

With video: Racing interests plan lawsuit against New York; held conference on steps of Saratoga Springs City Hall

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By PAUL POST, The Saratogian



SARATOGA SPRINGS — No more talk.

Local racing and business officials plan on firing a legal salvo at the state's highest leaders and there won't be any warning shots across the bow.

Frustrated by years of inaction, horsemen joined by the Saratoga County Chamber of Commerce say they'll sue to make the state deal with deep-rooted fiscal problems that threaten New York's racing industry.

"We have no cooperation from Albany whatsoever," said Joe McMahon, of McMahon of Saratoga Thoroughbreds LLC. "This is not a matter we enter into lightly. This is a dark day in the history of New York racing."

The suit, seeking \$30 million, will be filed next Friday unless the state comes up with a \$17 million loan to keep New York Racing Association operating. NYRA is desperately low on cash and says it will run out later this year if the state doesn't step in.

"We'll start with the governor, senate, assembly, the Lottery Division and state Racing and Wagering Board," chamber President Joseph Dalton said Friday, at a press conference outside City Hall. "They're all going to be served because they're all part of this. Anybody who has anything to do with racing."

The state could approve NYRA's loan on Monday, when considering an extender bill to keep state government running, said Roy J. McDonald, R-Saratoga, a senate racing committee member.

"If there's no legislation the state's courts will have to do the job for them," Dalton said. "They might get the message that there is a problem and might take some action."

McMahon's is one of 12 New York breeding farms taking legal action along with the chamber and the group Concerned Citizens for Saratoga Racing. Other local plaintiffs are Mill Creek Farm in Stillwater and Chestertown Farm in Warren County. Remaining farms are from across the state.

"This is as big a problem to Columbia, Montgomery and Warren counties as it is to Saratoga," Dalton said.

The state was supposed to start giving NYRA \$3 million per month beginning April 1, 2009, because of the state's failure to get Aqueduct Race Track's racino up and running, he said.

"The state has breached its contract with NYRA," McMahon said. "It was a condition of the (NYRA) franchise agreement."

Legislation allowing for video gaming at Aqueduct was approved nine years ago, but the facility has never opened. Gov. David Paterson named a gaming operator in January, but the deal fell apart in March, and a new request for proposals hasn't been issued.

Paterson has proposed giving NYRA a \$17 million loan that would be paid back once an Aqueduct Race Track racino starts up. However, a bill introduced in the Senate has gotten nowhere and there is no "same as" proposal in the Assembly, whose approval is also required.

The suit will also try to keep New York City Off Track Betting Corporation from delaying or reducing statutory payments to NYRA, as called for recently by OTB Chairman Meyer "Sandy" Frucher. The suit will try to make the state Racing and Wagering Board prohibit such steps by OTB, McMahon said.

NYRA President Charles Hayward declined comment, saying he hasn't seen details of the suit.

"However, we at NYRA very much appreciate the support of the Saratoga community as we face this major crisis that threatens the future of the thoroughbred racing and breeding industry here in New York," he said.

Horsemen and civic leaders were joined by a variety of Saratoga area state, county and city officials.

"It's become a pattern of neglect," Saratoga Springs Mayor Scott Johnson said of the state's failure to act. "It's been deaf ears all along."

The racecourse has an estimated \$213 million economic impact on the region and supports 2,510 full-time area jobs.

"This is not a millionaires-only business," said Assemblyman James Tedisco, R-Saratoga. "There's a lot of small farms, small-businesspeople. Their jobs are at stake. New York state isn't living up to its promises. They're not upholding the law. Sometimes you can break something so bad it can't be repaired."

Many breeders have already left New York for neighboring Pennsylvania, whose casinos support a lucrative breeders reward program. Likewise, some trainers might take their horses to Monmouth Park in New Jersey this summer, which is offering purses of

\$1 million per day. NYRA, in contrast, has reduced its purse structure by about \$4 million.

There's a concern that once horse owners leave New York, they'll never come back.

"The leadership has got to know we're drawing a line in the sand," McDonald said.

State leaders including Paterson's office were not immediately available for comment.