

New York State Racing Fan Advisory Council

2013 Report and Recommendations

Submitted May 29, 2014 by:

Chair: Patrick M. Connors, Professor of Law, Albany Law School

Vice Chair: Michael F. Amo, Chair and Co-Founder, ThoroFan

Allan Carter, Historian, The National Museum of Racing and Hall of Fame

M. Kelly Young, Associate Director of National Affairs, New York Farm Bureau

Michael Mills, Administrator, Village of Elmsford

May 29, 2014

New York State Gaming Commission
Gaming Commission Members

Dear Chairman Gearan, Commissioners Crotty, Moschetti, Poklemba, Sample and Snyder:

Pursuant to the Racing and Wagering Board's (now the Gaming Commission's) 2011 Resolution establishing the Racing Fan Advisory Council ("Council"), I am pleased to present you with the Council's 2013 Annual Report of recommendations for your consideration.

The Council has been working hard over the past year to identify a comprehensive cross section of who the current racing fan is, who the possible new fans are, and what he/she wishes to see to make the sport more attractive and enjoyable.

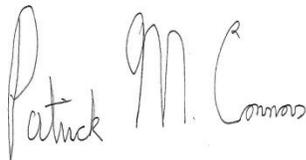
We have held several public events over the past year to gauge attitudes and ideas from existing fans. We also collaborated on our specific areas of expertise to outline ideas to better market and expand the sport.

This report is a mere snapshot of the ideas proposed. We believe it is a series of realistic measures that can bring about positive change to the industry. Included in this year's report are responses from tracks and OTB operators to the Council's 2012 report. The actions taken by each entity and the thoroughness of their responses varied widely. In any event, the responses are an important repository of information on the scope of efforts made to address the concerns of racing fans.

As our mission continues, we will again identify and map out more comprehensive recommendations to enhance the experience of horseracing fans and to attract more fans to the sport. We look forward to your support of our efforts to surface and amplify the voice of fans.

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,

A handwritten signature in cursive script that reads "Patrick M. Connors". The signature is written in dark ink and is positioned above the typed name of the signatory.

Patrick Connors
Chairman
New York Racing Fan Advisory Council

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About the Racing Fan Advisory Council

In 2011, the New York State Racing and Wagering Board (now the New York State Gaming Commission) formally announced the creation of the New York State Racing Fan Advisory Council (“Council”) to provide input and advice to the Commission on horseracing and wagering matters in New York State. The Council is charged with examining the “total racing experience” and to report its findings to the Commission.

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 based on their involvement, interest, knowledge and devotion to the sport. The 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 School’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.
- **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 Boards 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, Associate Director of National Affairs, 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 23 years working in the field of local government management for the Villages of Elmsford, 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 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: The Council's mission is to grow of the fan base related to the sport of horseracing by, among other things:

- Recommending procedures to ensure that the opinion of the fan is a central part of the regulation of horseracing and advising the Commission on issues related to horseracing and wagering
- Advising the Commission 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 racetracks and facilities controlled by the Commission during race times, workouts, and during hours when members of the media are permitted to be present at the facilities
- Advising the Commission 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 Commission and to the laws affecting horseracing
- Preparing an annual report to the Commission 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 the [2012 New York Equine Industry Economic Impact Study](#). 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. While the Council cannot independently verify the figures put forth in these studies, the Council estimates that approximately 2 million fans attend a race track in New York State annually.

Public Forums and Fan Outreach

In order to reach out directly to racing fans and gather information about their concerns, the Council conducted two public forums in 2013: Belmont Park and Saratoga Casino and Raceway. The Council also held a public meeting at the Commission's Offices in Schenectady. In addition, the Council participated in a fan forum at Saratoga Race Course and interacted with fans at the 2013 Belmont Stakes. We plan to continue holding outreach events as resources and time permit.

NOTE: The comments and recommendations paraphrased from forums and meetings in this section do not necessarily represent the views or recommendations of the Council:

Public Meeting at Commission Offices, Schenectady – June 4, 2013

- **Follow-up on Recommendations from 2012 Report**
 - Commission staff distributed a summary of takeout percentages for New York tracks. Discussion followed. The Council believes that the Commission should study the real effect of reducing take-out on overall handle.
 - Farm Award Program to be developed with the assistance of the Gaming Commission.
 - I Love New York Horse Racing Campaign should be explored.
- **Develop a standardized instrument** for the RFAC to evaluate racetracks based on the fan experience. This would allow for a year-to-year comparison and establish a state-wide baseline.
- **Finding ways to get fans to come back the track.** Tracks are focused on getting new fans and filling seats, especially on big race days. There should be more effort made to encourage established fans to revisit. More on-track social activities and "Fan Club" activities should be considered.
- **Threshold to earn rewards for bettors of all levels should be lowered** or adjusted to incentivize both new and established players. Rewards could be in the form of apparel, food, beverage, memorabilia, e.g. Gulfstream Park Advantage Program.

Verbatim Survey Responses Gathered at the 2013 Belmont Stakes – June 8, 2013

Question: "How would you rate the fan experience in racing in New York State?"

Poor	1	Fair	4
Good	37	Excellent	17

Question: "What topics/concerns related to Thoroughbred or Harness horse racing would you like the Racing Fan Advisory Council to address at future meetings?"

- "Integrity: Testing alone doesn't catch cheaters. I would recommend to the Racing Board that a 'whistleblower fund' be established, paid by license renewal of owners. The game, flat and harness, seems to look the other way."
- "Let people out more easily if they forgot something in their car."
- "More exposure in the newspapers (dailys). More articles."
- "Medication Testing!"
- "Explanation of Racing Form"
- "Wanted chance to meet jockeys. Pimlico did this Friday before Preakness and (we) enjoyed it."
- "Breeders Cup."
- "Every time I come to Belmont my experience is even better each time I come."
- "To make sure that the horses are not being treated cruelly. To have more events with the horse racing public."
- (Belmont Stakes) "Cost too much. \$35.00 for two people to come in \$10 to park, \$20 admin, \$5 program before you event get in."
- "Please make beverages more affordable."
- "Better handicap access."
- "It could be better. But the younger generation is not interested in betting."
- "Drugs in horses and suspensions."
- "Friendly people, great atmosphere."
- "More seminars (handicapping, how to bet, etc.); jockey-harness drivers autograph sessions."
- "Try to get a better sound system installed at the tracks so that you can actually hear the on-site race analysis."
- "Try to get a commissioner of racing – like baseball. Sorely needed."
- "Only next time giveaway souvenirs should be available (t-shirts or caps)."
- "Could be better. Need to find a way to bring younger fans."
- "You need to see if they can improve the sound system around the grandstand to hear the race call."
- "Love the atmosphere."
- "Convenience of window betting; more seating for the real horse racing fan."
- "Change a super ticket"
- "Handicapped elevator."
- "Binocular rental."
- "Where to buy programs."
- "Re-evaluate security protocol."
- "What is minimum bet for each race?"
- "Where to buy seats?"
- "Where is Belmont Café?"
- "Fan friendliness; better racing; bigger payouts."

- “Treatment of horses.”
- “Treatment of horses.”
- “Music, giveaways? Maybe more people would come.”
- “Everything is too expensive.”
- “Make food/drink more reasonable.”
- “Cost to attend too high.”
- “Fair payouts.”
- “Saratoga is a little piece of heaven.”
- “How to develop the future fan base.”
- “Condition of facility at Belmont (not track – actual physical plant) could improve (vis-à-vis Saratoga).”
- “Preserve the traditions!”
- “Keep the races more closely monitored by Stewards.”
- “Treat the average fan better on special event days.”
- “Ticket sellers are limited in knowledge and lack courtesy. Where are the HDTVs?”
- “Stewards being consistent; more fan friendly.”
- “Mary Ryan’s paddock show; more giveaways at Belmont R.T. and more jockey signings. More seminars at OTBs (harness and Thoroughbred (Franklin Square N.Y. OTB))”
- “Need to put OTB back.”
- “Please better the Web site.”
- “Parking.”
- “More machines for wagers. Seems like they disappear each week.”
- “Needs more improvement.”
- “More wagering machines and more staff, hospitality.”
- “Parking on Belmont Day at Belmont Park difficult. How do you get preferred parking? We keep asking and are told first-come, first-served, but we get there and need a ticket and no one can tell us where to get one.”
- “Not bad!”
- “Better advertising.”
- “A bit disorganized entering track – for reserved seating or general admission.”
- “Make it more family friendly.”
- “Triple Crown races should be spread out.”
- “Please No Smoking!”
- “Medication”
- “Were told not to bring in folding chair to apron yet many chairs were brought in by others to Belmont. Wake up people.”
- “Takeout.”
- “Winning percentage takeout; especially the exotics.”
- “More windows for betting on big racing days.”
- “Need more for the everyday fan than more ATMs.”
- “More fan experience and education – other than just hearing who is going to ‘win.’”
- “We love racing. I’ve been coming since I’ve been too young to bet!”

- “Consistency with the workers. Ladies no agreement why one person stated no chairs or umbrellas. However the people sitting in front by the rail have both umbrellas and chairs.”
- “Would like to see more promotions to increase attendance.”
- “Would like ‘how to handicap’ days at the track.”
- “More free days and more giveaways.”
- “You need to train the tellers on how to treat the betting fans.”
- “Love the people that work here.”
- “To joint venture with the Resort World racino, shuttle bus service to and from – especially when the hotel opens at Aqueduct.”
- “Keep fields bigger; more family days.”
- “Love Equestrian. Always get a good seat at Belmont. Plenty of betting clerks; same at Saratoga.”
- “Consistency in how odds/payoffs are calculated both on-track and through simulcasts (\$1 exacta will pay versus \$2 exacta will pay).”
- “Bring NYRA Rewards into the 1990s.”

Belmont Park Forum – October 19, 2013

- **Revise the “Gate Scratch” or late scratch rules for multiple race wagers.** The rules are not consistent for all multiple-race wagers.
- **Rewards for On-Track Players.** To encourage fans to come to the track, tracks should either reduce take-out or offer a special rewards for wagers placed on-track. This would encourage track attendance. If owners can get free admission and programs, why can’t fans and horseplayers who contribute so much to the sport.
- **Horseplayer Image.** The image of horseplayers is poor. Industry and the Council should work on public relations initiatives for the “player” to attract more fans to the sport.
- **Turn Out at Council Forums.** Attendees stated that tracks should better support the efforts of the Council.
- **Saratoga Picnic Table Access.** Although this fan forum was held at Belmont Park, fans raised issues regarding the Saratoga meet. The process to secure picnic tables at Saratoga is chaotic. There should be a better way to secure picnic tables, especially on big days.
- **Racing Apparel.** A fan commented that the apparel and items in the gift shops at NYRA tracks do not promote the athletes or owners. Perhaps apparel that would encourage fans to follow our jockeys and owners should be considered. In other sports, the stands are filled with people wearing shirts of various teams and individual players – but not at racing events.
- **Promotion of the Sport.** Two fans spoke about promoting racing. One suggested that the Council should have a paid presence in the media, perhaps sponsoring results of races. Another spoke about the Council maintaining a free-standing website.

Saratoga Casino and Raceway – November 24, 2013

- **Eliminate the odds changing after the race goes off.** When odds change after races begin, it creates a sense of distrust and suspicion even if there are technological reasons for this.
- **Establish a replay center at all tracks and simulcast outlets.** Tracks usually have replay centers where fans can watch replays as part of their handicapping strategy. This should be available at all tracks.
- **Increase regulation enforcement at harness tracks** to rebuild the trust between the fan and the track. There are inconsistencies from track to track regarding detention barn policies and penalties. When rumors exist about illegal activities by trainers and driver, fans do not trust that the Commission is adequately policing these activities. More transparency is needed.
- **Owners should have some liability** for the actions taken by trainers. When regulatory violations are found, the trainer suffers the penalty. This is a reasonable approach, yet owners should also bear some responsibility.
- **Reward programs and incentives for bettors.** Saratoga's SaratogaBets reward program and its incentives was complimented but incentives on the racing side should be more comparable to those on the casino side. Fans noted that betting vouchers and rewards for merchandise and concessions would be welcome.
- **Require track and simulcast outlets to provide more incentives to a full range of fans, not just the large bettors.**
- **Require all tracks and simulcast outlets that take pari-mutuel wagers to have free WiFi.** Although NYRA tracks are WiFi-enabled in certain locations, many of the simulcast centers at harness tracks and OTBs are not. With handicappers relying on statistics and other information available on the Internet, this is a disadvantage for fans.
- **Track promotions should include incentives for the local community to visit the track.**

2013 Formal Recommendations of the Racing Fan Advisory Council

The Council believes that attendance at tracks in New York State could be increased substantially if tracks took a more active role in enhancing the on-track fan experience. Based on available attendance figures, which are incomplete, it appears that attendance at race tracks in New York State is decreasing. For example:

- “150th anniversary season at Saratoga Race Course” concluded with attendance falling about 5 percent. According to media reports, the 2013 season’s total attendance at Saratoga Race Course was approximately 867,000, compared to approximately 900,000 in 2012.
- Attendance at Belmont Park for its spring 2013 Meet decreased 14.1 percent to 282,488 from 328,915 in 2012.
- Attendance at the fall 2013 Belmont Park Meet was, however higher than that in 2012.
- Attendance for that meet was 126,469, a 10.7 percent increase from 114,294 at the fall 2012 Meet.
- Non-NYRA tracks do not charge admission and therefore do not track attendance.

In reviewing the myriad feedback submitted by fans at forums, via correspondence and surveys in calendar year 2013, along with the members’ own experiences and expertise, the Racing Fan Advisory Council proposes the following recommendations to be considered by the Commission, track management and other industry professionals:

Tracks, at the Commission’s urging, must review takeout rates and identify opportunities in which to lower takeout. This continues to be one of the most controversial issues among fans. Data from New York tracks shows a decline in handle between January 2013 and January 2014. Many commentators have suggested that lowering take-out will, in the long-run, increase overall handle. However, track operators appear to have had difficulty acknowledging this premise.

- The popularity and handle size for the relatively new Pick Five wager at NYRA tracks, with a 15 percent takeout rate, supports the premise that a lower takeout may lead to increased handle size. NYRA should replicate this experience with other bet types.
- Harness tracks and Finger Lakes should follow the example set by Tioga Downs and accordingly lower takeout rates.

Tracks should find and implement means to encourage attendance at live racing which work for their facility and customers by:

- Offering special rewards to fans who attend regularly, including discounted parking, admission or merchandise.
- Providing coupons for new and/or existing fans to purchase food and beverages at the track.

Handicapping contests should be promoted and expanded in New York. Comments by players have suggested that the state regulations on hosting Handicapping Contests should be reviewed. Contests are a growing part of a national effort to bring more fans to the sport. New York should be more aggressive in supporting this national effort. Specifically, §906.1.(c) of New York's Racing, Pari-Mutuel Wagering and Breeding Law should be amended to make it simpler to conduct contests involving races not run in New York State.

NYRA should off-set admission increases with increased opportunities and benefits for attendees (e.g. a truly improved "fan experience"). The Council voiced concern when NYRA announced the decision to increase admission at Belmont and Saratoga. The Council continues to question the viability of this decision by the organization, especially with regard to a potential further decrease in attendance at Belmont Park and Saratoga. Basic business sense would suggest that when customer demand is decreasing, it is not the appropriate time to raise prices.

- The Commission should review the price increases as part of its regular review of racetrack activities to determine if other revenue indicators benefit from the increases.
- The Commission and the Franchise Oversight Board should ensure that fans are actually receiving a more enhanced fan experience for the price increase.
- NYRA should continue to find ways to make the fan experience better and less expensive. For example:
 - If a fan pays \$5 to enter Belmont Park, some consideration should be given to that fan in the form of a betting voucher or food coupon to encourage attendance and to reward fan loyalty
 - Additionally, more diverse and exciting bet types should be introduced in order to give greater options for attendees and entice new customers

Tracks and tote companies must address the issue of odds changing after races go off. Tracks have indicated that the issue is related to tote systems that must incorporate Advance Deposit Wagering (ADW) and simulcast money into the pools, which cannot be tabulated until after betting closes at the start of the race. This leads to the delay in the posting of final odds.

- Tracks and tote companies must do a better job of educating fans – especially new bettors – on why odds change after the start of the race.
- The Commission should require public explanations of all tote system failures and/or times when there are marked odds changes after races go off.
- Operators must improve disclosure of will-pays for exotic and super-exotic wagers.
- Tracks and the Commission should urge tote providers to identify solutions to remediate this long-identified problem and incorporate benchmarks and deadlines for improvements when renewing contracts.
- A review of the tote system should be a condition of re-licensure.

Tracks must expand use of available technology.

- Operators should further explore and implement wagering applications for tablets and smart phones.

- Video replays of races at all tracks should be accessible via tablets and smart phones.
- Trakus and similar speed monitoring systems should be incorporated at the track.

Integrity in Racing is Critical to Attracting and Retaining Fans. Fans continue to voice integrity concerns at forums, calling into question the entire system from stewards' and judges' decisions to trainer behaviors.

- The Commission should review penalties for infractions and their consistency from track to track, and whether they are appropriate to deter further infractions.
- The Commission and tracks should work together to increase and improve surveillance efforts.
- Tracks should provide fans with more information about the procedures put in place by both the track and the Commission to protect the public.
- Thoroughbred tracks should be encouraged to seek accreditation by the NTRA Safety and Integrity Alliance.
- The Commission should establish a Hot Line for fans and employees to anonymously submit questions and concerns regarding racing at a specific track or meet. "If you see something – say something" should be the mantra of racing in New York State.

NOTE: The Council was very encouraged by [the Commission's recent call for a review of Stewards' procedures to increase transparency and integrity](#). Part of the Commission's mandate is for the Council to provide further recommendations on "how to best increase transparency and public confidence." The Council is formulating these recommendations and will provide them to the Commission in the near future.

Create and foster rewards and incentive programs that apply to all levels of bettors.

Although most tracks and OTBs have some form of a reward program for their higher-limit customers, most do not have programs that incentivize new fans to come to the track and the sport. Furthermore, the reward programs do not provide any meaningful incentives for an average fan wagering between \$500 and \$2,000 per year.

- The Commission should encourage operators to create programs that increase rewards to players and give them the regulatory support to do so.
- The Commission should post online the basic rewards programs offered by each track and OTB so that fans can compare the offerings.

Initiate the "I Love New York Horse Racing Campaign." Following the 2012 recommendation to establish a horse racing advertising campaign be tied into Empire State Development's marketing strategy, the Council calls for the Commission and tracks to work together to bring the idea to fruition.

Establish a modest budget for the Racing Fan Advisory Council. Many additional recommendations considered by the Council, including the establishment of a breeding farm award and an annual fan symposium, require expending funds. The Council does not currently have any allocation of funds or budget, which hinders its availability to reach fans and gauge their input. In 2014 and beyond, the Council wishes to hold annual racing fan symposiums in order to better collect feedback and represent the racing fan. The Council

recommends that the Governor and the Legislature consider adding modest funding to the Gaming Commission's budget to fund the Council's activities and programs and to maintain the independence of its operations.

Track and OTB Responses to 2012 Recommendations

In fall of 2013, the Council asked each track operator and OTB Corporation – via emailed letter to the presiding officers of each entity – to provide a synopsis of their respective implementation of the Council's 2012 recommendations. The Council wrote:

"In 2011, the New York State Racing & Wagering Board created by resolution the New York State Racing Fan Advisory Council (Council). Its purpose is to provide input and advice to the New York State Gaming Commission on horse racing and pari-mutuel wagering matters in New York State. The council consists of individuals steeped in Thoroughbred and harness racing, as well as off-track betting enterprises. The council will examine the "total racing fan experience" and report its findings to the Gaming Commission.

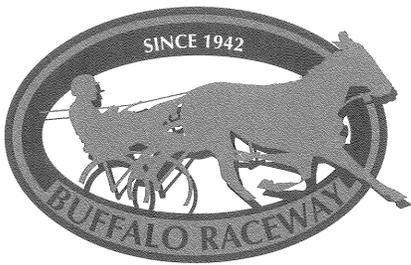
The Council issued its first report in December 2012, available at www.gaming.ny.gov/pdf/123112_RFACReport.pdf. In preparation for its report for 2013, it is reviewing the status of the recommendations made in the 2012 report. Many of them address issues that are part of your operation. The status of these recommendations, which include actions taken by you, will be presented in the 2013 report, along with new recommendations.

Please provide the Council with any current information on the status of these recommendations as of the date of this letter. We would greatly appreciate your responses to the Council by November 8, 2013."

The Council received responses from the following entities, which are provided at the conclusion of this report:

- Buffalo Raceway
- Catskill OTB
- Finger Lakes Race Track
- Monticello Raceway
- Nassau OTB
- NYRA
- Saratoga Casino and Raceway
- Tioga Downs and Vernon Downs
- Western OTB and Batavia Downs
- Yonkers Raceway

Capital OTB and Suffolk OTB did not respond to the Council's inquiry.



October 16, 2013

Mr. Patrick Connors
Chairperson
New York State Racing Fan Advisory Council
1 Broadway Center
Suite 600
Schenectady, New York 12305

Dear Mr. Connors:

Per your request, attached is Buffalo Raceway's response to your letter written on October 7, 2013 regarding any current information on the status of recommendations made by the Council.

Please let me know if you need any other pertinent information regarding this important matter or if you would like to schedule a visit.

Most Sincerely,

James Mango
COO Buffalo Trotting Association

Get back on track...

Buffalo Raceway
The Fairgrounds • 5600 McKinley Parkway • Hamburg • New York • 14075
Phone (716) 649-1280 • fax (716) 649-0033
www.buffaloraceway.com

Takeout Rates

Buffalo Raceway has not lowered takeout rates. To do so, it would take a partnership with the Western New York Harness Horsemen's Association (the horsemen) who receive a designated percentage of total handle on live racing. For the 2013 meet, Buffalo Raceway offered a Guaranteed Pick 7 at a ten thousand dollar payout minimum at 25% takeout, lower than the maximum takeout allowed by law at 35%. This wager was well received by patrons, especially import bettors, reaching a carryover level in excess of \$35,000 before being won on the 54th day of live racing.

The Player Rewards Program at Buffalo Raceway does in effect give patrons a lower takeout (see below).

Track Partnership

This has been discussed many times, especially as it relates to a "buying CO OP" for out of state signals. It is a complicated issue, given that the majority of small harness tracks do not have an Internet operation, and participation in a CO OP would probably result in an increase in rates. Buffalo Raceway has been a proponent of cooperative participation by tracks in New York State regarding any matters that will be beneficial to the industry as a whole, and we remain open to further discussions.

WIFI

Buffalo Raceway added WIFI before the start of the 2013 meet in December, 2012. It is widely used in the clubhouse by simulcast betting patrons, and where it does increase a patron's access to handicapping information and track programs, it has a negative impact on wagering at a small track because patrons have easy access to their off track ADW wagering accounts.

Track Television for Live and Simulcast Racing

Buffalo Raceway has responded to the needs of the patrons regarding this matter. This fall, 24 40" flat screen televisions were added on simulcast wall; and 150 small televisions at dining tables and individual seats are being replaced by new sets. Also, high definition television presentation has been added for sporting events. For the 2013 meet, Buffalo Raceway invested in excess of \$400,000 on a new television, broadcast and simulcast command center including an entire new sound system, new speakers, cameras, and brand new graphics.

Web Sites

Buffalo Raceway has made significant improvements in its Web Site presentation. Most of the items listed in your recommendations have been included with the exception of the takeout rates, which will be an easy addition.

Simulcast Patron Accommodation

Being a small operation, parking for simulcast patrons at the conclusion of racing is very convenient. The parking area is well lighted with security patrolling the area. Exiting is very safe with an excess of handicap spots over and above the law's requirements.

Automated Teller Machines/Customer Service

Buffalo Raceway has worked hard to educate patrons in the use of automated teller machines. Being a small operation, it is impractical to staff more than one teller during early and late evening hours; and days that are of particularly low handle, however, on live race nights and busy simulcast days such as Saturday afternoons, a sufficient amount of live tellers are on staff. There have been no complaints regarding this matter. In addition, tote staff is always close by, and each and every simulcast manager is instructed on how to fix small problems that occur with any wager machine operated by a teller or self serve.

Rewards Program

Buffalo Raceway instituted a Player Rewards Program in September, 2011. Patrons who wager over a threshold amount receive two percent back on all wagers, rewarding fans who regularly attend the live races and simulcast wagering at the track. For instance, if a patron visits the facility 15 times a month, the patron would have to wager a modest 100 per day to be eligible for rewards. In 2013, it is estimated that the rewards total will exceed \$80,000.

Fan Education

Buffalo Raceway participates in the USTA horseracing "night school", and offers handicapping assistance to patrons attending live racing by employing an on-site person specifically for this purpose who also gives wagering advice on in house television monitors.

Public Transportation

This matter is taken seriously by Buffalo Raceway and the Hamburg Casino. Patrons are dropped off by the NFTA (Niagara Frontier Transit Authority) on South Park Avenue, directly in front of the entire facility. Busses run the entire week, weekends and evenings. It is an important part of the operations, especially as it relates to the gaming operation.

Facility Upgrades

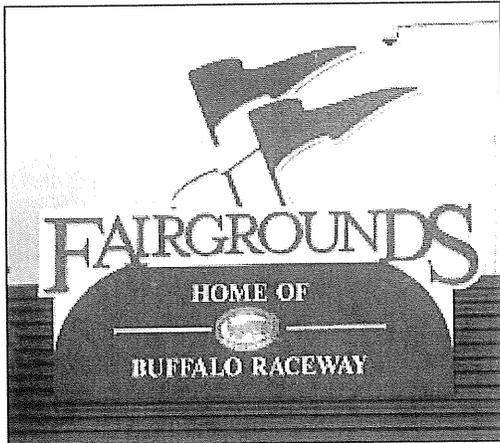
There have been many facility upgrades at Buffalo Raceway as seen annually by the on-site visit made by the Racing Commission representatives. Clubhouse improvements have included a total upgrade of the entire floor including the aforementioned televisions, new carpeting for the entire floor, recent remodeling of the rest rooms, an entire new sound system including new speakers, brand new graphics provided by International Sound, Inc., and many other improvements made to the bar area and party section. In addition to the clubhouse, Buffalo Raceway is one of the few racetracks in the country that has made improvements to the stable area including the building or rebuilding of seven barns. It has been recognized nationally for having the "best" stable area in the country, providing a temporary home for 450 racehorses during live racing months.

Attached is an article written by Tim Bojarski for the USTA reviewing the facility upgrades.

Rebuilding Buffalo Raceway

Monday, May 28, 2012 - by Tim Bojarski, USTA Web Newsroom Correspondent

Hamburg, NY --- Buffalo Raceway will celebrate its 70th anniversary in June and the facility has provided western New York with a steady parade of harness racing's brightest stars since 1942.



Many renovations have taken place at Buffalo Raceway.

In its heyday, every name on the Grand Circuit raced there and crowds of 8,000 to 10,000 came to watch. But as the city hit hard times in the 1970s and employers like Bethlehem Steel started closing their doors, local population began to wane along with the crowds at the track.

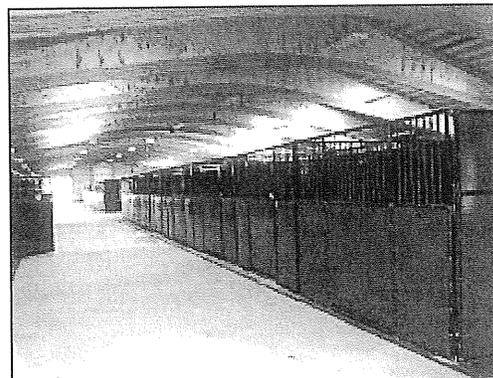
When video lottery terminals were legalized in New York in 2001, it marked the beginning of new hope for struggling harness tracks like Buffalo to stay afloat and become sustainable again. After many years of hanging on, the VLT revenue provided a collective sigh of relief for the racing community.

Buffalo Raceway's story isn't much different from most other small market race tracks in recent years. They were operating in an antiquated facility that did not offer an easy path to upgrade. The configuration of their timeworn grandstand and clubhouse offered limited options for placement of their new Racino but none the less, Fairgrounds Gaming opened to the public in March of 2004.

It was the expressed intention of CEO Dennis Lang and the Board of Directors of the Buffalo Trotting Association (the governing body of Fairgrounds Gaming and Buffalo Raceway) to take the necessary steps to invest in racing in Western New York and improve the facility for both the horsemen and the fans as money became available from the slots. The racino became popular very quickly and the race track found new life from the windfall.

Purses increased quickly and a new enclosed paddock was built in 2006 to replace the old open air barns. It features wider stalls and a horsemen's viewing lounge. Then the clubhouse received a makeover in 2009. Renovations included new carpet, paint, flat screen televisions and an enhanced simulcast parlor. Many long deferred mechanical and maintenance items were also addressed.

With a growing gaming customer base, the decision was made to construct a new state of the art building on the grounds to grow the VLT operation. But in order to do that, it would have to be moved away from the grandstand. Some viewed this as an attempt to feature the slots and put racing on the back burner. But in reality the move would provide an immediate fiscal and aesthetic impact to the Raceway.

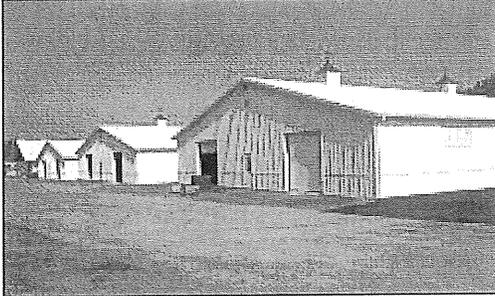


The ship-in barn has a pleasing look to the eye and plenty of space.

Jim Mango is the Chief Operating Officer and General Manager of Buffalo Raceway. He

has been methodically working towards putting a better product on the track at Buffalo and channeling improvement dollars towards needed projects.

Mango explained: "After we did a viability study of upgrading the existing casino building versus building a new one, the decision was obvious. We wanted a modern building with all the amenities and the existing one simply did not offer that. The new Hamburg Casino was opened in August of 2010 and as we thought, gaming's new home brought higher profits and thus, bigger cuts for the horsemen.



Three new barns opened in 2012.

"The perception was we built the casino at the expense of racing. But the reality is quite the opposite. Shortly after the new casino was opened, there was an immediate 10 percent increase in purses for 2011. We also increased our number of racing days by 10 percent to provide our local horsemen with additional opportunities to race. We completely renovated the groom's dormitory in order to make those who live here feel as comfortable as possible. We built three new barns which opened this year with all the amenities including spacious stalls with rubber matting in each. The remaining older barns had the walls and doors repaired for the short term, as they will be coming down soon.

"For our fans, we instituted a "Players Reward" card for those who bet the racing product, to try to keep them coming here to make their bets. We pay two percent back each month for members who bet racing (as well as an additional one percent for money wagered at the casino). So players can get up to three percent back on their investments. This has been very popular with our racing customers and we return thousands of dollars to them each month. We also rebuilt our toteboard and it now features a sharp LED display."

Mango is quick to point out the large part the horsemen have played in the turnaround here. Their participation in upgrades already completed as well as some scheduled into 2015 show the commitment of everyone involved.

Mango said: "We have a very amicable relationship with the Western New York Harness Horsemen's Association which is headed by their president, Bruce Tubin. It is through their co-operation that major renovations to the track have been able to be done. These include rebanking the turns, resurfacing the track, purchasing new equipment to maintain the track, blacktopping areas on the backstretch and also upgrading the drainage system. They are also partnering with us for more upgrades in the near future. The only way we can be successful is to work together and that has happened here to the benefit of all."

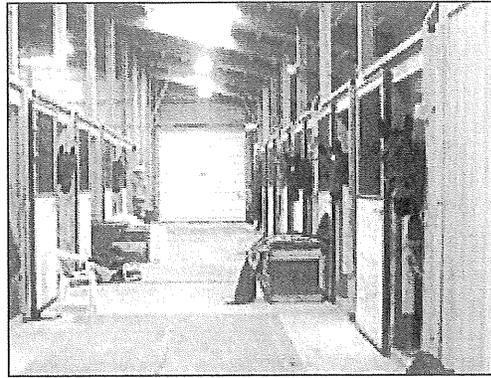
When the meet concludes this year, two additional new barns will be built (bringing the total to five), which will make the whole stable area new construction and able to house 450 horses. Buffalo's backstretch will be one of the best around.

A new high tech video and sound system will also be installed this year that will cover both the on-

track and simulcast broadcasts. Their customers will now have a more appealing presentation through cutting edge productions.

Since 2006, the Buffalo Trotting Association has spent millions of dollars to fix up and build up a racing center that has suffered through hard times and the return on their investment has shown.

The numbers that Buffalo Raceway has posted this year are strong. Their export handle is up over 83 percent along with increases for on-track and simulcast too. Management attributes this to their relationship with TVG, advanced deposit and online wagering. But it takes more than access to make someone wager their money; it takes competitive racing.



Jon Cramer/Buffalo Raceway photos

The new barns built at Buffalo Raceway will house 450 horses.

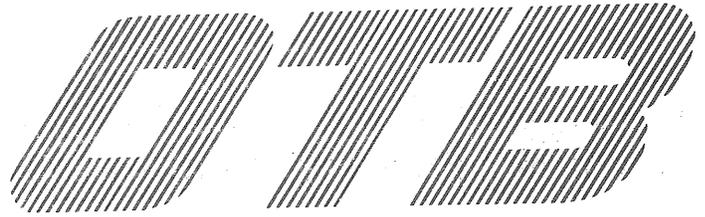
Mango continued: "Along with larger purses and better facilities come better horses and drivers. That is what we have had here all year. The addition of Shawn Gray and Dan Noble to Kevin Cummings, Jack Flanigen and the rest of our local driver colony has brought the level of competition to new heights. Our races are as close and exciting as you will find at any track. And that is what's driving our numbers.

"I am proud of our simulcast increase as well. We continue to carry a very large array of tracks to wager on where other outlets may not, due to online access. Our customers request it and we deliver in order to keep them coming back."

Mango surmised: "It's a big investment but we don't expect it to double or triple our on-track handle. We are doing this because we want to be proud of the racing operation on the grounds. The horsemen here are pleased with the improvements we've made and we did it in partnership with them. We have tried to do the right things for the sport and we will continue to do what it takes to keep us viable and our racing product in demand."

United States Trotting Association

<http://xwebapp.ustrotting.com/absolutenm/menu.aspx/>



Donald J. Groth
President & Chief Executive Officer

November 4, 2013

Honorable Chairperson Patrick Connors
New York State Racing Fan Advisory Council
1 Broadway Center, Suite 600
Schenectady, NY 12305-1250

Dear Chairperson Connors,

Your letter of October 7, 2013 is before me. You refer to the Council's first report of December 2012, and have requested that we "provide the Council with any current information on the status of (these) recommendations".

Recommendations of the Council and our updated status (if applicable) are as follows:

1. Takeout Rates – N/A as Catskill OTB/Interbets must abide by takeout rates of host tracks
2. Track Partnership – N/A – directed at tracks
3. NYRA Reorganization – N/A – directed at tracks
4. Enhancing Belmont Stakes Day Fan Experience – N/A – directed at tracks
5. Finish Line Placement at Yonkers – N/A – directed at tracks
6. Wi-Fi – While the recommendation refers to track operators, some of our locations are within Wi-Fi areas, Wi-Fi at our OTB locations are under consideration, pending assurance we can prevent customers from accessing their out of state ADW account wagering sites.
7. Track Television for Live and Simulcast Racing – We have been deploying additional TVs of adequate quality throughout our branch network.
8. Web Sites – While the recommendation refers to track operators, Interbets.com provides the fan a wealth of information regarding OTB locations, links to racetracks, track program changes, policies, wagering and takeout information.
9. Simulcast Patron Accommodation – N/A – directed at tracks
10. Scratches & Equipment Changes – Catskill OTB/Interbets provides the live televised updates from the multitude of tracks offered. Interbets.com provides updated changes as they are relayed by the respective tracks.
11. Automated Teller Machines/Customer service - While the recommendation refers to tracks, self-serve terminals are available at every Catskill OTB location, and live tellers where business warrants.
12. Rewards Programs – While the recommendation refers to tracks, Catskill OTB/Interbets offers a generous rewards program. We object, however, to excessive, required statutory payments on out-of state-racing payable to instate tracks, while they use this "bonus" to lure our customers to their internet sites. i.e., OTBs are required to pay 6% on OTB Meadowlands handle to Yonkers & Monticello, while Yonkers offers excessive rebates to lure OTB and Interbets bettors.

13. Fan Educations – While the recommendation refers to tracks, Catskill OTB/Interbets has our own NY Hotlist handicappers, Bob Ehalt & Shawn Rychling, as well as other handicapper picks posted on our website daily and in our OTB locations. Interbets has the best “Betting 101” section for fan education. The NY Hot List handicappers give seminars in our branch betting centers across the region promoting New York racing.
14. Events & Entertainment –The “family friendly” recommendation appears to refer to tracks, as persons under the age of 18 are prohibited from wagering at OTB. Catskill OTB does host many “OTB Bettor Days”, where free wagers are randomly issued with wagers. Catskill OTB also hosts handicapping contests and periodic games and contests in conjunction with racetracks to promote their product.
15. Signage – N/A – directed at tracks
16. Implementation of an “I LOVE NY” promotion - N/A– directed at tracks
17. Resale or reuse reserved seat tickets at NYRA Racetracks - N/A– directed at tracks

Further to your recommendations, Catskill OTB/Interbets would also like to recommend that a portion of the VLT or CAF monies be allocated to OTB to market to, promote racing and cultivate the off-track patron as well.

I hope this has been responsive to your request.

Sincerely

A handwritten signature in black ink, appearing to read "Bob Ehalt". The signature is written in a cursive style with a long horizontal stroke extending to the right.



Finger Lakes Gaming & Racetrack

Phil Palermo
Director of Operations
PO Box 25250
5857 Route 96
Farmington, New York 14425
11/14/13

Telephone (585) 924-3232
Fax (585) 924-3967
ppalermo@dncinc.com

Mr. Lee Park

Finger Lakes Racing Association would like to take this opportunity to advise the New York State Racing Fan Advisory Council on progress made towards the recommendations identified by the council over the last three years. While some of the 2012 recommendations were not pertinent to Finger Lakes we feel we have made good progress in implementing those recommendations which enhance the racing experience for our racing guest. We look forward to the Council's 2013 recommendations.

Track Televisions - Finger Lakes made significant strides in improving the quality of our Television's. We replaced approximately 200 CRT TV's (tube style) with LED TV's ranging in size from 32" to 80" throughout the facility.

- Upgrades to our broadcast included, changing from analog to a digital signal, the purchase of new amplifiers which improved our audio system, and the upgrade of our backside audio system which improved the quality of our track announcer's broadcast.

Signage – We installed a 3' by 6' digital sign located at our main entrance that promotes our live racing, schedules and events.

- We dedicated an in house racing channel for our patrons that inform guests of promotions and upcoming events.

Wi-Fi – Free Wi-Fi is now offered throughout our entire facility. This enables our racing guests to access the internet giving them the ability to download racing programs, handicapping information and replays of races.

Facility Upgrades – For our 50th anniversary, Finger Lakes designed and installed a 50' by 12' historical mural depicting 50 years of Finger Lakes racing history. This mural is prominently displayed in a lower clubhouse which is at our racing entryway. The mural depicts 50 years of Finger Lakes racing history and includes pictures of top race horses, renowned jockeys, leading trainers past and present, former track management, and celebrity guests.

- We improved our paddock outdoor viewing area with installation of a decorative stone wall and new fence.

- Our racing entry way and large portion of our racing parking area were completely repaved.

- We added two new self serve replay kiosks allowing customers the ability to view race replays for all tracks available for pari-mutuel wagering. Additionally, we added two self serve program kiosks located on 1st and 2nd floor to help expedite customer service.

Simulcast Patron Accommodation – We installed additional lighting to our main parking lot and added lighted bollards along our racing entrance walkway to improve the safety and security for our late day simulcast patrons.

Automated Teller Machines/Customer Service – Finger Lakes rarely has an issue with not having enough tellers due to the fact that we have up to 30 self serve machines available to our guests. We added two self service machines at our Sevens bar near the gaming floor for the convenience of our racing guests.

- Our simulcast manager has the ability to watch our teller areas via TV screens and determine if enough staff is available to take care of the racing crowds throughout the day. We simply move tellers from one location to another if needed to improve our customer service and minimize lines.

Reward Programs – Our racing rewards program was revamped and simplified to reduce confusion. Every \$4 wagered would generate one point (\$.01 merchandise /\$.02 for food and beverage). Accumulated points can be used to purchase merchandise and/or food and beverage items. Racing guests can earn double points for betting on Finger Lakes races. This revamp also allows our racing guests to earn points 5 times quicker as we reduced the dollar amount required to earn a point from \$20 to \$4 wagered. Additionally, our club 55 members receive a free program and tip sheet on Tuesdays. Our only qualification is that you are at least 55 years of age. All racing carded members may request a sheet of monthly coupons for food and programs.

- Finger Lakes implemented a host program which provides personal service and discretionary complimentary offers on a regular basis to our higher wagering guests. We also have promotional offers for those guests that have minimal but frequent racing wagers. These guests are identified through a periodic review of our racing database.

Events and Entertainment – Finger Lakes offers Family Fun Day events 3 times during our racing meet. This includes kid's activities and discounted pricing on food and programs.

- Arcade machines were also added for the enjoyment of our racing fan siblings.

- Our bigger racing events, such as the stakes races, generally include a promotional give away, a handicapping contest and horse racing bingo.

- Each year Finger Lakes also hosts charity events such as Run for the Cure and \$30,000 Charity Cup which exposes new guests to racing.

Web sites – Finger Lakes is currently reviewing our website to determine what information will better serve our racing fans. Specifically, we are looking into ways for easier navigation, better placement of racing information, daily racing changes to include jockey weights, equipment change and any recent workout changes.

Finger Lakes Racing Association supports the Racing Fan Advisory Council and will continue to consider the future recommendations suggested by the Council.

Thank you,

Phil Palermo



October 24th, 2013

Chairperson Patrick Connors
NYS Fan Advisory Council
1 Broadway Center, Suite 600
Schenectady, NY 12305-1250

Dear Chairperson Patrick Connors,

In response to your letter dated October 7th, 2013 Monticello Casino and Raceway would like to update you on what actions have been taken based on your recommendations in the NYS Fan Advisory Council 2012 Report.

Track Televisions:

Monticello Casino and Raceway has consolidated all the TV's on the third floor simulcasting area and determined that there are enough to accommodate our guests.

Website:

Simulcast Hours and Schedules:

Simulcast hours and schedules have already been posted.

Beginner Handicapping Information:

Monticello Casino and Raceway has installed a link to go directly to the USTA websites Handicapping Area.

Cancellation and Refund Policy:

Monticello Casino and Raceway has added cancellation and refund information to the website.

Automated Teller Machines/Customer Service

"Ask Us How to Bet" signage is posted in racing areas. Our information window is open at all times when we are conducting live or simulcast wagering and tellers are available to help customers with SAM problems. Teller assignments are consistent with attendance and customer service is a priority.

Rewards Program:

Monticello Casino and Raceway has a reward program in place. Our reward program is integrated with our gaming rewards program so customers can earn points while gaming or wagering.

FAN EDUCATION:

“HOW TO BET” flyers are available at all teller windows.

Signage:

Monticello Casino and Raceway has updated and added new signage outside the elevators on the 1st floor to inform patrons that the racing areas are located on the 3rd floor.

I Love NY Racing:

We have the “I Love NY” logo in our infield without the words “Horse Racing”



November 19, 2013

New York State Racing Fan Advisory Council
1 Broadway Center Suite 600
Schenectady, New York 12305-1250

Attn: Patrick Connors, Chairperson

Dear Mr. Connors:

Please be advised that the Nassau Regional Off-Track Betting Corporation sent two (2) representatives to your recent symposium at Belmont Racetrack.

On behalf of our President, Mr. Joseph G. Cairo Jr., we are grateful for your efforts towards enhancing the total racing experience throughout New York State.

We feel that as the racing experience becomes more attractive to our public, as it once (historically) had been, we shall see a growth in the sport that shall surpass its former glory years throughout the state.

We are especially supportive of any and all attempts to enhance the physical facilities to make race track "parks" more attractive. We would encourage the growth of any potential "family" activities at race tracks that have the potential for such growth. Activities such as picnic grounds, children's amusements, etc. would be an inducement for higher attendance, and create the necessary "buzz" to get more people involved in the sport.

Lastly, we would encourage aggressive public relations programs to create "stars" in the sport. Nothing will generate more interest and attendance than great rivalries between race horses and their touted jockeys! Think Olympics.

Very truly yours,

Peter A. Zinno,
Corporate Project Coordinator

PAZ:dal

Rodnell E. Workman
Vice President & Chief Marketing Officer



November 8, 2013

Mr. Patrick M. Connors
Chairman
New York State Racing Fan Advisory Council
1 Broadway Center, Suite 600
Schenectady, New York 12305-2553

RE: NYS RACING FAN ADVISORY COUNCIL 2012 FOLLOW-UP

Dear Chairman Pat Connors:

Per your letter to NYRA President & CEO, Chris Kay, on October 7th, the summary/recap below describes what we have done on behalf of the fans of New York Racing. This represents planned upgrades/improvements to NYRA's Facility, Racing Operation and Fan Engagement efforts. The RFAC's recommendations simply confirmed most of those previously scheduled or currently planned upgrades.

TAKEOUT RATES

This year, NYRA introduced a new Pick 5 bet that featured a lower than average 15% takeout. We evaluate the takeout rate and its impact on our business on a case-by-case basis. NYRA continues to monitor and evaluate the success of the new bet and its benefits to our customer.

TRACK PARTNERSHIP

N/A - Involves other entities beyond the New York Racing Association.

NYRA REORGANIZATION

The NYRA Re-Organization Board provided the RFAC with an opportunity to introduce the organization at its Board meeting in August 2013. Furthermore, NYRA has allowed the RFAC to introduce itself at each of the NYRA hosted Public Forums in 2013. Lastly, the NYRA Re-Organization Board's Public Hearing and Communications Committee includes consulting support on fan engagement as part of its committee charter (therefore not requiring a separate committee).

ENHANCING BELMONT STAKES DAY FAN EXPERIENCE

As part of its Belmont Stakes celebration efforts, NYRA introduced the first ever Belmont Stakes Fan Festival on Friday, June 7th at the iconic Grand Central Terminal in New York City. The free to the public event featured a mock Belmont Park track, race caller, bugler, interactive games and horse racing giveaways. The objective was to introduce the Belmont Stakes, NYRA and horse racing to an audience that normally does not engage with the sport. Furthermore, the event served as a reminder for ticket sale opportunity, viewership for the NBC broadcast and a promotion for the excitement of horse racing.

At track, NYRA provided a number of fan engagement activities to support the day of great racing and engage/entertain the fans. Activation included a local band in the backyard performing throughout the day, games/activities for the family, an interactive photo booth for social media, a photo backdrop of historic Belmont Stakes moments, numerous F&B dining options, and upgraded facility enhancements. NYRA also introduced a new venue signage package around the facility enhancing the property, providing improved directional support and reinforcing the pageantry commiserate with a big event.

FINISH LINE PLACEMENT AT YONKERS

N/A

WIFI

All three (3) of NYRA's tracks are WiFi enabled throughout. We proactively communicate that service to our patrons and encourage them to use the service to enhance their racing experience.

TRACK TELEVISIONS FOR LIVE AND SIMULCAST RACING

NYRA monitors its television inventory daily. Any maintenance issues are addressed immediately. There has been an ongoing, systematic upgrade of the TV inventory over the last two years. Lastly, NYRA introduced its HD broadcast feed in 2013. All NYRA races are viewable in HD where supported.

WEBSITES

In February 2013, NYRA launched a redesigned nyra.com website. The new nyra.com was well received by fans featuring upgraded content, better access to social media, increased fan engagement and easier navigation. The new website has experienced double digit increases in page views. NYRA has received national awards further acknowledging the quality of the newly re-designed website.

SIMULCAST PATRON ACCOMMODATION

NYRA's simulcast experience is comparable to live racing. Fans are afforded the same hospitality and experience when they visit or stay for simulcast racing.

SCRATCHES & EQUIPMENT CHANGES

N/A – Involves other entities beyond the New York Racing Association.

AUTOMATED TELLER MACHINES/CUSTOMER SERVICE

In September 2013, NYRA introduced a new Tote and Tote partner. AmTote became the official Tote provider of NYRA. The transition provided NYRA the opportunity to re-evaluate its mutuel support and ensure ample staff is available to service customer needs/questions. The NYRA provides 24/7 video instructional support at track to further assist players in their usage. Lastly, NYRA's customer service team proactively patrols the wagering areas to react to customer inquiries.

REWARDS PROGRAM

NYRA is currently in development on a loyalty based program that would engage new customers, provide base level rewards for trial and incent wagering. Furthermore, the program would serve as a feeder program for the established NYRA Rewards platform.

FAN EDUCATION

Over the last 18 months, NYRA introduced and continued to execute a handicapping 101 program dedicated to educating new bettors on the fundamentals of wagering. The program has been well received and continues to grow in popularity. In the Fall 2013, NYRA executed six days of handicapping 101 at Belmont. The program will continue in 2014 at Belmont Spring, Saratoga and Belmont Fall. NYRA also hosted an exclusive Handicapping Seminar featuring DRF Handicappers, Steve Crist and Andy Beyer, at Belmont in September 2013. Over 250 guests attended.

PUBLIC TRANSPORTATION

NYRA's Belmont and Aqueduct facilities are accessible by public transportation (subway, train and bus). NYRA's Saratoga facility is openly accessible by numerous transportation options as well as expansive parking in/around the Saratoga track.

FACILITY UPGRADES

NYRA is constantly evaluating each of its facilities to determine if/where upgrades are needed. NYRA is committed to offering its fans the best experience it can offer. NYRA's long term plan includes numerous upgrades, both front of house and back. Notable upgrades in 2013 included the creation of the Whitney Viewing Stand at the Oklahoma track in Saratoga, new TVs, upgraded landscaping, new mutual system, new signage, new dormitories for the Backstretch and many other additions.

EVENTS & ENTERTAINMENT

NYRA provides more non-racing entertainment throughout the year than most race tracks. The events and entertainment are used to further enhance the racing, entertain current fans and draw new fans. The Saratoga 150th Anniversary celebration is a prime example of events and entertainment supporting NYRA's most popular meet. The celebration began with a first ever concert at track during the Open House event, included promotions throughout the meet and ended with a jockey autograph signing by the entire Saratoga jockey colony. NYRA recognizes the importance of entertaining our fans.

SIGNAGE

As mentioned previously, NYRA introduced a new signage and wayfinding package to the Belmont Park facility. NYRA has similar plans set for Aqueduct and Saratoga through the next 12-18 months.

IMPLEMENTATION OF AN "I LOVE NY RACING" PROMOTION

NYRA has inquired with the New York State Tourism Board and will present for consideration in New York State's 2014 tourism campaign.

RESALE OR REUSE OF RESERVED SEAT TICKETS AT NYRA RACETRACKS

NYRA continues to offer various ticket purchase options to its customers. The viability of a ticket resale program is being explored and evaluated.

The above represents NYRA's response to the RFAC's recommendations, but it doesn't represent the only fan related additions/upgrades NYRA has executed or planned for its fans. We are always exploring ways we can do more for our fans in our ongoing effort to provide them with a memorable experience every time they visit one of our properties or wager on one of our races. If you have any questions about the above response or need assistance in clarifying any inclusions for your 2014 report, please feel free to ask. NYRA is proud of its current and future efforts to upgrade the fan experience. We welcome any contributions made by the RFAC to that effort as well.

Best Regards,

Rodnell Workman

Rodnell Workman
Vice President
Chief Marketing Officer

cc: C. Kay, President & CEO
G. Kozak, VP, Facility
D. O'Rourke, VP, Corporate Development



November 5, 2013

Mr. Patrick Connors
Chairperson
New York State Racing Fan Advisory Council
1 Broadway Center, Suite 600
Schenectady, NY 12305

Dear Mr. Connors,

Saratoga Casino and Raceway is in receipt of your letter requesting an update on the status of recommendations made by the New York State Fan Advisory Council. Our response regarding issues that relate to our operation is as follows:

Takeout Rates

Since this report was issued, we have not lowered our takeout rates. While we have given this suggestion serious consideration, we haven't seen any data that shows lowering takeout has a positive impact on handle and revenue. This is a topic that has divided our industry decision makers for a long time. We are certainly open to discussion and welcome any information that would validate this position. It is difficult to lower takeout rates and offer rebates at the same time; the margins simply don't work. It is our belief that rebates are more effective and are planning to lower the takeout on our Pick 5 wager. The margins are greater on this bet and therefore would have the best chance to drive additional revenue.

Track Partnerships

SCR is currently working with NYRA and other New York stakeholders in an effort to negotiate better host fee rates from sending tracks. Reductions in these fees could allow us to take a portion of these savings and reinvest them in our customers, particularly in the form of rebates.

Wi-Fi

Our access to the internet currently runs through our corporate network, which contains proprietary information, including confidential information on our players. Because of this, there is no wireless access anywhere on our property. We are looking into the feasibility of bringing in a separate data feed that would strictly be used for public access.

Mr. Patrick Connors
New York State Racing Fan Advisory Council
Page 2

Track Televisions for Live and Simulcast Racing

In 2012 and 2013, our facility underwent a major overhaul and facelift. We installed and strategically placed more than one hundred new flat screen televisions in our simulcasting and live racing areas allowing for maximum benefit to our customers.

Websites

There are currently two operating websites to service our customer needs; Saratogacasino.com and saratogabets.com, both of which display a variety of helpful information to them. We consistently upgrade these sites in response to our customer requests that are often made through our websites and social media platform.

Simulcast Patron Accommodation

Our simulcast facility is open seven days a week, 362 days a year from 11:30 a.m. to 11:30 p.m., except for Sunday when we close at 7:30 p.m. All exits and parking areas are available to customers regardless of whether or not we are running a live race program.

Automated Teller Machines/Customer Service

We have 98 wagering terminals at our facility, all of which can be used as teller operated or self-service machines. These machines are comfortably placed throughout the property. Teller service is always available in the Mezzanine and in the Lower Clubhouse during live racing. In areas where there are self-service machines that are not in close proximity to our mutual offices, a hospitality phone is available for the customer to dial in the event a machine malfunctions. We also have a tote representative on property to handle any and all machine issues. The mutuels management is always available to assist customers with any questions. All of our tellers are trained to help customers make wagers. During the Saratoga Racecourse meet, we are exposed to many seasonal patrons who require assistance and we use our best efforts to accommodate them.

Rewards Programs

In 2013 we implemented a rewards program for on property wagering. The wagering parameters are set to reward moderate and high volume players. We also have an identical rewards program in place for our internet/telephone wagering customers.

Public Transportation

Saratoga Casino and Raceway is a regular stop on the CDTA bus route that drops off and picks up customers at a designated area on the property. In 2013 we implemented a park and ride program where customers are shuttled to and from the Saratoga Racecourse during its meet. This program was well received in its first year. A service called "Megabus" is also utilized that transports people between Burlington VT and New York City with a stop at our facility.

Mr. Patrick Connors
New York State Racing Fan Advisory Council
Page 3

Facility Upgrades

As previously mentioned, we installed new televisions throughout the property. All the furniture in the Mezzanine and Lower Clubhouse has been replaced. Windows were recently installed in the Diamond Jim Bar to help create a view of the racetrack. A glass enclosed atrium area was added to Lucky Joe's restaurant. This atrium is located trackside and has televisions and a wagering window.

Events & Entertainment

Our largest family friendly event of the year is our July 3rd racing program that is followed by one of the premier firework shows in the area. This event draws thousands of people and is well received in the local community. We also put on "Back to the Track" night every summer that features a T-Shirt giveaway, starting car rides, meet the drivers, raffles, and a visit to the announcer's booth. The horsemen set up a stall with a racehorse for kids to pet and a trainer who shows everyone how they dress a horse for racing. Three direct mail pieces are sent out each year with discount and free coupons for food, programs, and other added offerings. Several promotions run throughout the year which contain mystery vouchers and free trifecta wagers.

Thank you for the opportunity to share our information with the Fan Advisory Council. We hope the information we provided will be helpful. We appreciate your input on how we can improve the racing fan experience. A fan forum has been scheduled at our facility on Sunday, November 24th. We look forward to seeing you there.

If you need any additional information, please don't hesitate to contact my office.

Sincerely,



James F. Hartman
Executive Vice President



November 15, 2013

Lee Park
Director of Communications
New York State Gaming Commission

Dear Mr. Park,

The following is in response to the New York State Racing Fan Advisory Council's recommendation letter that was sent out in December of 2012. While neither Tioga Downs nor Vernon Downs were visited by the Council, some of their recommendations to other tracks do apply to the industry as a whole. The following is our response to those recommendations.

Takeout Rates: Since 2011, Tioga Downs's takeout rates are the lowest allowed by New York State Law. They are currently set at 15% (WPS), 17% (2 horse) and 21% (all other exotics). The response around the industry was very positive when we lowered our rates and we believe this is key to the sport's future. Vernon's rates are slightly higher (18%-20%-25%) as the horsemen's organization there would not agree to lower rates.

WiFi: We currently provide free WiFi for all our guests at both facilities.

Web Sites: Tioga and Vernon's websites are designed to be identical to provide continuity and make it easier for our customers to find the information they are looking for. Our Racing pages provide customers with access to most of the items mentioned in the report including Simulcast hours and schedules, beginner handicapping information and takeout rates. The few that are missing will be added to our website for 2014.

Automated Teller Machines/Customer Service: Neither Tioga nor Vernon patrons have complained about the number of Tellers at our track for Live Racing or simulcast. Our owner believes in making the personal connections with customers so we make sure to staff enough to meet the demands of our fans. That being said, there are a fair amount of our customers who are tech savvy and want to use our automated machines. Also, there are a fair amount of people who want to use the machines but are not as tech savvy and sometimes embarrassed by their inability to use the machine properly. Our staff has been taught to take the time to show our customers how to use the machines, mainly done by our tellers during normal simulcast hours. This is a more difficult task during live racing due to volumes but is something we are addressing head on in 2014. Next racing season we will be rolling out a Racing Ambassador, whose sole job during every live race card is to teach people how to bet/play the races. We believe this will help speed up the learning curve of new bettors and make it easier for the casual race fan to enjoy the Racing experience.

Rewards Programs: Tioga & Vernon offer cash rebates to our high volume players that encourage them to play the races in our facilities instead of staying home and playing online. We also reward all players who use their Players Club card to wager with points that can be redeemed at the food & beverage outlets and gift shops at both facilities. We're expanding our Rewards Program to include guests who may make frequent trips but don't wager enough to qualify for our cash rebates. We have a number of smaller bettors that are here night in and night out; this program would be targeted towards them with the hopes of increasing loyalty and general fan enjoyment. It is in its early development stage and deployment would be estimated in early 2014.

Fan Education: Tioga & Vernon holds fan education classes as well as placing how to bet guides online. We have also held new owner seminars at our track each year coordinated by the Harness Horse Breeders of New York. In 2014, Tioga will be rolling out a new pre-race show aimed at getting more information to the bettors as well as more detailed handicapping analyses in each live program as well as on live TV. We will also be rolling out the Fan Ambassadors as previously mentioned.

Events and Entertainment: Tioga & Vernon are leaders in the industry when it comes to innovations and attractions aimed at getting people in the stands. We've drawn huge crowds with some thinking outside the box with promotions such as the camel and ostrich races, car giveaways and the Million Dollar Ball Drop. We've established our facilities as family friendly by making them such. We have arcades and bounce houses for the kids on a daily basis. We designate Sunday as family days by bringing in

extra things like face painters and balloon animal artists. We've had live bands during racing to help entertain the crowds and we run countless promotions during the races aimed at getting even the most casual fan involved in the racing product. We hold every Friday as fan appreciation night where things like programs, food and drinks are discounted. We are always on the cutting edge of entertainment and we are encouraged by our owner to try new things in an effort to help promote our sport.

In conclusion, we are excited about the creation of the Council and look forward to interacting with them in an effort to promote and grow our industry. We invite the Council to attend our tracks during the summer so that we may be enlightened to any area where our fans may feel we don't measure up or to simply share new ideas and thoughts about moving forward. The Council is great for the State of New York and the national racing product in general and if we can work together and improve the experience of our customers and fans, New York Racing can be the shining example for every track in our industry.

Sincerely,

Jason F. Bluhm

Sr. Regional Director of Racing

Tioga Downs & Vernon Downs



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WESTERN REGIONAL OFF-TRACK
 BETTING CORPORATION

October 30, 2013

Mr. Patrick Connors, Chairperson
 NYS Racing Fan Advisory Council
 1 Broadway Center
 Suite 600
 Schenectady, New York 12305-1250

Dear Mr. Connors:

Attached please find a breakdown of the status of the WROTBC/Batavia Downs operational items that were highlighted in the Advisory Council's 2012 report.

If we can be of further assistance or provide additional information please do not hesitate to contact me directly.

Very Truly Yours,

Western Regional Off-Track
 Betting Corporation

Michael D. Kane
 President & CEO

MDK:pag

Attachments

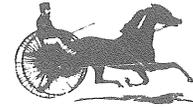
Recommendations/Responses
WROTBC/Batavia Downs

- Take out rates: As of this time no adjustments have been made.
- Track Partnership: WROTBC worked closely with the other NYS OTB's and the NYS tracks to coordinate with the Governor's office to adopt licensing legislation for out-of-state ADW sites. This legislation was successfully passed with full support of those noted to the benefit of the entire NYS racing industry.
- Wi-Fi: Wi-Fi has been available in all wagering areas for some time – upgrades are being made as part of our Capital expansion program.
- Web Sites: Our web site includes all of the information noted with the exception of take out rates. All sites have been upgraded in 2013. We are also very active in a number of social media locations.
- Simulcast patron accommodation is excellent.
- Automated Teller Machines: We have instituted a SAM upgrade program placing state-of-the art machines in most of our locations. Repair staff is available at all times that Batavia Downs is open.
- Rewards Program: We introduced a new Player Rewards Program in February in conjunction with the opening of the Batavia Bets internet platform.
- Fan Education: We have offered free seminars but they have not been well attended . During the live meet staff travels through the clubhouse and grandstand areas to provide any assistance to our customers.
- Facility Upgrades: We are in the midst of a \$28 million capital improvement project that will upgrade entire facility.
- Events and Entertainment: In 2013 we will have had over 30 special events tied specifically to our live product and special event simulcasts.
- Signage: We have significant signage within and without the facility.



Yonkers Raceway

The Historic Empire City Trotting Club • 1899



November 21, 2013

Mr. Patrick Connors
Chairperson
New York State Racing Fan Advisory Council
1 Broadway Center, Suite 600
Schenectady, New York 12305-1250

Dear Mr. Connors:

I am sorry for the lateness of this response to your letter of October 7th. There were some issues beyond our control that kept us from addressing your very important mission in a timely fashion.

However, I am pleased to say that thanks to the public forum at Yonkers Raceway, we have made some important adjustments to certain issues in our racing program.

Our website has been revamped to make it more “user friendly.” We regularly list simulcast times from different racetracks and when wagering would be available at our facility. We continue to improve our broadcast quality and have added a number of exciting transmissions that include paddock interviews with drivers and trainers.

We have held numerous special events for racing fans including our Fall Harvest Series, and our highly anticipated annual Legislators Races, which have become quite popular with the participants and fans alike!

Our transportation mix has increased to the point where we now provide shuttle service to and from the track between the Metro North train station at Mount Vernon West, and the numbers 2 and 5 subway lines. We also have a daily shuttle that goes to a number of hotels in the Westchester area.

We are continuing our investigation into the possibility of adjusting our finish line and placing it further up at the stretch. We hope that this move would attract more fans and also allow for more competitive racing.

We very much appreciate the work your council has done and look forward to further communication in the future.

Sincerely,



Robert J. Galterio
Vice President and COO

RJG/rcf

CC: Michael Amo, Vice- Chairperson
Allan Carter, Member
Kelly Young, Member
Michael Mills Member