

TDN **Q&A**

The future of the New York Racing Association is now in the hands of Chris Kay, its newly named CEO and President. Kay will face many challenges in the years ahead as he tries to plot a course that will lead the racing organization on a successful path. He sat down with Bill Finley for an interview on Sirius/XM's Down the Stretch. That interview, where Kay discussed his new job, its challenges and his thoughts on the direction he would like to see NYRA go, appears below.

BF: Much has been made of your lack of experience when it comes to working in horse racing? Can you take your "outsider" status and turn it into a positive?



Christopher Kay NYRA photo

CK: I certainly hope to and intend to. There are some people that have developed a great deal of animosity toward others; there's been some scar tissue that

has developed. Hopefully, I can come in without that kind of history. I have a track record at looking at things objectively and finding common ground with various folks to try to create a solution that works for everybody and I hope that I can do that here.

BF: Based on your background handling land privatization issues, it's not hard to conclude that one of the reasons you were hired was because someone has to deal with the future of Aqueduct. Does it make sense to continue racing there?

CK: We definitely need to look at that question. It's part of an overall strategic look at what makes the most sense in order for NYRA to be successful for decades to come as a result of this reprivatization effort and it includes looking at all three tracks, starting with what are we doing well, what can we be doing better, do we keep Aqueduct and Belmont or do we keep one and not the other? And if we keep one and not the other, what kind of changes do we make to the one that would then be responsible for the races now being held at the other site? That will be part of our process. We will also be looking at what kind of revenue streams we have today and what kind of additional revenue streams will we have for the future. We want to create a new NYRA that will be successful, rather than just limp along, after 2015.

BF: Belmont is an issue, too, and particularly if you close Aqueduct. With a track that is too big for its own good, do you take a wrecking ball to it and start all over?

CK: This is my first week on the job, so I don't want to say I have a thought to do that. What I will tell you is that we have a process and the process is to consider everything and see what makes the most sense. One thing could be to leave Belmont the way it is. Then you'd have to look at what your maintenance costs are. If Belmont was to entertain winter racing, what modifications would have to take place and how much would that cost? Or if you were to have a totally different facility, how much would that cost and then where would you get the money to do any of those things? Here in New York, we're going to build a new bridge to cross the Hudson River to replace the Tappan Zee Bridge. The Tappan Zee Bridge has such annual maintenance costs it makes it difficult to do the math to have it work going forward. I am going to look to see what we have in annual maintenance costs at all three of our tracks, what needs to be done to maintain and improve some of those facilities and then make a decision and recommendation as to what makes the most sense. Having said all that, these are not going to be decisions and recommendations I make in a vacuum. I am going to work with a variety of different stakeholders, including the state of New York, to come up with the right solution. I am going to talk to horsemen and a wide variety of personnel in our organization and supporters throughout the horse racing community and get their input before making a recommendation.

BF: Unlike the private businesses that you have worked in, NYRA constantly has to deal with government intrusion and roadblocks. How do you deal with those impediments?

CK: You could look at this as a challenge or an opportunity. I look at this as an opportunity. Precisely because I am from a different type of background it is my hope and belief that I will be able to work in a different way and, hopefully, in a more productive and effective way with some of the folks in government than what has existed in the past.

BF: Because you don't have a strong background in racing and, because you may not necessarily be dealing with the day-to-day operational aspects of the business, many believe it would benefit NYRA to hire a top executive as your right-hand man, someone who has run a racetrack before? Might we see you hire such a person?

CK: I've always believed you succeed as a team, so to be able to have people with great strengths in a given area helps make the team stronger. So I am surely going to be looking at that. In fairness, this is my first week on the job, so I am making sure I get to meet all the people who are here now, understand what they do, evaluate their strengths and weaknesses.

Clearly, the opportunity to bring in someone that has that kind of racing background could be very beneficial for NYRA and is probably something I will be looking at. First, I want to get to know my team that I have here today.

BF: Since you were not well-known in horse racing, you could have been a perfect "Undercover Boss." Have you experienced racing lately at a NYRA track as a customer?

CK: My wife and I have been out to Belmont several times. We have a newsletter starting this week where I said 'this is our inaugural newsletter, I am pleased to communicate this way and this is a way for me to introduce myself and for you to introduce yourself to me. But in one sense I already know who you are because I have been coming as a patron.' I always thought it would be fun to have a gig where you get to be the undercover boss.

BF: One of the great challenges for any racing executive is to get people to come to the track and when they do get them to come back. Do you have any ideas on how to make that happen?

CK: That's one of the things I am most excited about facing. I have some ideas based on the experiences I had at Universal. Universal Studios is a wonderful guest experience. Its CEO Tom Williams is the top in the country and there are some ideas I have from my experience there and also from my experience at Toys "R" Us that I want to pursue. I also think people within NYRA have some of the same ideas and I want to give them an opportunity and forum to suggest them. We will look at them, test them and vet them and, hopefully, we will implement several that will bring people to the track and have them come back again and again.

BF: You're getting a quick education in the horse racing business. What are the things you still have to learn?

CK: They fall into a couple of different categories. The first is strategic. To what extent do people have their mind made up or have well-defined ideas of what they think our new NYRA should look like after 2015? Some people may have ideas that it must have XYZ and others may say if you have ABC it is a deal killer. On the operations side, we have a very good team in place. We did a great job with the Belmont. I have spent some time with eight, nine different trainers and they were very complimentary about what we do at Belmont and Saratoga. I want to learn a little more about the operation. I know some of it right now, but want to learn more. I also want to learn more about how to be most effective for our horsemen and how can we do it in a way that can also enrich the experience for our fans. The strategic and the operational, those are the two areas where I am going to devote my time initially. But frankly, as a businessperson, we have to also to say how does this work financially? We have to be able to generate more revenue than we spend or else we don't have much of a future.