

MINUTES

OREGON RACING COMMISSION JUNE 22, 2001

The Oregon Racing Commission met on Friday, June 22, 2001, at 10:00 a.m. for their regular meeting in the Commercial Building at Josephine County Fairgrounds in Grants Pass, OR. Commissioners in attendance were Steve Walters, Chair; Tom Towslee and Todd Thorne. Lisa Metcalf, DVM, and Jeff Gilmour were excused. After calling the meeting to order Chair Walters thanked Josephine County Fair and Al Westhoff for providing the space for the June commission meeting. He also commended them along with SOHRA for once again running a race meet in Grants Pass under difficult circumstances. Agenda items were discussed in the following order with resulting actions:

1. Approval of May 17, 2001, Minutes

ACTION: MOTION(Towslee) Approve minutes as submitted.

VOTE: 3 Aye, 0 Nay, 2 Excused

2. Approval of June 4, 2001, Telephone Conference Minutes

ACTION: MOTION(Thorne) Approve minutes as submitted.

VOTE: 3 Aye, 0 Nay, 2 Excused

3. OTBA Request for Disbursement of Portland Meadows Owner Bonus and Breeder Awards

Ursula Gibbons reported the percentage of the owner bonus and breeder awards is down considerably this year. The percentage on the owner bonuses is 37.63% and the breeder awards is 10%. Also, she stated there was an uncashed owner bonus check from the 1998 Grants Pass race meet, and she asked the commission to approve voiding the check and having the funds added to the Portland Meadows owner bonus for disbursement. Steve Barham recommended approval on both requests.

ACTION: MOTION(Towslee) Approve distribution of Portland Meadows owner bonus and breed awards.

VOTE: 3 Aye, 0 Nay, 2 Excused

ACTION: MOTION(Thorne) Allow OTBA to void uncashed check from 1998 and place it back in the pool.

VOTE: 3 Aye, 0 Nay, 2 Excused

4. OQHRA Request for Disbursement of Portland Meadows Quarter Horse Breeders and Owners Awards

Steve Barham summarized the contents of a letter received from the OQHRA which detailed the computation of how the OQHRA arrived at a breeder award of 3.07% and owners bonus of 8.89%. Mr. Barham recommended approval of the request.

ACTION: MOTION(Thorne) Approve request for disbursement of the breeders and owners awards.

VOTE: 3 Aye, 0 Nay, 2 Excused

5. Multnomah Greyhound Park Update

Art McFadden reported the live handle is up 5.74% but the total handle is down 8.59%. The total attendance is down 1.4%, but the on-track attendance is up 2.64%. The overall horse simulcast is down 16% and the overall greyhound simulcast is down 14%. It used to be that horse simulcasting remained fairly stable and the greyhound simulcasting was going down. There appears now to be a trend that horse simulcasting is also going down. It is speculated that short fields is a major contributor to the downturn. MGP has dropped two off-track sites due to poor performance which brings their total number of off-track sites to sixteen. Since he was talking about the off-tracks and the fact they are down in numbers, Mr. McFadden presented his comments regarding the surcharge issue. He pointed out to the commission some of the ways in which MGP has tried in the past to tinker with the surcharge. On this issue, Chair Walters reiterated his comments made at previous meetings that there must be something that can be done to make off-track betting a reasonable business for the off-track facilities without imposing a surcharge. Finally, Mr. McFadden also announced the retirement of Jack Bennett, president of the OGA.

Following his MGP report, Mr. McFadden stated that Magna Entertainment Corp. is coming to Oregon. Their plan is to have it all - live racing, 365 days of simulcasting, their own OTBs. He predicted that both deals, the one with Tom Moyer for Portland Meadows and the one with himself for Multnomah Greyhound Park, would be closing sometime next week. The deals are a three year lease with Mr. Moyer who now controls Portland Meadows and stock purchase sale for the operating company at MGP which includes a five year lease with himself. Mr. McFadden stated he was going to retain the land and continue to be a landlord. He stated Magna is fully aware of the statute requiring live racing in order to have the benefits of simulcasting. The building of a new track remains the heart of the plans of Magna. In response to a question regarding a race meet application, Mr. McFadden stated he believed Magna intended to submit their application at the July commission meeting. Chair Walters summarized Mr. McFadden's report by stating a deal between Mr. Moyer and Magna is eminent and that their expectation now would be to try to have a license application submitted by the July meeting. Chair Walters went on to say it was his hope that word could be spread among horsemen and women that there is going to be a meet at Portland Meadows this fall so people can start making their plans.

6. Grants Pass Race Meet Report

Al Westhoff reported opening weekend this year was up 19.1% over the opening weekend a year ago. He thanked the HBPA and the OQHRA for their financial support as well as the commission for the HUB funds that have enabled them to put on this race meet. Mr. Westhoff also stated that they really need to be able to run more than nine days in order to attract the number of horsemen with horses and jockeys he feels are necessary to put on a successful race meet. He feels that sixteen days should be a minimum.

7. TVG/ODS Technologies, L.P. 2001-2002 Application for Multi-Jurisdictional Simulcasting and Interactive Wagering Totalizator Hub License

Roger Nyquist submitted the application which is in essence the status quo of what they are currently doing. The only significant change will be the exit of NTRA which will result in having once again TVG/ODS Technologies operation. Chair Walters had a question about the minimum deposit and verified that in Oregon it was still \$250 while in other states it is \$50. He also asked for a clarification on their credit card policy. Mr. Nyquist responded by stating they have not changed from their original policy to conform with the policy being implemented by Americatab and US Off-Track, however, they have had dialog with Dr. Barrett and the Aware people to determine what kind of changes would be appropriate. At this point Chair Walters declared a potential conflict because he understands that Youbet.com and TVG have either proposed or have some type of affiliation and, as mentioned at the last meeting, his law firm does some work for Youbet.com. While there is not an actual conflict, but there is a potential conflict. In response to a question regarding the status of TVG's affiliation with Youbet.com, Mr. Nyquist replied there was an agreement in place between NTRA Services and Youbet.com. Since TVG/ODS will now have the hub license and they intend to go ahead with that agreement, the terms of that agreement are currently being redefined. Mr. Nyquist also reported on their plans to expand the availability of their wagering services. They have identified an additional 15 states that they are going to pursue. Steve Barham recommended approval.

ACTION: MOTION(Towslee) Approve application submitted by TVG/ODS Technologies, L.P. for the fiscal year 2001-2002 to operate a multi-jurisdictional simulcasting and interactive wagering totalizator hub with the appropriate delegation of authority to the executive director to approve a potential change of their existing credit card policy.

VOTE: 3 Aye, 0 Nay, 2 Excused

There being no further business, the meeting was adjourned.