

Drazin Vows That Sports Betting Revenue Will be Used to Revitalize Jersey Breeding

By Bill Finley

In the aftermath of the Supreme Court striking down the prohibition on sports betting in this country, when it comes bottom line items like purses, racing dates and what amount of money will be allocated for New Jersey-bred races, Dennis Drazin can't give you any firm answers. There are still too many moving parts. He doesn't know what tax rate Monmouth will have to pay the state, how quickly the state will expect Monmouth to pay back the money it has borrowed over the last several years to pay for operational costs and no one really has any idea how much money will be bet at Monmouth's sports book.

But Drazin acknowledged that he understands the need to help revitalize the New Jersey breeding program and that it will benefit if there is a windfall of cash once sports betting begins.

"We would like to grow the Jersey bred races and encourage people to come back to New Jersey to breed their horses," said Drazin, the chairman and CEO of Darby Development, operator of Monmouth Park. "I think the breeding industry is a vital part of the whole picture for New Jersey racing and anything I can do to help them, short of sacrificing the rest of the racing program, is something I am determined to do.

"New Jersey breeding has always been a priority for me. Unfortunately, we haven't had the money to put into the breeding industry and it's a shame. We went from a foal crop of about 1,200 each year and now the breeders are telling me they're down to about 80." (According to the Jockey Club, only 20 mares were bred in New Jersey in 2017).

Drazin believes that the sports betting throughout the state will handle \$10 billion and Monmouth will handle \$1 billion annually. The "win" on those wagers will be about 6 percent. If his numbers are right that would mean \$60 million in revenue. The state will get its share, which will likely be 8 percent. That would leave about \$54.6 million left, and half of that will go to William Hill, which will be operating the Monmouth sportsbook. That leaves about \$27.3 million for Monmouth. Drazin explained that track has an obligation to repay the money it has borrowed from the state.

"Once we pay our expenses, I would say the majority of the money we have will go to purses," he said.

Among the many things that remain to be determined is, once additional money is available for purses, will the emphasis be on adding racing dates or increasing purses? Drazin made it clear that he prefers quality over quantity, but also that he understands New Jersey needs a longer racing season.

"You have to do it carefully," he said. "Horsemen have different views. The New Jersey horsemen versus the horsemen that come here from out of state, they're not always on the same page. I see that some of the local guys have expressed they would rather have a lengthier season, even if the purse level was only \$200,000 a day. I don't think that approach makes sense. They

have their reasons. They think that is an adequate amount and an amount where they don't have to compete with out-of-town horses coming in to race at a higher level. They think they are better off that way. I think you have to have a good mix, a good blend. When I look at this, I try to look at a formula. How much do you need to be competitive in your region? You have to look at New York, Pennsylvania, Maryland, Delaware and you have to say what level do you want to compete at? The answer to me, and this may not be the same answer for everybody, is I want to compete at a world-class level. That's the goal. If I could repeat the elite meet I would be more than happy to do that. What I'd like to do is carefully develop both, to try to have an elite meet at Monmouth and to try to increase racing days at the Meadowlands. Beginning in 2019 we intend to turn over the standardbred track at the Meadowlands so we can have dirt racing there again. We really want to add more dates up there and have an extended season up there where we capture revenue from the nighttime betting market."

For New Jersey bred owners and breeders both higher purses and a longer racing season would be most welcome. With just 58 days of racing between Monmouth and Meadowlands this year, a New Jersey-bred might get lucky to squeeze in three or four races in state bred company. Drazin said that extending the season is a virtual certainty, likely as early as 2019.

"I envision over the next several years letting the horsemen come in April and then starting our meet sometime in May," he said. "Between Monmouth and the Meadowlands, I would like to race into December every year. That would give the horsemen a real opportunity, it would revive the racing and breeding businesses. We want to have a length of season and not have the horsemen have to be gypsies, dragging themselves all over the country."

Sports betting is tentatively scheduled to begin at Monmouth the second week in June. Right now, there are more questions than answers. For instance, what will be the on-line sports wagering structure in New Jersey and will racing benefit from that? No one seems to know.

But this much is certain: New Jersey racing and breeding needed a shot in the arm and it was delivered, courtesy of the Supreme Court of the United States.