



**DEO VOLENTE**  
F A R M S

**Testimony of Michael J. Gulotta**  
**Owner & operator Deo Volente Farms**  
**Flemington, New Jersey**

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**Monmouth race track**  
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Good morning chairman and respected members of the legislature. My name is Michael Gulotta and I am a partner in "Deo Volente Farms" in Flemington, New Jersey. By the way, Deo Volente means "God willing" in latin.

Three years ago my partners and I purchased a 120 acre corn field that was slated to become a housing development. It is now a standardbred breeding farm in Hunterdon county. We have invested nearly \$10 million in New Jersey because we believe in New Jersey.

Prior to that, many of these same partners and I started from scratch and built what became over a short 15 year period the country's tenth largest employee benefits consulting firm headquartered here in New Jersey because we believed in New Jersey. I appreciate the opportunity to appear before you today.

I am going to focus my remarks today on NJ's horse racing and breeding industry, and more importantly, what we all should be focusing on to build a very robust manufacturing industry. Yes...I said manufacturing industry...because that's what it is. While we don't manufacture machinery or equipment, we can manufacturer high quality race horses.

The fact of the matter is that not that long ago New Jersey boasted one of the most successful horse breeding programs in the world. That is no longer the case, since 2000, the number of standardbred mares in New York and Pennsylvania combined has increased by 45% while the number in New Jersey has decreased by 64%. The purses for state bred standardbreds has increased by 142% in New York and Pennsylvania while in New Jersey is down by 57%.

Given the fact that we have the infrastructure to once again become preeminent players, we should not waste our assets but rather, we should leverage off them. And remember – the stallions and mares – the basic resources needed to build future race horses – resources which have fled from New Jersey along with the \$70 billion of net worth which has left – can be brought back in a matter of hours via horse trailers travelling from New York and Pennsylvania.

The question is, will this administration and this legislature fully embrace this manufacturing industry, and take the necessary steps to take full advantage of this opportunity?

Unfortunately, the release of the "Hanson Report" has not been good for NJ breeders. In fact, within hours after the report was released, Deo Volente Farms lost two breeding contracts for 2011

for a combined value of \$500,000. This is a devastating blow to our business. And since the release of the report, there has been paralysis in the New Jersey horse breeding industry.

People in the horse breeding or racing business who were interested in doing business in New Jersey are putting decisions off or taking their horses to Pennsylvania, New York and/or other states where there is certainty and stability.

New Jersey is facing unprecedented economic challenges. We all know this and witness it daily. We need to encourage industry to stay here and grow. By enabling the horse racing and breeding industry to reorganize itself, New Jersey would be encouraging economic development. Instead we are causing economic demise.

By saving the horse breeding and racing industries you would be preserving a \$4 billion business, you would be saving thousands of jobs, you would be preserving \$160 million in direct tax revenue with \$780 million in economic impact, and you would be keeping 176,000 acres in New Jersey green and financed and maintained by the private sector.

By doing all this, you would be giving the green light to the international horse racing and breeding community that the New Jersey horse industry is open for business.

### **Specifically, how do we move forward?**

- privatize our racetracks just as they have privatized in other states.
- embrace a plan to achieve financial self-sufficiency of all operations within two years.
- introduce an elite standardbred meet at the meadowlands just as we have done here at Monmouth.
- introduce of a new competitive breeding development program so that our horses do not continue to leave New Jersey.
- enrich the NJ bred racing program and make it competitive with New York and Pennsylvania.
- create new entertainment options to maximize utilization of the meadowlands racetrack.

### **There are viable approaches on how to help finance this plan. These include the following:**

- build the off-track wagering facilities;
- approve instant racing which produced \$22 million in purse money for racing in Arkansas in 2009;
- approve intrastate internet gaming;
- approve exchange wagering;
- open up the horse wagering platform in New Jersey so that bets can be made from other states; and
- realize cost reductions by outsourcing certain administrative expenses

I would be pleased to give you much more detail if you would like.

The reality is this...we can sit here and debate North Jersey versus South Jersey and pin the casino and horse racing industries against each other...or we can use this as an opportunity to make some real changes that improves New Jersey's competitive position in both industries.

Thank you for the opportunity to appear before you today. I would be happy to answer any questions you may have.

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