

MINUTES

OREGON RACING COMMISSION

JULY 23, 2001

The Oregon Racing Commission met on Monday, July 23, 2001, at 9:00 a.m. for their regular meeting in Room 120C of the Portland State Office Building located at 800 NE Oregon Street, Portland, OR. Commissioners in attendance in person were Tom Towslee, Chair Pro Tem, and Jeff Gilmour. Commissioner Todd Thorne was present via telephone. Chair Walters and Commissioner Lisa Metcalf were excused. Agenda items were discussed in the following order with resulting actions:

1. Approval of June 22, 2001, Minutes

ACTION: MOTION(Gilmour) Approve minutes as submitted.

VOTE: 3 Aye, 0 Nay, 2 Excused

2. Harney County Fair 2001 Race Meet Application - September 8 and 9

Steve Barham noted the ORC stewards this year will be Bob Blair and Jim Smith instead of Doug Smith and Dean Qualls as written on the list of officials. Mr. Barham recommended approval.

ACTION: MOTION(Gilmour) Approve race meet application and delegate authority to the executive director to approve any changes in race meet officials.

VOTE: 3 Aye, 0 Nay, 2 Excused

3. Josephine County Fair

a. Request for 2002 Race Dates

Al Westhoff stated he was requesting up to eighteen days to begin the weekend before Memorial Day and to end the weekend after July 4th. He went on to say that in order to increase the horse and jockey population is to have a longer and extended race meet at Grants Pass. Steve Barham recommended approval of the request contingent upon the receipt and approval of a race meet application by the commission.

ACTION: MOTION(Gilmour) Approve race dates request.

VOTE: 3 Aye, 0 Nay, 2 Excused

b. End of Meet Report

There were nine days of racing this year and their average handle was \$56,268 and the handle per race was up 1.56%. The number of horses, particularly thoroughbreds, and jockeys were down. Mr. Westhoff thanked the HPBA for their financial donation and assistance and the OQHRA and the ORC for their financial contributions. He felt the race meet as a whole

was very successful and was good for the economy in Grants Pass and Josephine County. In a letter from the Chamber of Commerce they thanked JCF for conducting the race meet and felt it had put \$3.5 million into the community over a period of 65 to 70 days.

4. Portland Meadows 2001-2002 Race Meet Application Submitted by Magna Entertainment Corp.

Scott Daruty and Art McFadden were present representing Magna Entertainment Corp (MEC). Mr. Daruty reported approximately three weeks they were successful in securing a lease for the Portland Meadows facility, and as a result of that they are currently busying getting ready for the race meet. The application for a race meet license along with the application and background information on MEC as a new licensee in the State of Oregon. Steve Barham began by stating the background checks and investigation, conducted by Chief Investigator Bob Mannix, all came back clear. Mr. Barham has seen a copy of the lease and stated there will be a short form lease provided to the commission stating that MEC does have control of a racing facility. Given the information provided by MEC addressing the concerns of the EPA, it appears a lot of positive progress has been made which should result in the EPA situation not being an issue through the course of the race meet. A storm water report has been provided with observations and recommendations, and Mr. Barham stated he felt this would be a continuing issue for purposes of updating through the summer and into the race meet. He did not feel this issue should stop the commission from taking action on the application. At this point Mr. Barham went through the application with the commission, discussing certain portions as questions were asked. Regarding the surety bond, he recommended the amount of \$265,000.

In response to a question by Commissioner Thorne regarding the EPA issue, Mr. Daruty stated MEC has devised a system that is basically going to take all of the storm water and put it into the sewer system so that there will be no water leaving the site that could potentially be contaminating. The plan has been reviewed by numerous jurisdictions within the city of Portland and the county and they feel the plan will work. The plan has also been presented to the EPA, and they had the same response in that they were quite confident the plan would solve the problem. The original plan was to have all the work completed by the end of August to meet the September 1 deadline when horses would begin to arrive. Unfortunately the building permit process will not allow them to begin construction until mid September or maybe even early October. They have talked with the EPA about the situation and that there will be an interim period where horses will be back on site prior to the new system being implemented. As a practical matter the EPA stated they have been working with this facility for so long that if MEC is moving in the right direction and are actively committed to fixing the problem, they will not penalize MEC for a couple of months. MEC is confident their solution is going to work and it's going to be implemented in a timeframe that is acceptable with the EPA.

Lastly, Chair Pro Tem Towslee stated Mr. Daruty had submitted some language regarding what happens in the event racing is not conducted at

Portland Meadows. The language has been amended slightly which reads as follows:

"If it becomes an issue, after the commission determines that a good faith effort has been made by the licensee to meet all applicable federal or state law, rule or regulation, the licensee shall not be required to conduct live racing on any day such conduct would violate such federal or state law, rule or regulation. It is also noted that if live racing is discontinued for the above reason, the licensee will immediately terminate all simulcasting."

Steve Barham made a point of stating the likelihood of this happening is extremely remote. The purpose in having this statement is so that if something happens here in Oregon at Portland Meadows that it will not have any adverse consequences on other Magna holdings in case something unforeseen happens here.

ACTION: MOTION(Gilmour) The 2001-2002 race meet license application submitted by the MEC Oregon Racing, Inc. be approved contingent upon the following conditions:

- (1) There is a purse agreement between the horsemen's organizations and MEC Oregon Racing, Inc. by September 10, 2001;
- (2) There is a stake race agreement between horsemen's organizations and MEC Oregon Racing, Inc. by September 10, 2001;
- (3) There is a signed contract between a tote company, that the commission can approve, and the MEC Oregon Racing, Inc.;
- (4) Certificates of insurance are submitted to the commission showing that MEC Oregon Racing, Inc. has in force jockey and liability insurance by September 1, 2001;
- (5) That there is a bond or bond substitute in place in the amount of \$265,000 by October 16, 2001;
- (6) That a listing of race meet officials and the on-site management team be submitted to the commission no later than September 10, 2001.

VOTE: 3 Aye, 0 Nay, 2 Excused

ACTION: MOTION(Thorne) Delegate to the executive director approval of the following:

- (1) Import wagering agreements
- (2) Export wagering agreements
- (3) Off-track wagering site agreements
- (4) Tip sheet providers

VOTE: 3 Aye, 0 Nay, 2 Excused

Following the approval of the race meet application, Art McFadden provided a report on what is currently going on at Portland Meadows. Considerable repairs are being made to both the frontside and the backside. They are still anticipating at September 1st opening of the barn area. The emphasis this year will be on live racing with no surcharge on their live races, a bugler playing prior to each race, a better sound system both front and back and a lot of promotions. The first priority is a new track surface. Other projects include painting the entire facility, repair or replace the elevator and escalator, starting gate repairs, a new water system and restrooms on the frontside, new phone system, kitchen equipment and a new or leased water wagon. They intend to fill all the stalls with dirt and have them bedded down when horses begin arriving September 1st.

Chair Pro Tem Towslee asked that at the next meeting they provide an update the track resurfacing project, what they plan on doing and what all that entails, especially since Commissioner Metcalf has a great deal of interest in this issue. Mr. McFadden said there would be a progress report at the next meeting.

5. Multnomah Greyhound Park Update

Carl Wilson reported the meet is proceeding smoothly. The on-track attendance has been good and the racing surface has been very positive. Of the special events they have had, the most fun day of the year was yesterday, July 22nd, when they hosted the Retired Racers Reunion. In attendance were lots of greyhounds with their people in tow including, for the record, Carol Morgan and her three greyhounds. Some of the owners were in for a real treat when they observed their greyhounds' ears perk up and then, after the bugler played, stare as they followed the racers running around the track. Just for having fun it's really great for the dogs and their owners. It's especially great for the trainers who seem to have the most fun reconnecting with some of their former racers who greet them enthusiastically. On May 11th the track had an ordered finish where the winner was the No. 1 dog, No. 2 was second, No. 3 was third, and following in numerical order through No. 8. It's the first ordered finish MGP has had since 1972. The Murray Kemp Classic, the sprint championship race of the season, was last Saturday, July 14th. The handle and attendance were up for that race. Also, beginning that date they dropped the surcharge on their live racing at the off-track locations. Since that change their live off-track handle has started to rise.

The stats so far this season indicate the total live handle is up 6% and the average per performance is up 8%. The on-track live per performance is up 3% and the Oregon live is up almost 1%, which is something they haven't been able to say for a long time. The total handle is down 7% since horse simulcasting is significantly down and simulcast greyhounds are down somewhat as well. The on-track attendance is up 3% per performance.

The Oregonian did a feature article on a day in the life of a greyhound where a reporter started with a greyhound at 6:30 a.m. and followed him all through the day and night. Mr. Wilson complimented them for presenting a really nice positive piece. Along those lines, Commissioner Gilmour commented that he

had recently been to the track and was very favorably impressed with the facility, especially the kennels and the grounds.

6. Oregon Appaloosa Racing Association Proposed 2001 Budget

Steve Barham recommended approval, stating the amount of money over which the commission has control in their proposed budget is the breakage money.

ACTION: MOTION(Gilmour) Approve proposed budget.

VOTE: 3 Aye, 0 Nay, 2 Excused

7. NTRA Services, LLC Second Quarter 2001 Oregon Hub Activity Report

Roger Nyquist presented the quarterly update for the second quarter which shows a handle increase of 135% over the same period a year ago. He noted this would be the end of NTRA's involvement in quarterly hub reports and that in the future they will be from TVG. TVG is now operating in eight states - Kentucky, Maryland, Louisiana, Oregon, Ohio, Indiana, New Mexico and Oklahoma.

There being no further business, the meeting was adjourned.