

**VIRGINIA RACING COMMISSION
2013 ANNUAL REPORT**

Virginia Racing Commission

2013

COMMISSIONERS

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Chairman
Richmond

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Esmont

J. Sargeant Reynolds, Jr.
Vice Chairman
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Quinton

STAFF

Bernard J. Hettel—Executive Secretary

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

Kimberly C. Mackey—Office Administrator

C. Richard Harden, DVM—Equine Medical Director



COMMONWEALTH of VIRGINIA

Virginia Racing Commission

5707 Huntsman Road

Suite 201-B

Richmond, Virginia 23250

(804) 966-7400

February 28, 2014

TO: THE HONORABLE TERRY McAULIFFE
GOVERNOR OF VIRGINIA AND THE MEMBERS
OF THE GENERAL ASSEMBLY

In compliance with the Code of Virginia Title 59, Chapter 59.1-369 (9) which provides as related to horse racing with pari-mutuel wagering, it is my pleasure and privilege to submit the 2013 Annual Report of the Virginia Racing Commission.

The Virginia Racing Commission relies on the revenue generated from a very small percentage of all pari-mutuel wagers made in the Commonwealth, which includes those at Colonial Downs, and at the Gold Cup Steeplechase races. Additionally, wagers made at the satellite wagering facilities or by telephone account and via the internet are also included. This revenue funds the daily operations of the agency and permits us to meet our financial obligation to the General Fund as required by the Appropriations Act.

The Commission shall remain committed to the protection, and the maintenance of integrity of the participants and our loyal customers. As always, we shall continue to rely on the support of horse racing and the related equine industry from you and your administration, as well as the General Assembly.

Respectfully submitted,

A handwritten signature in blue ink, reading "Bernard J. Hettel".

Bernard J. Hettel
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
2013	\$86,220,534.60	\$73,205,095.00	\$159,425,629.60
Totals	\$2,156,697,369.45	\$431,118,448.70	\$2,587,815,818.15

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 seventeenth year of operation is the catalyst of horse racing generating \$159,425,630 in annual pari-mutuel wagering in Virginia with a total attendance of 299,083 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 2013 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 \$378,850 Virginia Harness Day of Champions contested on Sunday, October 27. These stakes races are specifically offered to Virginia bred horses.

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 2013, \$73,205,095 in such internet and telephone wagering was generated by four (4) account wagering companies currently licensed in Virginia. This represented an increase of more than five percent over the \$69,233,853 wagered through the ADW providers in 2012.

By virtue of the Code of Virginia §59.1-378.0 (A) as it relates to licensing of owners or operators of certain pari-mutuel facilities, the Virginia Racing Commission granted a limited license to the Virginia Gold Cup Association. I am pleased to inform you that on Saturday, May 4, 2013, for the first time, more than 65,000 people gathered at Great Meadow, located in The

Plains, Virginia to enjoy this historic event. Attendance was a record high for the 88th renewal of this event. The exuberant and patient crowd endured long lines to the betting windows while creating a handle of \$81,017. Again, on October 19, 2013 a crowd of over 27,000 gathered at Great Meadow to watch and wager on the International Gold Cup races. The association attempted to accept wagers by way of Wi-Fi electronics which proved to be unsatisfactory, creating a handle of \$38,939. In 2014, the association is planning to conduct electronic wagering in addition to traditional style pari-mutuel machines. The popular response in the Commonwealth to pari-mutuel wagering at steeplechase events has encouraged other steeplechase associations to contemplate the possibility of seeking a limited license. The Virginia Racing Commission will actively seek additional associations and offer any support and technical advice to those seeking such. We are hopeful to include several racing dates in the near future.

As a result of the efforts in 2013, 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
2013	\$118,086.00	\$14,434,174.00	\$597,632.00	1942	\$60.81

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
2013	\$20,503.00	\$2,425,357.00	\$101,057.00	376	\$54.53

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
2013	353	79,767	226	\$26,346,135	\$74,635

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
2013	268	41,136	153	\$13,206,769	\$49,279

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
2013	247	11,901	48	\$4,937,087	\$19,988

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
2013	229	15,649	68	\$3,579,519	\$15,631

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
2013	260	18,728	72	\$7,276,464	\$27,986

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
2013	347	56,177	162	\$19,356,391	\$55,782

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
2013	209	12,476	60	\$3,647,268	\$17,451

HURLEY'S TAVERN 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
2013	198	\$3,004,070	\$15,172

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
2013	191	\$1,201,273	\$6,289

Note: This facility closed on September 28, 2013.

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 2013, \$1,325,659 was generated for the Thoroughbreds totaling \$19,045,544 during the eighteen 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 2013, \$262,990 was generated for Standardbreds, for a grand total of \$5,053,107 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
2013	\$1,325,659.00	\$262,990.00	\$1,588,649.00
Totals	\$19,045,544.00	\$5,053,107.00	\$24,098,651.00

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
2013	\$384,745.00	\$91,428.00	\$72,231.00	\$58,969.00	\$59,531.00	\$21,880.00	\$15,642.00	\$31,733.00	\$15,062.00	\$751,221.00
Totals	\$9,482,850.00	\$2,403,169.00	\$1,474,804.00	\$2,025,761.00	\$1,578,731.00	\$672,076.00	\$299,707.00	\$315,766.00	\$177,102.00	\$18,429,966.00