
**TEXAS RACING COMMISSION
HORSE RACE DATE CALENDAR COMMITTEE
*Meeting Report***

**Sam Houston Race Park
Houston, TX**

**August 13, 2010
10:30 a.m.**

Representatives from the horsemen, breed registries, Texas horse tracks, staff from the Texas Racing Commission and various members of the public attended the meeting led by Commissioners Ronald Ederer (committee chair) and Kent Carter, D.V.M. Commission personnel stressed the importance of suggesting potential solutions to industry problems and building consensus for a race date calendar. The following were introduced:

- Charla Ann King, Executive Director of the Texas Racing Commission
- Sammy Jackson, Racing Commission Deputy Director for Wagering and Racing Review
- Howard Phillips, Manor Downs
- Bryan Brown, Retama Park and the Austin Jockey Club
- Andrea Young, Sam Houston Race Park (SHRP) and Laredo Race Park
- Drew Shubeck, Lone Star Park (LSP)
- Greg LaMantia, Valle de los Tesoros Race Park (VDLT) and Laredo Downs
- Sally Briggs, Gillespie County Fair
- Pancho Villarreal, Texas Paint Horse Association
- Rob Werstler, Texas Quarter Horse Association
- Marsha Rountree, Texas Horsemen's Partnership
- Tommy Hays, Texas Quarter Horse Association
- Dave Hooper, Texas Thoroughbred Association
- Ed Wilson, Texas Arabian Breeders Association

Members of the racing industry offering testimony:

- Johnny B. Morace, Hempstead, Texas
- Charles Wright, Argyle, Texas
- Billy Dunn, Houston, Texas
- Calvin Klein, Klein, Texas
- Theophilus Scales Jr., Cedar Creek, Texas
- J.E. Carlson, Houston, Texas
- Steven Nielson, Houston, Texas
- Sharon Kerby, Salado, Texas
- Joe Kerby, Salado, Texas
- Bobby Moore, Rosebud, Texas
- Waverly Parsons, Pearl River, Louisiana

Working Proposal — Class I Racetracks — *Drew Shubeck, Andrea Young, Bryan Brown*

Lone Star

- Host a 60-day Thoroughbred meet starting around March 31 or April 14
- Host a 26-day Quarter Horse meet starting September 18, operating three days a week, concluding on November 12

Sam Houston Race Park

- Host a 28-day (or so) mixed meet (predominantly Quarter Horses) around June/July
- Eliminate its upcoming Thoroughbred meet scheduled to begin November 26, 2010

Retama Park

- Expects to apply to host 24 Thoroughbred/mixed days in August extending into October
 - Quarter Horse races run with Thoroughbred races from August to September 10
 - Quarter Horse races end when the Quarter Horse season begins at Lone Star Park

II. Developments at Other Texas Racetracks

Valle de los Tesoros Race Park, Laredo Downs and Gillespie County Fair and Festivals

The holder of VDLT and Laredo Downs licenses has race dates allocated for 2011, but no track on which to run those dates. Gillespie County Fair and Festivals and a representative of the VDLT and Laredo Downs license holder have been exploring the potential of running some of the VDLT and Laredo Downs races at Gillespie. Laredo/VDLT is looking at ways to get simulcasting running sooner to generate purse money. (Sally Briggs and Greg LaMantia)

Saddle Brook Park

The license holder is under contract to sell his license and wishes to cancel the 2011 dates which are already allocated. (Drew Alexander)

Austin Jockey Club

The Austin Jockey Club expects to request 2012 dates. (Bryan Brown)

Gillespie County Fair and Festivals

Already has its traditional dates in July and August of 2011 and may add more. (Sally Briggs)

III. Summary Track Comment

Sam Houston Race Park

Handle has lost almost \$250 million annually in Texas since 2005. To maintain purse levels, tracks have had to cut dates. Texas was still competitive in 2003 when alternative gaming began to expand in the region. By 2008, there were 44 more days racing in New Mexico, 69 more in Oklahoma, three more in Arkansas, 74 more in Louisiana and 61 fewer days in Texas. Purses in the region have gone from \$177 million to \$255 million. Texas has gone from \$23 million to \$14 million. In order to transfer \$4.8 million in purse funds to LSP for a consolidated Thoroughbred meet, SHRP would have to eliminate its Thoroughbred meet scheduled to begin in November 2010. (Andrea Young)

Lone Star Park

In polling stakeholders, the magic number that gets everyone's attention for purses is \$200,000 a day. The potential transfer of \$4.8 million from SHRP to LSP would allow LSP to increase its purses substantially, to more than \$200,000 a day. (Drew Shubeck)

Retama Park

Expects to be able to run average daily Thoroughbred purses of \$80,000 or more. Track looked hard at the possibility of running spring dates, Quarter Horses in particular. The track simply cannot afford to run two separate meets. The track will run the Texas Stallion Stakes Series races and the El Joven and La Senorita. (Bryan Brown)

IV. Summary of Industry Comment

Still gathering information, no vote taken by any board yet — Texas Horsemen's Partnership

A great deal of concern exists over the decline in handle. However, there are also concerns about the working proposal. Wants SHRP to run Thoroughbred dates and wants Retama Park to run Quarter Horse dates. Stressed that the proposal is a one-year plan and that stakeholders will have to make compromises during that year. (Marsha Rountree)

Statistics and concerns — Texas Thoroughbred Association

Noted previous testimony that showed the decline in purses paid, incentive awards paid, Thoroughbred foals registered, the amount wagered, live racing days, and attendance in Texas compared to the increases across other states in the region for a ten-year period. The

consolidated schedule is a bridge through the 2011 legislative session. If there is legislative success, the draft bill calls for a return to the 2002 schedule of dates. Concerned about: the lack of opportunities for Thoroughbreds to race in the spring; the ability to preserve the eight stakes races that are part of the Texas Champions Day program; a place to run Stars of Texas Day. (Dave Hooper)

Fewer opportunities for Arabians — Texas Arabian Breeders Association

Will lose more than 50 percent of racing opportunities with the elimination of the spring racing. Colorado runs a meet in the summer that typically has larger purses than race meets in Texas. If SHRP runs a mixed meet in the summer, people will not want to give up those better purses and more racing opportunities per week to stay and run in Texas. (Ed Wilson)

Where are the March, April and May Dates — Texas Paint Horse Association

Everybody with a two-year old needs to get his or her horses running early. Where will a horseman run his horses in March, April and May under the working proposal? (Pancho Villarreal)

Too few dates for Quarter Horses and proposed dates are poorly timed — Texas Quarter Horse Association

Noted that the plan from the tracks has not changed for months as it relates to Quarter Horses. Specifically concerned about the limited opportunity for Quarter Horses at Retama's proposed mixed meet and about the timing of that meet. (Rob Werstler)

V. Summary of Key Issues Discussed During Public and Stakeholder Comment

➤ ***Racing opportunities must be available in the spring.***

Without spring races, some feel the industry in Texas will not survive. A track official did remind the group that if spring racing is a necessity, particularly for the Quarter Horsemen, that SHRP offered to run spring races.

➤ ***The effect of fewer racing opportunities could be dramatic.***

With fewer dates, more horsemen will quit the business or move to other states. Several offering testimony said that tracks should be running a greater number of dates, not fewer.

➤ ***License holders with dates but no tracks should contribute in some way.***

One speaker said that the license holders with dates but no tracks ought to figure out a way to generate some money to help solve the current issues.

➤ ***Decreases in incentives have hurt Texas breeding. Not having a racing circuit will hurt breeding even more.***

Legislative changes to the breed back rule caused a drastic reduction in mares in Texas. If the racing circuit and its many opportunities goes away, so will the number one incentive left for breeding in Texas.

➤ ***The consolidated plan threatens multiple futurities and other opportunities.***

Horsemen are concerned about losing futurities under the plan. One commenter mentioned three lost futurities as a result of Manor's closing and additional futurity losses at SHRP. The potential loss of the Star of Texas Day also was mentioned.

➤ ***The reduction leads to a loss of racing opportunities for Texas bred.***

The loss of restricted racing days going from 130 to 60 or 70 means a drastic reduction in Texas bred racing opportunities.

➤ ***Breed associations could better represent views of horsemen.***

Some horsemen feel that their breed associations are not sufficiently representing their views.

➤ ***Houston-area horsemen face additional costs under the proposal.***

Under the proposal, Houston-area Thoroughbred owners will miss out on their traditional meet at SHRP and also will face costs associated with moving their horses to LSP for its meet. This issue seems particularly aggravating to some in the Houston-area Thoroughbred community considering that the plan calls for SHRP to transfer its Thoroughbred purse money to increase LSP's.

➤ ***Industry has to do a better job attracting patrons.***

Several attendees commented about the importance of attracting patrons to the track. If horse racing can better sell the experience that a day or evening at the track provides, more customers will attend and handle will increase.

➤ ***Consolidating the Thoroughbred dates at LSP is a poor strategic retreat.***

One individual commented that if consolidation must occur, the race meet should be held distant from Texas' borders, somewhere between Dallas and Pflugerville. People from other states who wanted to "poach purses" would have to drive further into the state to do so.

➤ ***The decline in racing is directly proportional to the cuts in race dates.***

One individual feels that statistics show that the percentage of cuts in race dates over the years is nearly equal to the percentages of decreased attendance, amount wagered, purse money generated and purses paid.

➤ ***Video lottery terminals (VLTs), Slot machines and Advanced Deposit Wagering.***

Some of the comments related to VLTs: they are already in Texas, but are not controlled; could be key to racing's success; some feel that the consolidation plan presented by the tracks is a strategy to achieve the legislation necessary to allow additional gaming in Texas. Some comments addressed the competitive disadvantage for Texas in a region where most states allow slot machines at the tracks, but Texas does not. Several people also offered brief comment about Advanced Deposit Wagering.