

State racing committee chairman: Aqueduct deal two weeks away (with video)

Published: Saturday, August 14, 2010

By PAUL POST, The Saratogian



SARATOGA SPRINGS — The Aqueduct racino deal should be wrapped up within two weeks, allowing construction to begin soon after, Senate racing committee Chairman Eric Adams said Friday.

Adams, D-Brooklyn, Supervisor Joanne Yepsen and Mayor Scott Johnson held a Broadway press conference outside Adirondack Trust Co., where they touted the downstate gaming facility's importance to Saratoga County's economy.

New York Racing Association is slated to get 7 percent of Aqueduct's projected \$650 million gross gaming revenue per year, and will use some money to boost purses and make physical improvements at aging Saratoga Race Course. The track is critical to all aspects of local business — hotels, restaurants, agriculture, breeding farms and downtown merchants.

“There is no reason to have this community languishing under a cloud of uncertainty,” Adams said. “This town is on a return to the heydays of yesteryear. Racing is on its way back. We made the turn in the road this week.”

Gov. David Paterson and legislative leaders have approved Genting New York LLC as Aqueduct's gaming operator. Now, the 30-year contract must be reviewed by Attorney General Andrew Cuomo and Comptroller Thomas DiNapoli. Recently, DiNapoli said NYRA would become insolvent in 2011 if a deal wasn't reached soon, so there's little doubt that either he or Cuomo — a favorite to become governor — will stand in the way.

Genting says it will have all 4,500 video lottery terminals up and running within 12 months of a finalized deal.

“We are feeling more hopeful in Saratoga than we have in many, many years,” Yepsen said. “This has been a really agonizing process.”

Johnson said state leaders had been deaf to racing's problems.

“Now, apparently, they have heard the cries of the industry,” he said. “They have responded.”

Adams previously endorsed the firm Aqueduct Entertainment Group to run the racino, saying it had the best plan for helping the Queens community around Aqueduct. Paterson named AEG the apparent contract winner in January, but his choice immediately ignited charges of political favoritism leading to state and federal investigations. AEG was subsequently disqualified and the selection process had to be restarted, leading to this week’s approval of Genting, an arm of a huge Malaysia-based casino company.

Adams now strongly embraces Genting’s selection and has led a recent charge to get things done. He’s also met with local business leaders the past few weeks to better understand racing’s regional significance.

While pledging to be a “marquee” player who will champion racing at the capitol, Adams refused to discuss the state’s rescinding of gaming revenue to the city. Previously, Saratoga Springs got more than \$3 million per year from Saratoga Gaming & Raceway’s VLTs, about 10 percent of the city’s budget revenue. The loss of such money contributed to this year’s more than 7 percent tax hike.

“Don’t try to rain on our (Aqueduct) VLT parade,” Adams told a questioner.

With the Aqueduct situation apparently resolved, he said it’s time now to bring attention to racing’s other problems such as bankrupt New York City Off Track Betting, which owes NYRA more than \$20 million. “It (OTB) was a bad business model from the start,” he said. “We can’t operate against each other.”

He said OTB should have fewer betting shops and do more to promote Internet and phone wagering accounts. Also, state officials should at least discuss the possibility of having NYRA run OTB, he said. “That’s a conversation that needs to be looked at,” Adams said. “We should not take anything off the table. We must have a real dialogue about the industry. It has been ignored for far too long.”