

RACING COMMITTEE MINUTES

OCTOBER 12, 2006 – 3:00 P.M.

Present: Chairman Wood; Supervisors Callanan, Peck, Gutheil, and Yepsen; D. Wickerham, County Administrator; Larry Benton, IDA; Jason Kemper, Planning; Valerie Keehn, Mayor Saratoga Springs; Fiona Farrell, Cooperative Extension; Richard Smith; Kevin Richardson; Michael Veill, Press.

Chairman Wood called the meeting to order and welcomed all in attendance.

On a motion made by Ms. Yepsen, seconded by Mr. Callanan the minutes of the July 6, 2006 meeting were approved unanimously.

Mr. Wood said the future of the Saratoga Racecourse affects each and every municipality in the county and many more communities beyond our borders. Our efforts of going forward will include anyone who is an advocate of preserving this essential industry. It is critically important that we present our message in a clear and unified voice. This effort must be non-partisan and non-political, as it concerns the economic health of all of the residents throughout the region. The County in partnership with the City of Saratoga Springs and the towns will be reaching out to elected officials throughout the region, asking them to join us in our efforts to ensure that whatever entity is awarded the franchise, it will be based on a commitment to preserve the character of the Saratoga Race Course, which is the fundamental reason for its success.

Mr. Callanan said the Saratoga County Industrial Development Agency is a public vested corporation established and enacted by the State Legislature in 1971. The agency's mission is to enhance the economy of Saratoga County by retaining jobs and expanding employment opportunities for county residents. We here at Saratoga County are well aware of the positive economic influence Saratoga Racecourse has throughout the county and beyond our borders. With the response of the State's intention to seek bids for the franchise operations of New York State's three major thoroughbred tracks beginning in January 2008, the IDA in August of 2005 authorized the expenditure of \$60,000 to hire a specialist firm to undertake the

comprehensive economic impact study of the Saratoga Racecourse. This is something that has never previously been done before.

In September of 2005 a detailed RFP was issued to eleven firms, both local and national. Following interviews the agency in November selected Economic Research Associates with offices in New York City and Los Angeles as our contractor. Economic Research Associates displayed specialized expertise in the area of gauging economic impacts of horse racing and the gaming industry, having previously completed studies at the Oakland Racetrack in Arkansas and Delmar Track in California. A steering committee composed of Board members and other individuals of expertise in the thoroughbred industry who share our desire that the Saratoga Racecourse maintain its position as one of the pre-eminent venues in the world was established to oversee the study. They included local residents involved in the thoroughbred racing and breeding industry and a representative of Saratoga Gaming and Raceway. We were further assisted by the Saratoga County Agriculture and Economic Specialist, the New York State Department of Ag and Markets, the office of the County Treasurer, the New York State Racing and Wagering Board and Saratoga's Convention Bureau. Finally, I would recommend the assistance provided to our consultants and steering committee by management of the New York Association, whose willingness to provide us with their financial information of all of their operation was a critical point for the completion of this study.

It is absolutely essential that Saratoga County's municipalities have a voice in the state decision making process, which was the fundamental purpose of the study. The award of the franchise must be based on a clear understanding of the economic significance of Saratoga Racecourse in the City of Saratoga Springs, Saratoga County and the surrounding regions. This study will enable local elected officials to make a fact based case for the critical role that the Saratoga Racecourse plays in the local, regional and state economies. With the release of the study, it is now up to the county racing committee, working with local officials and other supporters of the racing industry to determine the most effective way to bring the message to those members of the legislature and the executive branches who will ultimately make the decision which is so important to the economy of Saratoga County.

Mr. Benton, Executive Director of the IDA gave a brief overview of the study as follows:

Mr. Benton said approximately 25% or 7,700 racing horses live in the eastern district. In New York State, 3.5 billion acres is devoted to equine use. Of that 3.5 billion acres, 480,000 acres are located within the eastern district. The total value of buildings, fencing and land for equine use totals \$320 million. There are 396 thoroughbred breeding farms in the State of New York with 53 located in Saratoga County and 129 located in the eastern district.

Mr. Benton said the value to the county is that there is a very strong agricultural industry and when thoroughbred breeding farms come in they preserve that open space and keep the productive land. As productive land they provide revenues for existing farmers.

Mr. Benton said the Saratoga Racecourse has the highest daily attendance of any track in the country and the highest on track live handle of any track in the country. The average daily attendance at Saratoga Racecourse is 28,907 with 36 race days as compared to Church Hill Downs 11,000 with 79 race days.

Mr. Benton highlighted some facts as they relate to Saratoga County:

1. Jobs created in Saratoga by the Racing Industry is approximately 2,800
2. Total revenue generated by the Racing Industry in the Saratoga Capital Region is approximately \$214 million.
3. The local tax revenue generated in Saratoga by the Racing Industry is approximately \$5 million.

The impact of racing in the Saratoga Capital Region is priceless.

Mr. Wood said the county has a major task in front of them and that is to make sure that the information gets out. The information will be available on the county website and through newspapers.

Mr. Peck said when you look at the numbers in 36 days, we have to make sure that our legislators and those who are the decision makers know that we

just can't take the 36 days and double it and think that the revenues for the franchise agreement are going to double. In essence, the 36 days is a specialty that Saratoga Racecourse has to offer. If this were made a 79-race day meet, the effect would be diluted and Saratoga would lose much of the impact that has been gained, he said.

Mr. Callanan said the members of the IDA take their mission very seriously with regard to retention of jobs and creation of jobs. They stand ready to help any agency, ad hoc committee, and any municipality in this effort to make sure we maintain the ambience of Saratoga County.

On a motion made by Mr. Peck, seconded by Mr. Callanan the meeting was adjourned.

Respectfully submitted,
Chris Sansom