

Yonkers Raceway may consider moving track as part of expansion

ALBANY - The owners of Yonkers Raceway are considering various options as they look to develop the 100-acre site that's home to Empire City Casino — including possibly moving the 118-year-old harness track to another location.

In recent months, there has been increased discussions about moving the harness track to Belmont Park on Long Island as part of a plan to eliminate horse racing at Yonkers and Aqueduct in Queens as a way for more amenities tied to their casino operations.

"We have discussed it at some length, and we're actually advocating such a maneuver because it would free up the land for Yonkers. It would free up Aqueduct for a convention center that the governor has been advocating for for some time," said Joe Faraldo, president of the state's Standardbred Owners Association, which represents the harness horsemen at Yonkers.

"Both of these properties would be shovel ready for expansion, and our concept was that the revenue stream that comes from the casinos that go to racing would follow us over to Belmont Park."

Options underway

The talks [coincide with Yonkers Raceway's announcement](#) last month that it hired J.P. Morgan Securities to explore ways to bolster the sprawling property, possibly either with new investors or a sale by the Rooney family, which has owned the facility since 1972.

The discussions also come amid a turbulent time in the Northeast gambling market -- with the possibility of casinos in northern New Jersey always looming and with the state's plans to offer three downstate casino licenses as soon as 2021.

Empire City runs a massive video-lottery terminal facility with 5,222 machines and is the largest private employer and taxpayer in the city. It is an enticing spot, just 15 miles from midtown Manhattan.

Tim Rooney Jr., general counsel at Empire City, told the USA Today Network's Albany Bureau that any number of options will be considered -- though he would expect the casino operation to continue under any expansion or partnership.

"Their role is to evaluate the interest from outside in the property and in the business," Rooney said of J.P. Morgan. "We, over the years, have fielded interest from numerous parties about the property and the business, and this is just an effort on our part to formalize the process. We've told them: Their instructions are to see what the interest is in our site."

Rooney recognized that moving the track for other development is a possibility. The grand vision for the property could include a hotel, parking garage, more restaurants and event space -- and even a sports franchise.

Rooney didn't mention the Belmont talks, but said, "We've been kicking around the notion of maintaining the racing, but seeking approval to offer it somewhere else. And this is all very preliminary, and we haven't gotten beyond the drawing board phase with this, but conceivably you could move racing to another site in the state."

He added, "The vast majority of people watching and betting on the races here are doing so via the internet or OTBs or off track. As long as you have a facility where you can race and you can broadcast the signal, conceivably you could do it anywhere."

Track move

The idea of putting harness and thoroughbred racing at Belmont -- something that is done at some tracks around the globe -- also comes as the state is considering competitive proposals from the New York Islanders hockey team and New York City FC soccer team to make Belmont Park in Elmont, Nassau County, their future home.

Faraldo said moving Yonkers racing to Belmont, which along with Aqueduct is owned by the New York Racing Association, could help bolster the redevelopment at Belmont.

Resorts Worlds, owned by the gambling giant Genting based in Malaysia, runs the huge racino at Aqueduct in Queens and could be interested in buying the track land if racing ended there to expand its gambling operation, Faraldo suggested.

Indeed, Resorts World and Gov. Andrew Cuomo once had a grand plan for a \$4 billion convention center at the property, but the deal fell apart.

Both Resorts World and Yonkers would still provide their share of gaming revenue to the track operations if the tracks moved, said Faraldo, who said he has talked to state officials about the idea.

Also, Yonkers would have a more lucrative one-mile track inside the main track at Belmont instead of its current half-mile track, which would boost racing, Faraldo said.

Already, horses ship in and out of Yonkers between races rather being housed there. So it would be the same at Belmont, he said.

"We would hope that Genting would be interested in purchasing that extra property to make this grand thing work," Faraldo said.

"That would put money in the coffers of the state, and it would also, as we see it, help refurbish and build the additional facility expansion that is needed at Belmont's main track."

Genting declined to discuss any private discussions, but noted that it is planning to expand its operation.

Both Resorts World and Yonkers are hopeful to get full gaming licenses when a moratorium on the licenses expires in 2021 -- a move that the Legislature made in 2013 to let four upstate casinos gain their footing before New York City-area casinos are brought on board.

"Genting has always looked at the current Resorts World NYC facility as just the first phase of a multi-faceted, integrated resort destination," Michael Levoff, a spokesman for Genting Americas, said in a statement.

"That vision is now slowly taking shape with the start of construction on a 400-room hotel and additional non-gaming amenities -- with hopefully more to follow in the future as the market demands."

Lee Park, a spokesman for the state Gaming Commission, said the agency had "no position on the matter."

NYRA, meanwhile, suggested it wasn't interested in a new racing partner, saying it supports 17,000 jobs and has \$2 billion in annual economic impact in part through its year-round stables and training at Belmont.

"We are focused on ways to enhance and improve our thoroughbred racing and training facilities, not replace them," NYRA said in a statement.

Help from Albany

Not having horse racing on site at the state's eight video-lottery facilities would be a major shift from the state's initial objective in 2001 to save horse racing by letting the tracks add the slot-machine-like devices.

The law, passed in the wake of the 9/11 attacks to boost state revenue, allowed for VLTs only at racetracks -- and it worked. The New York purses -- the amount paid out to winners in the races -- are [among the highest in the nation](#), and revenue at the so-called racinos has soared.

So whether state lawmakers would let the racinos operate without racetracks on the premises is uncertain. And they would clearly have to pass a new law for any of these ideas to move forward.

Assembly Racing Committee chairman Gary Pretlow, D-Mount Vernon, said he was unaware that Yonkers may consider moving the track, and he questioned whether it would gain support in Albany.

"The VLTs and the track go together," Pretlow said. "So that I don't know about. I don't think that would work."

Yonkers has had mixed results at the state Capitol in recent years. It avoided having the state picking a new casino in Orange County, which would have been a direct competitor, and instead the state choose Sullivan County farther north.

The track, though, has been unable [to get tax parity](#) with Resorts World for capital improvements, which has slowed its plans to build a hotel and parking garage.

Yonkers Mayor Mike Spano raised concerns about moving the track, saying it is part of the city's history.

"I certainly don't want to see the track go anywhere. I think the track is a very important part of the fabric of our city," Spano said.

But he recognized the Rooneys have long sought to keep the facility alive.

"I think that if Yonkers Raceway is hopefully able to develop a partnership or a sale that it is done with an eye toward expanding and putting in place full gaming, which I think has limitless possibilities for the city – in terms of tax dollars, thousands of new jobs, a convention center, a hotel. That's what comes with full gaming," Spano said.

The future ahead

The track, which first opened in 1899, has had a tumultuous history: Attendance would sometimes hit 40,000 people in the grandstand in racing's heyday 60 or 70 years ago.

But as interest in the sport waned, so did the fortunes at Yonkers. The Rooneys [put it up for sale](#) in the late 1990s -- and there was a glimmer of hope that once it could lure the New York Jets or another sports franchise to build a new stadium there.

The law to allow for video-lottery terminals transformed the facility. Last year, it had revenue of \$590 million, a 6 percent increase from the previous year.

Rooney said the family-owned track now sees a next phase for the track and casino.

He said the state might be interested in moving if the roughly 15-acre track if it means growth at the Yonkers site because the state gets a cut of the racino's revenue.

"We would need legislation, but I don't think it would be controversial," Rooney said.

"I think we could get the support of the horsemen, and I think the state is basically our partner in this facility with the taxes that we pay, so I think the state would look at it as an opportunity for us to do something at the property that would likely make it a more attractive site for people to come and visit and perhaps gamble here."

But ultimately, the owners are looking to pair up with a major developer who has a vision -- and a bankroll -- for the site.

As for possibly selling the whole property, Rooney said, "We're not looking at it exclusively that way. I mean I think that it could be a possibility.

"We've been here for 45 years, and we're a big believer in this facility and we're not looking to get out, but I guess we're going to have to wait and see what people's interest is in terms of if they want to partner, or if they want to go their own."