

2014 Report and Recommendations

Submitted May 26, 2015 by:

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A Division of the New York State Gaming Commission



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Dear Commissioners,

Pursuant to the New York State Racing and Wagering Board's (now the Gaming Commission) 2011 directive establishing the Racing Fan Advisory Council, I am pleased to present you with the Council's 2014 Annual Report of recommendations for your consideration.

This previous calendar year, the Council took on two significant initiatives: (1) formalize recommendations on how to increase Steward transparency for the benefit of racing fans and (2) document fan feedback from the 2014 Belmont Stakes Day and ensure the concerns were conveyed to The New York Racing Association, Inc. (NYRA) management.

With regard to Steward transparency, the Council believes that the recommendations contained within this report will improve the fan experience and strengthen the integrity of the game while being sensible and easy to implement.

With regard to the 2014 Belmont Stakes Day experience, the Council believes it had an obligation to ensure that all concerns were conveyed in a concise manner. Based on the plans announced for the 2015 Belmont Stakes Day, we are pleased that most, if not all, of the Council's collective concerns are being addressed.

As our mission continues into 2015, we will strive to identify and map out more comprehensive recommendations to bring more fans to the sport of horseracing. The enacted budget for 2015-16 contains, for the first time, a budgetary allowance for the Council's work. This modest funding will exponentially enhance our mission and permit greater and outreach to racing fans across the state. Proposed budgetary expenditures are included in this report.

On behalf of my colleagues, Michael Amo, Kelly Young, Allan Carter and Michael Mills, I thank you for the opportunity to serve the horseracing industry and the state of New York.

Sincerely,

Patrick Connors Chairman New York Racing Fan Advisory Council



About the Racing Fan Advisory Council

The New York State Racing and Wagering Board (now the New York State Gaming Commission) formally announced the creation of the New York Racing Fan Advisory Council in September 2011 to provide input and advice to the Board on horseracing and wagering matters in New York State. The Council is examining the "total racing experience" and reporting findings to the Board. The Council consists of individuals steeped in Thoroughbred and Harness racing, as well as off-track betting enterprises. The members are long-term horseracing fans, selected on their involvement, interest, knowledge and devotion to the sport. Members include:

Chair: Patrick M. Connors, Professor of Law, Albany Law School: Professor Connors has been an avid fan of horseracing since 1989 and has made several presentations at Albany Law's annual Saratoga Institute on Racing and Gaming Law. He has been a law professor for 20 years at both Syracuse University College of Law and Albany Law School. A prolifically published scholar, he has been an active member of several New York State Bar Association Committees and has given dozens of legal presentations across the state. Professor Connors resides in Saratoga Springs, graduated from Georgetown University and obtained his law degree at St. John's University School of Law.

Vice-Chair: Michael F. Amo, Chair and Co-Founder, Thoroughbred Racing Fan Association, Inc. (ThoroFan): Mr. Amo has been a Thoroughbred horseracing enthusiast for over 30 years. He was first introduced to the sport by a friend who took him to the 1978 Belmont Stakes and soon began traveling the country attending racing meets as his regular vacation away from a career as a hospital administrator. Mr. Amo has served on the Board of several not-for-profit organizations and is co-owner of a health care consulting business, as well as a published author. A Central Valley resident, Mr. Amo also serves as an Orange County legislator.

Allan Carter, Historian, The National Museum of Racing and Hall of Fame: Since 2003, Mr. Carter has worked at the National Museum of Racing and Hall of Fame. For more than 20 years prior, Mr. Carter was a legal librarian at the New York State Library. Mr. Carter served in the U.S. Army from 1963 to 1967 and worked as a technical writer at Knolls Atomic Power Plant. A Glens Falls native, Mr. Carter resides in Saratoga Springs and received a Master's Degree in Library Science from SUNY Albany.

M. Kelly Young, Deputy Director of Public Policy, New York Farm Bureau: Ms. Young has been an active participant in the world of harness racing since 1995,



when she worked as an office assistant at the Goshen Historic Track during the summer. Ms. Young is a member of the Saratoga Harness Hall of Fame's Board of Directors and a former Executive Director of the Harness Horse Breeders of New York State. She has written several award-winning articles on Standardbred racing. An Albany resident, Ms. Young has a B.A. in Biology from Boston University.

Michael C. Mills, Village Administrator, Village of Elmsford (Westchester County): Mr. Mills fell in love with horse racing in 1973 when he attended the Whitney Handicap at Saratoga at the age of ten and witnessed the great Secretariat run and has been an avid fan of racing ever since. A 1986 graduate of the University of Louisville, Mr. Mills has spent the past 25 years working in the field of local government management for the Villages of Elmsford and Ellenville, and the City of Kingston. Mr. Mills has served on several civic committees, boards, and task forces, including the Tappan Zee Bridge I-287 Mass Transit Task Force.

No members are current Gaming Commission employees, lobbyists, officers of any racetrack, OTB or any non-profit that represents breeders or horsemen. Three members were appointed by the former Racing and Wagering Board Chairman and two were appointed by the chairs of the Senate Committee on Racing, Gaming and Wagering and the Assembly Committee on Racing and Wagering. Each member serves a five-year unpaid term.

Mission of the Racing Fan Advisory Council

As outlined via directive from the Racing and Wagering Board, the Racing Fan Advisory Council's mission is to grow of the fan base related to the sport of horseracing by:

- Recommending procedures to ensure that the opinion of the fan is a central part of the regulation of horseracing and advising the Board on issues related to horseracing and wagering
- Advising the Board on appropriate actions to encourage fan attendance and wagering at the state's Thoroughbred and harness racetracks and the state's off-track betting corporations
- Visiting Board-controlled racetracks and facilities during race times, workouts, and during hours when members of the media are permitted to be present at the facilities
- Advising the Board on the creation and development of an "I LOVE NY Racing" promotion
- Giving an annual, non-monetary award to both a Thoroughbred and Standardbred breeding farm in New York State that has worked to promote horseracing in New York



- Recommending changes to the rules of the Board and to the laws affecting horseracing
- Preparing an annual report to the Board regarding the operation of the state's Thoroughbred and harness racetracks and the state's off-track betting corporations

History of Horseracing in New York State

Horseracing in New York began when the state was a Dutch and British Colony. The first Thoroughbred race track in America was built by British Colonial Governor Richard Nicoll in 1664 in what was then called Hempstead Plains, approximately where Garden City, Long Island is today. New York's harness racing legacy goes back even farther, having been established in New Amsterdam, now New York City, by the Dutch.

Economic Impact of Horseracing in New York State

The impact of the horse industry on the State's economy was detailed in a 2012 <u>New York Equine Industry Economic Impact Study</u>. It estimated that the horse industry is a \$4.2 billion contributor to the State's economy. Saratoga Race Course, built in 1864, is the crown jewel of New York's horse industry. A study released by HR&A Advisors, Inc. in 2011 concluded that Saratoga Race Course contributes \$200 million annually to the nine-county Greater Capital Region.

Discussion and Recommendations

Concerns for the Future of Live Horse Racing

With the impending construction of up to four new full-scale casinos in the state, along with more than a dozen existing gaming venues across New York, the Council is concerned about the continuing role of live racing in the changing gambling landscape.

While horseracing handicapping — both harness and Thoroughbred — has traditionally attracted different types of players than slots/VLTs or table games, the growing prevalence of full-scale casinos begs the question: How will race fans be impacted?

While experts in the racing and gaming industries have certainly discussed the anticipated impacts of new casinos on already-operating gaming venues, the long-term impacts on racing and breeding in New York has not been thoroughly studied. As a result, a coordinated plan to protect the interest of racing fans and



the economic and green-space benefits of the racing industries to the State has not been developed.

Racing fans benefit from a fan experience that is comparable to non-racing venues when tracks are able to maintain strong race purses, and when tracks can continue to attract top human and equine racing talent for a strong product.

As a result of concerns over the future of live racing brought on by a shifting gaming landscape in the state, the Council recommends that the policymakers in New York State develop of a statewide plan to retain and attract racing fans over the next 10 years.

Public Forums and Fan Outreach

The Council conducted one public forum during 2014 at Saratoga Race Course. The Saratoga event not only allowed the Council to interact with racing fans, but to also witness the fan experience first-hand. We hope to expand this outreach in 2015.

Logistical issues prevented the Council from holding a forum at a harness track, although tentative dates were scheduled at Tioga Downs and later cancelled. Much of our outreach efforts have been restricted by lack of resources and funding for the Council's activities. Funding is addressed later in this report.

In 2015, the Council plans to have at least one forum each for Thoroughbred and harness racing. With resources now in place, the Council is considering hosting two Webcast events during which fans from across the country may participate.

The August 28, 2014 Saratoga Race Course forum was jointly organized by NYRA and the Council. Track personality and ex-jockey Richard Migliore provided introductory remarks and answered fan questions. It was held in one of NYRA's top-of-the-stretch suites. Advertisement for the forum was in the day's program. However, some attendees arrived late and the overall attendance was lower than expected. The following is a synopsis of the comments received from fans at the forum:

- Most comments were focused on the fan experience.
- One individual discussed the disrepair of the track, especially the escalators which frequently broke down during the meet. The speaker noted that at least two people were injured during the season.
- A recurring theme was a more efficient way to announce late changes, especially in horizontal wagers, e.g. Pick 4s.

Steward Transparency in Thoroughbred Racing



In March 2014, <u>the Commission asked the Council to look into the issue of</u> <u>Stewards' transparency and make recommendations</u>. For Council review, Commission staff collected information on how Stewards and Presiding Judges rule and how information is made public at a sample of tracks across the country. Tracks across the state provide varying degrees of Steward/Presiding Judge decision information to fans, which should be clearer and more consistent.

NYRA currently has a Stewards' Corner on its Web site where Stewards explain any racing decision they make including inquiries and objections. Finger Lakes Race Track currently does not have any such reporting mechanism.

Harness tracks all post results that are compiled by the U.S. Trotting Association, but the format does not provide information on objections or inquiries. Some harness tracks also show fine and suspension information, but this does not help fans understand what happened during a specific race.

The Council believes transparency starts with education of the fans about the rules that guide Stewards' decisions. Once fans understand the rules and the logic of how they are applied in any circumstance, confusion about rules will be minimalized.

When an inquiry or objection is recorded, the track should be prepared to post on internal monitors and simulcast feeds either a text explanation or have a track announcer explain the nature of the objection or inquiry. The applicable rule should be cited, along with a description of the review process by the Stewards/Judges.

Once a decision is made, a presentation (written or verbal) by the Stewards or Judges should be made explaining their decision and the appropriate rules as applied.

The Council also believes that a standardized reporting format should be used by all tracks in New York. The Commission should post a report weekly on its Web site with pertinent information, including:

- Names of Stewards for each day
- Weather Conditions for each day
- Detailed descriptions of any Stewards inquiries, claims of foul and/or incidents
- Stating whether Stewards' decisions are unanimous or majority-ruled
- Statistics on the week's races, including number of races, starters, conditions, etc.



- Lists of horses claimed for each day
- Track handle including data on certain wagers
- Information on any rulings issued each week
- Statistics on racing equine fatalities
- Links to video replays and results of each day's races

The Council urges all tracks to begin working on consistently providing such information to all fans, whether through the Commission or on their own accord. The Council will work with the Commission to create a standardized report that is applicable to harness tracks.

The Council will continue to explore and identify ways to increase transparency for Stewards and Presiding Judges at New York State tracks.

Belmont Stakes Day 2014

At the 2014 Belmont Stakes, the emergence of a potential Triple Crown winner created excitement with fans from all over the world who wanted to be at the race to possibly see history made. Many involved in racing were not even born when the last Triple Crown was captured by Affirmed in 1978.

As expected, large crowds were in attendance. However, as the day progressed, several issues called into question whether NYRA was properly equipped to handle the crowd. These incidents and circumstances – insufficient concessions and food supplies, poor security for reserved seating and chaotic crowd control among them – seriously negated the customer experience. Council members in attendance verified these problems and heard many more from fans via e-mail. As result, the Council wrote a letter to NYRA documenting the issues and offering recommendations.

The Council's action has borne fruit:

- Since the letter was issued, the Council's Chairman had a productive meeting with NYRA President and CEO Christopher Kay to discuss the Belmont Stakes Day experience. It is the Council's hope to have another meeting with President Kay this year in order to keep the dialogue going.
- NYRA also committed to holding quarterly fan meetings to get direct input. The Council respectfully recommends that it be invited to such events as representatives of New York's racing fan community.
- Most significantly: NYRA's plans for the 2015 Belmont Stakes Day specifically address most if not all of the concerns raised by the Council in 2014. This includes improved and increased betting, food, drink and



restroom amenities, coordination with public transportation, improved cellular coverage and more.

The Council is optimistic that this year's Belmont Stakes Day – with another Triple Crown on the line – will be a vast improvement over last year. Members of the Council will attend and document the fan experience.

The Saratoga Race Course Experience

A prime location for fans at Saratoga Race Course is surrounding the paddock, where they can watch the horses, trainers and jockeys prior to each race. Traditionally, fans stake out their positions year-after-year and rush each morning to secure a coveted spot. In 2014, with no apparent fan input, NYRA set up two very large tents on the paddock's perimeter: a hospitality tent catering to the high-end customer and a media tent used for live television broadcasts. Although these are reasonable additions, they miss the point of bringing new fans to the track for a great experience.

At Saratoga, where a full range of fans attend the races each day, the best place for a new fan to be exposed to racing is at the paddock where horses, owners, trainers and jockeys meet prior to each race. The pageantry is perfect to help develop new fans.

The Council asks why the media tent at Saratoga Race Course could not have been positioned directly opposite its current location, where commentators and cameras would still have a good view of the walking ring and fans would still have had a good view of the horses, trainers and jockeys.

The Gaming Commission or the Fan Advisory Council should be named as an interested or involved party for any physical plant changes that may potentially impact the fan experience at any track in New York State. The Council is reviewing the Draft Generic Environmental Impact Statement (SGEIS) for NYRA's redevelopment of Saratoga Race Course to determine whether the proposed changes are in the best interest of the racing fan.

Admission and Reserved Seat Price Increases

The Council understands and appreciates that NYRA must enhance its revenue position. However, the Council holds firm in the belief that increasing admission and seating prices is counterproductive. When fans are not attending live racing in the numbers desired, making prices more affordable may be a better inducement to grow on-track attendance.



The Council urges NYRA to reexamine its pricing policy. If the organization still believes it must charge more for admission and seating, the Council recommends that NYRA should add value to the cost. For example: include a \$2 betting voucher for every paid admission on select days.

2015 Budget and Program Implementation

In the past three years, lack of any financial support for the Council has undermined attainment of its official mandates. An annual fan symposium, farm awards and an I Love New York Horse Racing campaign have been delayed because of a lack of funding. Until now, the Council, which is the official voice and promotional organization for as many as 3 million racing fans in New York, has received no funding for its operations. This is counterproductive in an industry that has been facing significant declines in handle and needs to cultivate its primary customers. With a modest budget now in place, the Council can drive efforts that will have a clear impact ...

- ...to identify and communicate with racing fans in New York State
- ...to enhance outreach to all fans to solicit their opinions on ways to grow and improve the sport in New York
- ...to introduce more fans to racing
- ...to encourage more fans to attend live racing at Harness and Thoroughbred tracks across the state
- ...to increase tourism around racing and increase resulting local revenue

The Council is working with the Commission on a comprehensive spending plan on how to best use these resources to carry out its mission.

Summarized Recommendations

The Racing Fan Advisory Council proposes the following recommendations to be considered by the Gaming Commission, policymakers, track management and other industry professionals:

- As a result of concerns over the future of live racing brought on by a shifting gaming landscape in the state, the Council recommends that the policymakers in New York State develop of a statewide plan to retain and attract racing fans over the next 10 years.
- Increase Steward/Judge transparency:
 - The Council believes transparency starts with education of the fans about the rules that guide Stewards' decisions. Once fans



understand the rules and the logic of how they are applied in any circumstance, confusion about rules will be minimalized.

- When an inquiry or objection is recorded, the track should be prepared to post on internal monitors and simulcast feeds either a text explanation or have a track announcer explain the nature of the objection or inquiry. The applicable rule should be cited, along with a description of the review process by the Stewards/Judges.
- Once a decision is made, a presentation (written or verbal) by the Stewards or Judges should be made explaining their decision and the appropriate rules as applied.
- A standardized reporting format should be used by all tracks in New York. The Commission should post a report weekly on its Web site with pertinent information, including:
 - Names of Stewards for each day
 - Weather Conditions for each day
 - Detailed descriptions of any Stewards inquiries, claims of foul and/or incidents
 - Stating whether Stewards' decisions are unanimous or majority-ruled
 - Statistics on the week's races, including number of races, starters, conditions, etc.
 - Lists of horses claimed for each day
 - Wagering data, including handle by wagering option
 - Information on any rulings issued each week
 - Statistics on racing equine fatalities
 - Links to video replays and results to each day's races
- The Council urges all tracks to begin working on consistently providing such information to all fans, whether through the Commission or on their own accord.
- At Saratoga, where a full range of fans attend the races each day, the best place for a new fan to be exposed to racing is at the paddock where horses, owners, trainers and jockeys meet prior to each race. The pageantry is perfect to help develop new fans. The Council asks why the media tent at Saratoga Race Course could not have been positioned directly opposite its current location, where commentators and cameras would still have a good view of the walking ring and fans would still have had a good view of the horses, trainers and jockeys.
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