



Minutes
Oregon Racing Commission
September 16, 2021

Meeting Detail

The Oregon Racing Commission (ORC) met at 1:30 p.m. Thursday, September 16, 2021. The meeting was held via videoconference.

Call to Order

Chair Diego Conde called the meeting to order at 1:30 p.m.

In Attendance

Commissioners: Chair Diego Conde; Commissioner Charles Williamson (joined a few minutes late); Commissioner Jan Palmer, DVM

Excused

Vice Chair Steve O'Hagan

Staff

Executive Director Jack McGrail; Catriona McCracken, Assistant Attorney General

Agenda Items

Approvals:

Action: Approval of the meeting agenda

Moved by: Commissioner Charles Williamson

Seconded: Commissioner Jan Palmer

Vote: Commissioners Conde, Williamson and Palmer voted AYE, and the motion carried unanimously (3:0).

Action: Approval of the minutes from the August 19, 2021, ORC meeting

Moved by: Commissioner Charles Williamson

Seconded: Commissioner Jan Palmer

Vote: Commissioners Conde, Williamson and Palmer voted AYE, and the motion carried unanimously (3:0).

Executive Director's Report

Director McGrail reported that Grants Pass Downs (GPD) will open for the season on Monday with safety improvements to the test barn (an expanded area and an additional stall) and sand added to the track. Racing is wrapping up in Arizona and at Emerald Downs, he noted, which should result in more horses coming to Oregon. He added that Senior State Veterinarian Tom Everman has been working with the University of Illinois-Chicago lab to enable trainers to run blood tests on their horses before the meet begins, which can help avoid potential medication violations.

Director McGrail also reported that the Commission has executed a contract with GLI for technical consultation services in anticipation of historic horseracing (HHR) coming to GPD. The contract allows the Commission to strengthen its ability to regulate HHR, he added.

Grants Pass Downs (GPD) Report

Tony McGlothlin, GPD director of racing, reported about 300 horses are on the backside, with more expected. Crowds of 4,000 can be accommodated in the stands, and Monday and Tuesday have full cards of eight races each.

Randy Evers, president of GPD, said 400 tons of sand has been added to the track, noting sand is hard to get right now and they had to have it made. Plans call for adding another 400 tons in three weeks. He noted that the track holds weekly safety committee meetings, which have resulted in significant safety improvements on the backside, and management meets weekly with the stewards. The rider colony is in good shape, he added, with riders coming from Washington and California.

Mr. Evers noted that the OTB handle continues to do well despite a bit of a downturn because of the uptick in COVID numbers – fans are reluctant to go to a physical site to wager. He stated OTB sites are ready to open in Ontario, Hermiston, and Beaverton, but that has been slowed by the COVID situation.

Katy Burris, GPD chief administrative officer, reported that COVID protocols, including masks and social distancing, will continue at the track.

New Business

Presentation by Hundun Strategic Partners on economic and jobs impact of horseracing industry in Oregon

Rob Hundun, president of Hundun Strategic Partners, gave a presentation on the value of the horseracing industry in Oregon over 30 years, compared with having no horseracing. Of that value, the study further looked at what effect Grants Pass Downs and The Flying Lark (entertainment and event center expected to open soon) have on the industry.

Hundun explained the objectives of the economic impact report: If there were no horseracing in Oregon, what would it mean financially? What is the difference with Grants Pass Downs and The Flying Lark? The study looked at spending associated with Grants Pass Downs and The Flying Lark, with fair meets, and with raising and caring for racehorses.

Gaming revenues, he explained, help the industry by increasing purses, which results in attracting better horses, which leads to increased interest and visitation, as well as increases in the foal crop as horse ownership becomes more profitable. States without additional funding, he said, are at a competitive disadvantage as horsemen follow better purses, visitation decreases with the quality of racing, and fewer horses are bred.

Lucas Neuteufel, a Hunden analyst, noted that ways to fund purses include handle, historic horseracing, casinos, and the government. Horsemen follow the money, he said – they go to better tracks with better purses. Consumers follow them, and smaller tracks are left behind.

In explaining the value to the industry of historic horseracing, Mr. Neuteufel cited Kentucky and Wyoming as success stories. Since historic horseracing was legalized in Wyoming in 2013, he noted, the number of race days has increased by 2,500 percent (from two race days in 2012 to 50 in 2021). Historic horseracing, he added, if properly implemented, can change the industry.

Without GPD and The Flying Lark, the study projected that fairs would continue, but the quality of horses and racing would diminish. The overall horse population would decrease as other states offered greater breeding and purse incentives.

Mr. Hunden summarized the 30-year impact of GPD and The Flying Lark on Oregon's racing industry:

- \$10.7 billion in economic development, an average of \$350 million annually;
- \$3.6 billion net workforce earnings;
- \$361.9 million in taxes received by the state (\$12 million annually);
- 2,000-plus jobs statewide supporting the industry.

Contested Cases:

None

Public Comment:

Leah Nelson of the Oregon Quarter Horse Racing Association asked the Hunden representatives about GPD's lease with Josephine County. Mr. Neuteufel responded that the lease is for 50 years, with the option for multiple renewals.

Confirmation of next meeting:

The next Commission meeting is scheduled for 1:30 p.m. Oct. 21, 2021, via videoconference.

Adjournment:

Action: Adjourn meeting

Moved by: Commissioner Charles Williamson

Seconded: Commissioner Jan Palmer

Vote: Commissioners Conde, Williamson and Palmer voted AYE, and the motion carried unanimously (3:0).

There being no further business, the meeting was adjourned at 2:15 p.m.