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CHRB NEWS RELEASE

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BOARD TO CONDUCT STRATEGIC PLANNING MEETINGS

SACRAMENTO, CA – Given the possibility that any of the three owners of the five privately owned racetracks in California could choose at any time to develop their properties and shut down their racing operations, the California Horse Racing Board intends to hold several strategic planning meetings to develop long-range plans for horse racing in the state, and one of the options would be to allocate multi-year racing dates that would obligate the owners to operate for the term of the contracts.

The CHRB has a responsibility to protect and enhance horse racing for years to come, and given the uncertain future for the state's privately owned racetracks, the Board feels it is in the best interests of the public, horse owners, all racetrack workers, and the racing associations themselves to discuss alternatives that would ensure the continued prosperity of the horse-racing industry in California.

The practice has been for the Race Dates Committee to develop a one-year racing calendar for the full Board's consideration and approval, but CHRB Chairman Richard B. Shapiro and Vice Chairwoman Marie Moretti have decided on a different approach this year. Shapiro has assigned that committee additional responsibilities and the new name of Race Dates and Strategic Planning Committee. Both Shapiro and Moretti serve on the new committee. The first meeting of the committee had been scheduled for this Wednesday, but for logistical and planning reasons, it is being rescheduled.

"This committee plans to meet both earlier in the calendar year and more often than in past years to review what is in the best interests of the industry and the public," said Shapiro. "I already have discussed this subject with all track owners in the state and nearly all of the organizations. We tried to discuss their views, concerns, and philosophies of how California should move forward. I have not suggested or concluded what a final outcome would be to anyone. I have stated that I want to see racing promoted, and the best program presented within the state.

"Our job as racing commissioners is to protect and enhance the sport throughout the state. We are not doing our job if we sit by and wait until the last minute to find out that one of our tracks intends to cease operating. Any of the privately owned tracks could close at any time without sufficient advance warning. We have thousands of horses, thousands of employees, and tens of thousands of fans that depend on our racing circuit. It is our fiduciary responsibility to review all alternatives and set a proper course for the future. While I would like to believe that all existing venues will remain racing properties, that simply may not be reasonable to expect, and we need to be prepared for any eventuality."

Moretti has long advocated multi-year calendars, believing they would give the Board and the industry greater control over the direction racing is taking and prove fairest to all concerned.

"Our objective is to have a thoughtful, creative dialogue, the ultimate goal of which is the betterment of the entire industry in this great state," she explained. "We have to face reality. While we have the greatest weather for racing and good purses, we also have short fields and an uncertain future caused by market forces and the decline of the industry itself."

Commissioner John Harris agrees with the concept of multi-year calendars and looks forward to the prospect of fully discussing all of the issues relating to date allocations that face the Board and the industry.

“Traditionally, the allocation of racing dates has evolved around relatively minor fine tuning of dates amongst tracks that have operated for decades as the major facilities in their areas,” explained Harris. “If California racing were to see one or more major tracks in the south or north close down over the next few years, the racing industry would need a plan in place to make an orderly, well-thought-out transition. Obviously, no start-up track could adequately plan to conduct racing unless there were some assurance of dates being available.

“There are several possible options available to continue California racing at the high caliber for which the state is known, but they all involve wisely conceived plans. No one owns any dates, although it does make sense to respect investments made. There is much merit in the concept of developing a strategic plan to eliminate uncertainty and maximize the state’s racing potential.”

Shapiro said he does not want any of the racetrack operators to feel threatened by the new focus of the committee, but he does want everyone to understand they should not come to the meetings with the impression that it will be business as usual.

“It is imperative that we strategically plan the future of horse racing in this state, and part of that discussion must include commitments from the track owners not only to continue racing but also to refurbish their facilities and to promote their meets,” said Shapiro. “Personally, I think it is worth consideration to allocate multi-year racing date contracts to track owners. This would obligate the tracks to operate for the term of their contracts and would also contain conditions under which they would be obligated to operate. From the tracks’ perspective, or any organization wanting to invest in becoming a host-track operator, they would have the assurance of knowing that they have multiple years with which to garner a return on their investment.

“At this moment, I do not know if the Board has the authority to issue multi-year dates that would obligate the racetracks to operate for the term of their contracts, but my business is real estate and I know that when a tenant signs a lease, that tenant is committed for the term of the lease. In a sense, the State of California is leasing race dates or meets to the track operators, and we need to hold them responsible in order to protect and secure the racing industry in California.

“We need to try and race at the best possible venues for our participants and our fans while also solidifying stability for the future of the industry. All options should be examined. Our first step should be to identify all possible racing locations, determine how long those sites are committed to racing, and then consider how to develop a statewide racing program that will address the needs of our participants and fans. I would further encourage everyone to ignore past “non-touchable” dates and locations. The industry must come before the special interests of each participant. I welcome input from all sources, including fans and horsemen, as they play a vital role in our developing the best possible options available to the sport.”

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