

NYRA
BETS

The Benefits of a New Belmont Park

An Analysis of Local and State Economic and Fiscal Impacts
Final Report
December 13, 2022

THE BENEFITS OF A NEW BELMONT PARK: Key Findings

CATALYTIC INVESTMENT

- NYRA's **\$455M investment** will go towards consolidating downstate racing activity within a new, modern facility at Belmont Park, unlocking adjacent acreage and the Aqueduct site for economic development

WORLD-CLASS SPORTS + ENTERTAINMENT DESTINATION

- Leveraging the newly complete UBS Arena and LIRR station, these investments will deliver on the true potential of the **Belmont district**
- With modernized facilities and year-round programming, racing **attendance will nearly double**, with **\$86M** in new gate revenues

SIGNIFICANT NEW ECONOMIC ACTIVITY

- **\$1.0B one-time economic impact** from construction, supporting **3,700 temporary jobs** and **\$45M in State & Local tax revenues**, while advancing workforce development goals through MWBE & union labor
- **\$155M annual economic impact** from spending and operations, supporting **740 permanent jobs (FTE)** and **\$51M in labor income**
- **\$110M in State, Local, & MTA tax revenues** from annual spending and operations (20-year NPV)
- All impacts represent **net benefits to NY State**, with NYRA's \$455M investment producing a **2.6x return-on-investment (ROI)**

ADVANCING STATE POLICY OBJECTIVES

- NY State could reap **\$1B+** in sale proceeds from Aqueduct upon moving all downstate racing activity to Belmont, resulting in significant additional economic activity through the creation of **affordable housing, entertainment/retail**, and/or a **logistics/production hub**
- A modern, right-sized facility at Belmont will advance State sustainability goals, with the potential for the site to become a **net energy exporter**. NYRA's investment will also unlock **45 acres of infield open space** which can serve as a new community amenity



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Introduction

ABOUT NYRA

The New York Racing Association, Inc. (NYRA) is the cornerstone of New York State's thoroughbred industry.

NYRA's tracks – Belmont, Aqueduct, Saratoga – contribute more than **\$3 billion** and **19,000 jobs** annually to the urban, suburban, and rural economy.

This report focuses on the downstate tracks, Belmont Park and Aqueduct, as NYRA plans to consolidate the two at Belmont Park.

NYRA Mission Statement:

Meeting the highest standards in thoroughbred racing and equine safety.



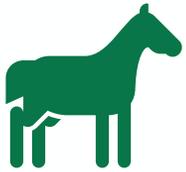
ABOUT BELMONT PARK

Home of the Belmont Stakes, Belmont Park generates economic benefits for the local region.



258,000

Annual Attendees



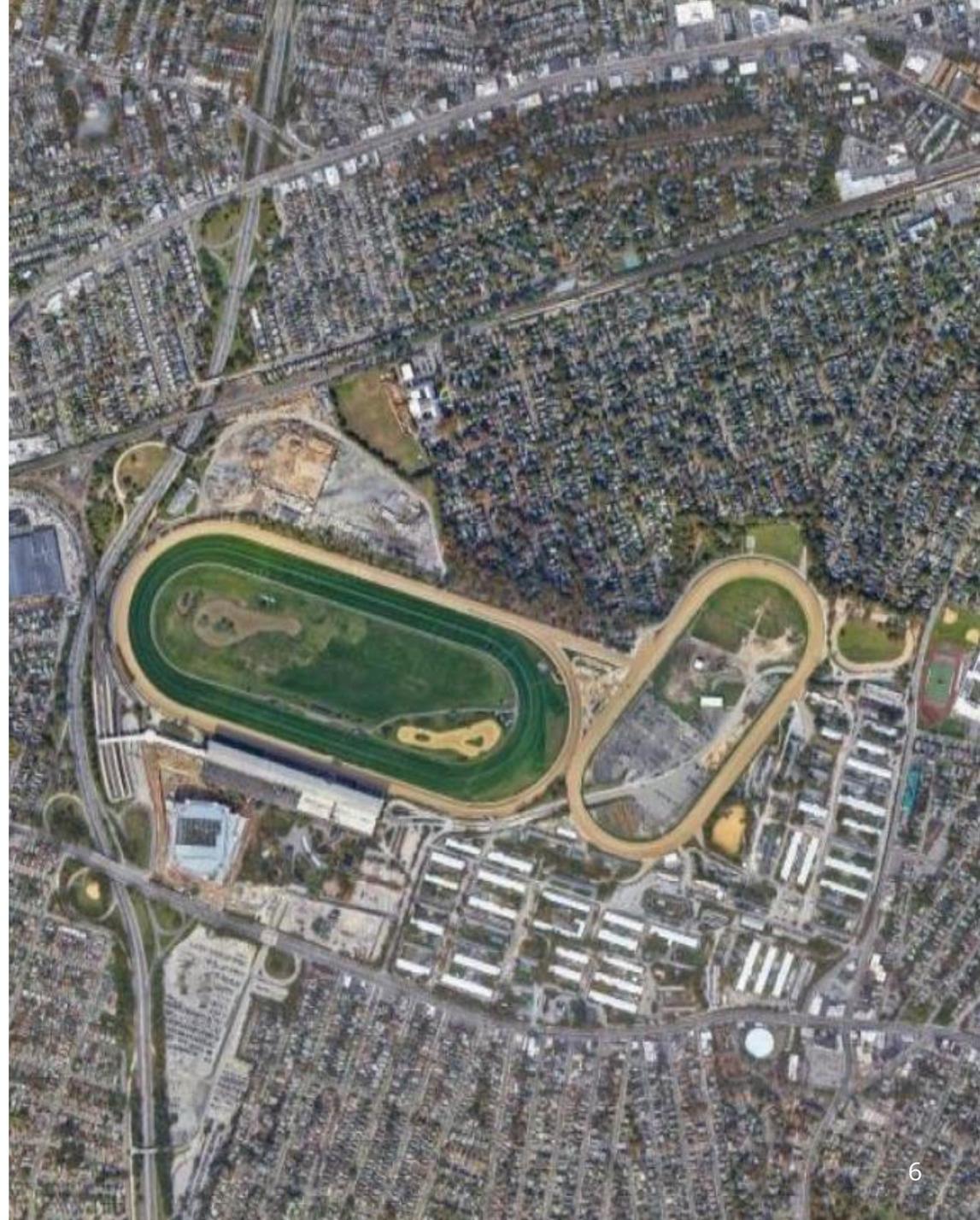
72

Annual Race Days



445 acres

Total Size of Site



EXISTING FACILITIES

Belmont Park's future competitiveness is threatened by the state of existing facilities, which are **outdated**, **underutilized**, and **fail to accommodate** a diverse set of fans.



OUTDATED + INACCESSIBLE

Not renovated since 1968

Obstructed sightlines and limited natural light

Not ADA compliant

COSTLY TO MAINTAIN

Massively oversized, with more floor area than the Chrysler Building

Building systems past their useful life and not environmentally sustainable

UNDERUTILIZED

Building and track are not winterized

Most underutilized sports venue in NY metro

THE NEW BELMONT PARK

NYRA is planning a **large-scale investment in the Belmont Park racetrack** facilities.

In order to sustain and enhance the thoroughbred industry, which supports **thousands of jobs** and **billions of dollars in economic activity** across New York State each year, NYRA must **inspire a new generation of fans with year-round events and modern facilities.**

NYRA plans to **invest \$455M** to reimagine the clubhouse, grandstand, and racetracks at Belmont Park and develop a facility that will **secure the future of the sport downstate** while generating **new economic opportunities** for the local community.

Report Overview

HR&A Advisors, Inc. was engaged by NYRA to estimate the economic and fiscal impacts generated by the proposed investments in racetrack facilities at Belmont Park, as well as ancillary economic development opportunities these investments would unlock.

This presentation summarizes HR&A's estimates of economic and fiscal impacts within Nassau County and the State of New York based on information about the proposed development program, development costs, and new racing and non-racing activities.

ABOUT HR&A

HR&A Advisors, Inc. (HR&A) is an employee-owned company advising public, private, non-profit, and philanthropic clients on how to increase opportunity and advance quality of life in cities. We believe in creating vital places, building more equitable and resilient communities, and improving people's lives.

We have deep experience in analyzing and conveying the value created by sports and entertainment districts, including equine facilities and other large-scale redevelopment projects in New York and across the country. Sample projects include:

- Economic Analysis of the Saratoga Race Course (NY)
- Equine Quarantine Facility Feasibility Study (VA)
- Show Place Arena and Prince George's Equestrian Center Repositioning Strategy (MD)
- Long Island Hospital Expansion Benefits Case (NY)
- Economic and Fiscal Impact Analyses of the Sarasota and Tennessee Performing Arts Centers (FL, TN)
- Economic and Fiscal Impact Analysis of the Farmer's Field Pro Football Stadium Proposed for Downtown Los Angeles (CA)
- Economic and Fiscal Impact Analysis of a New Stadium for the Chicago Bears at Arlington Park (IL)
- Redevelopment of the Tropicana Field Site (FL)
- Anacostia River Waterfront District Planning and Nationals Ballpark (Washington, DC)
- New Arena District Development Advisory for a Major League Baseball Team (TX)
- Development Advisory Services to Major League Soccer (NY)
- Stadium Development Advisory for Miami Beckham United (FL)
- Feasibility Analysis for Heidelberg Sports Village (WA)
- Development Advisory Services for The Detroit Red Wings and The District Detroit (MI)



BELMONT PARK

1 8 7 6 5 4 3 2

Benefits of a New Belmont Park

BENEFITS OF A NEW BELMONT PARK

A redeveloped Belmont Park provides opportunities for the district to become a world-class sports and entertainment district with benefits for the local economy and community.



World-class Sports and Entertainment District. New right-sized grandstand with **275K SF** of state-of-the-art amenities.



Consolidation of Downstate Racing. All **new racing surfaces**, including weatherized synthetic track for **year-round racing**, allowing for consolidation of Belmont and Aqueduct racing seasons at Belmont Park.



Commercial Development Opportunities. Diverse, new potential **commercial development opportunities** on adjacent acreage at Belmont and at Aqueduct.



Community Asset. **45 acres of infield space** made available for community use through new vehicular and pedestrian tunnels.



Transit-Oriented Development. **Full-time, year-round Long Island Rail Road (LIRR) service** coming to Elmont-UBS Arena Station.



WORLD-CLASS SPORTS & ENTERTAINMENT DISTRICT

A new racing facility will transform the racing experience for patrons, owners, trainers, and staff.

A new right-sized grandstand will have **275K SF** of state-of-the-art amenities that can include new F&B and banquet/event options that elevate neighborhood eateries and local vendors and farms.

The new facility will be brought up to code through safety and accessibility improvements. It will also aim to be the nation's first carbon net-zero racing facility.





COMMERCIAL DEVELOPMENT OPPORTUNITIES

The scale and mix of uses on-site and on adjacent acreage freed up by a smaller replacement grandstand will create an energy and critical mass to enliven the district year-round.

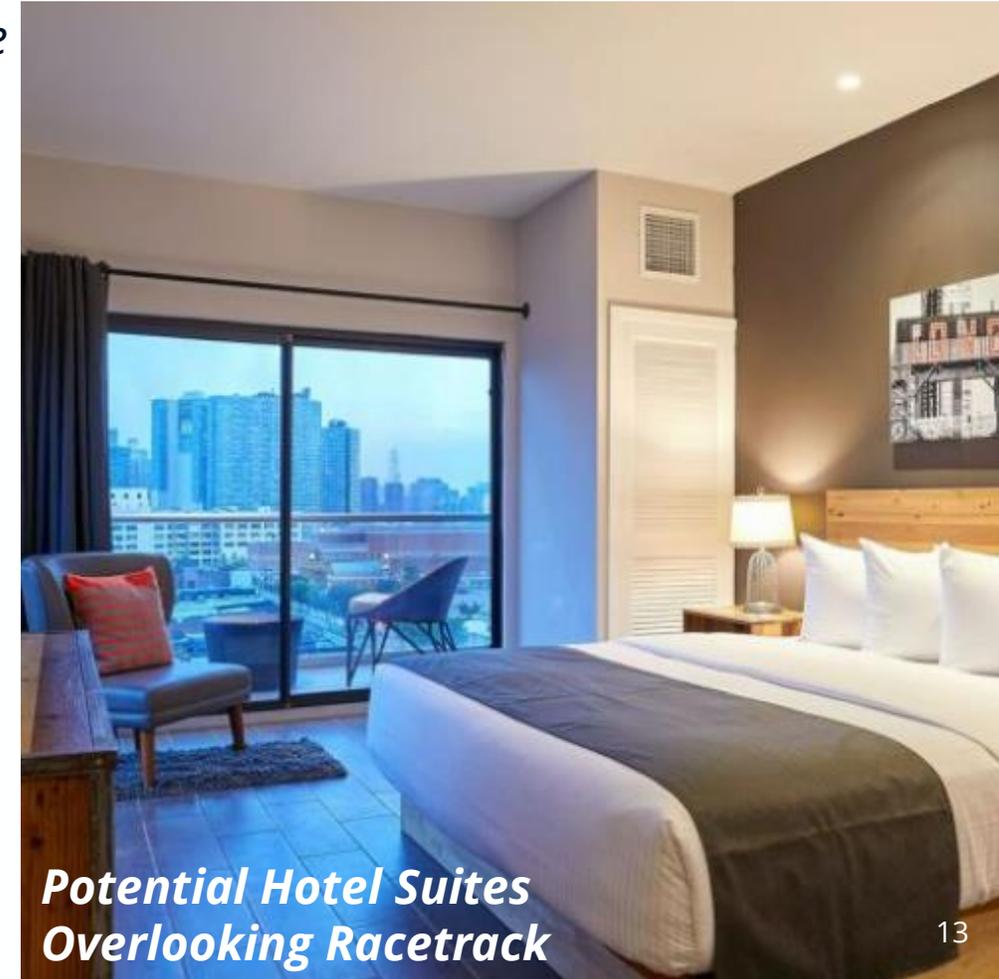
AMENITIES IN NEW FACILITY

*Illustrative
Uses*



ON-SITE DEVELOPMENT

*Illustrative
Uses*





CONSOLIDATION OF DOWNSTATE RACING

Consolidation of downstate racing at Belmont will **free up 110 acres** of developable land at Aqueduct Racetrack, located approximately **6 miles** away in Southeast Queens.

The new synthetic, weatherized racing tracks will allow for year-round racing at Belmont, allowing the downstate racing seasons to be combined there. This consolidation will further enhance operational safety and efficiency by eliminating the need to transport horses between the two facilities.



445 acres
1.3M sq. ft. grandstand
Built in 1968



The Aqueduct logo, featuring the word "AQUEDUCT" in a bold, green, sans-serif font with a registered trademark symbol.

110 acres
476K sq. ft. grandstand
Built in 1959+



CONSOLIDATION OF DOWNSTATE RACING

Consolidating downstate racing operations offers an opportunity to **re-envision the 110-acre Aqueduct site** situated next to a subway line, major highways, and one of the largest airports in the U.S.



Property Sale. Sale proceeds from the 110-acre site could net the State more than **\$1 billion** in revenue.



Economic Development. The newly available land, one of the **largest State-owned sites with transit-oriented development potential in NYC**, could help to advance the State's economic development objectives through the creation of much-needed **affordable housing, an entertainment/retail destination, and a logistics/production hub**. High accessibility to public transit and proximity to J.F.K. make the site attractive for residential, commercial, and industrial uses.



Catalytic + Ongoing Economic Impacts. In addition to the incremental impacts stemming from the repositioning of Belmont Park, new development at the Aqueduct site enabled through this project would generate **significant new economic activity**, including the potential for **tens of thousands of new jobs**.



Sustainability + Safety. By consolidating downstate racing in a new, modern facility at Belmont, NYRA can save up to **\$15 million** in annual operating costs and improve safety conditions by eliminating the need to transport horses between the two facilities.



COMMUNITY ASSET

Construction of a new facility and additional non-racing programming will serve as an amenity to the local community and beyond.

COMMUNITY PROGRAMMING

By opening up 45 acres of open space in the infield, Belmont Park will be able to **accommodate local community events** on non-racing days, including soccer games, graduations, and charity events like NYRA's Community Day. New event/banquet space within the grandstand can also host additional community programming during the winter months.

DIVERSIFIED AUDIENCES

New programming, modern concessions and facilities, and enhanced transit accessibility will **attract a younger, more diverse generation of race-goers.**



Infield Flex Tailgate Spaces



Infield as Community Amenity



TRANSIT-ORIENTED DEVELOPMENT

The new Belmont Park can leverage adjacent development and increased public transportation access.

Increased services at Elmont Station will provide more rail options and park-and-ride services to communities that otherwise have lacked a variety of transportation options. With full-time, year-round LIRR service coming to Elmont Station and new commercial development proposed for the UBS District, Belmont Park has the potential to become a regional attraction.



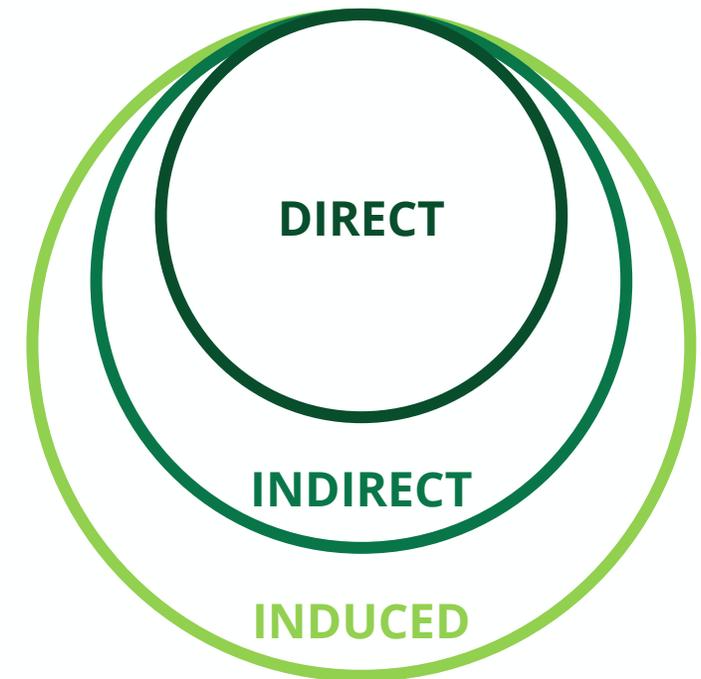
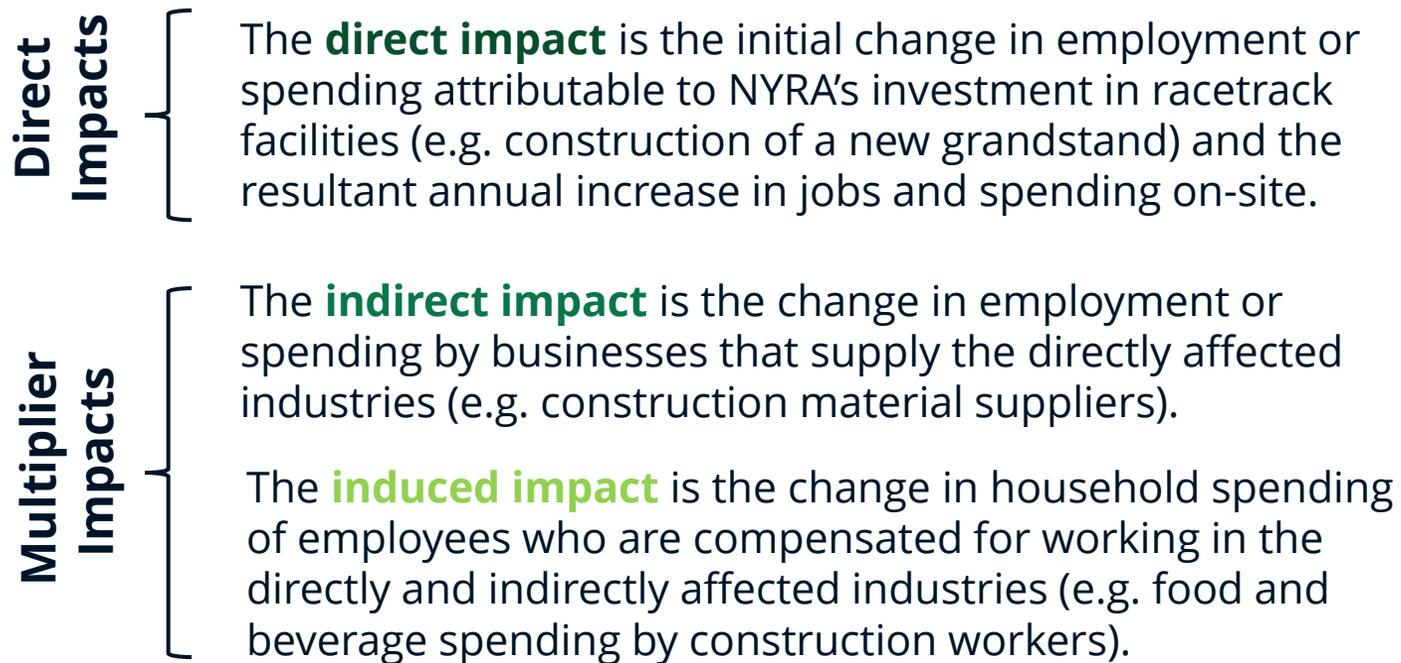


Economic and Fiscal Impacts

ECONOMIC AND FISCAL IMPACT ANALYSIS: IMPACT DEFINITIONS

HR&A used an industry standard **input-output model** to evaluate the one-time and annual economic impacts of the new Belmont Park to Nassau County and the state of New York.

For each dollar spent in the economy, the model traces the pattern of commodity purchases and sales between industries within the specified geography.



HR&A's model uses multipliers from Lightcast, a global leader in labor market analytics, to measure how important employment or spending at Belmont Park is to other industries in New York State and Nassau County. For each dollar spent in the economy, Lightcast traces the pattern of commodity purchases and sales between 992 industries within the specified geography. The 992 industries are defined and coded by the U.S. Census Bureau as part of the 2017 North American Industrial Classification System (NAICS).

INCREASED ECONOMIC ACTIVITY

A new modern racing facility will drive economic impacts during construction and on an annual basis through increased visitation/spending and year-round programming once the renovation is complete.

One-Time Economic Impact from Construction Activity

\$455M NYRA investment in development of new weatherized racing facilities at Belmont Park

Annual Economic Impact from Ongoing Operations + Attendee Spending

New Racing-Related Activity

Increased visitation/ticket sales, F&B spending, parking revenues through combined Belmont + Aqueduct race seasons

+

New Non-Racing Activity

Increased F&B and event spending on non-race days

INCREASED ECONOMIC ACTIVITY

The proposed investments will also free up land adjacent to the redeveloped grandstand for new economic development opportunities, driving additional one-time and annual impacts at Belmont Park.

One-Time Economic Impact from Construction Activity

\$455M NYRA investment in development of new weatherized racing facilities at Belmont Park

Commercial development on freed up acreage at Belmont

Annual Economic Impact from Ongoing Operations + Attendee Spending

New Racing-Related Activity

Increased visitation/ticket sales, F&B spending, parking revenues through combined Belmont + Aqueduct race seasons

+

New Non-Racing Activity

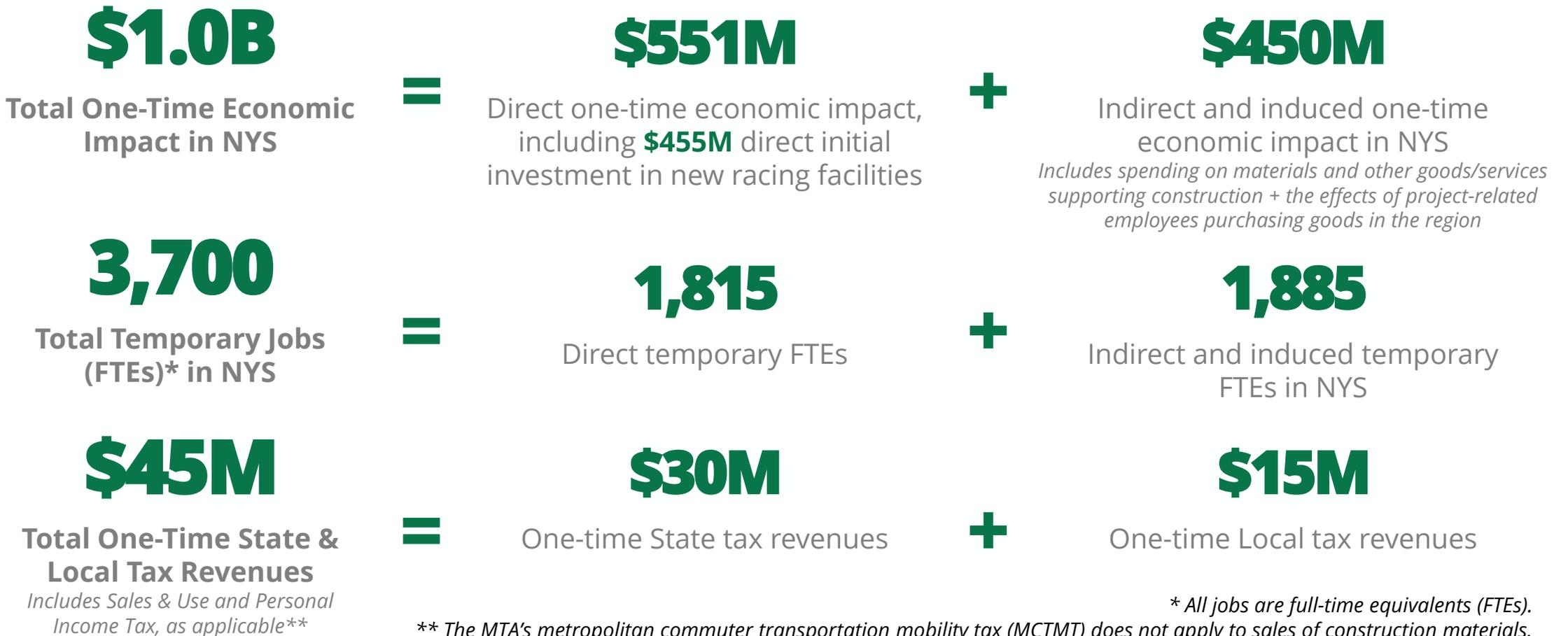
Increased F&B and event spending on non-race days

New Activity on Adjacent Acreage

Annual spending at new commercial facility (e.g. hotel, F&B) on acreage freed up by smaller grandstand

INCREASED ECONOMIC ACTIVITY – ONE-TIME CONSTRUCTION IMPACT

The initial \$455 million redevelopment will generate additional economic activity through indirect and induced effects, resulting in approx. **\$1 billion in total one-time construction impacts** and supporting **3,700 temporary jobs** and **\$45 million in tax revenues**.



* All jobs are full-time equivalents (FTEs).

** The MTA's metropolitan commuter transportation mobility tax (MCTMT) does not apply to sales of construction materials.

Sources: Elevate, Empire State Development, Lightcast, NYRA

ENVIRONMENTALLY SUSTAINABLE FACILITIES

NYRA is committed to advancing the State's **sustainability and workforce goals** through intentional design and operations of the new facility, with aims of making Belmont **the nation's first carbon net-zero racing facility**.



ENERGY EFFICIENCY

Right-sized facility and consolidation of Aqueduct will greatly reduce energy and maintenance needs



INCLUSIVE WORKFORCE

NYRA commits to meeting or exceeding the State's 30% MWBE requirement, sourcing **\$136M+ from minority- and women-owned businesses**



RENEWABLE ENERGY

Solar panel installations could make the site a net energy producer



UNION LABOR

All work will be done using **union labor** paying a prevailing wage; NYRA has collective bargaining agreements with **25 unions**



Expanded parking capacity in the infield equipped with EV chargers

DRIVERS OF ONGOING ECONOMIC AND FISCAL IMPACTS

With the consolidation of downstate racing and improved facilities and programming, attendance at Belmont Park is expected to increase significantly.



DRIVERS OF ONGOING ECONOMIC AND FISCAL IMPACTS

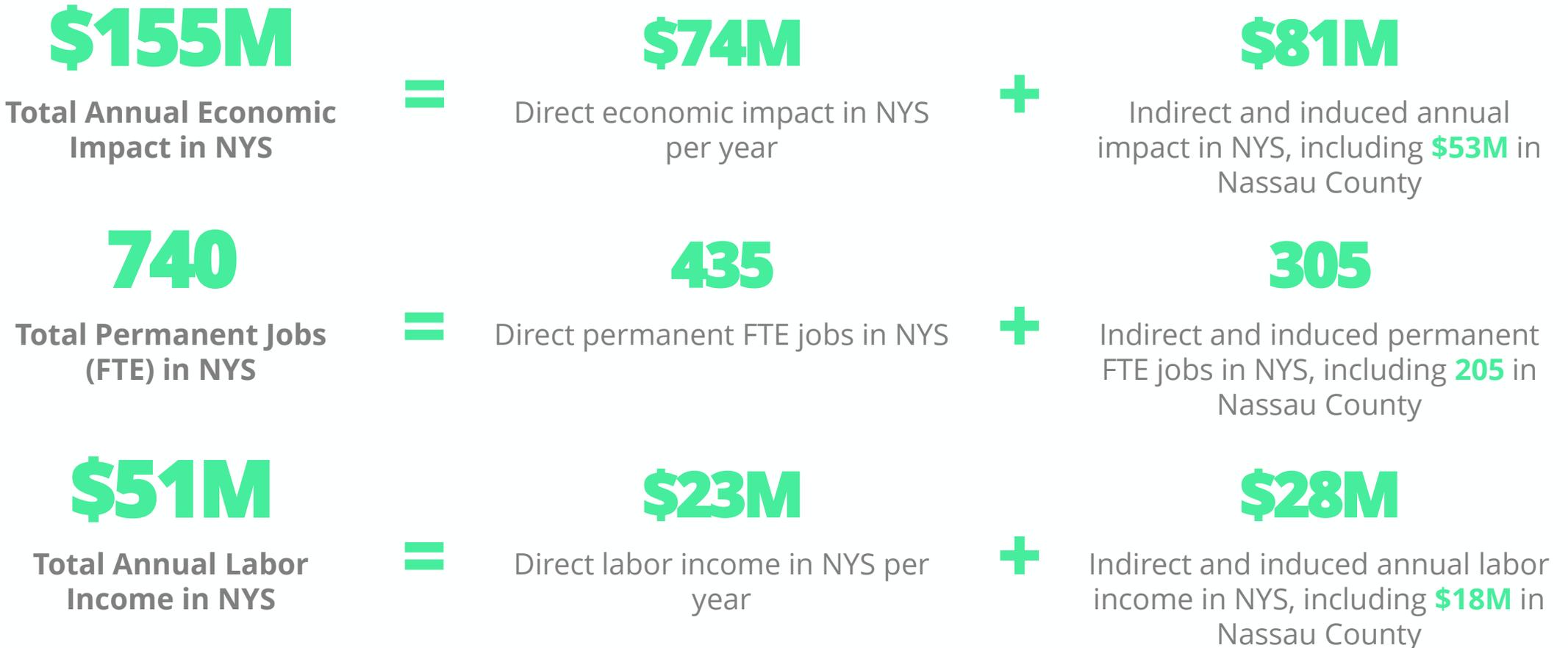
Racing-related spending will increase along with attendance, while new year-round F&B uses on-site and adjacent commercial development will drive additional spending activity.

Type of Spending	Current (Belmont + Aqueduct)	Future (consolidated at Belmont)	Incremental (input for analysis)
<i>Racing-Related Activity (1)</i>			
Handle Revenues	\$71.3M	\$72.1M	\$750K
Parking	\$470K	\$1.2M	\$730K
Grandstand Food & Beverage Sales	\$2.9M	\$24.2M	\$21.3M
<i>Non-Racing Related Activity (2)</i>			
Food & Beverage Sales, Non-Race Days	\$0	\$5.4M	\$5.4M
Banquets & Events	\$0	\$2.0M	\$2.0M
<i>Commercial Activity on Adjacent Acreage (3)</i>			
Illustrative 350-Room Hotel Use	\$0	\$43.4M	\$43.4M
Total	\$74.7M	\$148.3M	\$73.6M

- (1) Incremental handle revenues reflect avoided 'scratches' that a weatherized track at Belmont would enable. Incremental parking revenues reflect the addition of 1,500 spaces in the infield as well as the effects of increased attendance. Incremental F&B reflects the availability of enhanced dining options as well as increased racing attendance.
- (2) Incremental non-racing F&B revenues reflect estimated spending at a new full-service restaurant and rooftop bar during non-race days. Banquets & Events spending reflects F&B sales for an estimated 100 events per year hosted in dedicated Grandstand space. Revenues associated with space rentals are excluded from incremental spending estimates, as the analysis assumes that 100% of rental revenues accruing to NYRA go towards general facility operations.
- (3) Analysis assumes a hypothetical hotel use on the acreage freed up by the smaller grandstand. Incremental hotel spending is based off direct hotel employment, assuming a 350-room hotel and 1,124 sq. ft. per worker.

INCREASED ECONOMIC ACTIVITY – ANNUAL IMPACT

The approximately **\$74 million** in direct incremental spending will generate significant new economic impact on an ongoing basis, including **\$155 million** in annual economic impact, **740 permanent FTE jobs**, and **\$51 million** in labor income.



FISCAL BENEFITS – ANNUAL IMPACT

Incremental activity will also generate significant new fiscal impact, including **\$57 million in State tax revenues, \$50 million in Local taxes, and \$3 million to the Metropolitan Transportation Authority (MTA)** over 20 years on a net present value (NPV) basis.

20-Year NPV

\$57M

State Tax Revenues

Includes Sales & Use and Personal Income Taxes

\$50M

Local Tax Revenues

Includes Sales & Use, Admission, and Hotel Taxes

\$3M

MTA Surcharge

Metropolitan commuter transportation mobility tax (MCTMT)

\$110M

Total Fiscal Impact (20-year NPV)

Stabilized Year

\$5.1M

Annual State Tax Revenues

\$4.5M

Annual Local Tax Revenues

\$0.3M

Annual MTA Surcharge

\$9.9M

Total Fiscal Impact (stabilized year)

HR&A assumes property taxes are abated for 20 years per a similar agreement between NYAP and the State. HR&A also assumes a discount rate of 6.25% for all net present value (NPV) calculations. This is the discount rate used by New York City for present value calculations of taxes over time. It considers a municipal rate of borrowing as well as more macroeconomic factors such as monetary supply and future borrowing rates.

Sources: Elevate, Empire State Development, Lightcast, NYRA

IMPACT OF INVESTMENT

NYRA's \$455 million investment in Belmont Park will produce a **2.6x return-on-investment (ROI)** for New York in the form of increased State and Local tax revenues and sale proceeds.

Consolidating downstate racing at Belmont will enable the State to sell Aqueduct for an **immediate estimated payout of at least \$1 billion**. The sale, combined with one-time and annual State tax revenues, will result in more than **\$1.1 billion in net fiscal benefits** for the State.

\$455M

NYRA Investment Facilitated through State-Issued Bonds



\$45M

One-Time State and Local Tax Revenues from Construction of New Belmont Park

\$110M

20-Year NPV of State, Local, and MTA Tax Revenues from Annual Activities at New Belmont Park

\$1B+

Sale Proceeds to NY State from Aqueduct Racetrack

2.6x

Return-on-Investment



Appendix

DATA SOURCES

HR&A developed assumptions for the economic and fiscal impact analysis using materials provided by NYRA as well as third party reports, desktop research, and data sources cited throughout this briefing book.

NYRA provided HR&A with physical program mixes, employment and headcount data, operating expenses, a renovated program, and cost estimates for the new Belmont Park.

NYRA also shared a recent sports market analysis conducted by **Elevate Consulting** (“Elevate”) and a 2022 appraisal of Aqueduct Racetrack conducted by **International Valuation & Advisory**.

HR&A reviewed publicly available reports and documents from **Empire State Development**, a State organization with an economic development mission. Key reports included a 2019 fiscal and economic benefits analysis of proposed UBS Arena and Belmont Park redevelopment projects.

HR&A obtained the most recent jobs, earnings, and output multipliers for New York State and Nassau County from **Lightcast**, which were used to estimate economic and fiscal impacts.

To develop assumptions for a potential hotel development on freed up acreage at Belmont Park, HR&A reviewed recent and comparable Nassau County hotel developments as well as **CoStar** data for recent hospitality deliveries (new construction) and pipeline projects in the county.

HR&A also reviewed State, County, and local government websites to find current tax rates, deductions, and other data for the fiscal impact analysis.