

**New York State Senate Committee on Racing, Gaming and Wagering
Hearing to Consider the Future of The New York Racing Association**

January 17, 2017

Testimony of Chris Kay, NYRA President and CEO

Chairman Bonacic, Senator Addabbo, and members of the Senate Committee on Racing, Gaming and Wagering, thank you for the opportunity to submit testimony regarding the future of the New York Racing Association (NYRA). The Governor selected a highly accomplished, knowledgeable and professional Board of Directors for NYRA who have, in turn, selected a new management team that continues to help NYRA succeed. Working together since 2013, NYRA has:

1. Secured NYRA's first operating profit in 13 years (fiscal year 2014) through the development and implementation of extensive cost reduction and revenue enhancement programs, and expanded that modest profit margin in each fiscal year thereafter. NYRA also paid off a \$25 million loan, and is debt free for the first time in several years.
2. Designed and implemented innovative, customer-centric strategies resulting in record revenues and attendance at the internationally acclaimed Saratoga Race Course in 2015 and 2016. Paid attendance at Saratoga each year since 2014 has consistently increased, setting attendance records in 2015 and again in 2016, when we exceeded 1.1 million fans.
3. Solidified and strengthened NYRA's position as a key economic driver for the Upstate economy. NYRA's meet at the Saratoga Race Course generates \$237 million in economic activity and nearly 2,600 jobs across the greater Capital Region annually, according to the findings of a study released in 2015 by the Saratoga County Industrial Development Agency.
4. Focused the organization on improving the customer experience in all areas, including the creation of the first-ever three-day Belmont Stakes Racing Festival in 2015, which featured world-class racing, entertainment and hospitality. The 2015 Belmont Stakes was awarded the prestigious *Street and Smith's Sports Business Journal's* "Sports Event of the Year," beating out Super Bowl 50, FIFA World Cup Finals and other premier international events.

5. Established the industry standard in the use of digital technology, with the launch of a national internet wagering platform (NYRA Bets). Simultaneously, NYRA launched the industry's first national cable network exclusively devoted to one racing organization, with distribution to over 65 million households.
6. Developed good working relationships with various constituents, including the business community, labor unions, breeders and other stakeholders. NYRA is responsible for as many as 3,000 jobs during our summer racing season, and enjoys solid relationships with 24 different labor unions.
7. Improved the conditions for backstretch workers across all tracks. This past spring NYRA opened the first new dormitory at Belmont Park in decades, and will break ground on the second new dormitory at Belmont this winter. We renovated all dormitories on the Oklahoma track side of our operations at Saratoga, and made significant improvements to facilities at Aqueduct. The backstretch facilities are now safer and more modern than ever before.
8. Recruited a distinguished and widely respected senior management team, including (a) the first-ever Chief Experience Officer in the sports industry, (b) Deloitte's former Global General Counsel, (c) the former senior executive in charge of the U.S. Secret Service New York Office and (d) several well-regarded industry specialists.

NYRA is the cornerstone of an industry that employs 17,000 people and generates over \$2 billion in annual economic impact in New York – primarily in the important areas of agriculture and tourism. As a private entity, building upon our recent track record of success, we look forward to growing our sport, our fan base, and our economic benefit to the State of New York.

We appreciate the Governor's support for legislation this session that would return NYRA to private control. NYRA supports the Governor's proposed legislation, which is the result of productive dialogue with the Governor's office over the last several months. We look forward to working with the legislature and all stakeholders in efforts to pass the Executive's proposal.