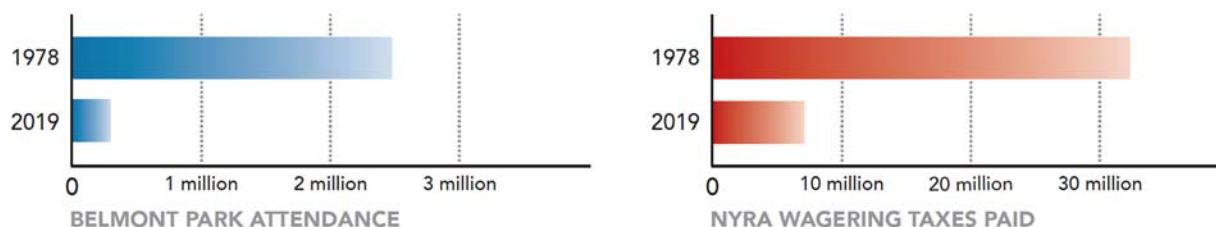


The case against loaning NYRA \$455 million to rebuild Belmont Park

If banks won't back a new Belmont Park, NY State shouldn't either.



Bulldozing past improvements: For years the New York Racing Association has justified hundreds of millions in VLT support for capital costs because they are improving the state-owned properties of Belmont and Aqueduct. Those investments will now be bulldozed.

Attendance a disaster: Why is NY State loaning money for a brand-new luxury racing facility when the tracks they are replacing have atrocious attendance records? Over just the last four decades Belmont's attendance has fallen 88% and Aqueduct's has dropped an astounding 94%.

No meaningful wagering taxes paid: NY State's revenues from NYRA's gambling taxes have gone down almost 80% since 1978. While our state government is holding firm and charging mobile sports betting a 51% tax on wagers, horse racing pays a minuscule effective tax rate of 1.3% on wagers. Using recent Gaming Commission reports pre-pandemic, it would take NYRA 83 years—to pay what mobile sports betting paid in just one year.

Digital betting: Live attendance, not internet wagers, is where NY State and the tracks themselves have the most potential to receive meaningful revenue. Racing's handle numbers sound impressive, but 80% of those bets are made from out of state, where those states collect the gambling tax not New York's treasury.

Only 10 years left for NYRA: NYRA's exclusive franchise agreement will end in 10 years. Why is the state loaning \$455M without having a contract with a borrower who will pay the last 20 years of debt service? 41 tracks have closed around the country in recent years. Will racing even exist in 10 years?

No private funding: What precedent exists in NY State history for loaning a half billion dollars to a private business that has been shunned by banks and other lenders? If private funding won't back a new Belmont Park, NY State shouldn't either. Some of the wealthiest and most successful business executives in the world run their horses at NYRA's tracks, surely they can take this risk instead of NY.

No franchise fees: There was a time when people flocked to our tracks and NYRA paid NY State \$16M a year for the privilege of an exclusive franchise. NYRA has not been profitable enough to pay a franchise fee to NY even once in the last 14 years.

NYRA's sweetheart deals: NYRA pays less than \$10 million a year in wagering taxes. Compared to the billions that the lottery, casinos and mobile sports betting pay annually to NY, NYRA's contribution rounds to zero. In addition, \$90 million in racehorse sales took place in Saratoga in just 5 days last year. All racehorse sales are tax exempt. NYRA also pays no NY State income tax, no City of NY general corporation tax, and no rent for Belmont, Aqueduct and

Saratoga. Hundreds of thousands of businesses in New York have to make it on their own, why shouldn't a privately-owned gambling business have too as well?

Jobs and economic impact? Are the job promises and unproven economic impact predictions alone driving this decision? Past job and economic impact numbers claimed by racing have never been verified by NYS. The Division of Budget neither collects nor maintains any data on either. Horse racing has not provided specific, verifiable evidence of the job numbers, wages, full-time vs. part-time status or what percentage of jobs offer healthcare or family leave benefits. Do you want to know what kills jobs? Empty tracks kill jobs.

And what's so important about jobs for Belmont Park? It's a facility where more horses go to die—by far—than any of New York's 11 racetracks. NY State reports that from 2009 through 2022, 854 horses died at Belmont and Aqueduct. 854. So we can reasonably expect another 1,800 or so intelligent, magnificent horses will perish at the new Belmont over the 30-year life of the this requested debt. Horse deaths are also an economic issue as NY's VLT support pays for millions in breeding incentives, only to watch others collect the death benefits for those NY-Breds dying on our tracks.

In 2012 racing's Franchise Oversight Board directed NYRA to come up with a financial plan so that it's not reliant on VLT payments. NYRA's attendance continues to drop and there's virtually no income for the state. They earn so little profit they can't even make a franchise payment. All that money in the last 12 years hasn't led to NYRA being self-sufficient at all – and now they're back for more.

A weak business model, unverified jobs, employment that leads to thousands of cruel horse deaths—I know this is not what our taxpayers or legislators ever signed up for.

Please contact me for questions or sources regarding anything in my testimony.

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