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February 25, 2010

Honorable Members  
Erie County Legislature  
92 Franklin Street  
Buffalo, NY 14202

Dear Honorable Legislators:

The Western Regional Off-Track Betting Corporation is facing the possibility of a take-over and consolidation with all regional off-track betting corporations in New York State.

The Board of Directors of the Western Regional Off-Track Betting Corporation opposes such threatened "nationalizing" of Western's business by New York State.

At this time, consolidation is a very popular issue in Albany. However, consolidation will not benefit Erie County. Erie County's earnings of net revenue from 1974-2010 were \$55,400,934. The City of Buffalo received \$24,895,897.

Enclosed is a copy of Resolution #4, 2011, Board of Directors' Resolution To Oppose State Taking of Western's Participating Municipality's Assets, which was passed unanimously at the January 27, 2011 meeting of the WROTBC Board of Directors.

Also enclosed is a Revenue Summary from 1974 - 2010 showing the earnings of net revenue to the participating 15 counties and two cities in Western's region.

As your representative on the WROTBC Board of Directors, I am asking members of the Erie County Legislature to join our Board and pass a resolution in opposition of this planned take-over by New York State.

Please contact me for any additional information you may need.

Yours truly,



Beverly Ann Mazur, Director  
Western Region Off-Track Betting Corporation

**RESOLUTION # 4-2011**

**BOARD OF DIRECTORS' RESOLUTION TO OPPOSE STATE  
TAKING OF WESTERN'S PARTICIPATING MUNICIPALITY'S ASSETS**

**WHEREAS**, in September 1973, eleven western New York counties established the Western Regional Off-Track Betting Corporation, they being Cattaraugus, Chautauqua, Erie (and the City of Buffalo), Genesee, Livingston, Monroe (and the City of Rochester), Niagara, Orleans, Seneca, Steuben, and Wayne, as enabled by state law; and

**WHEREAS**, these municipal "stockholders" chose to exercise that local option to form such a corporation that dictated local control by those municipalities over such gaming activities in their respective communities; and

**WHEREAS**, the start-up costs of this enterprise were funded solely by these initiating counties from their own treasuries of taxpayer money and represented no state money nor allowed for any state confiscation of this purely local venture; and

**WHEREAS**, since those eleven counties voted to form Western Regional Off-Track Betting Corporation, an additional four western New York counties have joined them in the local control of such gaming activities that has since 1973 generated over \$200 Million in operating and surcharge revenues to the taxpayers of those participating municipalities; and

**WHEREAS**, now, the incoming governor and both houses of the state legislature are publically proposing a taking of Western OTB's business and its assets by a consolidation of all the regional off-track betting corporations in this state by some state-sponsored private or quasi-governmental interloper that threatens a loss of local revenue, independence and local oversight of gaming in our communities; and

**WHEREAS**, the participating municipalities of Western as its shareholders have a *pro-rata* financial interest in the \$39 million of net equity re-invested in its 30-plus corporately-owned branch facilities and the track and casino at Batavia Downs; and

**WHEREAS**, the reality of such state-sponsored consolidation and takeover the OTB's would rob Western's communities of not only local control but their substantial re-investment of profits to acquire and maintain such money-making assets; now, therefore, be it

**RESOLVED**, that the Board of Directors of the Western Regional Off-Track Betting Corporation, and its individual members representing their respective participating municipality, unalterably oppose such threatened "nationalizing" of Western's business by New York State; and, it is further

**RESOLVED**, that each governing body of Western's participating municipalities be solicited to join this Board in the opposition to this ill-timed and poorly-conceived proposed take-over by the state.

Dated: Batavia, New York  
January 27, 2011

Respectfully submitted,

Richard E. Siebert  
Chairman

**WESTERN REGIONAL OFF-TRACK BETTING CORPORATION**  
**REVENUE SUMMARY**  
**1974 - 2010**

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Net Wagers	5,610,000,000
Winnings Returned to Bettors	4,413,000,000
VGM Net Win	173,000,000
Payments to State of New York	97,000,000
Payments to NYS Lottery (VGM)	94,000,000
Payments to NYSRWB	5,000,000
Payments to Race Tracks (Commissions)	334,000,000
Payments to Breeders' Fund	36,000,000
Payments of Surcharge to Counties Outside Region	58,000,000
Payments to Various Local Governments	2,000,000
Contributions to Horsemen Purses	25,000,000

The above figures are rounded to the nearest \$1,000,000

**Earnings of Net Revenue to Participating Municipalities**

Cattaraugus County	4,386,295
Cayuga County	4,563,311
Chautauqua County	8,283,430
City of Buffalo	24,895,897
**Erie County	55,400,934
**Genesee County	11,828,076
Livingston County	2,798,005
City of Rochester	18,460,325
Monroe County	35,224,991
Niagara County	18,460,223
Orleans County	2,137,642
Oswego County	8,327,741
Schuyler County	894,620
Seneca County	2,671,291
Steuben County	5,809,812
Wayne County	4,247,733
Wyoming County	1,508,610
<b>Total to Participating Municipalities</b>	<b>209,898,936</b>

\*\*Includes surcharge payments to counties with racetracks

WESTERN REGIONAL OFF-TRACK BETTING CORPORATION  
HISTORY OF MUNICIPAL MEMBERSHIP

<u>Participating Municipalities</u>	<u>Year of Membership</u>	<u>Initial Contribution</u>	<u>Repayment Date</u>	<u>Interest Received on Contribution</u>	<u>Surcharge &amp; Earnings Distribution Inception Thru 2010</u>
Cattaraugus County	1974	\$19,182	May 30, 1975	\$954	\$4,386,295
Cayuga County	1978	N/A			4,563,311
Chautauqua County	1974	34,596	May 30, 1975	1,265	8,283,430
Erie county City of Buffalo	1974	261,522	May 30, 1975	11,903	55,400,934 24,895,897
Genesee County	1974	13,794	May 30, 1975	746	11,828,076
Livingston County	1974	12,690	May 30, 1975	687	2,798,005
Monroe County City of Rochester	1974	167,208	May 30, 1975	9,124	35,224,991 18,460,325
Niagara County	1974	55,362	May 30, 1975	2,943	18,460,223
Orleans County	1974	8,760	May 30, 1975	66	2,137,642
Oswego County	1979	N/A			8,327,741
Schuyler County	1976	N/A			894,620
Seneca County	1974	8,238	May 30, 1975	343	2,671,291
Steuben County	1974	22,880	May 30, 1975	1,211	5,809,812
Wayne County	1974	18,648	May 30, 1975	1,024	4,247,733
Wyoming County	1976	N/A			1,508,610
Totals		<u>\$622,880</u>		<u>\$30,266</u>	<u>\$209,898,936</u>

# Erie County & The City of Buffalo Participation Summary 1974- 2010

From 1974 through 2010 Erie County OTB Branches generated handle (wagers) totaling \$2,009,194,709

Erie County OTB Branches have produced the following:

Erie County earnings	\$70,054,126
Winnings returned to bettors	\$1,620,036,225
Wages and fringe benefits paid to Erie County OTB employees	\$101,163,717
Racing commissions paid to racetracks	\$126,920,783
Surcharge payments to counties with racetracks	\$29,511,848
Taxes paid to the State of New York	\$24,258,359
Regulatory Fee paid to New York State Racing & Wagering Board	\$1,719,946
Payments made to the New York State Breeders' Fund	\$12,299,732

WROTBC was formed and operational by May of 1974. Certain current member counties joined after the formation date. In all cases, those counties who joined later have never been required to provide any financial support to the Corporation, yet they have all enjoyed the financial windfall of participation in WROTBC as full members of the Corporation.

On February 1, 1974, Erie County loaned WROTBC \$261,522 to cover start-up costs. This loan was repaid on May 30, 1975 with interest of \$11,903.00.

During the period of 1974 - 2010, Erie County has earned profit distributions from Western Regional Off-Track Betting Corporation totaling \$70,054,126. In thirty-six years, Erie County's investment in WROTBC has been returned over 267 times.

Additionally, WROTBC currently employs 84 people in Erie County and has paid wages and fringe benefits totaling \$101,163,717 from 1974 - 2010. Over the same period this money has primarily benefited the local economy.

During 1974 - 2009, Erie County also has received surcharge to C/W/T payments totaling \$10,242,705

<u>YEAR</u>	<u>HANDLE</u>	<u>YEAR</u>	<u>HANDLE</u>
1974	6,902,514	1993	56,229,063
1975	25,511,195	1994	56,977,169
1976	35,276,312	1995	58,124,005
1977	41,093,378	1996	58,701,292
1978	50,171,361	1997	56,573,381
1979	59,300,221	1998	57,688,824
1980	63,575,144	1999	57,374,797
1981	64,535,705	2000	56,415,836
1982	59,919,745	2001	59,014,271
1983	57,511,389	2002	58,581,978
1984	59,020,800	2003	54,139,770
1985	55,146,120	2004	52,118,517
1986	64,352,661	2005	51,233,725
1987	68,970,911	2006	50,098,090
1988	69,790,936	2007	49,765,123
1989	70,408,912	2008	47,451,833
1990	68,856,576	2009	43,645,690
1991	62,044,269	2010	41,412,036
1992	61,261,160		

Total wagers placed in Erie County \$2,009,194,709

\*City of Buffalo earnings \$24,895,897  
Erie County earnings \$45,158,229

## Batavia Downs Gaming Revenue Summary 2001 - 2010

From 2001 to 2010 Batavia Downs Gaming has generated the following:

Net Wagers - Live and ITW	\$70,751,074
Credits Played - VGM	\$2,033,314,598
Total Wagers Placed at Batavia Downs Gaming	\$2,104,065,672
Winnings returned to Bettors - Live and ITW	\$55,833,473
Winnings returned to Bettors - Credits Won- VGM	\$1,859,907,538
Total Winnings Returned to Bettors at Batavia Downs Gaming	\$1,915,741,011
Payments to New York State Tax	\$1,127,350
Payments to NYS Lottery	\$92,198,793
Regulatory Fee paid to NYS Racing and Wagering Board	\$267,766
Racing Commissions Paid to Racetracks	\$2,096,762
Payments to New York State Breeders Funds	\$2,754,321
Payments to Genesee County and City of Batavia	\$906,618
Contributions to Horsemen Purses	\$21,132,083
Contributions to Batavia Downs Gaming Marketing Fund	\$15,858,825
Contributions to Batavia Downs Gaming Capital Fund	\$3,971,445

Additionally, WROTBC currently employs 351 employees from 9 different counties and has paid wages and fringe benefits totaling \$30,336,571 from 2001 - 2010.

<u>Year</u>	<u>Credits Played</u>	<u>Year</u>	<u>Credits Played</u>
2005	\$180,895,553	2010	\$429,634,725
2006	\$291,809,920		
2007	\$335,154,254		
2008	\$376,279,321		
2009	\$419,540,825		
		Total	\$2,033,314,598

<u>Year</u>	<u>Live Handle</u>	<u>ITW Handle</u>	<u>Total Handle</u>	<u>Year</u>	<u>Live Handle</u>	<u>ITW Handle</u>	<u>Total Handle</u>
2001	\$ 0	\$ 577,344	\$ 577,344	2010	\$ 2,258,300	\$ 4,697,022	\$ 6,955,322
2002	\$ 3,531,171	\$ 7,165,499	\$10,696,670				
2003	\$ 3,420,176	\$ 6,871,281	\$10,291,457				
2004	\$ 113,980	\$ 4,444,207	\$ 4,558,187				
2005	\$ 2,467,716	\$ 6,354,366	\$ 8,822,082				
2006	\$ 2,001,660	\$ 5,706,503	\$ 7,708,163				
2007	\$ 2,098,565	\$ 5,064,266	\$ 7,162,831				
2008	\$ 2,038,565	\$ 4,577,139	\$ 6,615,704				
2009	\$ 2,229,338	\$ 5,133,976	\$ 7,363,314				
				Total	\$20,159,471	\$50,591,603	\$70,751,074