



State of New York  
Franchise Oversight Board  
State Capitol  
Albany, NY 12224

## **MINUTES**

Franchise Oversight Board Meeting

June 12, 2013

Conference Room 131, State Capitol, Albany, New York

**I. The meeting was called to order at 2:23 PM by the Chair, Mr. Williams. Establishment of a quorum was noted.**

**Members Present:**

**Robert Williams, Chair**

**Richard Aurelio, Member**

**(participated via videoconference)**

**Elizabeth Garvey, Member**

**Steven Newman, Member**

**(participated via videoconference)**

Board Staff in attendance:

Steven Lowenstein

Bradley Allen

NYRA Staff in attendance:

Susanne Stover, Senior Vice President and Chief Financial Officer

David O'Rourke, Vice President of Corporate Development

Rodnell Workman, Vice President & Chief Marketing Officer

Daniel Ruzow, Outside Counsel

Office of General Services Staff in attendance:

Noreen VanDoren

Capital District Regional Off-Track Betting Corporation Staff in attendance:

John Signor

Nassau Regional Off-Track Betting Corporation Staff in attendance:

Joseph Cairo

Arthur T. Walsh

Public in attendance:

Kate Corkey

Jim Odatto

Jim Crane

## **II. CHAIR'S REPORT**

Mr. Williams noted that Ms. Garvey had been appointed to the Board, replacing Mr. Crotty, who had been nominated to a seat on the New York State Gaming Commission. Mr. Williams also noted that this will likely be Mr. Aurelio's last meeting on the Board, as Mr. Aurelio's term will be expiring and he had requested not to be reappointed.

*Note: Mr. Williams left after the Chair's report and designated Mr. Newman to preside over the meeting.*

## **III. APPROVAL OF BOARD MEETING MINUTES FOR APRIL 22, 2012**

Mr. Newman asked that two minor typos be corrected.

*ON A MOTION BY: Mr. Aurelio  
SECONDED BY: Ms. Garvey  
APPROVED: 3-0*

## **IV. CONSIDERATION OF RESOLUTION 13-02: DESIGNATION OF THE BOARD AS SEQRA LEAD AGENCY FOR THE REVIEW OF NYRA'S SARATOGA RACE COURSE DEVELOPMENT PLAN**

Mr. Allen provided an overview of the SEQRA lead agency designation process. Mr. Allen explained that NYRA was seeking to undertake long-term planning and review of potential capital projects at the Saratoga Race Course. Under the State's Environmental Quality Review Act (SEQRA), NYRA is required to perform an environmental impact study of these projects. Under SEQRA, the designation of a lead agency is required, and due to the Board's role of acting on behalf of the People of the State of New York as owners of the property, was the logical entity to act as lead agency. Mr. Allen added that the Office of General Services would be assisting the Board in its role as lead agency. Finally, Mr. Allen stated that Resolution 13-02 would designate the Board as lead agency, that the Board would issue a positive declaration which would direct NYRA to prepare an environmental impact statement, and that the Board will circulate a draft scoping outline and hold a public scoping session.

*BOARD RESOLUTION 13-02  
ON A MOTION BY: Mr. Aurelio  
SECONDED BY: Ms. Garvey  
APPROVED: 3-0*

## **V. DISCUSSION OF NYRA'S COMPREHENSIVE MARKETING PLAN**

Mr. Workman provided a presentation on NYRA marketing strategies. Mr. Workman stated that NYRA's goal was to reintroduce NYRA, its properties and horse racing as relevant, quality entertainment in a way to attract new fans. Mr. Workman noted that

there were six elements to the strategy; 1) improve the fan experience and increase fan engagement; 2) place a greater focus on the local communities around the tracks; 3) elevate the next tier of races; 4) reintroduce the product/brand; 5) communicate that NYRA is the leading horse racing jurisdiction; and 6) provide consumer education.

Mr. Aurelio asked if NYRA had done anything innovative for the Belmont Stakes. Mr. Workman replied that NYRA had held a fan festival in Grand Central Station on the Friday before the Belmont Stakes. Mr. Workman added that between 200,000 and 250,000 people had seen the fan festival and between 5,000 and 10,000 individuals had participated.

Mr. Workman spoke about NYRA's calendar and how NYRA was trying to promote certain dates and elevate certain races. Mr. Workman commented on and provided examples of advertising that NYRA had done including a subway campaign and new billboards, and promotions for the Wood Memorial, Memorial Day Weekend, Big Apple Showcase Day, and for the Belmont Stakes.

Mr. Workman commented on the re-design of NYRA's website and positive feedback received about the re-design. Mr. Aurelio asked questions regarding the ability to bet through the website and the possibility of an app for tablets. Mr. Workman replied that you can link to NYRA rewards through the website and that the new site works on tablets and smartphones, and that NYRA was working on an app.

Mr. Aurelio asked for elaboration on the "reintroduction." Mr. Workman replied that NYRA was focusing more on New York racing as championship caliber racing, positioning NYRA as a destination for entertainment, and that the track was more than a place to bet. Mr. Aurelio asked about the budget for the campaign. Mr. Workman replied that over the past six months they had spent \$800,000 to \$1 million, but they had done a lot for that spend.

Mr. Workman spoke about improvements done at Belmont for the Belmont Stakes, including updated signage to help patrons navigate the facility. Mr. Workman spoke about plans for the Saratoga 150 anniversary, including plans for a concert during the open house. Finally, Mr. Workman spoke about fan education programs including the Racing 101 program done in partnership with the Jockey Club and efforts to educate fans about handicapping and wagering.

*Note: Board Member Garvey left during this discussion at 2:55 PM.*

## **VI. PRESENTATION BY REPRESENTATIVES OF CAPITAL DISTRICT AND NASSAU REGIONAL OFF-TRACK BETTING CORPORATION REGARDING OPERATIONS AND RELATIONSHIP WITH NYRA**

Mr. Signor, President and CEO of Capital District Regional Off-Track Betting Corporation, gave a presentation on the challenges facing the Off-Track Betting corporations. Mr. Signor noted that the laws governing the OTBs were antiquated. He stated that OTBs are required to make distributions of the gross handle rather than the net and that they are required to distribute any profits to member counties quarterly, leaving no reserves to cover subsequent losses. He added that OTBs are required to make payments to regional harness tracks based on 2002 handle levels, which was

significantly higher than current handle levels. Mr. Signor also spoke about the ability of out-of-state advanced deposit wagering sites to take bets from New York residents without having to pay pari-mutuel taxes, regulatory fees, and distributions to tracks, purses and breeding funds that are required of the OTBs. Mr. Newman commented that Board should make some recommendations to address these issues.

Mr. Signor spoke about Capital OTB's relationship with NYRA. He stated that the relationship has improved recently. NYRA has cooperated with Capital OTB in the production of its TV broadcasts by providing NYRA officials to be interviewed and allowing Capital OTB to broadcast from the Saratoga Race Course. NYRA also agreed to allow Capital OTB to show races from the Saratoga Race Course live rather than on delay. Mr. Signor suggested that there should be consideration of creating one statewide TV station, combining phone operations into one upstate and one downstate phone-a-bet center, and creating a single combined internet wagering platform.

Mr. Cairo, President of Nassau Regional Off-Track Betting Corporation, stated that he agreed with most of the comments made by Mr. Signor. Mr. Cairo added that Nassau OTB's relationship with NYRA has also improved. He noted that NYRA recently approved Nassau OTB's application for Fast Tracks locations, have provided personalities to appear at its tele-theater, and that NYRA has improved its relationship with the community.

*Note: Board Member Garvey returned during this discussion at 4:10 PM and Board Member Aurelio left during this discussion at 4:20 PM.*

## **VII. NEW BUSINESS/OLD BUSINESS**

Mr. Newman commented that he had an issue with one of the items on NYRA's procurement reporting, that he found the explanation as to why NYRA issued a sole source contract to Horne Tipps Trophy Suites as unsatisfactory. He also commented that in NYRA's follow-up responses to outstanding issues from prior meeting, he was concerned with the amount NYRA pays the Jockey Club for web hosting services.

## **VIII. The meeting was adjourned at 4:50 PM.**