



**Wednesday, December 11, 2019**

**Good News Stories of Racing:  
A Look at the Rebirth of Racing in Virginia**

**Moderator:**

**Jill Byrne:** Vice President Racing Operations, Colonial Downs

**Speakers:**

**Debbie Easter:** Executive Director, Virginia Thoroughbred Association

**Frank Petramalo:** Executive Director, Virginia H.B.P.A.

**Ms. Jane Murray:** You guys ready to roll?

**Ms. Jane Murray:** All right.

We've done a real quick turnaround here 'cause we wanna get this panel in.

This is a great panel and a good success story about the rebirth of racing in Virginia.

**Ms. Jill Byrne:** I'm good. Sorry.

**Ms. Jane Murray:** I'm going to turn this over to our moderator, Jill Byrne, who's the vice president of racing operations at Colonial Downs. Jill.

**Ms. Jill Byrne:** Thanks.

All right, everybody. I know you're tired, but you've been great audience here.

Thanks so much to RTIP.

This has been a phenomenal symposium and with a lot of great panels, so I really appreciate everybody that's been here and appreciate those of you stickin' around to listen to the good news story.

Racing's had a rough year, but we are a good news story. We're a racetrack that came back from being closed. How many of those do you see now? Racetracks returning from being closed.

Colonial Downs.

It was about a year ago. My mom, avid handicapper, lives in Virginia, and she said to me — she started sending me links to articles. Colonial Downs coming back to racing. Gaming laws passed in Virginia. Like, "This is great. Racing returning to my home state."

All right.

Who out there can tell me?

Who's the most famous horse born in Virginia.

**Audience:** Secretariat.

**Ms. Jill Byrne:** Thank you. Everybody paying attention. Secretariat. Virginia. The history of racing in Virginia.

The history of horses in Virginia, and a lot of this just went by the wayside with the closing of Colonial Downs.

The breeding industry.

Now enter the gaming laws.

Racing returns to the state of Virginia.

This was August 8th.

Horses back, coming out of the gates at Colonial Downs, one of the most beautiful facilities, the widest-turf course in North America, the second largest dirt course in North America. A lot of people don't know that.

Horses returning to the state that had such a long history in racing. It's been a really good year to be a Virginian with the return of racing, now the return of the breeding industry in the state of Virginia. I'll get my little plug in here.

2019, my Virginia Cavaliers won the NCAA championship. 2019's been a hell of a year to be a Virginian. I came back to Virginia to help build this program back,

something very important to me, the horse racing industry, and having been raised in the state of Virginia, knowing that we were going to be able to do something special.

This didn't happen by accident, racing returning. It was a long road. Two of the people sitting next to me here were very much responsible, critical, in returning racing to Virginia and getting this legislature passed for HHR gaming:

Frank Petramalo, executive director of the Virginia HBPA, and Debbie Easter, the executive director of the Virginia Thoroughbred Association. I know we're running short on time.

I'm going to turn it over to Frank first. He's gonna give us some history on how this came about and how the gaming laws got passed and what that means to the rebirth of racing in Virginia, and to the economy in the state of the Virginia, and to horse racing industry overall.

**Mr. Frank Petramalo:** Thanks. Let me start with the death racing in Virginia. Colonial Downs in the only racetrack in Virginia. It's located in the central part of the state, just east of the capital in Richmond. Very rural location.

From about 2000 to 2013, we had summer Thoroughbred racing and fall harness racing. We had a very simple formula for determining how long a race meet we would hold for the Thoroughbreds. In our contract with the racetrack, we set a goal of paying out an average of \$200,000 a day in purses, which was fairly good for our situation. Then we just took the available purse money, divided it by 200,000. That set forth the number of days we would race. If we had \$5 million in the purse account, we'd run 25 days.

For that 13-year period, we followed that formula and did very well.

Our neighbors in Maryland, with whom we had an agreement, shut down Pimlico and Laurel in the months of June and July, and that's when we would run. As Jill pointed out, we had this huge turf course, and we were able to run 80 to 90 percent of our races on the grass because we moved the rails every week.

We were doing quite well. Field size was averaging about nine horses a race.

Now our purse account came about two ways. We had ten off-track betting locations in the state for year-round simulcasting.

Between five and seven percent of that handle came directly to the HBPA's purse account. We also had online wagering with three of the biggest companies, and then Colonial had its own ADW called Easy Horse Play.

We had a statutory source market fee statewide that gave us, the HBPA, five percent of all handle in Virginia.

We had a very lucrative flow of money into our purse account, so we were well funded until we came to the end of the 2013 meet.

Our contract had expired, and we were sitting down to negotiate a new contract.

We looked at the purse account. We had between \$5 million and \$6 million, so we figured, 2014, we're gonna run 25 to 30 days.

Track management all of a sudden didn't like the formula we were following for 13 years. They decided they wanted to spend all of our \$5 million to \$6 million in 2 big weekends, run a total of 6 days, as opposed to 25 to 30. We're horsemen and, of course, if you wanna take a day from us, it's easier to take the firstborn child than a day of racing.

We got into somewhat of a disagreement with me, and we were never able to negotiate a new contract. Let me quickly add, Colonial was owned at that time by a company that had casinos in Nevada, casinos in Colorado, and video poker truck stops, a chain of them, in Louisiana.

Colonial Downs was the poor stepchild.

The company's response to our unwillingness to cut our racing to almost nothing was to turn in their license, shut down all of the OTBs, shut down their ADW company, and basically say, "Tough cookies. We're going."

At that time, my good friend, Debbie Easter, came up with a brilliant idea for keeping racing and breeding alive in the Commonwealth.

She said, "Let's form an alliance of the Thoroughbred guys and women, the harness folks, the Standardbreds, our breeders, and our steeplechasers." Most of you folks are probably unfamiliar with steeplechasing, but it's a big deal in Virginia.

We take Thoroughbreds off the race track when they run out of condition or they're getting older, and we make steeplechasers of them. We run 'em for anywhere from two to four miles over fences.

Big thing.

Anyway, taking Debbie's idea, we formed a nonprofit corporation with the four horsemen's groups. The first thing that we did — now, this was in the end of 2014.

The first thing that we did was go to our state legislature because we needed a source of funds for our new alliance. The legislature put in place a formal recognition for the Equine Alliance as the spokesman for the horsemen and the breeders.

Then they gave us the exclusive right to open up off-track betting shops. Wonderful thing. We quickly opened up four of 'em.

They also gave us, the Equine Alliance, five percent of the source market fee that the ADW companies used to have to pay Colonial. Remember I told you that five percent came to us? We had a total source market fee, statewide, of 11 percent.

One percent went to the breeders' fund.

Five percent came to the HBPA.

Five percent went to Colonial. That five percent that Colonial used to get came to our HBPA.

With a revenue stream coming to us, we were able quickly to rebirth, as it were, harness racing.

We went to a historic harness track at a fair that had been around for at least a hundred years with harness racing.

We spent a good bit of money redoing that track and making it suitable for pari-mutuel wagering on harness racing.

We started out, and we've now had — oh, I don't know — four seasons of racing at this track. Very successful. We also put together a program for the breeders, and I'll save that for Debbie to explain.

We were unsuccessful in finding any new venue for flat racing. We certainly didn't have the wherewithal to buy the track, even if the owner would've sold it to us, and he probably wouldn't have.

In any event, we were just struggling until — lo and behold — lightning struck. In the summer of 2017, a group from Chicago called Revolutionary Racing, led by Larry Lucas, who used to be the CEO — no, he used to be the chairman of the board of Youbet before it merged with TwinSpires — Larry came to us and said,

"Look, we'd like to buy Colonial Downs and reopen it for racing. Would you folks be willing to help us." "Hello? Of course, we would."

We got together with Larry, and he said, "The problem is it's not economically viable unless we have historical horseracing."

In Virginia, we Used to call that Instant Racing.

It's the same thing they started out in Oaklawn.

Don't quote me on this, but it basically looks and talks like a slot machine, except unlike a slot machine, which runs on the basis of a random number generator, historical horse racing, the results are generated by past races that have actually been run.

If you look at it, you'll say, "It's a slot machine."

We said, "Sure. We'll help you with that."

Now, there was some belief that historical horse racing would be lawful under our existing law. I say that, "some belief."

We had a bunch of lawyers who thought that was possible, but if you've been around lawyers long enough, if you give them enough time and money, they'll make you think anything is possible.

Larry's folks were gonna pony up or invest between \$200 million and \$300 million in order to put together this whole deal.

Rightly, they concluded that we weren't gonna rely on a bunch of lawyers. We would go to the legislature for a change.

We did that.

The VEA assembled a seasoned group of lobbyists, along with the lobbying crew from the new Colonial people, and we got our state legislature to authorize historical horse racing.

What they permitted was historical horse racing at the racetrack, Colonial Downs, and up to ten off-track betting parlors.

Colonial quickly seized upon that, and sat down with us, and negotiated a revenue-sharing agreement with the horsemen with regard to the revenue that would be generated by the historical horse racing machines.

Then we started planning — this was mid-2018. We started planning for reopening the track to racing.

The folks that we had been dealing with Revolutionary Racing were very smart people, but they were, for the most part, from the gaming industry.

They recognized that their success in Virginia was going to be dependent upon the rebirth of racing and breeding, because it was on that basis that we sold to the legislature the need to have an alternative form of gaming to support the industry.

Because all of our neighbors around us — West Virginia with two racetracks — were supported by alternative gaming.

Pennsylvania, alternative gaming.

Maryland, alternative gaming.

Delaware, alternative gaming.

In the middle is little Virginia with nothing except online wagering and simulcasting.

The new Colonial people, to their credit, recognized that, and because they were principally out of the gaming side of the business, went out and hired, brought on board, a first-class group of racetrackers, starting with that person sitting to my far right.

They took seriously racing, and they spent a good bit of money refurbishing the tracks. We went through a little bit yesterday.

Jill described what was done with the dirt course and the turf course. They redid the barns on the back side. The track itself was in — the physical structure was in pretty good shape because it was relatively new.

Lo and behold, we had our first race meet. It started August 8th, and we ran through September 7th. We ran 15 days on the weekends — Thursday, Friday, and Saturday — over a 5-week period.

Because we had agreed with Colonial that we would start off slowly, but our joint goal is to ramp up to 30 days of racing. The big innovation was instead of racing as in the past for \$200,000 a day, we raced for \$500,000 a day.

That was a sea change. We ran 15 days, and we paid out \$507,000 a day on the average.

Our goal is to incrementally ramp up to 30 days at at least \$500,000 a day. Now that ramping up is going to come from our share of historical horse racing revenue, which doesn't start flowing to us until next year.

During this year, the new Colonial folks put in 600 machines at the racetrack. They opened up an off-track betting shop — big place — in Richmond with 700 machines.

They opened up a smaller off-track betting location with a 150 machines in the western part of the state, and just 2 weeks, the end of — no, I guess it's about 3 weeks ago, they opened up another one in Hampton, which is in the Tidewater area of the state, with 700 machines.

Right now, we've got 2,150 machines operational. Our racing commission issued regulations which limits the total number of machines throughout the whole system to 3,000. We should have 3,000 in operation next year, but for those who are interested in economics, consider the following: If you look at our traditional sources of online and simulcast at the OTBs, by the end of the year we will have probably wagered a total of a little over \$100 million.

Now, as you all know, the takeout or commission on that is about 20 million bucks, and that gets split up between the taxing authority, the racetrack operator, and the horsemen.

In the seven months that these 2,100 machines have been operational — and they haven't been all operational a hundred percent of the time because they've been incrementally put in operation — the handle as of last week was over a billion dollars.

The analog to the takeout on these machines is eight percent. You get a traditional wager, it's 20 percent. The HHR, quote, wager, is eight percent, but take 8 percent of a billion dollars — that's \$80 million, and 20 percent of 100 million — that's \$20 million.

Which would you rather have?

Anyway, that's where we stand now. Going forward, when our full share of the HHR revenue starts coming to the horsemen, we will be able to ramp up to 30 days, because that's what we concluded made sense in the Mid-Atlantic.

If you were here the other day, you heard Alan Foreman talk about the concentration of racing in the Mid-Atlantic. That's absolutely right.

It seemed to us crazy to think we could run year-round the way they run in West Virginia, Pennsylvania, and Maryland. That's not our shtick. We want to concentrate on being the center in the Mid-Atlantic for turf racing because our 15-day meet — guess what? Ninety percent of our races were run on the grass.

That's the business model that we want to go forward with. However, this is a very bright picture, but as with most pictures, there is a cloud on the horizon .

The Commonwealth of Virginia used to be the most conservative, socially, state in the union except maybe for — don't say anymore.

It's very conservative, but now they've gone just the opposite way. Thomas Jefferson and George Washington and James Madison, all Virginians, are probably gonna turn over in their grave when they see what our legislature is gonna do come January.

What they've indicated their plan is to authorize up to five full-fledged casinos in the Old Dominion. Now, depending on where those casinos, if they're finally authorized, showed up, could have a tremendous impact on our revenue stream that comes from Colonial's operation of the historical horse racing machines.

For example, our state legislature has a research arm, a think tank. They recently came out with a report, because the legislature said to 'em, "Before we go ahead and authorize five casinos, tell us what the likely impact is gonna be on the lottery."

The lottery is responsible for \$600 million annually in funding for K-through-12. Big deal. You can't touch that. The legislature also said to the research arm, "Tell us what the impact would be on the horse industry that we've just jump-started."

The impact on the horse industry, depending on the where the casinos are located, could be up to a 45 percent decrease in revenue from these HHR machines.

What we're doing now is gearing up again our lobbying team to work with Colonial to try and protect the \$200 million to \$300 million investment that Colonial has put into the whole process, which, of course, if we protect that investment, it protects our racing and our revenue stream.

It's a very interesting process that we've gone through. If you would've asked me two years ago whether any of this was possible, I would've said, "No.

You're absolutely crazy.

This is Virginia.

Up until recently, you couldn't buy a bottle of beer on a Sunday." Everything has changed, and it's changed for the better. I think the most important point that I can make here is that the success that we've had so far comes from the cooperation — that's not the correct word — from the partnership I think that we've developed with Colonial Downs.

They realized that their fortunes are tied to our fortunes, and we recognize the opposite. To a person, everyone that we've dealt with has been very professional and very smart, and we all seem to be going in the same direction. We're looking forward to better things coming in Virginia. With that, I'll turn it over to my colleague.

**Ms. Jill Byrne:** Debbie Easter is going to be able to speak to some of the things that Frank touched on, so not only with the return of racing and the HHR games into Virginia.

You now had a boost again to the agricultural community, which took a big hit when racing went away; the school system; all the tax revenue that city, state, local, is getting from the HHR machines; and the entertainment value of having racing back there. It's a real trickle-down effect of the return of racing with the gaming associated with it, none as much as what it's going to do to rebirth the Virginia-bred program, which took, obviously, a hit with racing being gone.

Debbie's been a big, integral part in keeping that going and how that now is moving forward.

**Ms. Debbie Easter:** Thank you very much.

I guess I'll speak a little bit of some of these themes that we've talked about in this conference and I guess a little bit about what this is doin' for us in the industry and agriculturally in Virginia.

I guess the biggest theme was cooperation. We were forced into cooperation because we were in such bad shape that there was another choice. There's something else to be said about cooperation — when you put the Thoroughbred guys and the Standardbred guys together and try to keep everybody together — I used to have black hair about four years ago. It is a tribute to what everybody tried.

Things were so bad in Virginia that you couldn't make any worse, so we could be a little creative.

Also, I think one of the positives are we weren't gonna have year-round racing. That's not what's going to fit in the Mid-Atlantic. We knew that what — we knew what we were gonna be driving for. We knew what the market says. The market says large fields. We know that we can get 'em there with large purses, and we can run — we can beat the shit out of our turf course for 30 days. We can just keep movin' the rails. It works great, and it looks super.

Anyways, those are some of the things that were positive as we got to our goals, but I'll speak from the breeding end and agricultural end 'cause that's what the breeders do.

I don't know if we're going to ever — Virginians still say Secretariat's arguably the best race horse that ever ran in this country.

The one thing that Virginia has this history of is breedin' quality horses. At point in the period of this country back in the '70s, Virginia was one of the largest breeders in the country. We're now at the bottom of that list. We breed about 111 horses a year.

Our farms were dying. We have the same problem as everybody else. The older folks that bred horses are goin' out of the business, and the kids just don't wanna stay in.

I'll argue there might be a cultural change going on that young folks just don't wanna deal with farms, period, anymore, and don't wanna deal with the expense or anything, so I'm a little worried about it long term.

Anyways, one of the smart things we did, and because of cooperation, and because we weren't running, we looked to see how we could beef up the program.

One of the first things we started four years ago was a 25 percent bonus on any Virginia-bred that won anywhere in the Mid-Atlantic. That was funded by the HBPA's purse funds that were still coming in.

Luckily, we had captured that revenue stream and were still coming in. What we were able to do with that program is we were able to create some value for our Virginia-breds at the horse sales. We gave people a reason to look at Virginia-breds again.

We needed something to create a reason for somebody to breed a horse in Virginia, because we don't have a big breeders fund like the states around us.

When Colonial shut down, our breeders fund dropped below \$500,000. I'll argue it's hard to — it's hard to have a breeders fund big enough to incentivize a guy to

come buy a farm in Virginia and breed horses. We had that problem. All our farms were just imploding. We were trying to figure all this stuff out.

Once again, cooperation came into it. We had a conference with Standardbred and Thoroughbred folks, and we came up with this other idea.

We copied a good program from Delaware. We came up with what we call the Virginia Certified program. That has been just an unbelievable boost to our farm and agriculture in Virginia. We started about three years.

Now what we do is anybody that sends a horse from out of state to board or train in Virginia and keeps in Virginia for six months before the end of its two-year-old year, once it goes to the races, if it wins anywhere in the Mid-Atlantic, it gets a 25 percent bonus on top of the purse money.

We budgeted for about 400 horses a year to come in the state. We're getting about 600 horses a year now, and it's crazy. It's filling up our farms. It's the best thing that we ever had.

My people are telling me their farms are full. They're hiring people. They're doing capital projects. It's really saving our — it's saving our farms and saving our horse farms.

The other thing that it's doing is creating this huge horse population for Jill when we come back in 2020. Our first crop of certified horses are four-year-olds this year.

If we're smart about how we write our condition book, we're gonna have 1,600 horses that have a reason to come run at Colonial, which in a competitive situation like we have in the Mid-Atlantic — and we're running against everybody else, and other than the turf course, there's not a whole lot of reason — and the money — there's not a whole lot of reason to come to Colonial.

If we're smart, we can drive these horses to Colonial and help ourselves with this horse shortage population.

I'm gonna just touch on some other things — being a Virginian like Jill — that we're very cool, that when we reopened Colonial this year, all of us who have this love of the game would've just been amazed on the days that — opening day at Colonial.

I've never seen people in this industry smile and be as happy as that day. Everybody was hugging each other. Everybody was going crazy. It was the most

wonderful thing, positive thing, that could happen. You just don't see those things at racetracks very often.

What we've done is they've hired, as Frank said, smart people like Jill, Allison De Luca. Their whole staff worked their tails off to get horses there.

We just had nothing but positive feedback. Now, can you pick at little things that weren't right? Sure.

But between the management of Colonial Downs, who they hired to run things, everybody from Frank's side to our side, everybody was trying to help each other and cooperate. It's got to be the feel-good story of the year.

Everybody has to give up something to make it work, but, hopefully, what the long-term deal is, is that we get 30 days of racing, and the purses continue to go up, and we have something very positive to talk about for a long time.

**Mr. Frank Petramalo:** You know struck me most?

I've been to racetracks — I won't name them — where they were casinos and had table games or slot machines, but you never had the idea that there was horse racing there. Colonial is just the opposite.

There's a total of 600 machines, but I think on the grandstand level, there may be 400 or 500, something like that, but there's a complete interaction between the folks on the inside at those machines and the folks on the other side of the glass doors on the apron. Everybody is going back and forth.

It's a fully integrated crowd, and it really gives you a different feel for being at the racetrack. More often than not, you go to racetracks, particularly smaller — even large ones, and if there are a handful of people there, you say, "Wow. That's a lot of people."

Here, we were averaging about 2,500 patrons a day on the racing side, but you add to that the hundreds of people that were there playing the machines. It really created a very festive atmosphere for the whole meet. It was like something that we had never experienced on a regular basis before at Colonial.

**Ms. Jill Byrne:** Something — just quickly — very indicative of that. We had a night where, inadvertently, a fire alarm went off. We had to evacuate the entire building. This was during racing.

We had to evacuate the entire building, which includes the gaming facility as well and hold racing off until they could come and make sure everything was clear. I'm

thinking, "Everybody's going to leave. It's dragging out. The fire department's there. People are going to just start leaving."

Everybody's out on the apron just hanging out, grabbing a beer, talking, just sitting out on the apron, waiting for the horses to return back over. This is the gaming crowd as well. Nobody left. Everybody stuck around.

Then you saw this real interaction of people, once we were able to reopen, going into the gaming floor, the gaming people coming out to watch the racing.

It was just a bad thing that turned out to show a really good side to what we were doing is that people were there to experience this racing, to see the horses, and to hang out in an entertainment venue and just enjoy a night out, whether it's family or handicappers.

That was a big night for me, very emotional, just to see people not "I'm outta here. I'm gettin' outta here."

They all just hung around.

Yeah?

**Audience Participant:** Jill, is that gonna be a regular fire alarm thing?

**Ms. Jill Byrne:** Yeah. I'll start pulling the fire alarm every now and then when I feel the need.

No. It was a struggle in being ready on time.

Everybody knows it was an exhausting thing to get ready, but I've never worked with such a team of people from this group, to my racing team and track crew, to the ownership, the management of Colonial Downs.

Frank's touched on it.

Debbie as well. They love horse racing. They were very involved, very supportive.

Things I needed to make this happen, they made it happen.

Just this real collaboration of a band of misfits together to pull this off.

That first night and I'm running around, carrying ice buckets out on the track just to make sure everything was right for the horses as well, and everybody is just banding together.

It was a real experience.

**Mr. Frank Petramalo:** You did more than that.

**Mr. Frank Petramalo:** I'd be willing to bet that you're the only director of racing who at 6:00 in the morning was mucking out stalls on the back side.

**Ms. Jill Byrne:** Yeah. I had to do that, too.

**[Laughter]**

**Mr. Frank Petramalo:** Yeah. That was good.

**Ms. Jill Byrne:** That's the sense of all of us, and everybody in this room, everybody who has been at the symposium.

You listened to Bob Baffert and Todd Pletcher this morning as well. We all love horse racing. We all love the horse first. There's some sense of this love for the horse for all of us. It does sound corny to say it's not a job; it's a way of life.

We're lucky to do what we love and love what we do, but it is that — that keeps all of us coming to something like this and trying to figure out ways to help save racing, to change the perception so people see it the way we see it, and how can we improve it.

That was a big part of it with Colonial Downs, why it is a good news story. Because it was a lot of people from a lot of different entities or different parts of this industry that all had to come together and support to it, to the legislature, to our commission, the horsemen's groups.

Everybody had to commit to this and support it for it to happen. That's the overwhelming theme of what we need to do right now in racing.

We all have to commit to this to make it happen. I know everybody's ready to go get Sonoran hot dogs, but any questions for Frank and Debbie on how this came about and anything that we can answer to show that this can be done and it's good thing for horse racing?

**Ms. Jill Byrne:** Sorry. I'm blinded by this light here.

**Audience Participant:** [Unintelligible 37:39] from Wyoming Horse Racing. First of all, congratulations and welcome to the historic horse racing club.

**Ms. Debbie Easter:** Thank you.

**Ms. Jill Byrne:** Thank you.

**Audience Participant:** This question's for Debbie. We're the least populated state in the union, but our breeding program — the funds going into there have gone, in 5-1/2 years, from \$30,000 to \$3 million.

**Ms. Debbie Easter:** Ooh. Wow.

**Mr. Frank Petramalo:** Good for you.

**Audience Participant:** Again, we went from 4 days of racing to 32. Now, we've got about a 30-day growing season, so the racing season is only about 3 months long. That's just about every weekend in the summer.

My question for you is: How are the breed funds distributed to the breeders or the stallion owners, and is there a percentage that goes to purses and the owner of the horse?

How are your funds distributed that way?

**Ms. Debbie Easter:** Our breeders fund has been set up — we've had a breeders' fund for a long time in Virginia.

In its best day, it was a million-two. We award our breeders funds once a year. It's all based on — we award for a win anywhere in the country. Probably, that'll go first through third in the country. I think our board voted on that sometime in the next year or two.

We just take that pool of money, and we distribute it based on the purse your horse won that time. Then that becomes a percentage. You multiply that percentage times a million-two, and that's how you get your breeder's award.

When we were down to around a half-a-million dollars, our breeders' awards got to be about ten percent per win. Last year, we probably paid about 18 percent.

We can't — what's been hard — and, look, I represent the breeders, and they holler at me a lot about some of the things I do, but the problem is — is that when you're breeding 111 horses a year, we can't — there's not enough money to incentivize people to make the jump like we've done in this certified program.

Six hundred horses coming in creating business and coming back and running — I don't know how much money that would take to create that kind of jump in people breeding horses.

Now, the beautiful thing is is that people have come here to do business, and I think they're leaving their horses. I'm gettin' a lot of questions, especially because of the racing, about people wanting to breed horses again.

My first three years as the executive director, I never got a call about a Virginia-bred but being able to incentivize the owners to go ahead and buy those — I get calls all the time now from the horse sales and from people at the racetrack wanting to claim horses and wanting to know what that means.

That's been a really exciting — as they said earlier, you gotta incentivize the guy that buys the horse. If we have plenty of those guys, the breeding stuff will come around and fix itself. The one thing we were able to do is save the guys who were doing it here in Virginia.

It was down to about 60 breeders.

**Mr. Frank Petramalo:** A certain percentage of the fund goes to breeders' awards, and the regulations also call for a percentage to go to stallion owners. We have very few stallions.

Then another portion is used for supporting Virginia-restricted races. Now, because the fund was small — the contribution in the past used to be the HBPA would put out half the purse for, say, a \$100,000 Virginia-bred stakes race, and the breeders fund would put up the other half.

Because the breeders fund was so small, we wound up funding maybe 80 percent or even 90 percent, and we're continuing to do that because we have a very nice series of restricted Virginia-bred races, but our fund is not big enough to take care of it completely.

**Audience Participant:** Just a follow-up question. What percentage of your races, Jill, are just strictly for Virginia-bred horses?

**Ms. Debbie Easter:** Because of our lack of Virginia-bred races, we ran a two-day — we ran a series of stakes, two days of stakes, for Virginia-breds. We have to be very careful about how we rate the races leading up to that because if we rate anything more than a restricted maiden Virginia-bred, we kill our stakes.

One of the challenges we're gonna have going forward is as we are creating this bigger pool of restricted certified horses, we've got to give them more opportunities at Colonial, because the purses are great.

We're writing restricted maidens for 50,000 bucks. They want to come. They just have to have that, so we're probably gonna have to create this whole other program.

Then we get into another thing about being able to keep your black type, which is tough on these state-bred races, keeping the quality of the race up when you're breeding so few.

We're trying to save that, too, and it's all a juggling act. I'm sure you all are going through the same thing. It's super that you all can — changing your breeders fund that much in that short a time is amazing.

**Audience Participant:** Thank you, and good luck.

**Mr. Frank Petramalo:** Thank you.

**Ms. Debbie Easter:** Same to you. That's super.

**Ms. Jill Byrne:** Thank you very much.

Anybody else?

Any questions?

We really appreciate everybody for sticking around for this one. We are very proud of what we accomplished this year and looking forward to even more success and support from horsemen throughout the country as well who now know we're back.

They know we have a great product, and most importantly in today's world, we have a very safe racetrack, both our dirt and turf, and zero fatalities.

This is, unfortunately, the way the industry is going, so you have to keep investing in your facility. You have to keep investing in your programs. You have to listen to your horsemen. We're fortunate we have a fantastic management and ownership group that's allowing us to do what we need to do to bring racing back to my home state.

Thank you all, and thanks to the RTIP as well for this incredible symposium.

Now go get some Sonoran hot dogs.