

New York OTB realignment comes up short

by Paul Post

Plans to reopen a limited number of off-track betting shops in New York appear dim as state lawmakers prepare to head home for the summer.

Catskill Regional Off-Track Betting hoped to open at least two sites before the upcoming Saratoga Race Course meeting, but bills allowing for such action have gone nowhere as legislators argue over a proposed property tax cap, rent control, and same-sex marriage.

“This would provide jobs at no government expense,” said Lenny Allen, president of District Council 37 Local 2010 that represents pari-mutuel clerks. “I don’t see why this wouldn’t go forward. But with everything that’s going on in Albany (the state capital) I don’t know.”

Bills (A.7301, S.5054) introduced in both houses of the legislature would have let Catskill OTB rehire about 100 people this summer. Company President Don Groth said plans also called for opening another five or six shops by January 1 and a half-dozen more in 2012.

The New York Racing Association has made no secret about its desire to capture the lucrative New York market. NYRA has taken several aggressive steps to lure former New York City OTB patrons and has mentioned the possibility of opening new betting venues in sports bars and restaurants.

Despite declining profits, from \$12-million several years ago to \$3-million in 2010, Groth said Catskill OTB is best-suited to take over the former New York City OTB territory, because it is still operating in the black and has a verbal agreement with union leaders, which Allen confirmed. Suffolk OTB is in bankruptcy and Nassau OTB is expected to take a huge financial hit when Aqueduct’s new racino opens this fall.

“There’s a real urgency to get this done,” Groth said. “First, everyone in the industry needs this handle. Bookies are picking up that former New York City OTB business. The only way to recover it is to reopen shops in New York.”

NYRA received \$17.9 million from the state’s six regional OTB firms in the first quarter of 2010. This year, following New York City OTB’s closure in December, that number dropped \$10.5-million to \$7.4-million.

Paul Post is a New York correspondent of Thoroughbred Times