

**VIRGINIA RACING COMMISSION
2012 ANNUAL REPORT**

Virginia Racing Commission

2012

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Richmond

David C. Reynolds
Richmond

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Vice Chairman
Richmond

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Morattico

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Bernard J. Hettel—Executive Secretary

David S. Lermond, Jr.—Deputy Executive Secretary/Fiscal Officer

Kimberly M. Carter—Office Administrator

Joseph M. Roney—Director of Security and Enforcement

Marilyn A. Bauer—Administrative Assistant and Licensing

C. Richard Harden, DVM—Equine Medical Director

February 22, 2013

TO: THE HONORABLE ROBERT F. Mc DONNELL
GOVERNOR OF VIRGINIA AND THE MEMBERS
OF THE GENERAL ASSEMBLY

In compliance with the provisions of the Code of Virginia Title 59, Chapter 59.1-369 (9) as it relates to horse racing with pari-mutuel wagering, it is my honor and privilege to submit the 2012 Annual Report of the Virginia Racing Commission.

Virginia Racing Commission revenue is generated from a small percentage of every pari-mutuel wager made in the Commonwealth at Colonial Downs or at one of the satellite wagering facilities or by telephone and the internet. This revenue funds the operations of this regulatory agency, permitting us to meet our financial obligation to the General Fund as per the provisions of the Appropriations Act.

The Racing Commission remains committed to protecting the integrity of racing for those who participate and the enthusiastic customers who enjoy it. Additionally we rely on the continued support of horse racing and the equine industry from you and your Administration as well as the General Assembly.

Respectfully submitted,


Bernard J. Hottel
Executive Secretary

THE RACING COMMISSION

The Racing Act, Title 59, Chapter 29, effective as of January 1, 1989, vests control of all horse racing with pari-mutuel wagering conducted in the Commonwealth to the Virginia Racing Commission (VRC).

The Commission:

- Prescribes regulations and conditions under which racing and wagering is conducted;
- Maintains horse racing in the Commonwealth of the highest quality free of corrupt, incompetent, dishonest or unprincipled practices, and;
- Maintains in such racing complete honesty and integrity.

Horse racing offering pari-mutuel wagering is permitted in the Commonwealth with the intention of “promotion, sustenance, and growth of the native industry, in a manner consistent with the health, safety, and welfare of the people”.

Commission Activities

Taxable Wagering Recapitulation

Year	Wagering at Racetrack and at Satellite Facilities	Account Wagering	Total Taxable Wagering
1996	\$36,952,607.00	\$0.00	\$36,952,607.00
1997	\$95,094,161.00	\$0.00	\$95,094,161.00
1998	\$120,717,190.00	\$0.00	\$120,717,190.00
1999	\$121,324,249.00	\$0.00	\$121,324,249.00
2000	\$121,754,800.00	\$0.00	\$121,754,800.00
2001	\$123,879,396.00	\$0.00	\$123,879,396.00
2002	\$124,064,569.00	\$0.00	\$124,064,569.00
2003	\$130,382,875.00	\$0.00	\$130,382,875.00
2004	\$145,394,480.00	\$1,287,541.00	\$146,682,021.00
2005	\$151,758,202.00	\$12,691,398.00	\$164,449,600.00
2006	\$164,208,077.00	\$28,300,972.00	\$192,509,049.00
2007	\$167,684,686.00	\$33,206,726.00	\$200,891,412.00
2008	\$149,629,200.00	\$47,303,439.00	\$196,932,639.00
2009	\$122,461,456.00	\$49,850,493.00	\$172,311,949.00
2010	\$105,505,800.00	\$53,392,088.00	\$158,897,888.00
2011	\$97,737,892.75	\$62,646,843.85	\$160,384,736.60
2012	\$91,927,194.10	\$69,233,852.85	\$161,161,046.95
Totals	\$2,070,476,834.85	\$357,913,353.70	\$2,428,390,188.55

On September 1, 1997, Colonial Downs opened the inaugural pari-mutuel horse race meeting in Virginia offering 30 days of live Thoroughbred racing. Live Harness racing was added in 1998. Since introduced, both breeds have annually raced at the New Kent facility.

Colonial Downs now enjoying its sixteenth year of operation is the catalyst of horse racing generating \$161,161,047 in annual pari-mutuel wagering in Virginia with a total attendance of 334,899 at the racetrack and its satellite wagering facilities (SWFs).

As provided in § 59.1-364 of the Code of Virginia, horse racing with pari-mutuel wagering is permitted in the Commonwealth for the promotion, sustenance and growth of a native industry. As a result, the stakeholders in Virginia have worked extremely well together to build the horse breeding and racing industries. Quality racing remains the ultimate goal of Virginia stakeholders as they strive to build upon the native horse industry in the Commonwealth.

Colonial Downs typically offers a large variety of distance and category options for horsemen, desiring to race on the turf. This commitment enables Virginia to enjoy the deserved reputation as the Thoroughbred turf racing capital of the United States. The vast majority, more than 90%, of the Thoroughbred races run at Colonial Downs are contested on the 180-foot wide turf Course, which is appropriately named for Virginia's famous equine son Triple Crown winner Secretariat. Colonial Downs is owned by Jacobs Entertainment, with Jeffery Jacobs, Chairman and Chief Executive Officer.

As has become the tradition, the 2012 Standardbred (harness racing) race meeting was highly competitive and entertaining. The annual meet features a one-turn mile for the majority of the races; a long straightaway into the expansive turn cumulating in a long homestretch to the finish line. As such, each year a number of record and career best times are established in Virginia. One of the highlights was the \$390,125 Virginia Harness Day of Champions contested on Sunday, October 14. These stakes races are specifically offered to Virginia bred and Virginia owned horses. This year's day was enhanced by the simulcast of the Thoroughbred Breeders' Cup Championships.

Colonial Downs currently operates eight satellite wagering facilities. The satellite facilities provide the majority of pari-mutuel handle in the state which generates the purses distributed for live racing in addition to the awards for owners and breeders of Virginia bred horses.

Advance deposit account wagering (ADW) through the internet and telephone is the second largest source of pari-mutuel wagering in Virginia. In 2012, \$69,233,853 in such internet and telephone wagering was generated by five (5) account wagering companies currently licensed in Virginia. This represented an increase of more than ten percent over the \$62,646,844 wagered through the ADW providers in 2011.

As a result of the efforts in 2012, the horse racing industry in Virginia is poised to continue to grow.

Live Thoroughbred Racing Statistics

Year	Daily Average On-Track Handle	Total Handle	Daily Average Total Handle	Daily Average Attendance	On-Track Per Capita
1997	\$183,594.00	\$28,182,006.00	\$939,400.00	3620	\$50.72
1998	\$141,154.00	\$21,293,467.00	\$881,473.00	2263	\$62.37
1999	\$107,881.00	\$23,420,243.00	\$975,854.00	1628	\$66.27
2000	\$90,589.00	\$27,923,752.00	\$872,617.00	1247	\$72.65
2001	\$117,818.00	\$27,579,707.00	\$1,103,188.00	1940	\$60.73
2002	\$140,067.00	\$31,039,485.00	\$1,193,826.00	2202	\$63.61
2003	\$140,305.00	\$36,090,262.00	\$1,203,009.00	2193	\$63.98
2004	\$138,236.00	\$36,205,494.00	\$1,064,867.00	2155	\$64.15
2005	\$124,122.00	\$44,710,190.00	\$1,117,755.00	2028	\$61.20
2006	\$113,438.00	\$51,587,415.00	\$1,258,230.00	1804	\$62.88
2007	\$164,557.00	\$50,507,580.00	\$1,262,689.00	1996	\$82.44
2008	\$126,195.00	\$50,343,446.00	\$1,118,743.00	1668	\$75.66
2009	\$128,093.00	\$31,241,633.00	\$781,041.00	1712	\$74.82
2010	\$131,908.00	\$29,287,463.00	\$732,187.00	1499	\$88.00
2011	\$127,542.00	\$27,041,285.00	\$845,040.00	1864	\$68.42
2012	\$116,525.00	\$18,733,192.00	\$604,297.00	2008	\$58.03

Live Harness Racing Statistics

Year	Daily Average On-Track Handle	Total Handle	Daily Average Total Handle	Daily Average Attendance	On-Track Per Capita
1998	\$56,661.00	\$7,260,770.00	\$172,875.00	1379	\$41.09
1999	\$41,319.00	\$5,795,265.00	\$193,175.00	909	\$45.46
2000	\$19,270.00	\$5,903,010.00	\$147,575.00	258	\$74.69
2001	\$30,912.00	\$2,459,010.00	\$163,934.00	486	\$63.60
2002	\$30,860.00	\$3,716,853.00	\$154,869.00	478	\$64.56
2003	\$34,585.00	\$4,148,072.00	\$148,145.00	580	\$59.63
2004	\$40,361.00	\$5,815,294.00	\$181,728.00	645	\$62.58
2005	\$36,959.00	\$6,217,238.00	\$172,701.00	620	\$59.61
2006	\$20,498.00	\$6,562,653.00	\$182,296.00	312	\$65.70
2007	\$43,183.00	\$5,726,362.00	\$178,949.00	613	\$70.45
2008	\$35,945.00	\$5,320,909.00	\$156,497.00	509	\$70.62
2009	\$27,552.00	\$3,885,199.00	\$107,922.00	353	\$78.05
2010	\$40,575.00	\$2,748,428.00	\$98,194.00	511	\$79.40
2011	\$33,198.00	\$3,125,901.00	\$104,197.00	431	\$77.03
2012	\$22,856.00	\$1,933,949.00	\$83,081.00	495	\$46.17

RICHMOND SATELLITE WAGERING FACILITY
4700 West Broad Street
Richmond, VA 23230

Statistics

Year	Days of Operation	Total Attendance	Daily Average Attendance	Total Handle	Daily Average Handle
1996	21	17,403	829	\$3,391,418	\$161,496
1997	363	206,530	569	\$51,556,304	\$142,028
1998	363	178,841	493	\$50,183,501	\$138,247
1999	361	173,378	480	\$51,347,173	\$142,236
2000	361	162,921	451	\$49,096,147	\$136,000
2001	362	164,372	454	\$50,475,896	\$139,436
2002	360	159,222	442	\$49,986,746	\$138,852
2003	357	156,339	438	\$47,927,303	\$134,250
2004	362	123,682	342	\$40,821,803	\$112,767
2005	363	118,343	326	\$38,066,496	\$104,866
2006	302	94,348	312	\$31,823,009	\$105,374
2007	362	107,834	298	\$36,142,095	\$99,840
2008	357	98,200	275	\$32,302,808	\$90,484
2009	309	86,263	279	\$25,103,242	\$81,240
2010	309	75,218	243	\$23,050,643	\$74,598
2011	313	89,138	285	\$20,216,154	\$64,588
2012	361	84,684	241	\$27,262,339	\$75,519

HAMPTON SATELLITE WAGERING FACILITY
1909 Commerce Drive
Hampton, VA 23666

Statistics

Year	Days of Operation	Total Attendance	Daily Average Attendance	Total Handle	Daily Average Handle
1997	7	1,651	236	\$327,811	\$46,830
1998	363	114,679	316	\$22,765,994	\$62,716
1999	361	103,945	288	\$23,298,797	\$64,540
2000	362	99,618	275	\$24,999,787	\$69,060
2001	362	99,718	275	\$26,083,186	\$72,053
2002	361	98,362	272	\$25,058,151	\$69,413
2003	358	95,064	266	\$25,947,756	\$72,480
2004	363	95,269	262	\$28,321,244	\$78,020
2005	363	85,723	236	\$26,720,455	\$73,610
2006	362	82,352	227	\$25,638,907	\$70,826
2007	362	77,128	213	\$24,536,734	\$67,781
2008	363	74,903	206	\$21,505,334	\$59,243
2009	362	72,346	200	\$19,709,082	\$54,445
2010	346	61,231	177	\$17,350,653	\$50,146
2011	353	54,136	153	\$16,098,311	\$45,604
2012	266	43,831	173	\$13,791,161	\$51,846

BRUNSWICK SATELLITE WAGERING FACILITY
24 Colonial Downs Place
Alberta, VA 23821
20,000 Sq. Ft.

Statistics

Year	Days of Operation	Total Attendance	Daily Average Attendance	Total Handle	Daily Average Handle
1997	14	1,460	104	\$226,146	\$16,153
1998	292	38,657	132	\$10,573,166	\$36,209
1999	269	27,925	104	\$11,404,545	\$42,396
2000	279	28,018	100	\$11,888,170	\$42,610
2001	265	24,821	94	\$12,085,136	\$45,604
2002	259	27,243	105	\$11,882,404	\$45,878
2003	292	28,548	98	\$14,094,878	\$48,270
2004	311	28,067	90	\$14,152,950	\$45,508
2005	309	25,276	82	\$12,620,398	\$40,843
2006	269	21,825	81	\$9,967,380	\$37,053
2007	270	23,708	88	\$10,646,527	\$39,432
2008	275	22,249	81	\$9,566,019	\$34,786
2009	263	17,729	67	\$7,085,370	\$26,941
2010	259	15,442	60	\$6,694,722	\$25,848
2011	262	14,123	54	\$5,750,997	\$21,950
2012	266	12,711	49	\$5,361,759	\$20,157

SOUTH RICHMOND SATELLITE WAGERING FACILITY
6550 Hull Street Road
Richmond, VA 23224

Statistics

Year	Days of Operation	Total Attendance	Daily Average Attendance	Total Handle	Daily Average Handle
2003	48	8,634	180	\$2,001,182	\$41,691
2004	361	64,479	179	\$17,832,357	\$49,397
2005	363	63,337	174	\$18,318,539	\$50,464
2006	362	74,216	205	\$23,560,440	\$65,084
2007	359	66,265	185	\$19,436,532	\$54,141
2008	357	61,347	172	\$17,090,463	\$47,872
2009	314	54,604	174	\$14,614,926	\$46,544
2010	301	40,662	135	\$10,758,379	\$35,742
2011	283	35,048	124	\$8,718,273	\$30,807
2012	35	6,196	177	\$909,602	\$25,989

Note: This facility operated on a limited basis and was closed in June of 2012.

VINTON SATELLITE WAGERING FACILITY
1135 Vineyard Road
Vinton, VA 24179

Statistics

Year	Days of Operation	Total Attendance	Daily Average Attendance	Total Handle	Daily Average Handle
2004	81	13,447	166	\$2,455,993	\$30,321
2005	357	49,607	139	\$10,807,394	\$30,273
2006	286	42,806	150	\$10,471,558	\$36,614
2007	361	45,969	127	\$10,754,287	\$29,790
2008	282	36,294	129	\$7,976,405	\$28,285
2009	262	38,896	148	\$7,333,049	\$27,989
2010	259	25,444	98	\$5,792,107	\$22,363
2011	264	22,713	86	\$5,524,253	\$20,925
2012	263	20,128	83	\$5,104,810	\$19,410

MARTINSVILLE SATELLITE WAGERING FACILITY
3951 Greensborough Road
Martinsville, VA 24148

Statistics

Year	Days of Operation	Total Attendance	Daily Average Attendance	Total Handle	Daily Average Handle
2005	137	18,978	139	\$3,529,839	\$25,765
2006	323	36,231	112	\$10,358,670	\$32,070
2007	270	35,512	132	\$12,014,060	\$44,497
2008	275	33,715	123	\$9,765,317	\$35,510
2009	262	28,308	108	\$8,499,236	\$32,440
2010	259	21,679	84	\$7,421,714	\$28,655
2011	263	22,116	84	\$7,560,615	\$28,748
2012	265	19,599	78	\$7,277,386	\$27,462

CHESAPEAKE SATELLITE WAGERING FACILITY

4301 Indian River Road

Chesapeake, VA 23325

Statistics

Year	Days of Operation	Total Attendance	Daily Average Attendance	Total Handle	Daily Average Handle
2005	80	15,648	196	\$4,963,971	\$62,050
2006	362	69,818	193	\$23,666,541	\$65,377
2007	362	78,627	217	\$23,829,721	\$65,828
2008	363	76,704	211	\$24,461,630	\$67,387
2009	358	86,313	241	\$27,502,892	\$76,824
2010	346	71,909	208	\$23,164,159	\$66,948
2011	359	69,507	194	\$21,289,630	\$59,303
2012	354	60,230	173	\$19,460,960	\$54,974

SCOTT COUNTY SATELLITE WAGERING FACILITY

38 U.S. Highway 23N

Weber City, VA 24290

Statistics

Year	Days of Operation	Total Attendance	Daily Average Attendance	Total Handle	Daily Average Handle
2006	272	36,100	133	\$6,592,864	\$24,238
2007	270	32,029	119	\$7,184,714	\$26,610
2008	275	29,697	108	\$7,760,029	\$28,218
2009	262	25,252	96	\$6,118,592	\$23,353
2010	256	13,637	53	\$4,095,321	\$15,997
2011	263	11,228	43	\$3,989,414	\$15,169
2012	237	13,244	58	\$3,346,322	\$16,229

FINN MCCOOL'S SATELLITE WAGERING FACILITY
4028 Cox Road
Glen Allen, VA 23060

Statistics

Year	Days of Operation	Total Handle	Daily Average Handle
2010	172	\$1,495,115	\$8,693
2011	255	\$2,598,746	\$10,191
2012	229	\$3,206,427	\$14,002

MAJOR WILLY MAYO'S SATELLITE WAGERING FACILITY
115 S. 15th Street
Richmond, VA 23219

Statistics

Year	Days of Operation	Total Handle	Daily Average Handle
2012	200	\$920,440	\$4,602

Note: This facility closed in November of 2012.

PARADOCKS SATELLITE WAGERING FACILITY
801 Eden Way North
Chesapeake, VA 23320

Statistics

Year	Days of Operation	Total Handle	Daily Average Handle
2012	57	\$370,462	\$6,499

Note: This facility opened in October of 2012.

The Breeders Fund

Funding for this initiative is derived from a one percent deduction of all wagers made in the Commonwealth. Separate funds are distributed to all participating Thoroughbred and Standardbred horse owners and breeders. In 2012, \$1,338,896 was generated for the Thoroughbreds totaling \$17,719,885 during the seventeen year history. Distribution during the live Colonial Downs race meeting offers the hugely popular one hundred percent (100%) bonus for Virginia bred horses racing in open competition. Live Harness racing when combined with simulcast of Standardbred racing accounts for approximately twenty percent of the “bricks and mortar” wagering in Virginia. In 2012, \$276,548 was generated for Standardbreds, for a grand total of \$4,790,117 since 1996. The administration of the fund is managed by the collaborative efforts of the Virginia Thoroughbred Association and the Virginia Harness Horse Association working in concert with the staff of the Racing Commission.

Breeders Fund Recapitulation

Year	Thoroughbred Contributions	Standardbred Contributions	Total Contributions
1996	\$263,517.00	\$105,288.00	\$368,805.00
1997	\$755,900.00	\$195,041.00	\$950,941.00
1998	\$917,484.00	\$289,688.00	\$1,207,172.00
1999	\$915,431.00	\$297,811.00	\$1,213,242.00
2000	\$942,714.00	\$274,834.00	\$1,217,548.00
2001	\$967,123.00	\$271,671.00	\$1,238,794.00
2002	\$970,555.00	\$270,091.00	\$1,240,646.00
2003	\$1,035,181.00	\$268,647.00	\$1,303,828.00
2004	\$1,136,789.00	\$317,156.00	\$1,453,945.00
2005	\$1,176,374.00	\$341,208.00	\$1,517,582.00
2006	\$1,285,476.00	\$356,604.00	\$1,642,080.00
2007	\$1,318,153.00	\$358,693.00	\$1,676,846.00
2008	\$1,167,875.00	\$328,417.00	\$1,496,292.00
2009	\$960,763.00	\$263,852.00	\$1,224,615.00
2010	\$1,266,614.00	\$287,607.00	\$1,554,221.00
2011	\$1,301,040.00	\$286,961.00	\$1,588,001.00
2012	\$1,338,896.00	\$276,548.00	\$1,615,444.00
Totals	\$17,719,885.00	\$4,790,117.00	\$22,510,002.00

Tax Revenue to Localities

Year	New Kent	Chesapeake	Henrico	Richmond	Hampton	Brunswick	Vinton	Martinsville	Scott	Total
1996	\$157,871.00	\$144,304.00	\$6,783.00	\$6,783.00						\$315,741.00
1997	\$408,498.00	\$159,665.00	\$113,726.00	\$113,726.00	\$1,430.00	\$855.00				\$797,900.00
1998	\$520,316.00	\$128,530.00	\$107,693.00	\$107,693.00	\$101,062.00	\$43,538.00				\$1,008,832.00
1999	\$524,049.00	\$132,641.00	\$108,839.00	\$108,839.00	\$101,396.00	\$46,906.00				\$1,022,670.00
2000	\$532,156.00	\$129,419.00	\$104,967.00	\$104,967.00	\$108,412.00	\$49,836.00				\$1,029,757.00
2001	\$539,392.00	\$131,455.00	\$107,885.00	\$107,885.00	\$115,242.00	\$51,140.00				\$1,052,999.00
2002	\$544,937.00	\$136,127.00	\$107,043.00	\$107,043.00	\$110,778.00	\$50,791.00				\$1,056,719.00
2003	\$574,992.00	\$145,928.00	\$103,758.00	\$112,388.00	\$113,880.00	\$59,092.00				\$1,110,038.00
2004	\$645,979.00	\$146,406.00	\$89,652.00	\$167,027.00	\$125,476.00	\$59,268.00	\$9,817.00			\$1,243,625.00
2005	\$676,257.00	\$146,065.00	\$84,164.00	\$165,595.00	\$119,218.00	\$52,244.00	\$44,660.00	\$14,615.00		\$1,302,818.00
2006	\$727,828.00	\$171,176.00	\$70,299.00	\$175,246.00	\$114,814.00	\$41,761.00	\$44,349.00	\$43,288.00	\$26,478.00	\$1,415,239.00
2007	\$743,077.00	\$172,558.00	\$79,755.00	\$165,331.00	\$110,160.00	\$45,105.00	\$46,583.00	\$51,189.00	\$29,266.00	\$1,443,024.00
2008	\$656,347.00	\$160,286.00	\$71,940.00	\$148,229.00	\$96,737.00	\$40,619.00	\$35,164.00	\$41,901.00	\$32,365.00	\$1,283,588.00
2009	\$537,046.00	\$121,016.00	\$55,955.00	\$120,425.00	\$88,982.00	\$30,613.00	\$32,241.00	\$37,024.00	\$24,824.00	\$1,048,126.00
2010	\$463,010.00	\$102,607.00	\$57,802.00	\$100,312.00	\$77,853.00	\$29,467.00	\$25,096.00	\$31,866.00	\$17,070.00	\$905,083.00
2011	\$436,914.00	\$94,877.00	\$57,104.00	\$86,180.00	\$72,505.00	\$25,339.00	\$24,079.00	\$32,532.00	\$16,435.00	\$845,965.00
2012	\$409,436.00	\$88,681.00	\$75,208.00	\$69,123.00	\$61,255.00	\$23,622.00	\$22,076.00	\$31,618.00	\$15,602.00	\$796,621.00
Totals	\$9,098,105.00	\$2,311,741.00	\$1,402,573.00	\$1,966,792.00	\$1,519,200.00	\$650,196.00	\$284,065.00	\$284,033.00	\$162,040.00	\$17,678,745.00