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**News** 

Track Reports

Finger Lakes

## Early slot revenue lags behind expectations

By **MATT HEGARTY**

Two and a half months after the first New York racetrack opened its doors to slot-machine players, revenue from machines at the three tracks that have them is running slightly below the conservative projections of Delaware North, the company that installed the devices.

Ron Sultemeier, the president of Delaware North's Sportservice Corp., said the company believes the figures will pick up in the spring and summer, when New Yorkers are able to travel more frequently after a particularly cold and snowy winter in the Northeast.

"We've started out a little slow, but we do think there is going to be some seasonality to the market," Sultemeier said. "We've had some slow weeks, but we think we can start building on those figures in the summer."

Delaware North, which owns Finger Lakes Gaming and Racetrack and installed slot-machine operations at both Fairgrounds Gaming and Raceway in Buffalo and Saratoga Gaming and Raceway in Saratoga Springs, had initially released conservative estimates for slot-machines business as an acknowledgment of the competitive market for slot customers in upstate New York. Several Native American tribes operate large, Las Vegas-style casinos that dwarf the racetrack operations, and casinos also line the Canadian side of the New York border.

In 2001, slot machines were legalized at eight New York racetracks, including two of the state's Thoroughbred tracks, Finger Lakes and Aqueduct. Progress in getting the machines up and running has been slow, however, because of disagreements with the state over the revenue splits and various financial and logistical hurdles for several tracks. The first track to open a slot-machine parlor, Saratoga Gaming and Raceway, did not open its doors until early 2004.

Horsemen are counting on revenue from the machines to reinvigorate purses, especially at New York's struggling harness tracks. The state legalized the machines with the intention of closing budget gaps, with early estimates calling for \$1 billion in additional revenue once the machines are operating at all eight tracks.

Finger Lakes, which will open its 160-day live meet on Friday, has been taking bets in its \$10-million slot-machine parlor since Feb. 18. Since then, the average daily profit has been \$168 per machine, slightly below the \$175 projection by Delaware North, Sultemeier said. Finger Lakes installed 1,010 machines.

At Saratoga Gaming and Raceway, which opened a 1,325-machine casino on Jan. 28, the average profit per day for each machine has been \$150. Like at



Finger Lakes, the initial projection for the machines was also \$175 per day.

Fairgrounds Gaming and Raceway, which was previously called Buffalo Raceway, has had an average profit per machine of \$125 since opening on March 17, Sultemeier said, in line with projections.

The projections are especially on the low side considering the profits posted by racetrack slot machines in Delaware and West Virginia. The machines in those states routinely post average wins in excess of \$300 per machine.

Paul Streckel, the president of the Finger Lakes Horsemen's Benevolent and Protective Association, said that he expects slot machine revenue to drive purses to at least \$100,000 a day during the initial weeks of the Finger Lakes meet. Purses last year at Finger Lakes averaged \$75,000 a day.

"We're excited about it," Streckel said. "We're looking at roughly a 35 percent increase in purses across the board, and our first indications are that we should look forward to some more increases as the meet goes on."

Christian Riegle, the general manager of Finger Lakes, said that he has high hopes for the track's first meet with slot machines. Citing the purse increase, Riegle said that Finger Lakes has a waiting list for stalls for the first time in three years, and that simulcast handle at Finger Lakes has been up 30 percent over the past two weeks.

"We're seeing people dropping off their wives downstairs and coming upstairs to play the races," Riegle said. "That's been very encouraging, considering I'd heard of stories of crossover, but never seen it."

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