

**VIRGINIA RACING COMMISSION
2014 ANNUAL REPORT**

Virginia Racing Commission

2014

COMMISSIONERS

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Chairman
Richmond

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Vice Chairman
Esmont

Carol G. Dawson
Morattico

Stran L. Trout
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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

Courtney C. Reid—Program Support Technician



COMMONWEALTH of VIRGINIA

Virginia Racing Commission

5707 Huntsman Road

Suite 201-B

Richmond, Virginia 23250

(804) 966-7400

February 27, 2015

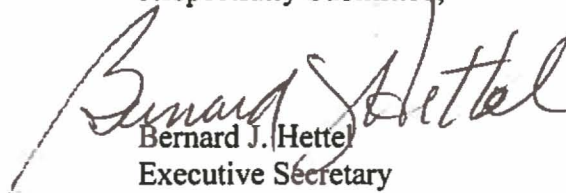
TO: The Honorable Terence R. McAuliffe, Governor of Virginia
Members of the General Assembly

Pursuant to the provisions contained in the Code of Virginia Title 29, Chapter 59.1-369 (9) as related to horse racing with pari-mutuel wagering please accept the 2014 Annual report of the Virginia Racing Commission.

As you know, the revenue generated from a percentage of all pari-mutuel wagers made in the Commonwealth which include those made in-person at Colonial Downs or Great Meadow during the Gold Cup Steeplechase races, at a satellite wagering facility or through an Advanced Deposit Wagering company funds VRC operations. This revenue also enables us to meet our obligatory contribution to the General Fund as included in the Appropriations Act.

The Racing Commission remains steadfast in protecting the integrity of racing for those who participate and the enthusiastic customers who enjoy it. As always, 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. Hette
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”.

For the first time since its inaugural meeting in 1997, Colonial Downs failed to offer Thoroughbred flat racing. This interruption of racing was caused by the contractual dispute between Colonial Downs and the Virginia Horsemen's Benevolent and Protective Association (VAHBPA). Historically, these two entities have disagreed regarding the number of calendar weeks and days the facility should be open for training and racing. A compromise of the opposing positions was not reached in spite of numerous discussions and alternatives offered. The traditional summer meet was then cancelled. Live Harness racing was conducted by agreement with the Virginia Harness Horsemen's Association. Unfortunately, at the October 15th Virginia Racing Commission meeting, Colonial Downs the only unlimited licensed facility in the Commonwealth, surrendered its license to own and operate a racetrack. Furthermore, Colonial Downs did not apply for racing dates for 2015, ending both thoroughbred and harness racing for the foreseeable future. This decision adversely affects Thoroughbred and Standardbred racing and breeding in the Commonwealth due to loss of revenue and opportunity. The Virginia Racing Commission continues to seek alternative racing locations for both breeds and is hopeful to secure suitable racing facilities in the very near future.

In addition to the loss of live racing, the aforementioned disagreement prompted the closure of five (5) satellite wagering facilities. The three (3) facilities that remain open offer wagering only through EZ Horseplay, Colonial Downs' Advance Deposit Wagering (ADW) company. ADW also continues through the internet and telephone and is the major source of pari-mutuel wagering in Virginia. This form of wagering has shown impressive handle gains since its inception. The four (4) Advanced Deposit Wagering companies licensed to operate in Virginia are "EZ Horseplay", operated by Colonial Downs, L.P., "Twinspires" operated by Churchill Downs Incorporated, "Xpressbet" operated by the Stronach Group, and "TVG" operated by the Betfair Group.

Virginia Racing Commission revenue is generated solely from a small percentage of every pari-mutuel wager in order to meet our financial obligations. The reduction of income through elimination of on-track handle and the closure of satellite wagering facilities has become a detriment to the generation of funds for the Virginia Racing Commission. ADW, in spite of good performance, does not significantly contribute to our funds when compared with live racing. We remain frugal and seek legislation to amend regulatory distribution of the ADW take out to replace lost revenue.

As detailed in last year's report, Steeplechase Racing began featuring pari-mutuel wagering in 2013 and enjoyed superb continued success in 2014. Attendance for both days at Great Meadow recorded historical highs, reported by the Virginia Gold Cup Association. The International Gold Cup held on October 25th presented several flat races in addition to Steeplechase races, which included full fields and excellent wagering totals. The Dogwood Classic, formerly known as Strawberry Hill, was held at Colonial Downs on April 5th featuring Steeplechase racing.

In closing, I am hopeful the 2015 Regular session of the Virginia General Assembly will provide some much needed legislative changes for equine business in the Commonwealth.

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
2014	\$21,198,320.50	\$93,858,388.30	\$115,056,708.80
Totals	\$2,177,895,689.95	\$524,976,837.00	\$2,702,872,526.95

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	\$14,343,174.00	\$597,632.00	1942	\$60.81
2014	\$0.00	\$0.00	\$0.00	0	N/A

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	\$1,993,949.00	\$83,081.00	495	\$46.17
2013	\$20,503.00	\$2,425,357.00	\$101,057.00	376	\$54.53
2014	\$14,812.00	\$1,723,748.00	\$71,823.00	265	\$55.89

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

Richmond SWF 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
2014	284	40,689	143	\$8,280,180	\$29,156

Note: This facility closed on October 26, 2014.

HAMPTON SATELLITE WAGERING FACILITY
1909 Commerce Drive
Hampton, VA 23666

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	165	\$13,791,161	\$51,846
2013	268	41,136	153	\$13,206,769	\$49,279
2014	212	19,209	91	\$3,775,914	\$17,811

Note: This facility closed on October 26, 2014.

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

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	48	\$5,361,759	\$20,157
2013	247	11,901	48	\$4,937,087	\$19,988
2014	21	979	47	\$379,556	\$17,253

Note: This facility closed on January 31, 2014.

VINTON SATELLITE WAGERING FACILITY
1135 Vineyard Road
Vinton, VA 24179

Vinton SWF 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	77	\$5,104,810	\$19,410
2013	229	15,649	68	\$3,579,519	\$15,631
2014	19	1,140	60	\$237,652	\$12,508

Note: This facility closed on January 31, 2014.

MARTINSVILLE SATELLITE WAGERING FACILITY
3951 Greensborough Road
Martinsville, VA 24148

Martinsville SWF 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	74	\$7,277,386	\$27,462
2013	260	18,728	72	\$7,276,464	\$27,986
2014	21	1,378	66	\$569,984	\$27,142

Note: This facility closed on January 31, 2014.

CHESAPEAKE SATELLITE WAGERING FACILITY
4301 Indian River Road
Chesapeake, VA 23325

Chesapeake SWF 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	170	\$19,460,960	\$54,974
2013	347	56,177	162	\$19,356,391	\$55,782
2014	258	28,978	112	\$6,427,502	\$24,913

Note: This facility closed on October 26, 2014.

SCOTT COUNTY SATELLITE WAGERING FACILITY
38 U.S. Highway 23N
Weber City, VA 24290

Scott County SWF 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	56	\$3,846,322	\$16,229
2013	209	12,476	60	\$3,647,268	\$17,451
2014	18	942	52	\$310,589	\$17,255

Note: This facility closed on January 31, 2014.

HURLEY'S TAVERN SATELLITE WAGERING FACILITY
4028 Cox Road
Glen Allen, VA 23060

Hurley's SWF 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
2014	94	\$619,980	\$6,596

Note: This facility closed on June 7, 2014.

Steeplechase Racing

Live Steeplechase Racing Statistics

Year	Total Handle	Daily Average On-Track Handle	Daily Average Attendance	On-Track Per Capita
2013	\$119,956.00	\$59,978.00	43,500	\$2.76
2014	\$240,302.00	\$80,100.67	34,400	\$6.99

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 2014, \$854,434 was generated for the Thoroughbreds totaling \$19,899,978 historically. Live Harness racing when combined with simulcast of Standardbred racing accounts for approximately twenty percent of the “bricks and mortar” wagering in Virginia. In 2014, \$287,360 was generated for Standardbreds, for a grand total of \$5,340,467 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.

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
2014	\$854,434.00	\$287,360.00	\$1,141,794.00
Totals	\$19,899,978.00	\$5,340,467.00	\$25,240,445.00

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
2014	\$95,193.00	\$29,432.00	\$21,429.00	\$18,738.00	\$17,126.00	\$1,657.00	\$1,069.00	\$2,536.00	\$1,331.00	\$188,511.00
Totals	\$9,578,043.00	\$2,432,601.00	\$1,496,233.00	\$2,044,499.00	\$1,595,857.00	\$673,733.00	\$300,776.00	\$318,302.00	\$178,433.00	\$18,618,477.00