

Gulfstream lures young patrons with betting on the 'beach'

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It's where the young South Beach party crowd meets Broward's old, cigar-chomping, thoroughbred handicappers.

Only a yellow plastic chain separates them on Saturdays at Gulfstream Park Racing & Casino in Hallandale Beach, but they might as well be world's apart.

Welcome to Frank's Energy Beach, the park's new, outdoor lounge, styled as a trendy hangout for 20- and 30-somethings who come from all over South Florida.

It was created by Gulfstream owner Frank Stronach and his vice president for strategic development, Aaron Perry, to bring in the young "beautiful people" who otherwise would never step foot in a race track.

Stronach, 75, the billionaire chairman of Magna Entertainment, is betting that attracting younger patrons may help boost sagging revenues at the racino.

His company lost about \$43 million on \$117.2 million in revenue in its last quarter.

And pretax earnings at the race Gulfstream were down \$3 million in the last fiscal year. Magna blames the drop on declining attendance and wagering -- and

the almost 60 percent tax levied on its slots revenue.

And, above all, that few people under the age of 35 frequent the race track -- if they visit at all -- rendering thoroughbred racing an old man's sport.

Stronach said that struggling race-track owners like himself recognize that the only way they can survive is by appealing to young adults with such lures as outdoor concerts and, now, upscale outdoor clubs.

"It is not that difficult to figure out what young people want and you cater to them," said Stronach, who said young people want thoroughbred racing to be one part of their afternoon entertainment experience.

"Where else can [young people on a Saturday afternoon] have some fun, have a few drinks, and come home with more money than they came with?"

Perry agreed.

"Every year we lose 3 to 5 percent of our fan base to death and we have to find a way to replace it," said Perry, who was criticized years ago for launching Gulfstream's rock concert series. "But the true thoroughbred fan recognizes that change is needed in order for this sport to be passed to the new generation."

INDUSTRY FIRST

Frank's Energy Beach is the first outdoor beach lounge to open at a race track in America, according to Eric Wing, spokesman for the National Thoroughbred Racing Association.

Frank's faces the ground-level race track and resembles Nikki Beach in South Beach with sand floors, curtained cabanas, lounge beds, a DJ spinning house and hip-hop music, bikini-clad cocktail waitresses, topped off with a fashion show before closing.

Instead of a velvet rope, it has a plastic yellow chain, manned by an attractive host with a clipboard.

On a recent Saturday afternoon, it appeared Stronach and Perry's strategy may reap some dividends, so long as the younger folks don't have to mixing with the older folks.

"I wouldn't go over there on the old people side, not when I can relax out here in a lounge bed, order a bottle of Chardonnay, and listen to an amazing DJ," sniffed Monica Ulrich, 21, a thin, leggy model from Minnesota who lives in downtown Miami.

The feeling is mutual on the other side of the chain.

"I don't like it. This is a race track," grumbled Joe Chimbolo, 68, a vacationer from Norwalk, Conn., who has been coming to Gulfstream for the last 15 years. "Leave the horse track to horses, not tiki bars."

His girlfriend, Donna Calabrese, 62, from Greenwich, Conn., agreed.

"It doesn't seem proper for Gulfstream. If I wanted to go to the beach, I'd go to the beach," said Calabrese, who said the constant booming beat from the speakers was annoying as it was breaking their handicapping concentration.

"It's going to be going `thump-thump-thump' out here all day long," complained Chimbolo.

Stronach feels that any tension between the young and the old will dissolve as young people, partying in the sunshine, start gambling and mingling with old-timers.

Rhiannon Ellis, 27, a Miami Beach native, fits Stronach's profile of a future customer.

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She got into horse racing when she attended a Smash Mouth concert at Gulfstream in 2003 and placed her first bet. She won -- and now handicaps the scratch sheet as intensely as someone three times her age.

"The drawback to Frank's Beach is that it is hard to see the race when you are sitting in a cabana and follow what is going on," Ellis said. "There are no TV monitors, and you don't have that edgy flavor and excitement that you get when you are outside -- around real gamblers."

The big risk for Magna executives: Will drawing younger customers push out its older customers?

Most of the old-time handicappers at Gulfstream don't think so.

They believe young and old can enjoy thoroughbreds in peace, as long as they stay a few yards apart.

"The fact is Frank's Energy Beach is not supposed to be my sort of thing, but I think it is great and clever concept," said Michael Smith, 69, a business executive from Hillsborough Beach who has been a faithful patron of Gulfstream for the last 30 years.

"Anything that gives racetrack attendance a boost is a good thing."

Consider vacationing friends Julie Hockaday, an antique dealer from Baltimore and Merci Scarborough, a financier, from McClean, Virginia.

Sitting at an outdoor table overlooking Frank's Beach, sipping wine, handicapping, and eating a light lunch, the two "over 45" women applauded the concept, yet had no interest in setting foot inside Frank's Beach. But they were amused at watching the scene high from their quiet perch, outside of the 10 Palms restaurant.

"It's cute. It's typical of South Florida -- loud music, bikinis, skimpy outfits, overpriced drinks, and young people trying so hard to be cool," said Scarborough.

Hockaday says the generation gap is obvious.

"We have outgrown that loud music party scene," said Hockaday. "We are at the age where we are more interested in actually hearing our conversations, and relaxing when we go out to have fun."