

Racing Committee Minutes
April 12, 2012 – 3:30 p.m.

Present: Chairman Collyer; Supervisors Barrett, A. Johnson, Veitch, Southworth, and Yepsen; Ryan Moore, Mgmt. Analyst; Eddie Miller, Trainer; Tracy Egan, Thoroughbred Association.

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

On a motion made by Ms. Yepsen, seconded by Mr. Veitch the minutes of the February 14, 2012 meeting were approved unanimously.

Mr. Collyer introduced Tracy Egan, Executive Director of the Thoroughbred Association. Ms. Egan said the fund board has not taken a stance on Casinos. She said the breeding fund is benefiting very much from the Video Lottery terminals that were opened on October 28, 2011 at Aqueduct. She said the Thoroughbred Association receives electronic wires from them once a week of over \$100,000 every week. The way the breeding fund works is that most of the money that is received goes back out to people who breed New York Breds, race New York Breds or stand the Stallions in the State. At one time there were approximately 450 farms in the State, and in 2011 that number was down to 330 farms, going from 40,000 sq. acres of farm land to 35,000 sq. acres of farm land in the horse industry. Ms. Egan said she would not want to see Casinos stomping out horses when it was originally to help the sport that they got a foot in the door. Mr. Collyer said that is a concern of the committee as well. He said next year will be the 150 year anniversary of Thoroughbred Racing.

Ms. Yepsen asked when horse racing began to slump and when it started to go back up because of the VLT. Ms. Egan said the numbers really started to go back up in November/December of 2011. After the law makers approved Video Lottery Terminals to benefit thoroughbred horse racing and breeding in the State in 2001. For three or four years after that it was noted that more and more people were coming here. When the economy began to go bad the horse industry slumped because it needed people with disposable money to buy horses. The decline began around 2005/2006, and you could see the numbers of fouts dropping off. The fouts had close to 2,400 around 2005/2006, and then dropped to about 1,460 in 2011. She said it appears that there is a comeback this year which began with an advertising campaign last fall to encourage people to send their Mares here because there would be larger breeder awards and NYRA was going to have higher purses because of the VLT's. She said between the award rate change and the advertising campaign targeted strictly at Mare owners, it has brought at least an additional 600 pregnant Mares into the state. Ms. Egan said in the first year of operation the breeding fund gets 1% of the money that goes through the Racino, the second year it is 1.25% and the third year 1.5%. No one has done a study to see what would happen if there were table games and Casinos.

Mr. Miller said in the last two centuries prominent families did whatever it took to breed the best possible horses. These people are gone and their families are not interested because the tax laws have changed and they are not investing at any cost to keep the thoroughbred business going. The only thing that can keep people interested in investing in thoroughbreds is the purses. With thoroughbreds maybe one out of ten pays for itself. Right now with the way the purse structure is, it is not the worst investment to get involved in, although it is risky, he said. Mr. Miller said the Casino at Belmont is magnificent and generating money three or four times more than thought. Since its opening in October/November it has already turned \$100 million for the State's public school system. The money flowing in the next couple of years will be tremendous as will the purses in Saratoga Springs because everybody wants to race here. Mr. Miller warned that the future of racing could be in jeopardy with down state politicians seeing large sums of money going to the horsemen and asking why do we need racing. They would rather have the money and give it to the people in their districts, he said. He said up here in Saratoga County we need racing, which has brought in as much as \$200 million a year.

Mr. Collyer said Bloodhorse.com put out a questionnaire to the racetrack casinos in New York State and Appleseed did a report on racing. It said that Appleseed estimated income for 2011 for racetracks or casinos in New York of \$1.76 billion and out of that \$830 million went to education, \$423 million went to the racetrack casinos, \$179 million went to horse racing and breeding for both thoroughbred and standard bred horses, \$176 million for administration, and \$141 for marketing. Out of the nine tracks it generated 17,400 jobs.

Mr. Collyer said he would like to have an Advisory Subcommittee meeting at the end of the month. He said he would like the committee to come up with a plan and recommendation to report back to the committee for their review and followed by a resolution advocating for Racing in New York.

Mrs. Southworth said she is looking for a report to come from the committee that can then be passed on to the full Board, so there is a direction to take as a group to elected officials and the Governor when he begins to form casinos and where they are going to go. We need a strong voice and a solid position, she said.

On a motion made by Mrs. Southworth, seconded by Mr. Johnson the meeting was adjourned.

Respectfully submitted,
Chris Sansom