

CALIFORNIA AUTHORITY OF RACING FAIRS**Live Racing Committee****Tuesday, May 4, 2010****MINUTES**

A meeting of the California Authority of Racing Fairs Live Racing Committee was held at 11:00 A.M., Tuesday, May 4, 2010. The meeting was hosted at the California Authority of Racing Fairs board room located at 1776 Tribute Road, Suite 205, Sacramento, California.

CARF Live Racing Committee members attending: John Alkire, Norb Bartosik, Debbie Cook, Mike Paluszak, Rick Pickering, Tawny Tesconi and Stuart Titus.

Staff and Guests attending: Christopher Korby, Larry Swartzlander, Heather Haviland, Amelia White, Mike Treacy, Rebecca Desmond, Dave Elliott, Louie Brown, Kelly Violini and Richard Lewis. Joining by conference call: Dan Jacobs, Kate Phariss, Tom Doutrich and Chris Carpenter.

Agenda Item 1 – Date and Time of Next Meeting. The next CARF Board & Live Racing Committee meetings will be held Tuesday, June 1, 2010 in Sacramento, time to be determined.

Agenda Item 2 – Approval of Minutes. Ms. Cook asked that Agenda Item 7, motion to approve the 2010 stakes schedule, have Mr. Bartosik and Mr. Pickering added to the “yes” vote. Mr. Paluszak moved to approve the meeting minutes as corrected. Mr. Pickering seconded, unanimously approved.

Agenda Item 3 – Report, Discussion and Action, if any, on Legislative Matters. Mr. Jacobs requested that Agenda Items 3-7, which are identical items in both the Live Racing Committee meeting and Board meeting, be carried over and discussed during the CARF Board of Directors Meeting at 12:30 p.m.

Agenda Item 8 – Report, Discussion and Action, if any, on Recent Meeting with Northern California Racing Industry Stakeholders. Mr. Korby reported that Fairs Managers and other Northern California racing industry stakeholders met April 26-17, 2010 in Santa Rosa. The two-day meeting was coordinated by the Thoroughbred Owner’s of California (TOC).

Important elements of the meeting were discussions regarding the 2011 Northern California racing calendar and the implementation of mini-satellite wagering facilities. The Fair representatives at the meeting pledged to provide a first draft of the 2011 Fair component of the racing calendar by mid-June.

Mr. Korby reported that the San Mateo County Event Center and Golden Gate Fields are very close to signing an agreement that will grant reciprocal consent between the facilities to define market areas in the San Francisco Bay. Mr. Korby encouraged Mr. Carpenter to sign the agreement. Mr. Carpenter reminded the group that it is still important for the Fairs to continue to oppose SB 1439 (Price).

Mr. Korby mentioned that at the stakeholders meeting, Fair Managers were asked which Fair venues planned to remain in operation. Fair representatives stated the need for industry support, whether monetary or through date allocation, that would ensure an orderly and timely transition. At this point, industry stakeholders do not seem interested in providing financial support.

Agenda Item 9 – Discussion and Action, if any, on Northern California Racing Dates for 2011 and Beyond. Mr. Korby stated several issues relating to the 2011 Northern California Racing calendar: 1) merits/shortfalls of continuous racing at Golden Gate Fields, 2) availability of Pleasanton as a racing venue (specifically pertaining to a spring meet), 3) future of racing at Stockton, 4) overlap at Ferndale, 5) developing a longer term revenue replacement plan for Fairs reducing or discontinuing racing, and 6) availability of Santa Rosa and CalExpo as venues to run racing dates outside of the traditional Fair dates.

To initiate conversation, Mr. Korby proposed the following 2011 calendar:

- January 1 – March 13, 2011 – Golden Gate Fields
- March 16 – April 10, 2011 – Pleasanton
- April 13 – June 12, 2011 – Golden Gate Fields
- June 15 – September 5, 2011 – Fair Block
- September 9 – September 25, 2011 – Golden Gate Fields (Fri, Sat, Sun)
- September 30 – October 16, 2011 – Fresno
- October 19 – December 18, 2011 – Golden Gate Fields

Mr. Korby reported that Golden Gate Fields management has expressed concerns regarding continuous racing at their facility, including the difficulty creating community excitement with a long-term presence and overuse of the Turf course. Conversely, horsemen have enjoyed the stability of racing at one location. Golden Gate Fields has recently changed ownership within the MAGNA holdings, creating uncertainty regarding future plans.

Mr. Pickering stated that Pleasanton is available for a spring meet with the stipulation that the dates be allocated no later than September/October 2010. It would not be logistically feasible for Pleasanton to coordinate a March race meet with less than 5-6 months notice. For informational purposes, Mr. Pickering stated that the annual Goodguys Car Show will be held March 25-27, 2011. Conducting the Goodguys Car Show simultaneously with live racing creates

both benefits and challenges in planning and implementation. If a spring meet were run at Pleasanton, Mr. Pickering would like the meet to be licensed as a CARF meet. Mr. Bartosik expressed interest in adding an additional week to the California State Fair meet.

Ms. Cook stated that the San Joaquin County Fair is not in a financial position to reduce racing from two weeks to one week without monetary compensation. Ms. Cook proposed two potential solutions for Stockton: 1) ask for two weeks of racing and enter into an agreement with Pleasanton to operate one of those weeks on a revenue sharing basis, or 2) maintain one week of racing (similar to 2010) and receive replacement revenue from a source that has yet to be identified. Ms. Cook will not agree to eliminate racing at Stockton until there is a signed agreement for long-term replacement revenue.

Mr. Titus stated that Ferndale would like to run two weeks un-overlapped and feels that the Fair might justify that position based on the outcome of the 2010 meet. Mr. Titus is going to take a wait and see approach. Mr. Alkire stated that Fresno is willing to run additional dates, but not if the CHRB mandates that the Fair must run concurrent with racing.

Mr. Alkire asked the group to refocus on the Fair block of dates and the effort to maintain that block until results from the 2010 race meets provide further guidance. Mr. Alkire asked that Fair Managers return to their Boards and try to solidify desired positions within that Fair block for discussion at the next meeting. Mr. Alkire also asked that CARF meet with F&E and staff to discuss solutions to help Stockton and Vallejo through this transition.

Mr. Bartosik suggested that CARF start to establish dialog with Chairman Brackpool, both to develop a sense of his position regarding Northern California dates and to determine the possible direction that the CHRB dates committee might be leaning toward.

Agenda Item 10 – Discussion and Action, if any, on Horsemen’s Agreements for Conduct of 2010 Fair Meetings. Mr. Swartzlander reported that the American Mule Racing Association has signed the 2010 race meet agreement and the Quarter Horse, Arabian and CTT contracts are still in the works. CTT has recently undergone a major overhaul of their Board/Executive Director and have not yet sent a draft agreement for 2010.

Mr. Korby reported that the 2010 TOC Race Meet Agreement has been signed by both parties and is included in the meeting packet. There is new language in the agreement regarding consolidated purses that increases the threshold for retro checks from \$50,000 to \$200,000, which will allow CARF to better manage Fair purses.

Agenda Item 11 – Report, Discussion and Action on Services, Contracts and Planning for 2010 Fair Racing Meetings. Mr. Bartosik requested that CARF staff work more diligently to inform Fairs of outstanding invoices and communicate accurate accruals in a timely manner.

Agenda Item 12 – Executive Director’s Report. The Executive Director’s report will be carried over to the CARF Board of Director’s meeting at 12:30 p.m.

Respectfully submitted,
Heather Haviland