

Financial support from province needed to save Fort Erie Racetrack

By Kris Dubé

September 9, 2009

The future of the Fort Erie Racetrack is still uncertain, but the agencies trying to save it are hoping a new proposal will be the solution for sustaining the 112-year-old border oval for at least five years.

On Wednesday, the Fort Erie Economic Development and Tourism Corporation (EDTC) on behalf of the recently formed Fort Erie Thoroughbred Racing Consortia held a press conference at the Holiday Inn, outlining the latest plea to the provincial government.

It is hoped a five-year pilot project will allow the track to remain open after running a deficit for the last several years, with the Consortia leasing it from its owners and running it as a non-profit organization.

Jim Thibert, EDTC general manager feels in order to sustain live horse racing at the Fort Erie Racetrack, the current funding model from the Ontario Lottery and Gaming Corporation (OLG) needs to be restructured. Instead of track owners and horsemen each receiving 10 per cent of slots revenues, the Consortia's new proposal indicates hopes of the provincial government contributing \$15 million per year, with \$6 million going toward race purses.

In the proposal, there are three options presented. The first is the consolidation of slots revenues from all 'racino' sites in Ontario, where all slots revenues would go to the province and then be re-allocated to provincial expenditure priorities. The second option is revenue pooling, which would involve the OLG dispersing funds to tracks based on a business plan approach, and not on what the OLG generates in a local market. The third option, small market adjustment, is already being used by professional sports leagues. Teams in smaller markets are given special funding to sustain the health of the industry and Thibert says it would leave the current funding formula intact but would provide subsidy to small market tracks allowing them to function at the same level as tracks in bigger markets.

If the plan is approved, it will allow for at least 60 race dates a year, but would also allow for around 85 to 100 dates once other forms of revenue start coming in, such as off-track betting and concession sales.

"We will raise revenues in the other nine streams of revenue generators," said Thibert.

He feels the current structure is inadequate and has been for years, which is why the track continues to suffer financially year after year. If the province takes an interest in this proposal, he feels many problems within Ontario's horse-racing industry can be alleviated.

"We really need to develop a model that will sustain live-racing not just in Fort Erie but in Ontario," he said.

For the last three years, the EDTC has worked at finding a solution for the historic facility on a daily basis, Thibert says, and a handful of different propositions to track owners Nordic Gaming along with the provincial government have been exhausted. If this plan is not recognized as a viable solution, he doesn't know what else can be done.

"We can do this. If we put all this effort in and the province supports us....if we can't make it happen then we are just right out of luck," said Thibert.

There are other parties interested in potentially buying and re-developing the site and two have agreed to allow the Consortia to be responsible for operating all racing aspects of the track, if they end up purchasing it by the time the 2010 racing season comes out of the gates.

Mike Annechino, representing a potential buyer of the track whom he said could not be named also spoke at the press conference. He said purchasing the track to re-develop it with other amenities, while leasing all racing-related properties to the Consortia is something the company he represents feels is a favourable solution. He has many years of experience in the horse-racing industry and says the Fort Erie Racetrack is a unique and attractive facility. He hopes a solution can be found through the Consortia's proposal which will allow for several improvements at the site, both in the racing and tourism end of things.

"We're very interested in supporting the Fort Erie community," he said.

Mayor Doug Martin said it seems every year since he was elected into office, the track has been faced with this same uncertainty of whether there will be a season the following year. He said the Town, the EDTC and the Horsemen's Benevolent and Protective Association (HBPA), the three agencies that are behind the Consortia, have been fighting this battle for too long and that every time it seems a solution is drawing closer, they are faced with another obstacle.

"Every time we seem to be getting closer to the finish line they extend the race by another couple of furlongs," said Martin.

The last race date of the 2009 season is Oct. 27.