

**ORANGE COUNTY ECONOMIC DEVELOPMENT GAMING COMMITTEE  
MINUTES**

**TUESDAY, APRIL 23, 2019  
1:00 P.M.**

PRESENT: Joseph J. Minuta, Chairman  
Michael Amo, Katie Bonelli, Kevin W. Hines, James Kulisek,  
Kevindaryan Lujan, John S. Vero, James D. O'Donnell

ALSO

PRESENT: L. Stephen Brescia, Chairman  
Antoinette Reed, Legislative Counsel  
Rob Sassi, Legislator  
Harold J. Porr, Acting County Executive  
Langdon Chapman, County Attorney  
Deanna Crawford, Budget Analyst  
Gretchen Riordan, Budget Analyst  
Donald Groth, President/CEO, Catskill Regional Off-Tracking Betting Corp.  
Josh Sommers, President/CEO, Focus Media  
Nicole Feller, Vice President, Focus Media  
Frank Palermo, Supervisor, Town of Woodbury  
Stephen Welle, Mayor, Village of Harriman

Chairman Minuta opened the meeting at 1:01 p.m. and asked everyone to stand for the Pledge of Allegiance. All committee members were present except for Mr. Vero who arrived at 1:34 p.m.

Chairman Minuta asked committee members to introduce themselves.

Mr. Sommers addressed the committee by stating he knew the committee was expecting someone from Resorts World Catskills. He explained that for fifteen years they have been a public affairs consultant to Empire Resorts which built Resorts World Catskills. Charlie Degliomini who was very involved with public affairs, asked for him to fill in today since he was away, and Mr. Kline was not available. They opened a secondary hotel in December at Resorts World Catskills. It added 101 rooms to the facility, the main hotel has 332 rooms. The Kartrite Water Park Hotel opened on Friday. That adds an additional 324 suites. A facility that has more than 700 rooms starts to attract conventions and meetings which will be a great advantage. The first nine holes of the Monster Golf Course is opening this summer and the additional nine holes will be open next year and that will attract many visitors. He addressed the entertainment at the hotel and who has performed and who is scheduled to entertain.

Mr. Sommers addressed the Resorts World Catskills finances. He noted that Empire Resorts is a public company so anything he disclosed has already been stated in a quarterly statement. Mr. Degliomini offered to come in for a follow up meeting in a week when he returns to address the finances in more detail if the committee so desires. He added that sports betting is expected in May which will be a big attraction.

Mr. Hines noticed there were less slot machines at Resorts World than there were originally. He asked if those slot terminals be coupled with the ones from the Monticello Raceway and moved to Harriman or just the slot machines from the Monticello Raceway will be moved.

Mr. Sommers responded that from what he understood was the slot machines that were reduced from Resorts World Catskills are actual slot machines. The machines that were at the Monticello Raceway are video lottery terminals (VLT) which operate in a different manner. Empire Resorts is hoping to bring a VLT facility to Orange County.

Mr. Hines asked if he believed that the sports betting will go through successfully in May and Mr. Sommers replied that is what they have been told. That is when the final regulations will come out and it should be a quick start up.

Mr. Hines asked if they were still lobbying to get the Mobile Gaming App.

Mr. Sommers responded that they are moving forward without the anticipation of that for now.

Mr. Hines asked if there was a way someone could take bets for someone or would that be illegal.

Mr. Sommers was uncertain.

Mr. Hines noted that he did not think they would get the full revenue possible without the app. He could not envision people getting in their car to drive to a casino to bet on a 1:00 o'clock football game and then coming back later for the night game. New Jersey presently does it that way with the app. You can even go to the horse track and place bets and New York does not offer that. He asked if they did away with the slot machines at Resorts World for financial reasons or because they needed the space to grow.

Mr. Sommers was uncertain. He mentioned that at the follow up meeting that can be addressed.

Mr. Hines asked if he could find out and get them the answers.

Mr. Sommers replied that he would follow up.

Mr. Amo asked for an overview of the VLTs and the timing of it.

Mr. Sommers stated that Orange County is a big stakeholder in that decision and any application the county will be involved. There was draft legislation for Catskill OTB to take over Monticello Raceway VLTs. Monticello Raceway is private property owned by Empire Resorts so Empire Resorts did some research on how VLTs would do in Orange County. It can be a strong source of revenue in Orange County. They are estimating a \$100 million facility in Orange County with 300 to 400 jobs to operate the facility.

Mr. Amo asked once the VLTs are moved, will they continue through state legislation to fund the Monticello Raceway and the purse.

Mr. Sommers stated that was a critical component. He added that Empire Resorts asked him to share with the committee that they are committed to continue to fund harness racing. VLTs in Orange County would create a stronger opportunity to fund those purses and to fund harness racing.

Mr. Amo pointed out that it is a big deal to uncouple the VLTs from horse racing.

Mr. Sommers stated that Mr. Degliomini would be able to address that in more detail. The intent to move the VLTs would offer many advantages. He confirmed that it is all coupled. If the VLTs were to stay open at Monticello Raceway, it would have an adverse effect on Resorts World Catskills. They were hopeful they could coexist, but it did not work out that way.

Mr. Amo asked if he knew what the revenue sharing was currently for counties from the VLTs. What would Orange County gain and what would we lose.

Mr. Sommers responded that it is yet to be determined.

Mr. Amo commented on rumors that the Gaming Commission will determine most of this, has a timeline as short as six months. If it is six months, then Orange County needs to be informed. Is there a time period.

Mr. Sommers responded that he did not hear that.

Mr. Porr mentioned that he would see what he can find out.

Mr. Palermo stated that they found out through the newspaper. It would have been nice to get a call from the casino or a reliable resource. He found out about a month ago when someone from Albany called him and asked what he knew about VLTs and he did not know anything about it.

Mr. Sommers stated that all discussions in Albany are preliminary. Due to SEQRA, the municipalities are going to be involved. These are the first public comments that Empire Resorts made on this issue. If Harriman or Woodbury are considered, they will meet with the municipal leaders.

Mr. Amo noted the various crimes associated with gambling and steps would need to be taken to be prepared if things move forward and they need to be ahead of it.

Ms. Bonelli stated that in addition to looking at the local communities, they would want to make sure there is some type of agreement and is there a host benefit and would it be an agreement with the county. She noted that there are a lot of questions and she suggested Chairman Minuta be in touch with the proper contacts to keep everyone aware of what is taking place.

Mr. Sommers stated that it would be best to have this conversation with Mr. Degliomini and he would make the connection with the parties to ensure the communication continues.

Mr. Lujan inquired the types of jobs offered and if there was transportation offered to help get people to their jobs.

Mr. Sommers responded that Resorts World Catskills has 150 employees. The largest employer is from Sullivan and helped reduce unemployment there to 3%. The jobs range from food server, to marketing positions and management positions.

Ms. Feller noted that there were a lot of job fairs. She was not aware of any transportation offered but they can find out.

Mr. Hines stated that he has been on the committee for ten years and when Resorts World was an applicant, he recalled asking Mr. Degliomini if they would allow OTB to take the wagers at the casino. His answer was, no, because he has a track across the street. If there was any thought of closing Monticello Raceway, could they consider allowing OTB to come into the casino. OTB was created to support the counties. He fears that with the machines leaving Monticello Raceway, people will be leaving there as well. One way to help would be OTB. He asked if the Sportsbook was considering it. The OTB revenue has dropped.

Mr. Kulisek asked about the status of the employees at Monticello Raceway.

Mr. Sommers stated that all employees were offered a severance or a job at Resorts World Catskills.

Mr. Kulisek asked where the \$100 million investment will be.

Mr. Sommers noted it was in the early stages yet and it has not been shared with him yet.

Mr. Kulisek asked if they were going to look for an incentive regarding a tax break like the IDA.

Mr. Sommers stated that he has not heard of any tax break being offered.

Mr. O'Donnell asked what tax breaks were offered to Resorts World Catskills.

Mr. Sommers did not know the specifics but noted there were some tax breaks.

Mr. Hines asked if the VLTs in Sullivan were profitable prior to the casino opening. He heard that they were not.

Mr. Sommers stated that he heard the same. He added that one thing the representatives from the casino wanted to stress today was that if you take the 80,000 people around the Monticello VLTs, it would be much better in Orange.

Mr. Kulisek inquired if the loss of revenue in Monticello affects the sharing of funds that is distributed to the counties and is there a formula for that.

Mr. Sommers stated that his understanding was that the host community benefits is based on actual revenue, a percentage, but he will confirm that.

Chairman Minuta welcomed Mr. Groth and asked for the status of OTB.

Mr. Groth stressed that OTB is not doing good. When the racinos and casinos came and now the sports betting in New Jersey, the future of Off-Track Betting looks dim, although there is plenty of opportunity for it to rise again. They lost a lot of customers. He believed that the VLTs are affecting the attendance at the casino. State policy has been working against them over the years. He did not know what the plan was for the machines removed from Monticello Raceway but they should go to facilities where the Catskill OTB is so they can generate revenue. They have been paying out more than they take in for over fifteen years. They have \$12 million in a fund for capital development purposes. They could develop a new place to hold the VLTs, but the state will not allow them to use their own money. At one time, Catskill OTB was the best in the nation. It was not until the shift came, politically he believes, to move the emphasis to the racinos and casinos. There is a chance that hopefully in the state legislature it will pass to have VLTs in the Catskill OTB Corporation to let them strive again. If they do not get that then they may not survive this year. If there were to have a facility near the New Jersey boarder and the Connecticut boarder, that could help. In the meantime, the Supreme Court said it was ok to have sports betting. The sports betting has people headed to New Jersey.

Mr. Hines asked if he spoke to Resorts World about getting OTB in there. He felt it would be the perfect opportunity to do that because he felt both would benefit. Especially if Monticello Raceway may go away.

Mr. Groth responded that he has not spoken to them lately.

Mr. Hines asked if he lobbied the state to allow them to take sports betting like they do in New Jersey. The last update the committee had from Senator Bonacic's representative was that New York could not get sports betting in time because the Native American casinos were upset. He heard they might be in favor now.

Mr. Groth stated they have about four lobbying firms working on it. They need additional product to be successful. They have a growing debt because the state will not allow them to spend that money.

Mr. Hines asked what is the Catskill OTB debt.

Mr. Groth responded that it was in the \$3 to \$4 million range. They want to pay everyone, but they need permission from the Legislature or the Governor or the federal court to use the money.

Mr. Hines asked if he needs to petition the state to spend the \$12 million.

Mr. Groth stated that they petitioned the state many times but get nowhere.

Mr. Hines asked if the entire state legislature must vote on it.

Mr. Groth replied that they did, they voted twice to allow them to use the \$12 million, it is the one who signs the legislation that said no.

Mr. Hines confirmed that the Governor said no, and Mr. Groth stressed that was

correct.

Mr. Amo asked if Catskill OTB was forced to close at the end of the year, how many employees will be losing their job.

Mr. Groth noted that they employees have been bearing the brunt of it and they had 300 but cut back to 200 employees and now they are down to 100 employees.

Mr. Groth shared that he has written to Chairman Brescia before and planned to do it again requesting the Legislature to stand with Catskill OTB through a resolution for Albany to help Orange County and surrounding counties who are suffering.

On the motion of Mr. Hines, seconded by Mr. Lujan, the meeting adjourned at 2:14 p.m.