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CHRB NEWS RELEASE

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BOARD APPROVES CAPITOL HARNESS MEET AT CAL EXPO

ARCADIA, CA – The California Horse Racing Board approved the license for Capitol Racing to conduct a harness meet in Sacramento from March 5 through July 31 after the principal parties reached a tentative agreement Thursday that protects horsemen and deals temporarily with lingering financial issues until they are ultimately resolved by the courts and the CHRB.

Commissioner Alan Landsburg praised everyone involved, particularly CHRB Executive Director Roy Wood, for working out a compromise that allows Capitol Racing to continue operating a harness meet at Cal Expo.

“This temporary agreement, (the substance of) which is subject to court and CHRB approval later, allows us to move forward knowing that our horsemen are taken care of,” said Landsburg during the monthly meeting of the Board at Arcadia City Hall.

The long-standing dispute revolves around simulcasting impact fees involving Capitol Racing and Los Alamitos Race Course, which operates a quarter-horse meet in Orange County. Last year the CHRB issued an order requiring Capitol to take certain steps to resolve the dispute. These matters are in litigation.

“Everything we’ve agreed to here today is contingent upon the ultimate resolution of this case,” explained Rodney Blonien, representing Los Alamitos, as he outlined the financial agreement between executives at Capitol and Los Alamitos, which includes the release of nearly \$2 million from frozen accounts to Los Alamitos and horsemen and a formula for the withholding of ongoing impact fees.

In a related issue, Wood said the CHRB staff is reviewing and evaluating the financial condition of Capitol, and the result of that review could have an impact on future license applications.

In other business, the Board approved license applications for Bay Meadows Operating Company to operate a thoroughbred meet in San Mateo from April 7 through June 20 and Churchill Downs Operating Company to operate a thoroughbred meet at Hollywood Park in Inglewood from April 21 through July 18.

The commissioners voted unanimously to name Roger Licht vice chairman of the CHRB. Licht replaces Sheryl Granzella, who stepped down from the vice-chairman post due to other pressing commitments. She continues to serve on the Board. Licht, a commissioner since February 2001, served a one-year term as Board chairman in 2003.

Executives with Magna Entertainment Corp., which owns and operates the race meets at Santa Anita Park, Bay Meadows, and Golden Gate Fields, reported on the downward trends of pari-mutuel handle at its current race meets and efforts to reverse those trends.

Jim McAlpine, chief executive officer and director of Magna Entertainment, said handle is down 6 percent at Santa Anita and down nearly 8 percent at Golden Gate but he cited similar or larger declines at other racetracks in California and throughout the country, including some not owned by Magna.

“The racing landscape across the country is not a pretty picture,” said McAlpine as he called on all segments of horse racing to “find solutions together as an industry.”

He introduced Jack McDaniel, the new president of Santa Anita, who described his extensive background in motion picture studios and entertainment. McDaniel mentioned efforts to attract new fans to horse racing and increase awareness of Santa Anita, including the new Sirona’s restaurant, bar, and concert venue adjacent to the saddling paddock. And retired jockey Chris McCarron, who is now general manager of Santa Anita, said horse racing will receive widespread exposure from an upcoming PBS episode of “California’s Gold,” which host Huell Howser recently taped at Santa Anita.

McAlpine focused more on racing matters, indicating plans to widen the distribution of the Santa Anita signal, increase the size of fields, and help deal with the burdensome cost of worker’s compensation insurance for horsemen.

Regarding the new pricing model implemented this year by Magna for certain wagering outlets, especially those offering rebates to their customers, McAlpine said the changes are necessary to ensure that the producers of horse racing – those who put on the show – receive a significant, fair share of the revenue. He said handle at “rebaters” dropped severely in the first few weeks of 2004 but now handle at those same outlets is higher than it was last year.

“On the bright side, account wagering seems to be growing and overall business is improving,” said McAlpine. “But we in horse racing have a lot of challenges ahead of us. Horsemen and racetracks will need to work together to grow the business.”

CHRB Chairman John Harris introduced the new licensing supervisor for the CHRB in Southern California, Laura Sandoval, who has been with the Board for 12 years as a licensing technician. She replaces Norma Williams, who is retiring after 20 years with the CHRB.

The Board approved a request by the Jockeys’ Guild and the Thoroughbred Owners of California to extend the revisions of an agreement regarding the health and welfare program for California jockeys until a new agreement is completed.

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