

THE SYMPOSIUM ON RACING AND GAMING

DISCONNED WITH RACINOS

DECEMBER 4, 2007



RACINOS

- **Current operators were racetrack owner/operators first**
- **As the net revenue disparity between gaming and pari-mutuel grows...**

RACINOS

- **As new owners take over the operation of racinos through acquisitions and consolidation...**
- **What connection will there be to racing and how strong will it be?**

RACINOS

- **Think of public companies whose primary focus must be to maximize the return to their shareholders. Politically, they will do what's necessary to protect their franchise, but there should be no mistake about their fixation on the bottom line.**

RACINOS

- **If only a small portion of their patrons are there for racing...**
- **If only a small amount of net revenue is generated by racing...**

RACINOS

- **How much of the marketing budget will be spent on attracting racing fans?**
- **How much of the capital expenditures will be allocated to racing related improvements?**

HORSEMEN

- **Horsemen vigorously negotiate for a share of the gaming revenues to be applied to purses as they should. Horsemen also vigorously negotiate to protect and extend the number of live racing dates and races.**

HORSEMEN

- **Field size is a barometer of fan wagering and fan interest, the larger the better. Higher payoffs result. Yet, short fields are desirable from the horsemen's perspective. They are guaranteed a piece of the purse – and will shop tracks and condition books for short fields.**

HORSEMEN

- **Horsemen in racino jurisdictions are no longer aware of pari-mutuel handle. It has no meaning for them. Primary source of purse revenue is now gaming revenue.**

GOVERNMENT

- **Our industry has sold the economic impact argument to government at all levels. How long will it last?**

GOVERNMENT

- **Each succeeding state's enabling legislation for gaming at racetracks contains a higher share of gaming revenue to the government.**

GOVERNMENT

- **Fiscal crises come and go – will the purse subsidies for horsemen and racino operators' share of gaming revenue make sense to the next wave of politicians?**

GOVERNMENT

- **Will issues uniting urban and rural interests prevail to remove \$\$ from purses and operators – e.g. education, health care, homeland security?**