



Fact-Finding Forum on Casino Gambling

Moderator: Matt Jones, The Jones Firm

Saratoga Springs City Center

Monday, December 16, 2013

7:00 p.m. to 10:00 p.m.





www.gaming.ny.gov

The New York State Gaming Commission regulates all aspects of gaming and gambling activity in the state, including horse racing and pari-mutuel wagering, Class III Indian Gaming, the state lottery (including video lottery terminals) and charitable gaming.

Commission meeting notifications are sent via email to interested parties. If you wish to receive such notifications, please email info@gaming.ny.gov.

Let your voice be heard!

www.saratogacountyny.gov

The Saratoga County Board of Supervisors holds monthly meetings of the Board on the third Tuesday of each month, at 4:00 p.m. in the County Office Building, at 40 McMaster Street, in Ballston Spa. The Board of Supervisors has a Racing Committee that is now chaired by Matt Veitch, Supervisor from Saratoga Springs. Meeting notices, agendas and minutes of the Board of Supervisors and the Racing Committee are available on the County's website.

www.saratoga-springs.org

The Mayor and City Council hold regular meetings every first and third Tuesday of the month, in City Hall, at 7:00 p.m. There is an opportunity at all meetings for the public to comment. Meeting pre-agendas and minutes are available on the City's website.

Tonight's Agenda

Welcome & Opening Comments from Matt Jones

Introduction of Elected Officials

I. What the Law Says

II. Saratoga Casino and Raceway

III. Ensuring Downtown's Success

IV. The Upstate Theater Coalition

V. Future of Saratoga's Equine Industry

VI. Problem Gambling and Public Safety

Short Intermission

VII. Moderated Q&A

Submit Your Questions:

1. Write questions on index cards and hand to volunteer or deliver to table in the back of the room.
2. Email questions to forum@saratoga.org
3. Tweet questions to [#saratogacasinoforum](https://twitter.com/saratogacasinoforum)

Matthew J. Jones

Attorney at Law, Admitted to practice in 1980

Senior Partner,



Representative clients: GLOBALFOUNDRIES,

The Saratoga Hospital

Vice Chair, Saratoga County Chamber of Commerce,

Trustee, Saratoga Springs Lions Foundation

Former President, Saratoga Springs Board of
Education

Former President, Saratoga Regional YMCA Board of
Directors

Former President, Saratoga County Bar Association

Former Vice President, NY State Bar Association



Former Chairman and Charter Member, Saratoga
Springs City Center Authority

Matt is a graduate of the Saratoga Springs High
School, the University of Vermont, and the University
of Houston, School of Law.

He resides with his two children, Ryan and Logan, in
Saratoga Springs.



**Robert J.
McLaughlin, Esq.**



Robert J. McLaughlin

Areas of Practice: Gaming law, public finance, environmental, infrastructure, banking, real estate

Mr. McLaughlin focuses his practice on gaming and lottery law, financial transactions, and government compliance. Drawing from his extensive experience in both the regulatory and the business sides of the industry, he assists gaming facilities, online gaming providers, state lotteries, and other entities in matters involving compliance with the complex federal and state regulations governing the gaming industry. He represents gaming and lottery clients before various government commissions and regulatory agencies.

Mr. McLaughlin is a former chief executive officer, director, and general counsel at the New York Lottery, where he oversaw the regulatory development of the nation's first finite-pool video lottery gaming system as well as the implementation of eight video lottery gaming facilities across the state. Mr. McLaughlin also led the North American Association of State and Provincial Lotteries committee on reviewing a multi-billion-dollar merger that created one of the world's leading gaming solution providers.



17 words were added to
Section 9 of Article 1 of
the Constitution



New York Casino Law What was changed in November?

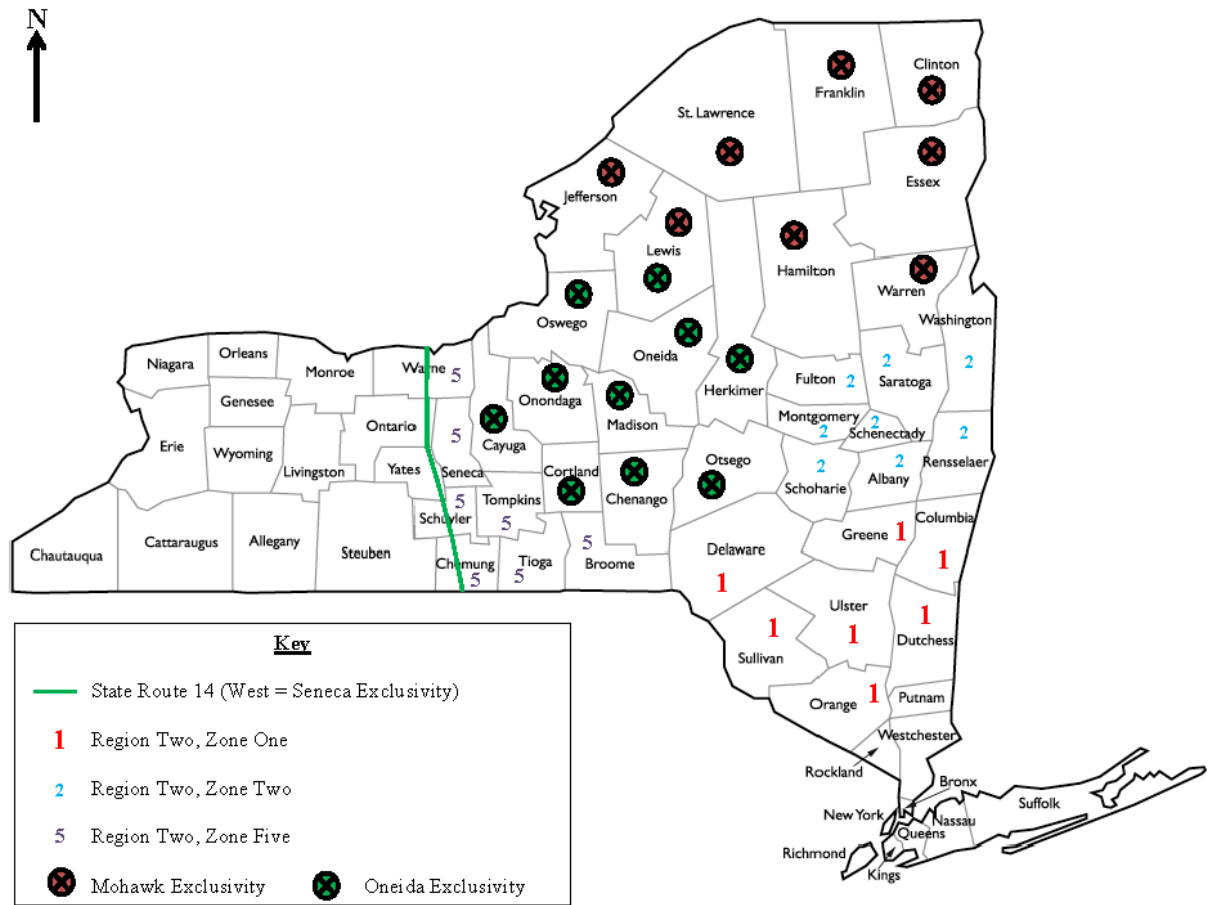
1. No law shall be passed abridging the rights of the people peaceably to assemble and to petition the government, or any department thereof; nor shall any divorce be granted otherwise than by due judicial proceedings; except as hereinafter provided, no lottery or the sale of lottery tickets, pool-selling, book-making, or any other kind of gambling, except lotteries operated by the state and the sale of lottery tickets in connection therewith as may be authorized and prescribed by the legislature, the net proceeds of which shall be applied exclusively to or in aid or support of education in this state as the legislature may prescribe, **[and]** except pari-mutuel betting on horse races as may be prescribed by the legislature and from which the state shall derive a reasonable revenue for the support of government,

and except casino gambling at no more than seven facilities as authorized and prescribed by the legislature shall hereafter be authorized or allowed within this state; and the

legislature shall pass appropriate laws to prevent offenses against any of the provisions of this section.

Where are the Casinos?

- The Upstate New York Gaming Economic Development Act of 2013
 - Establishes Two Regional Zones
 - Within Each Zone – Development Regions
 - No Casino Gaming in Zone 1
 - Only permitted in Zone 2; Regions 1,2 & 5



What happens now?

New York Gaming Commission



- There will be 4 Destination Resort Casinos in Upstate NY
- \$\$ from casinos will support education AND real property tax relief
- Commission will appoint a Resort Gaming Facility Location Board.

Resort Gaming Facility Location Board

- 5 members – Appointed by Commission
- To Select 4 casinos after a competitive process
- After 3 members appointed, a request for applications to be issued within 90 days

What will NYS Resort Gaming Facility Location Board Ask For?

- 70% based on economic activity and business development factors
- 20% based on local impact
- 10% based on workforce enhancement factors



Timing?

- Board appointed in January
- Request for Applications early-to-mid March
- Proposals due end of June
- Decision - ??

Saratoga Casino and Raceway

George W. (Skip) Carlson **Vice President of External Affairs and** **Signature Service**

Skip Carlson began his career at Saratoga Casino and Raceway in June of 1977 following graduation from the College of the Holy Cross. Carlson has served as the Director of Publicity and Public Relations, Simulcast Director, General Manager and Vice President of Racing. He is a member of the City of Saratoga Springs Zoning Board of Appeals, serves on the Board of Directors of the Saratoga Springs YMCA, and is treasurer of the Saratoga Casino and Raceway. He also served three terms as a member of the Board of Directors of the United States Trotting Association and the New York Harness Breeders Association. Married to the former Colleen Hart, he resides in Saratoga Springs with Colleen and their three children: Zack, Tucker and Quinn.

Rita Cox **Senior Vice President of Marketing**

A graduate of Dickinson College, Rita Cox began her marketing career with SONY Music in New York City. Ms. Cox has also worked for The Pepsi Arena, Albany Broadcasting and Special Olympics New York. She joined the executive team at Saratoga Gaming and Raceway in 2003 as Director of Marketing. In 2007, Ms. Cox assumed a leadership role with Gideon Putnam, LLC, a strategic partnership between Saratoga Gaming and Raceway and Delaware North Companies Parks & Resorts. She was promoted to her current position in 2008 and is responsible for all sales, marketing, customer service public relations and entertainment programs for Saratoga Gaming and Raceway. She has served as chairperson of the Board of the Saratoga County Convention and Tourism Bureau.

A Decade of Economic Growth

- ▶ 2003 — 125 jobs at Saratoga Equine Sports Center
- ▶ 2013 — 630 jobs at Saratoga Casino and Raceway
- ▶ 300 horse related jobs



Trusted Community Partner

- ▶ 2003 — \$2.9 million in purses for 129 live harness racing programs
- ▶ 2013 — \$15 million in purses and 170 live harness racing programs
- ▶ Local Philanthropic Contributions: Over \$2 million since 2004
- ▶ Saratoga Casino and Raceway pays \$675,000 annually in local property and school taxes





A Saratoga-Style Casino

- ▶ Voters rejected the idea of a Las Vegas-style casino. And we agree. A Las Vegas-style casino has no place in the Capital Region.
- ▶ Saratoga Casino and Raceway's expansion will be on our existing 160 acre campus and will be consistent with the historic character of our community
- ▶ Will add 600-700 good paying jobs with benefits and hundreds of construction jobs
- ▶ Will provide increased direct financial support to the city and county
- ▶ Will partner with local businesses to promote Saratoga as a year round tourist destination



Ensuring Downtown's Continued Success The Retail Perspective!

Marianne Barker Co-owner, Impressions of Saratoga

Dave and Mare Barker started Impressions of Saratoga right out of college in 1978. Dave went to WPC for a degree in graphic arts and Mare went to Cobleskill College to study Equine Science. Together, they have been involved in many other enterprises which include Impress Promotions a wholesale screen printing and embroidery shop, The Bijou, Bailey's Café and the Racing Impressions shops at the track. Mare is currently on the Board of Directors of the Saratoga County Chamber of Commerce and is a past member of the Board of Directors of the Saratoga Downtown Business Association (DBA).

Harvey Fox Owner, N. Fox Jewelers

Harvey Fox is a native Saratogian who attended the Saratoga Springs Public schools. Harvey has owned and operated N. Fox Jewelers on Broadway for over 35 years; his family has been in business in downtown Saratoga Springs since 1947. Harvey served on the Zoning Board of Appeals for over 15 years -10 years as Chair. He is a Past President of the YMCA Board of Directors; and he was the Chair of the 2002 Charter Revision Committee- the only Charter successfully passed by the Citizens of Saratoga Springs. He is currently the Vice Chair of the Saratoga Springs Special Assessment District.

Ensuring Downtown's Continued Success – The Retail Perspective!

Customer surveys suggest neutral impact on downtown retail from current Racino

Like SPAC, Track & City Center as attractions to the City which bring people downtown - -
don't keep people at Casino!

Destination Resort should include downtown via comprehensive promotional efforts

If some retail is required, partner with local retailers and sell local products



Key concern = size, product mix and branding of retail operations within the new Saratoga Casino

Finding seasonal & part-time employees is already a challenge

Ensuring Downtown's Continued Success The Dining Perspective!

John Baker Owner of Gaffney's Restaurant

John Baker has been the Owner of Gaffney's Restaurant, on Caroline Street, for 32+ years – 1982 to the present. He previously owned Frankly Speaking Vending Company from 1979 to 1981 and was the President of B&E Warehousing, Inc. from 1982 to 1986. He is the "Chairman" of the Caroline Street Association and previously served on the Board's of Directors of both the Saratoga Downtown Business Association (DBA) and the Saratoga County Chamber of Commerce. John has a Bachelors Degree in Education from SUNY Plattsburgh.

Colleen O'Bryan Holmes - Cofounder, Managing Partner Wheatfields Restaurants

Colleen Holmes has worked successfully in the food and beverage industry for over twenty-five years. Along with her husband, Tim, she is the owner/operator of WHEATFIELDS Restaurants in Saratoga Springs and Clifton Park New York. Formerly a General Manager for Lettuce Entertain You Enterprises of Chicago, she lead and managed several of Chicago's finest restaurants. Colleen is Chairman of the New York State Restaurant Association and holds a Bachelors of Science degree from Michigan State University.

Ensuring Downtown's Continued Success – The Dining Perspective!

Our experience suggests that people that go to the current Racino don't dine downtown.

We already have a wealth of fine dining options in the downtown - - having competition for fine dining with low cost drinks and food at the Casino is a significant concern.

We see a lot of business from those visiting the Saratoga Race Course, SPAC and the City Center. If the Casino hurts these entities in any way, that will hurt downtown restaurants

Local hotels have shuttles to bring their guests to downtown restaurants – will the Casino do this?



We are concerned about unfair competition in terms of the hours of operation.

If the Casino can serve alcohol and have live entertainment at hours different from the downtown, that will hurt our restaurant and bar businesses.

Ensuring Downtown's Continued Success – The Lodging Industry!

Cindy Hollowood

Operator/General Manager of the Holiday Inn Saratoga Springs

Cindy Hollowood has been the operator/general manager of the Holiday Inn Saratoga Springs for over 30 years. She is a founding member of the Saratoga Convention and Tourism Bureau and has served on the board of directors since its inception including a term as the Chairman of the Board. Cindy is currently in her 2nd year as Chairman of the Board of the NYS Hospitality and Tourism Association - the trade association for the hospitality and attraction industry in New York State. She is the vice chairman of the Saratoga Economic Development Corporation and has served on that board for eight years. Additionally, Cindy serves on Saratoga's All American Celebration Committee, the organization that orchestrates Saratoga's Fourth of July Celebration. A committed fundraiser, in the last year, she has raised money for Saratoga Hospital's Community Health Center, the All American Celebration and the Corporation at Yaddo. Cindy lives in Saratoga Springs with her husband Brien and two daughters.

Brian Straughter

Vice President of Turf Hotels

Brian Straughter is the Vice-President of Turf Hotels, a local hotel management company in the Capital District. As Vice President, he is an active owner/operator of four local properties: Hampton Inn & Suites Saratoga Springs Downtown, Holiday Inn Express Western Avenue, Homewood Suites by Hilton Albany and Holiday Inn Resort Lake George. He spends time at each property sometimes traveling to all 4 in one day. Currently, Brian is on the Board of Directors for the UAlbany Foundation and the Saratoga County Chamber. Along with his wife Heather, Brian the co-founder of Jake's Help From Heaven, a Saratoga Springs based non-profit created in memory of his late son, Jake Straughter. Prior to his work in hotel management, Brian was principal at the Mission Hill School in Boston, MA. He relocated to Saratoga Springs in 2006 to be closer to his wife's family!

Ensuring Downtown's Continued Success – The Lodging Industry!

Saratoga Casino and Raceway does not currently generate overnight demand but it is an entertainment amenity for our guests.

Casino hotels traditionally give deep discounts or free rooms. This could cause a reduction in our community average daily rate, which could reduce municipal taxes and hotel businesses profitability. Hotels would have to reduce prices to be competitive.

It is possible that an enhanced Saratoga Casino could generate room demand, visitor traffic and tax revenue to our community.

Restrictions on any further casino development and local approvals should be part of the process.

Saratoga Convention and Tourism Bureau should remain focused on attracting citywide conventions that use the City Center and area hotels.

Adding table games is not a concern to lodging operators. Adding a large hotel and convention/entertainment space that would compete with our City Center and SPAC is a major concern. These amenities should be eliminated or greatly reduced in size.

A fund to promote tourism locally from local gaming revenues and dedicated funding statewide from all casinos should be established to support I LOVE NY Tourism efforts.

We would rather have the casino at Saratoga Casino & Raceway than have to compete against a casino elsewhere in the Capital Region. We would not benefit (visitors or revenue) from a casino outside of Saratoga and we would be competing against this entity for groups.

The Upstate Theater Coalition

Mark Baker

President, Saratoga Springs City Center Authority

Mark Baker is celebrating 30 years this year as the President of the Saratoga Springs City Center Authority. He is a current member of the Board of Directors of the Saratoga Convention and Tourism Bureau and a member of the Saratoga County Tourism Advisory Committee. He is a past multi-term President of the Saratoga Springs Downtown Business Association (DBA) and is involved with numerous community, civic, youth and religious organizations. He is also a member of the "Up-State Theater Coalition for a Fair Game"

Marcia White

President and Executive Director Saratoga Performing Arts Center

Marcia White has been the President and Executive Director of Saratoga Performing Arts Center since 2005. While maintaining a commitment to the mission and core principles upon which SPAC was founded, Ms. White's specific achievements include: attainment of 9 consecutive 'break-even' budget years; a doubling of major philanthropic gifts; a 160 percent increase in sponsorship revenue; \$6.5 million in capital improvements; and numerous programming achievements including a diversified dance season and establishment of a new residency with the Chamber Music Society of Lincoln Center.

Upstate Theater Coalition for a Fair Game:

The Members

The Coalition's members include: Bethel Woods Center for the Arts, The Clemens Center, Forum Theater, Landmark Theatre, Palace Theatre, Proctors, Saratoga City Center, Saratoga Performing Arts Center (SPAC), Shea's Performing Arts Center, Stanley Center for the Arts, State Theatre of Ithaca, Times Union Center and Ulster Performing Arts Center

Upstate Theater Coalition for a Fair Game: Our Goal

The mission of the Coalition is to create a level playing field for all entertainment/events venues seeking to bring talent and events to NY.

Upstate Theater Coalition for a Fair Game: Our Perspective

Without protections, the negative impacts of a casino entertainment/event facility include:

- casinos unfair "exclusivity contracts" with talent which reduces amount of product for surrounding venues
- displacement of existing performances/events from thriving downtown areas and the quality of life they support
- casinos ability to significantly outbid nonprofits for arts/entertainment as part of a strategy of using entertainment a 'loss leader'

We are currently in discussion with the Governor's administration to develop a package of protections that addresses the following:

- limitation on the number of seats and the square feet of function space
- requirement that casinos enter into booking and exclusivity partnerships with surrounding arts/event venues
- prohibition against casinos imposing broad-based talent/entertainer exclusivity agreements in the absence of signed partnership agreements

Protecting Saratoga's Equine Industry

Dr. William Wilmot

Bill Wilmot is an equine veterinarian and breeder, in Saratoga Springs. After graduating from Georgetown University, he took a job as a trainer.

For the next nine years, Wilmot trained and raced Thoroughbreds at 22 race tracks in California, Kentucky, Miami, Delaware, and New York. Wilmot attended Tufts University, graduating with a doctor of veterinary medicine degree in 1983. While in veterinary school, Wilmot met Joan Taylor, now his wife and partner in Stepwise Farm in Saratoga Springs, where they breed and raise Thoroughbreds for racing and commercial sale. Dr. Wilmot is on the Board of the New York State Thoroughbred Breeding and Development Fund Corporation and is a past member of the Board of Directors of the Saratoga County Chamber of Commerce.

Michael (Mickey) McGivern

Along with his wife and 3 sons, he owns a small horse farm in Wilton where they have lived for 29 years. He is on the Executive Committee of the Board of Directors of the Saratoga Harness Horseman's Association. He has been a Harness horse trainer and driver at Saratoga Raceway for 36 years. He was the Saratoga Raceway Trainer of the Year in 2005. He was the Trainer of Alpine Dandy, Saratoga Raceway Horse of the year in 2005; Three-year old Filly of the Year, Dandy's Jewel, in 2007; and of Michelle's Jackpot- National Two year old filly of the year; as well as National Horse of the year Cam's Cardshark (over \$2 million earned).

Joe McMahon

Joe and Anne McMahon founded McMahon of Saratoga Thoroughbreds, LLC in 1971 with the purchase of 100 acres on Fitch Road in the town of Saratoga. As a 16 year old, Joe began working as a groom, hotwalker, and exercise boy. Nothing could prepare them for 2000's foal crop. First and foremost there was Funny Cide - the Grade 1 winner at 3 and 4 and Eclipse Award winner. He came as close as you can to taking the Triple Crown and along the way won the hearts of American sports fans. Joe has been active on the board of the New York Thoroughbred Breeders Inc. and he now serves as an appointed Breeder Member of the New York State Thoroughbred Breeding and Development Fund Board.

Protecting the Future of Saratoga's Equine Industry – Harness Racing

The Saratoga Harness Horsemen's Association has 1,200 members

Harness Racing = 170 days from March to December with 300-350 jobs

Horse training centers in Saratoga, Wilton, & Stillwater plus hay/feed suppliers = significant agricultural industry impact

Purses from \$3 million to \$16 million per year since VLT means Saratoga is the second best track in NYS attracting horses & owners from around the country.



Key concern = Casino located elsewhere in the Capital Region

Vernon Downs Harness Track has suffered from nearby Turning Stone Casino!

Significance of Harness Racing is NOT fully appreciated but this is a key component of the local equine sports industry.

Protecting the Future of Saratoga's Equine Industry – Thoroughbred Racing

Saratoga Race Course and Casinos have historically had a unique co-existence.

Handle at Saratoga Race Course & all NYRA tracks competes for \$'s with Casinos, VLT's, OTB's & Lottery.

Saratoga Race Course is poised to take an important place on the world stage if it perseveres with its world class racing which could make Saratoga truly a major **international destination** which in turn would help assure its sustainability above state politics.

Key Concern - - what will local Casino do to partner with NYRA & industry to promote racing and attendance? Shuttles, parking, operating hours, incentives to go to both destinations, etc. Will Casino commit to participating in a local working group to develop a cooperative partnership?



Big Challenge -- NYRA purses are tied directly to VLT revenues. NYRA relinquished all of its lands to NYS in exchange for the franchise and VLT revenue for c.25 years. This is a **land deal** and the VLT revenues are essentially a mortgage payment, unlike other VLT deals NYS has with all the other race tracks which remain privately owned.

New York Council on Problem Gambling



New York Council on Problem Gambling

www.nyproblemgambling.org

<http://knowtheodds.org>

Jim Maney, Executive Director
100 Great Oaks Blvd, Suite 126
Albany, NY 12203
518-867-4084



1-877-8-HOPENY
Find Help for 1-877-846-7369
Alcoholism, Drug Abuse, Problem Gambling

Crime and Public Safety Fact Sheet

	Saratoga Casino & Raceway				Saratoga Race Course			Downtown Saratoga	
	Service	Medical			Service	Medical		Service	Medical
2013	358	77			106	32		5148	197
2012	367	109			146	25		5387	173
2011	276	81			150	31		4794	151
2010	257	52			166	23		4925	139
2009	220	55			154	26		4753	137

Data provided by the City of Saratoga Springs Police Department

History of VLT Payments to the City and County

Year	City of Saratoga Springs	Saratoga County
2007	\$ 3,830,752.00	\$ 1,276,917.00
2008	\$ 3,322,274.00	\$ 1,107,425.00
2009	\$ -	\$ -
2010	\$ -	\$ -
2011	\$ 1,496,000.00	\$ 499,000.00
2012	\$ 1,496,000.00	\$ 499,000.00
2013	\$ 1,827,251.00	\$ 609,084.00

Sources: The Saratoga County Administrator's Office and the Saratoga Springs Finance Commissioner's Office.

Projected Future Casino \$ Benefits

If a Casino is located in Saratoga Springs, the Governor's office projects that **\$11,416.667 will be split evenly by the City of Saratoga Springs and Saratoga County in Casino host benefits annually.**

While subject to annual appropriation, local officials have been advised that this \$11.4 million is in addition to the \$1.8 million and \$609,000 paid to the City in VLT host benefits in 2013. This would result in **the City receiving \$7.5 million in host benefits and \$6.3 million for Saratoga County** as the host county.

The Governor's office projects that there will be additional school and/or local property tax relief of benefit to Saratoga County taxpayers of \$2,205,678 from Casino revenues paid to the state but a final determination as to how this will be appropriated is likely to be decided during the 2014-2015 NYS Budgets.

If a Casino is located elsewhere in the Capital Region, the Governor's office projects that \$2,432,758 will be split evenly between the City and County from Casino host benefits paid to NYS.

Sources: www.governor.ny.gov; the Office of State Senator Kathy Marchione; the Saratoga County Administrator's Office; and the Saratoga Springs Finance Commissioner's Office.

During this brief Intermission and before the moderated Q&A, we ask that you thank the following organizations for their assistance tonight!



EVERYONE who attended for caring about our community's future!

The Saratoga Springs City Center for hosting us tonight!

CMI Communications for the Audio Visual support tonight!

Modern Mix Marketing for filming this presentation!

101.3 The Jockey for broadcasting tonight's program live on the air!

And, of course, Matt Jones, of the Jones Firm and all of our panelists!

