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# **Johnson, Franck urge immediate implementation of Aqueduct racino plan**

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By EMILY DONOHUE, The Saratogian

SARATOGA SPRINGS — Mayor Scott Johnson and Commissioner of Accounts John Franck are urging Gov. David A. Paterson to get Aqueduct Race Course's racino operating quickly.

The pair drafted an open letter to the governor, with additional copies being sent to Assembly Speaker Sheldon Silver and Sen. John L. Sampson, the Senate Majority Conference Leader, which will appear in this paper on tomorrow's editorial page and is available below.

[Johnson/Franck Letter](#)



# City of Saratoga Springs

CITY HALL  
474 Broadway  
Saratoga Springs, New York 12866

Telephone 518-587-3550  
Fax 518-587-1688

SCOTT T. JOHNSON  
Mayor

JOHN P. FRANCK  
Commissioner of Accounts

February 19, 2010

Governor David A. Paterson  
State Capitol  
Albany, NY 12224

Re: Future of New York racing and Aqueduct VLT

Dear Governor Paterson,

We write as elected leaders of Saratoga Springs, both Republicans and Democrats, to ask that the recently announced Aqueduct gaming agreement be brought to fruition as soon as possible. The years of delays and false starts have cost New York State taxpayers billions in revenue, and have cast a pall of uncertainty over the thoroughbred racing and breeding industry, which produces more than \$200 million each year in jobs and economic benefit to the Saratoga-Capital Region, in addition to sales tax, pari-mutuel tax and other revenues for New York State.

As chief steward of the State's economic wellbeing, along with the leaders of the Senate and Assembly, you know as well as anyone that our fiscal condition does not allow us to forego available revenue any more than we can afford to spend recklessly on wasteful projects. The VLT casino at Aqueduct is conservatively estimated to be capable of producing at least \$300 million a year for the State. At the same time, the support agreed to for the racing industry from the VLTs will spur added private investment in training and breeding that will multiply itself in both state and local tax receipts, jobs, and farmland preservation.

Of course, our sense of urgency is focused on this issue because of our own community's stake in this matter. To Saratoga Springs, the thoroughbred racing season is our economic lifeblood and our internationally known brand. As we write, our citizens are again concerned that a curtailment of our racing meet could result from any undue delay in implementing the Aqueduct agreement. Some trainers and breeders have already exported their operations to other states while they see what will happen in New York. Warning signs abound.

The last time racing was cancelled in Saratoga Springs was during World War II, and it took decades for our community to recover. This time, damage from a loss of racing would be regional and statewide in effect and a recovery might never come.

Thoroughbred racing is more than entertainment for race fans. It preserves farmland and historic resources, employs thousands and produces revenue for state and local governments.

Without exaggeration, the fate of New York racing, and its dependent communities, hangs in the balance. Ours is a call to action, to confirm priorities in these most critical of economic times. New York's premiere stature in racing and ability to remain economically competitive must not be second place to politics.

In a bi-partisan spirit, we offer our time and counsel to you or anyone else who is in a position to now finalize this overdue agreement, with due regard for the requirements of law.

Thank you for your anticipated attention and reaction on these pivotal issues. We trust you also recognize the urgency to take immediate action.

Very truly yours,

Scott T. Johnson

John P. Franck

cc. Sen. John L. Sampson, Senate Majority Conference Leader  
Assembly Speaker Sheldon Silver

Franck said he and the mayor were each drafting individual letters but decided to combine them to create a bipartisan effort. The timing is important, he added, because a rumored federal probe into the recent selection of Aqueduct Entertainment Group as the VLT vendor could further delay the already long-delayed process.

“We’re at a real crossroads, and I don’t think Albany realizes that,” Johnson said. “It’s not just Saratoga that’s affected, though; it’s affecting the entire state of New York’s racing industry.”

Aqueduct’s racino is important to Saratoga Springs because the money would boost purses and provide for much-needed improvements at Saratoga Race Course.

New York Racing Association, which runs Saratoga, Aqueduct and Belmont Park, is slated to get 7 percent of VLT revenue — 4 percent for capital projects, 3 percent for operations.

The racino is projected to generate about \$450 million per year over the life of the 30-year gaming contract.

Five firms submitted proposals to the state; AEG was selected on Jan. 29.

“New York state has enjoyed a reputation of having perhaps the best racing in the country, and to have these shenanigans playing out with no regard to the people of the state or to racing is unconscionable,” Johnson said.

Johnson and Franck said the council will likely pass a resolution urging quick action from state leaders at their next meeting March 2.

“We wanted to be proactive,” Franck said. “It’s not who they choose at this point, it’s just that they choose someone.”

Late last week, Senate Republicans called for hearings to determine whether political favoritism played into the selection of AEG. Franck and Johnson said if the state’s leaders don’t think AEG is the right vendor, they should quickly pick another.

“The bottom line is they have very little time,” Franck said. “(Saratoga Race Course), SPAC and the City Center pretty much run our economic engine in the city. It’s like a three-legged stool — if one leg goes, the whole stool goes.”

In 2009, the state did not pay \$1.8 million in VLT revenue the city had included in its budget.