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## **New Downs Casino An Exceptional Deal for All New Mexicans**

ALBUQUERQUE, NM – With the new Downs Casino approaching completion, EXPO New Mexico General Manager today issues a statement characterizing the new facility and the new 25-year lease agreement as an exceptional deal for all New Mexicans, as well as for the future prosperity of the State Fair.

“The new lease between the State Fair and the Downs at Albuquerque represents a critical turning point for this agency on a wide variety of essential fronts,” Mourning began. “The new lease arrangement with the Downs that ensures our largest, most critical revenue source—\$2.75 million annually by the completion of year three of the deal, plus participation rents of up to \$1.3 million,” Mourning continued.

Mourning went on to explain that, in addition to helping to ensure the long-term viability and sustainability for the State Fair for future generations, the new lease provides for unprecedented accountability where there had previously been almost none; provides for new, much-needed jobs—both temporary and permanent—in a struggling economy and, furthermore, provides possible additional revenue streams for the Fair where none existed before.

“We wrote and put into effect a lease that is designed to protect the Fair’s long-term interests by establishing parameters that not only place the financial responsibility on the Downs for all building maintenance and upkeep,” Mourning stated, “but also to provide the Fair with additional revenue during those years the new casino enjoys profits of \$60 million or more.”

Mourning said some of the key components of the lease include:

- providing the Fair with an essential anchor tenant for the next 25 years, paying the Fair a minimum of \$2 million per year until January of 2015, when the Downs will increase annual payments to the Fair by 37.5 percent to \$2.75 million
- ensuring that the Downs’ utilities are now separately metered or submetered—Downs pays for the utilities it uses rather than a pro-rata flat fee as has been the case since the previous administration
- affording the Fair new sources of income via participation rent, co-op advertising and additional revenue from parking and concessions on a minimum of 16 events the Downs must now book each year—12 in Tingley Coliseum and 4 in the Horse Complex
- Under the new lease, the Downs agreed to waive more than \$2 million in damage and maintenance claims against the Fair
- Downs must construct new entrances both for the new casino facility and for the Fair at the southeast quadrant of the grounds

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- The Fair, not the Downs, now has control over the 45-acre barn area south and southwest of the racetrack; the current lease encompasses just 45 acres rather than the 90-plus included in the previous agreement, essentially netting the Fair more in rent monies for less property rented.
- Downs shall renovate the aging Grandstand area
- Because of the strength of the new lease, the Downs is forced to be a better partner with the Fair and, by extension, with the State.
- Fair has the opportunity for a profit-share in years when the Downs' profits top \$43.8 million
- Places the Fair in a much more positive position to compete against local casinos and other entertainment venues in the industry.

Under the previous contract, which expired in January of 2012, the Downs was required to pay just \$2 million in annual lease payments to EXPO with no profit-sharing provision. Mourning said that other new provisions of the current lease "include release of liability for maintenance of the casino and racetrack by EXPO New Mexico now and in the future; the Downs is required to pay \$300,000 toward co-op marketing and advertising for EXPO events annually, in addition to lease payments; the Downs is required to book and promote a minimum of 12 live entertainment events at Tingley Coliseum annually and four in the Horse Complex." Mourning also said that, "upon the expiration of the current agreement, EXPO New Mexico *will own* the new 50,000-square-foot facility and all other property the Downs plans to build or renovate under the new lease.

"The acquisition of this new long-term agreement with the Downs means a brighter future for the Fair and for New Mexico's families for whom the Fair has become a 'surrogate Disneyland,' as well as the social center and cultural icon it has been for the last 74 years." Mourning said: "The new Downs contract is, quite simply, a better deal for a brighter tomorrow.

Interviews are available. Please call Michael Henningsen at (505) 803-6355 for scheduling.

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