isle Downs an additional opportunity to promote live horse racing as family entertainment. By offering special promotional giveaways and family food specials at Presque Isle Downs Racetrack, we hope to enlarge our fan base. With our post time of 5:25pm, the normal work day is done and beach and boating enthusiasts have left Lake Erie and are looking for something to do in the evening. We believe the racing program at Presque Isle Downs will satisfy their search.

We continue to enlarge our simulcast fan base at racetracks and simulcast locations throughout the country. The addition of our signal almost nightly to the TVG line-up and other nationally broadcast channels should help increase our viewership and our handle.

While the decreasing foal crop has hit most every track in the United States and is making it more difficult to increase field sizes we are constantly striving to get more trainers to come to race at Presque Isle Downs and bring a larger complement of horses to race. Full fields are one key to increasing wagering.

We will participate in promotions offered by other simulcast sites to increase our patron's awareness of new locations being simulcast at Presque Isle Downs.

Once again in 2014 Presque Isle Downs and the HBPA plan to work together to bring the crew from TVG to cover the Presque Isle Mile and the Grade II Presque Isle Masters Stakes in September. Their presence added a boost to our handle on those nights and we will explore opportunities to add more of this type of programming to our schedule.

**Part III
Native Breeding Industry**

- 1. Furnish documentation of how the introduction of slot machine gaming at the licensed racetrack has enhanced live racing by increasing the number of PA-bred or PA-sired horses participating in races at track over the calendar year. Please include the following:**

- A. Total of individual PA-bred/sired horses competing at racetrack, total Number of starts these horses made, and total purses earned.**

During the 2014 race meet there were 378 unique PA Bred Starts with total wins of 185. Total starts by PA Bred horses was 1,328 for total earnings of \$5,167,648.

- B. Percentage of the whole that these PA-bred/sired horses contribute to the total number of horses competing at its track, the percentage of the whole as to the total number of starts made, the percentage of the whole of purses.**

A total of 1760 horses competed at Presque Isle Downs in 2014 with PA-bred/sired making up 21.47% of the total. Total starts at PID were 6,102; total PA-bred/sired starts were 1,328 or 21.76%. Total purses paid \$18,491,567.50 with PA Bred/sired purses totaling \$5,167,648 or 27.95%.

- C. Total number of races restricting entry to PA-bred or PA-sired horses and total purses paid in restricted races.**

86 PA restricted races were run at Presque Isle Downs in 2014 with purses of \$2,478,000. Included 5 PA Bred Stakes Races.

- 2. Describe plans to increase participation of PA-bred or PA-sired horses for the successive calendar year.**

As we have at Presque Isle Downs in the past, we continue to work with the PA Breeder's Association and the HBPA. Depending on available funding we will continue to offer at least one race in the Condition Book per card and at least one Substitute race per card. This has proven to work at Presque Isle Downs in the past years and we are certain it will continue. In 2015 we will offer 5 - \$75,000 Stakes Races for Registered PA Breds.

**Part IV
Class**

- 1. Furnish documentation of how the introduction of slot machine gaming at the licensed racetrack has enhanced racing by improving the quality in the class of races over the calendar year. Please include the following:**

Type Of Race	Number of Races	Number of Starters	Purses Paid
See Race Summary Reports on following pages			

Race Summary Report

From 05/11/2014 to 09/25/2014

Breed: TB Course: Both Sex: Both

Presque Isle Downs

State Bred: Only Sorted By: Race Type

Page 1 of 1

Race Type	Race Class	Races	Horses	Purses	Percent Total	Long Races	Avg Long	Short Races	Avg Short	Overall Avg
ALLOWANCE										
	ALW(PA)	2	14	88,000	2.33	2	7.00	0	0.00	7.00
	ALW1/XMC(PA)	8	56	264,000	9.30	4	6.50	4	7.50	7.00
	ALW1/XMC/NW2(PA)	9	59	276,000	10.47	5	5.80	4	7.50	6.56
	ALW2(PA)	4	29	138,000	4.65	0	0.00	4	7.25	7.25
	ALW3(PA)	2	13	69,000	2.33	0	0.00	2	6.50	6.50
	All ALW Classes	25	171	835,000	29.08	11	6.27	14	7.29	6.84
ALLOWANCE OPTIONAL CLAIMING										
	ALW2/XMC/NW3orC40000(PA)	2	12	64,000	2.33	1	6.00	1	6.00	6.00
	All AOC Classes	2	12	64,000	2.33	1	6.00	1	6.00	6.00
CLAIMING										
	C12500-10000(PA)	7	49	138,000	8.14	3	6.67	4	7.25	7.00
	C12500-10000/NW2(PA)	7	39	98,000	8.14	1	4.00	6	5.83	5.57
	C12500-10000/NW3(PA)	5	33	80,000	5.81	2	7.50	3	6.00	6.60
	C16000-14000/NW3(PA)	2	11	36,000	2.33	1	5.00	1	6.00	5.50
	C25000-22500(PA)	1	5	30,000	1.16	0	0.00	1	5.00	5.00
	C25000-22500/NW3(PA)	1	6	21,000	1.16	0	0.00	1	6.00	6.00
	All CLM Classes	23	143	403,000	26.74	7	6.29	16	6.19	6.22
MAIDEN CLAIMING										
	M12500-10000(PA)	8	45	98,000	9.30	4	5.00	4	6.25	5.63
	M25000-22500(PA)	1	7	17,000	1.16	0	0.00	1	7.00	7.00
	All MCL Classes	9	52	115,000	10.46	4	5.00	5	6.40	5.78
MAIDEN SPECIAL WEIGHT										
	M(PA)	22	177	686,000	25.58	0	0.00	22	8.05	8.05
	All MSW Classes	22	177	686,000	25.58	0	0.00	22	8.05	8.05
STAKES										
	STK	5	35	375,000	5.81	3	8.00	2	5.50	7.00
	All STK Classes	5	35	375,000	5.81	3	8.00	2	5.50	7.00
	All Races	86	590	2,478,000	100.00	26	6.27	60	7.12	6.86

Race Summary Report

From 05/11/2014 to 09/25/2014

Breed: TB Course: Both Sex: Both

Presque Isle Downs

State Bred: Included Sorted By: Race Type

Page 1 of 2

Race Type	Race Class	Races	Horses	Purses	Percent Total	Long Races	Avg Long	Short Races	Avg Short	Overall Avg
ALLOWANCE										
	ALW	7	57	276,000	0.88	3	9.00	4	7.50	8.14
	ALW(PA)	2	14	88,000	0.25	2	7.00	0	0.00	7.00
	ALW1/XMC	31	224	1,014,000	3.89	16	7.00	15	7.47	7.23
	ALW1/XMC(PA)	8	56	264,000	1.01	4	6.50	4	7.50	7.00
	ALW1/XMCorNW2(PA)	9	59	276,000	1.13	5	5.80	4	7.50	6.56
	ALW2	25	165	816,000	3.14	12	6.75	13	6.46	6.60
	ALW2(PA)	4	29	138,000	0.50	0	0.00	4	7.25	7.25
	ALW2/XMC	3	22	96,000	0.38	0	0.00	3	7.33	7.33
	ALW2/XMCorNW3	1	5	32,000	0.13	0	0.00	1	5.00	5.00
	ALW3	19	114	653,000	2.39	8	5.50	11	6.36	6.00
	ALW3(PA)	2	13	69,000	0.25	0	0.00	2	6.50	6.50
	All ALW Classes	111	758	3,722,000	13.95	50	6.66	61	6.97	6.83
ALLOWANCE OPTIONAL CLAIMING										
	ALW1/XMCorC25000	3	16	96,000	0.38	0	0.00	3	5.33	5.33
	ALW2/XMCorC40000	11	72	382,000	1.38	5	7.40	6	5.83	6.55
	ALW2/XMCorNW3orC40000(PA)	2	12	64,000	0.25	1	6.00	1	6.00	6.00
	ALW2orC62500	3	20	90,000	0.38	0	0.00	3	6.67	6.67
	ALW3/XMCorC62500	5	34	178,000	0.63	1	6.00	4	7.00	6.80
	CONDorNW4orC62500	3	15	117,000	0.38	1	5.00	2	5.00	5.00
	All AOC Classes	27	169	927,000	3.40	8	6.75	19	6.05	6.26
BEATEN CLAIMING										
	C5000NW1(DATE)	50	393	550,000	6.28	23	7.65	27	8.04	7.86
	C5000NW2(DATE)	30	243	330,000	3.77	15	7.53	15	8.67	8.10
	C7500NW1(DATE)	4	27	52,000	0.50	0	0.00	4	6.75	6.75
	All BCL Classes	84	663	932,000	10.55	38	7.60	46	8.13	7.89
CLAIMING										
	C12500-10000	24	162	511,000	3.02	10	6.70	14	6.79	6.75
	C12500-10000(PA)	7	49	138,000	0.88	3	6.67	4	7.25	7.00
	C12500-10000NW2(PA)	7	39	98,000	0.88	1	4.00	6	5.83	5.57
	C12500-10000NW3(PA)	5	33	80,000	0.63	2	7.50	3	6.00	6.60
	C16000-14000	32	217	759,000	4.02	16	6.88	16	6.69	6.78
	C16000-14000NW2	19	125	304,000	2.39	6	5.67	13	7.00	6.58
	C16000-14000NW3	20	117	360,000	2.51	9	5.67	11	6.00	5.85
	C16000-14000NW3(PA)	2	11	36,000	0.25	1	5.00	1	6.00	5.50
	C25000-22500	22	141	595,000	2.76	13	6.77	9	5.89	6.41
	C25000-22500(PA)	1	5	30,000	0.13	0	0.00	1	5.00	5.00
	C25000-22500NW2	10	61	180,000	1.26	4	6.00	6	6.17	6.10
	C25000-22500NW3	11	56	231,000	1.38	2	5.00	9	5.11	5.09
	C25000-22500NW3(PA)	1	6	21,000	0.13	0	0.00	1	6.00	6.00
	C25000-7500	1	11	25,000	0.13	0	0.00	1	11.00	11.00
	C40000	1	7	28,000	0.13	0	0.00	1	7.00	7.00
	C5000	16	105	240,000	2.01	7	7.43	9	5.89	6.56
	C5000NW1(DATE)	12	90	132,000	1.51	0	0.00	12	7.50	7.50
	C5000NW2(DATE)	8	52	88,000	1.01	3	7.33	5	6.00	6.50
	C7500	17	108	298,000	2.14	7	6.29	10	6.40	6.35
	C7500NW1(DATE)	5	32	65,000	0.63	2	5.00	3	7.33	6.40
	C7500NW2	57	461	684,000	7.16	24	7.71	33	8.36	8.09
	C7500NW3	54	440	756,000	6.78	21	7.14	33	8.79	8.15
	C7500NW4	20	170	328,000	2.51	8	8.75	12	8.33	8.50
	All CLM Classes	352	2498	5,987,000	44.25	139	6.91	213	7.22	7.10
MAIDEN CLAIMING										
	M12500-10000(PA)	8	45	98,000	1.01	4	5.00	4	6.25	5.63
	M16000-14000	11	74	161,000	1.38	2	7.00	9	6.67	6.73
	M25000-22500	11	70	182,000	1.38	3	5.67	8	6.63	6.36
	M25000-22500(PA)	1	7	17,000	0.13	0	0.00	1	7.00	7.00
	M7500	50	354	550,000	6.28	17	6.35	33	7.45	7.08

Race Summary Report

From 05/11/2014 to 09/25/2014

Breed: TB Course: Both Sex: Both

Presque Isle Downs

State Bred: Included Sorted By: Race Type

Page 2 of 2

Race Type	Race Class	Races	Horses	Purses	Percent Total	Long Races	Avg Long	Short Races	Avg Short	Overall Avg
	All MCL Classes	81	550	1,008,000	10.18	26	6.11	55	7.11	6.79
MAIDEN SPECIAL WEIGHT										
	M	53	384	1,699,000	6.66	20	6.85	33	7.48	7.25
	M(PA)	22	177	686,000	2.76	0	0.00	22	8.05	8.05
	All MSW Classes	75	561	2,385,000	9.42	20	6.85	55	7.71	7.48
STARTER OPTIONAL CLAIMING										
	C16000(DATE)	4	26	120,000	0.50	1	7.00	3	6.33	6.50
	C25000(DATE)	1	4	26,000	0.13	0	0.00	1	4.00	4.00
	All SOC Classes	5	30	146,000	.63	1	7.00	4	5.75	6.00
STAKES										
	STK	14	118	1,675,000	1.76	6	9.17	8	7.88	8.43
	All STK Classes	14	118	1,675,000	1.76	6	9.17	8	7.88	8.43
STARTER ALLOWANCE										
	STR/ALW16000	12	97	460,000	1.51	7	7.71	5	8.60	8.08
	STR/ALW5000	18	112	340,000	2.26	7	7.00	11	5.73	6.22
	STR/ALW7500	17	102	355,000	2.14	8	5.88	9	6.11	6.00
	All STR Classes	47	311	1,155,000	5.91	22	6.82	25	6.44	6.62
	All Races	796	5658	17,937,000	100.00	310	6.92	486	7.23	7.11

Race Summary Report

From 05/11/2014 to 09/25/2014

Breed: TB Course: Both Sex: Both

Presque Isle Downs

State Bred: Excluded Sorted By: Race Type

Page 1 of 2

Race Type	Race Class	Races	Horses	Purses	Percent Total	Long Races	Avg Long	Short Races	Avg Short	Overall Avg
ALLOWANCE										
	ALW	7	57	276,000	0.99	3	9.00	4	7.50	8.14
	ALWNW1/XMC	31	224	1,014,000	4.37	16	7.00	15	7.47	7.23
	ALWNW2	25	165	816,000	3.52	12	6.75	13	6.46	6.60
	ALWNW2/XMC	3	22	96,000	0.42	0	0.00	3	7.33	7.33
	ALWNW2/XMCorNW3	1	5	32,000	0.14	0	0.00	1	5.00	5.00
	ALWNW3	19	114	653,000	2.68	8	5.50	11	6.36	6.00
	All ALW Classes	86	587	2,887,000	12.12	39	6.77	47	6.87	6.83
ALLOWANCE OPTIONAL CLAIMING										
	ALWNW1/XMCorC25000	3	16	96,000	0.42	0	0.00	3	5.33	5.33
	ALWNW2/XMCorC40000	11	72	382,000	1.55	5	7.40	6	5.83	6.55
	ALWNW2orC62500	3	20	90,000	0.42	0	0.00	3	6.67	6.67
	ALWNW3/XMCorC62500	5	34	178,000	0.70	1	6.00	4	7.00	6.80
	CONDorNW4orC62500	3	15	117,000	0.42	1	5.00	2	5.00	5.00
	All AOC Classes	25	157	863,000	3.51	7	6.86	18	6.05	6.28
BEATEN CLAIMING										
	C5000NW1(DATE)	50	393	550,000	7.04	23	7.65	27	8.04	7.86
	C5000NW2(DATE)	30	243	330,000	4.23	15	7.53	15	8.67	8.10
	C7500NW1(DATE)	4	27	52,000	0.56	0	0.00	4	6.75	6.75
	All BCL Classes	84	663	932,000	11.83	38	7.60	46	8.13	7.89
CLAIMING										
	C12500-10000	24	162	511,000	3.38	10	6.70	14	6.79	6.75
	C16000-14000	32	217	759,000	4.51	16	6.88	16	6.69	6.78
	C16000-14000NW2	19	125	304,000	2.68	6	5.67	13	7.00	6.58
	C16000-14000NW3	20	117	360,000	2.82	9	5.67	11	6.00	5.85
	C25000-22500	22	141	595,000	3.10	13	6.77	9	5.89	6.41
	C25000-22500NW2	10	61	180,000	1.41	4	6.00	6	6.17	6.10
	C25000-22500NW3	11	56	231,000	1.55	2	5.00	9	5.11	5.09
	C25000-7500	1	11	25,000	0.14	0	0.00	1	11.00	11.00
	C40000	1	7	28,000	0.14	0	0.00	1	7.00	7.00
	C5000	16	105	240,000	2.25	7	7.43	9	5.89	6.56
	C5000NW1(DATE)	12	90	132,000	1.69	0	0.00	12	7.50	7.50
	C5000NW2(DATE)	8	52	88,000	1.13	3	7.33	5	6.00	6.50
	C7500	17	108	298,000	2.39	7	6.29	10	6.40	6.35
	C7500NW1(DATE)	5	32	65,000	0.70	2	5.00	3	7.33	6.40
	C7500NW2	57	461	684,000	8.03	24	7.71	33	8.36	8.09
	C7500NW3	54	440	756,000	7.61	21	7.14	33	8.79	8.15
	C7500NW4	20	170	328,000	2.82	8	8.75	12	8.33	8.50
	All CLM Classes	329	2355	5,584,000	46.35	132	6.95	197	7.30	7.16
MAIDEN CLAIMING										
	M16000-14000	11	74	161,000	1.55	2	7.00	9	6.67	6.73
	M25000-22500	11	70	182,000	1.55	3	5.67	8	6.63	6.36
	M7500	50	354	550,000	7.04	17	6.35	33	7.45	7.08
	All MCL Classes	72	498	893,000	10.14	22	6.32	50	7.18	6.92
MAIDEN SPECIAL WEIGHT										
	M	53	384	1,699,000	7.46	20	6.85	33	7.48	7.25
	All MSW Classes	53	384	1,699,000	7.46	20	6.85	33	7.48	7.25
STARTER OPTIONAL CLAIMING										
	C16000(DATE)	4	26	120,000	0.56	1	7.00	3	6.33	6.50
	C25000(DATE)	1	4	26,000	0.14	0	0.00	1	4.00	4.00
	All SOC Classes	5	30	146,000	.70	1	7.00	4	5.75	6.00
STAKES										
	STK	9	83	1,300,000	1.27	3	10.33	6	8.67	9.22
	All STK Classes	9	83	1,300,000	1.27	3	10.33	6	8.67	9.22

Race Summary Report

From 05/11/2014 to 09/25/2014

Breed: TB Course: Both Sex: Both

Presque Isle Downs

State Bred: Excluded Sorted By: Race Type

Page 2 of 2

<u>Race Type</u>	<u>Race Class</u>	<u>Races</u>	<u>Horses</u>	<u>Purses</u>	<u>Percent Total</u>	<u>Long Races</u>	<u>Avg Long</u>	<u>Short Races</u>	<u>Avg Short</u>	<u>Overall Avg</u>
STARTER ALLOWANCE										
	STR/ALW16000	12	97	460,000	1.69	7	7.71	5	8.60	8.08
	STR/ALW5000	18	112	340,000	2.54	7	7.00	11	5.73	6.22
	STR/ALW7500	17	102	355,000	2.39	8	5.88	9	6.11	6.00
	All STR Classes	47	311	1,155,000	6.62	22	6.82	25	6.44	6.62
	All Races	710	5068	15,459,000	100.00	284	6.98	426	7.24	7.14

2. Describe plans to improve class of horses in races for the successive calendar year.

Presque Isle Downs continues our practice of allotting stalls according to the trainers with horses that will fit into the racing program at Presque Isle Downs. The horsemen who participate in the race meet at Presque Isle Downs believe horsemen should run a better quality of horses for the quality of purses we have the ability to offer. With the year over year decline in foal crop there are less and less horses available to fill races. The average start per race in 2014 was 7.49 compared to 7.67 in 2013.

The class of horses that have competed in Stakes races at Presque Isle Downs has improved steadily in the past few years. The Presque Isle Downs Masters Stakes was awarded Grade II status in 2011. Living the Life won the 2014 Masters Stakes and went on to compete in the DraftKings Breeders Cup Filly and Mare Stakes where Dame Dorothy who finished 3rd in the 2014 Masters Stakes went on to win. Groupie Doll the winner of the 2013 & 2012 Masters Stakes as well as Musical Romance the winner in the previous year of the 2011 Masters Stakes went on to win the Breeders Cup Filly and Mare Sprint race and to be named Champion Female Sprinter of the year. The winner of the 2010 Masters Stakes (Gr.III) Informed Decision, finished 7th in the 2010 Breeders' Cup Filly and Mare Sprint; Dubai Majesty who finished second to Informed Decision in the 2010 Masters Stakes won the 2010 Breeders' Cup Filly and Mare Sprint and was also named 2010 Champion Female Sprinter. Informed Decision who also won the 2009 Presque Isle Downs Masters Stakes and the 2009 Breeders' Cup Filly and Mare Sprint was named 2009 Champion Female Sprinter. The Winner of the Presque Isle Downs 2011 Mile Stakes Wise Dan was named Horse of the Year at the 2012 and 2013 Eclipse Awards. Presque Isle Downs is pleased to proclaim their association with these great horses. The quality of the horses that compete over the Tapeta™ surface at Presque Isle Downs does continue to improve year after year.

We continue to allot stalls to trainers with horses that fit into the Presque Isle Downs Program. In addition to the trainers who supported the Presque Isle Downs Race meet in 2014, stalls were allotted to 14 new trainers for the season. In 2015 we have allotted stalls to 15 trainers who had not previously stabled here.

**Part V
Residence**

1. Furnish documentation of how the introduction of slot machine gaming at the licensed racetrack has enhanced live racing by increasing the number of PA residents participating in the Commonwealth's racing industry throughout the calendar year. Please include the following:

A. Number of PA Residents participating at the track as owners and trainers.

In 2014 there were 221 PA Residents participating at the track as owners and trainers out of 1376 owners and trainers.

B. Percentage of the whole that PA residents contribute to the total number of owners and trainers.

16% of the registered owners and trainers participating at Presque Isle Downs in 2014 were PA Residents.

C. Total purse earnings of PA residents at track of owners (as determined by address of stable or lead owner) and trainers.

Total earned by PA residents in 2014 was \$2,143,308 or 11.59%

D. Estimated amount of purse earnings of non-PA residents stabling horses at the track.

Estimated total earned by non-PA residents stabling horses at Presque Isle Downs in 2014 was \$16,348,260.

2. Provide strategy to increase the participation of Pennsylvania residents in the PA racing industry for the successive calendar year.

Through continued promotion of Presque Isle Downs races, we plan to encourage PA residents to race their horses at Presque Isle Downs. The purses offered along with PA Bred restricted races offered and additional owner bonus will help to entice additional owners/trainers to move to the Erie area to race in the future. Will promote PA restricted races in advertising and on our website. Continue to work with the HBPA to increase interest in racing in Erie, PA. We are continually allotting stalls to new trainers as they become open. Many of the PA residents have upgraded their stock to participate on a higher level.