

CALIFORNIA AUTHORITY OF RACING FAIRS

Live Racing Committee
Wednesday, September 3, 2008

Minutes

A meeting of the California Authority of Racing Fairs Board of Directors was held at 12:30 P.M., Wednesday, September 3, 2008. The meeting was conducted at the San Joaquin Fairgrounds, Building #3, located at 1658 S. Airport Way, Stockton, California, 95206.

Live Racing Committee Members attending: John Alkire, Joe Barkett, Norb Bartosik, Tawny Tesconi, Stuart Titus and Forrest White. Joining by conference call: Chris Carpenter and Rick Pickering.

Staff and Guests attending: Christopher Korby, Larry Swartzlander, Heather Haviland, Margot Wilson, Louie Brown, Mike Treacy, Steven Chambers, Dave Elliott, Kelly Baldwin, Richard Lewis and Sarah Cummings. Joining by conference call: Chris Carpenter, Olivia Perez, Ken Alstott and Scott Grieve.

Agenda Item 1 – Determination of Date, Time and Location of Next Meeting. The next CARF Board and Live Racing Committee meeting is tentatively scheduled for 11:30 a.m. on Thursday, October 9, 2008 at the Big Fresno Fair.

Agenda Item 2 – Approval of Minutes from June 3, 2008. Mr. White moved to approve the meeting minutes as presented. Mr. Alkire seconded, unanimously approved.

Agenda Item 3 – Discussion and Action, if any, on a Combined Fair Meeting in 2009 and Racing Calendar for 2009 and Beyond. [Discussed as part of the 11:00 A.M. CARF Board of Directors Meeting, Agenda Item 3]. Mr. Barkett reminded the group that at the June 3, 2008 meeting, Fairs voted to poll their respective Boards regarding the 2009 combined Fair race meet concept.

Fairs officially supporting the concept of a combined Fair race meet in 2009 include Vallejo, Stockton, Fresno, San Mateo and Pleasanton. Santa Rosa and Ferndale will not take action until additional details are provided. Sacramento was not involved in the initial discussion and needs to query their Board.

Mr. Alkire moved to direct Staff to move forward with potentially implementing a 2009 combined Fair race meet and providing the details required for Santa Rosa and Ferndale to develop a position. Mr. White seconded, unanimously approved.

[Race dates will be addressed as part of the Live Racing Committee Meeting.]

Agenda Item 4 – Discussion and Action, if any, on Implementation of AB 765. [Discussed as part of the 11:00 A.M. CARF Board of Directors Meeting, Agenda Item 4]. Mr. Korby revisited AB 765 (Evans) which allows Fairs to direct an additional 1% takeout, with approval from the CHRB, to a fund maintained by the Department of Food & Agriculture with

an oversight committee to direct spending exclusively for the purpose of improving racing facilities at Fairgrounds. The takeout would be generated from racing conducted at Fairgrounds, either by a Fair or an entity leasing a Fairgrounds. The Fairs were successful in passing the legislation, but the implementation of the additional takeout was not approved by the CHRB.

The CHRB was reluctant to approve to activate the bill due to a desire for more information on how the money will be spent and the development of a larger movement by the racing industry to support a year-round, statewide increase in handle allowing for more and greater improvements at Fairgrounds.

CARF agreed to no longer seek approval on AB 765 and work with the industry to develop larger, comprehensive year-round statewide legislation. A consensus was reached by the industry and language was fleshed out, but it was too late in the session to pass the bill.

Since the industry-wide bill, authored by Gloria Negrete-McLeod, was unsuccessful, Mr. Korby feels the group should once again discuss seeking CHRB approval of AB 765.

Mr. Brown added that legislative staff worked hard on the Negrete-McLeod bill, including engaging bond council to ensure the language was absolutely correct. Unfortunately, only 2 weeks were left in session when the language was finalized. Mr. Brown feels the outlook for action in early 2009 is favorable. Ironically, the Negrete-McLeod bill brought back discussion concerning why AB 765 was not implemented. The CHRB Executive Director has suggested the Fairs should reapply for approval from the CHRB Board, whom he feels would be more favorable to the request.

Mr. Brown feels the Fairs should implement the tactic of working with F&E and CDFA to give the CHRB a better idea of what the oversight committee might look like, including a potential seat for a CHRB member. The Fairs could lose another year to 18 months of funding if action is not taken.

Mr. Barkett questioned whether reactivating AB 765 would impact the larger industry bill.

Agenda Item 5 – Discussion and Action, if any, on Racing Calendar for 2009 and Beyond. Mr. Barkett stated the group needs to address the window of Fair dates, how those dates should be allocated and the recommendation that should be presented to the CHRB regarding allocation.

Mr. Bartosik made the Committee aware of ongoing discussions between Orange County and Pomona to expand their Fair dates. This scenario has left Cal Expo Fair looking at a variety of scenarios, including potentially moving the Fair.

Mr. Barkett listed the following issues that need to be addressed before race days are allocated within the Fair block:

- How do we accommodate Ferndale and overlap?
- What is the future of the California State Fair?
- What is the future of Vallejo racing and funding?

- What will happen to the days previously run during the San Mateo Fair?
- Was Stockton successful racing in September?
- Can Santa Rosa extend one or two weeks?
- Will there be a fall meet at Santa Rosa?
- How many days of racing will we have?
- When reducing racing do we reduce the number of days or races?
- How do we create breaks within the Fair block?
- How do we manage the horse population?

Mr. Titus stated that it would be logistically detrimental for Ferndale to run a six day meet, per discussion with various potentially affected parties. Mr. Titus will be asking for two weeks of unoverlapped racing in 2009. After a lengthy discussion, the group asked if Mr. Titus would be willing to move his Fair and race meet to June. Mr. Titus did not think that moving to June would be feasible.

The group directed staff to create a couple of calendar options allocating dates based on the key concerns determined during the meeting.

Agenda Item 6 – Discussion and Action, if any, on Legislative Matters. Mr. Brown reported that the session ended without passing a state budget. AB 2258 (F&E bill) passed the legislature, but since the Governor has opted not to sign any bills until the budget is passed, the bill is essentially stuck. The bill does have an urgency clause and will go into effect the day it is signed. SB 561 passed, allowing for more racing at Golden Gate Fields, as well as extending the calendar for a joint Fair meet and providing Fairs the opportunity to run dates beyond their traditional meets. AB 2103 extended the sunset on workers compensation for Thoroughbreds. The Fairs will need to work on a bill to extend the sunset for Emerging Breeds in early 2009.

Agenda Item 7 – Report on Closing of Bay Meadows and Expansion of Year-Round Stabling and Training at Pleasanton. Mr. Korby reported that Bay Meadows Race Course is officially closed and the last horses will vacate the property by Oct. 12, 2008. Pleasanton is currently housing horsemen that had previously maintained their barns at Bay Meadows and the execution of plans for the expansion of Pleasanton into a larger year-round training operation are under way. Mr. Korby is currently working with Northern California principles to secure monies from the Stabling and Vanning Fund to offset daily operational expenses at Pleasanton.

Agenda Item 8 – Report on NTRA Proposal for Alliance Relating to Safety and Integrity Issues. CHRB Chairman Shapiro called a meeting with California racing principles to participate in a presentation by the National Thoroughbred Racing Association (NTRA) regarding the current public perception of racing. The briefing was confidential due to the nature of the findings, which were less than stellar. The NTRA is asking member tracks to participate in an initiative to address prevalent concerns. A report of the initial poll is available for Fair Managers wishing to review the information.

Agenda Item 9 – Executive Director’s Report. [Discussed as part of the 11:00 A.M. CARF Board of Directors Meeting, Agenda Item 7]. Mr. Korby reported that L.A. County Fair will be hosting a forum of industry principles in conjunction with the Sept. 18, 2008 CHRB

meeting in Pomona, which should include discussion regarding the general improvement of racing facilities at Fairgrounds.

Mr. Korby included in the meeting packet an e-mail from CHRB Chairman Shapiro requesting a small planning group to talk about the future of racing in California and an e-mail from Jack Liebau outlining some of his viewpoints and concerns. The initial meeting was marred by disagreements from some of the tracks and trainer's groups regarding racing surfaces.

Ms. Baldwin asked if CARF has presentation plans for the WFA Fall Managers Conference. Mr. Korby reported that CARF had spoken to WFA and that he was working with Steve Chambers and F&E on racing orientations at upcoming conferences.

Mr. Korby made the group aware that Golden Gate Fields is planning a racing dates conference for stakeholders on Friday, Sept. 12, 2008 at 10:30 a.m.

Respectfully submitted,

Heather Haviland