

NYRA Says it's Committed to Winter Racing Despite Financial Loss

By [David Grening](#)

Courtesy Daily Racing Form

NEW YORK ó Despite a brutal winter in which 16 racing cards at Aqueduct were canceled due to weather and all-sources handle was down \$85 million on its own product, the New York Racing Association claims that its revenue loss in the first quarter wasn't that much worse than it had forecasted.

In the first three months of 2015, NYRA lost \$11.2 million from racing operations, which was 4.2 percent less than budgeted, although it was a 9.6 percent (\$975,000) greater loss than in 2014. These numbers exclude revenue from video lottery terminals at Resorts World, the casino based at Aqueduct.

NYRA officials said the in-line numbers were a result of a number of cost-cutting initiatives as well as deferring expenses until later in the year.

õWe had certain budget items where I said we would spend \$X for the year, I cut that in half,ö Chris Kay, NYRA president and chief executive, said Wednesday following a 90-minute NYRA Reorganization Board meeting in Manhattan. õThere were certain positions that were eliminated. And I've been both the CEO and chief human resources officer for the last four months.

õCertain positions we thought we would hire in the first quarter that we had postponed,ö Kay added. õWe found ways to reduce certain costs at the track.ö

Cost-cutting measures and an increase in prices helped NYRA show a \$1.67 million profit in 2014, the first time in 13 years the organization showed a profit.

NYRA's all-sources handle on Aqueduct's races for the first quarter of 2015 was \$245.1 million, a 25.8 percent drop from last year's figure of \$330.4 million. Aqueduct lost 16 cards compared with six in the first quarter of 2014. Aqueduct ran 128 fewer races in the first three months of 2015 than during the same period last year.

Including money wagered on simulcast races, NYRA handled \$322.5 million, a 21.8 percent decrease from \$412.3 million in the first quarter of 2014.

NYRA, reacting to a horse shortage and a high number of equine fatalities ó 16 during the inner-track meet that began Dec. 3 ó also cut back to eight races a day on weekdays starting in late January. Field size through the first quarter of 2015 was 7.6 horses per race, compared with 7.2 per race in 2014, according to NYRA.

Stuart Subotnick, a horse owner, board member, and chairman of NYRA's Finance Committee, said an evaluation of the handle numbers shows that "wagering is not decreasing, race days are decreasing."

Despite the brutal winter, Kay and some members of the NYRA board said they are committed to winter racing for the immediate future, though NYRA might seek to reduce the number of dates it is required to schedule by statute. Currently, that number is 95 cards from Dec. 1 through April 30.

"An argument can be made we should have flexibility so we can address the ups and downs of foal count, but I think winter racing in New York is a very important thing," Kay said. "It helps support the New York breeders, which helps support jobs and [has an] economic impact, and I think it'll be there in the future."

Len Riggio, a horse owner, board member, and chairman of this board's racing committee, was more emphatic: "We're going to have a winter meet, no question."

Wednesday's meeting was the first the board has held since December. It is the first one held since Gov. Andrew Cuomo extended the Reorganization Board's existence another year. Cuomo took over control of NYRA's board in 2012 and charged it with developing a re-organization plan that would be enacted by October 2015.

Now, NYRA is not required to submit a plan until next April.

There have been published reports that NYRA finalized a plan that was awaiting review by the legislature. Kay said Wednesday those reports were incorrect.

"Our board has not come up with a final plan yet," Kay said. "There are lots of stakeholders in this; our board is one of them. Obviously, certain members of government are the other, and we look forward to working with them. We have done some work, and we will continue to work with them."

Wednesday's meeting was the first since Anthony Bonomo took over as chairman, replacing David Skorton, whom Cuomo appointed in December 2012. Skorton is to become the head of the Smithsonian Institution in July.

Bonomo said NYRA must find a way to attract "the B and B, the bettors and the buyers. We need to make it more affordable for owners to own racehorses while attracting new owners."

Daily Racing Form first reported last week that Charles Wait had resigned from the board. At Wednesday's meeting, it was revealed that Rick Cotton had also resigned. Bonomo said Cotton had taken a job in the governor's office.

No replacements had been named for either member.