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1 CHAIRMAN VAN CLIEF: Good morning. My
2 watch says that it is 3 minutes after 10:00 a.m., and we
3 will now formally convene the Thursday, August 18th,
4 meeting of the Virginia Racing Commission. I call the
5 meeting to order. We're doing so with four
6 commissioners present. Dr. Steger will join us later in
7 the meeting but has been delayed this morning.

8 I'd like to start with one recognition.
9 As you may recall, those of you who were with us for our
10 last commission meeting, we went into executive session
11 after our adjournment, and we did so for the purpose of
12 conducting final interviews, final discussion, and a
13 selection process for the appointment of a new executive
14 secretary.

15 So in that regard, it's no surprise to
16 anybody in the room, but I would like to also formally
17 welcome Dave Lermond to his first meeting as Executive
18 Secretary of the Virginia Racing Commission. I think
19 he's been to probably more meetings of the commission
20 than all of us sitting up here combined, but this is his
21 first one as the boss.

22 So, Dave, welcome in your new role as
23 Executive Secretary. We look forward to working with
24 you, and we're delighted that you're here with us.

25 As we did go through the selection process

1 at our executive session, I would like to formalize
2 Mr. Lermond's appointment with the vote of the
3 commission this morning, so if I could have a motion to
4 formally appoint Mr. Lermond as our executive secretary,
5 I welcome such a motion.

6 COMMISSIONER MILLER: I move to appoint
7 Mr. Lermond as Executive Secretary.

8 CHAIRMAN VAN CLIEF: Commissioner Miller
9 makes such motion. Do I have a second?

10 VICE CHAIRMAN DAWSON: Second.

11 CHAIRMAN VAN CLIEF: Vice Chairman seconds
12 it. All in favor signify by saying aye.

13 (Aye.)

14 CHAIRMAN VAN CLIEF: Any opposed?

15 Thank you.

16 And, again, welcome, Mr. Lermond.

17 The next item on the agenda is the
18 approval of the minutes from our June 21st meeting. I
19 do have a suggested change that I'd like to propose to
20 my fellow commissioners.

21 And may I call on Counsel or Mr. Lermond,
22 have either of you got that wording with you?

23 Dave, can I ask you to read the modified
24 wording?

25 EXECUTIVE SECRETARY LERMOND: We inserted

1 it into the packets.

2 CHAIRMAN VAN CLIEF: Was it in there?

3 Well, I will do that then.

4 (Charles Stenger joined the meeting.)

5 CHAIRMAN VAN CLIEF: Okay. The
6 commissioners will have seen the draft number one, and,
7 since then, we have modified the minutes to reflect our
8 action.

9 Mr. Steger, welcome.

10 COMMISSIONER STEGER: Thank you, sir.

11 CHAIRMAN VAN CLIEF: I was just saying you
12 were going to be delayed, but you're here virtually on
13 time. Thank you. Thank you for joining us.

14 Note for the record that Commissioner
15 Steger has joined us, please.

16 The minutes have been modified, I think,
17 since some of you have seen them, and I'm going to read
18 the modification, which constitutes the final paragraph
19 and deals with the action we took regarding appointment
20 of our executive secretary and it read as follows:

21 "At 1:46 p.m. the commission adjourned its
22 meeting."

23 The modification takes the form of the
24 following wording, "Prior to the adjournment, the
25 commission announced it would meet separately in closed

1 session to conduct interviews for the position of the
2 executive secretary of the commission, with the counsel
3 reading the following motion at the request of the
4 chairman, quote, in accordance with the provisions of
5 2.2-3711(a)(7) of the Code of Virginia, I move that the
6 commission go into closed meeting for the purpose of
7 discussion, consideration, and interviews of respective
8 candidates for employment for the position of Executive
9 Secretary of the Virginia Racing Commission.

10 "And the Virginia Racing Commission will
11 not consider or discuss any other issues beside the
12 issue that was specifically mentioned in the perspective
13 motion."

14 That was seconded by Commissioner Steger.
15 All were in favor. The motion carried unanimously.

16 That modification is included in your
17 minutes that I don't think we need any further action on
18 that.

19 Thank you.

20 We're going now to new business. We've
21 got a lot of action items today.

22 MR. PITCHFORD: Mr. Chairman?

23 CHAIRMAN VAN CLIEF: Yes.

24 MR. PITCHFORD: Prior to proceeding, I
25 think we need to vote to approve the amended minutes.

1 CHAIRMAN VAN CLIEF: Yes. Okay. Since
2 those minutes were amended since sent out, although
3 included in your booklets this morning, could I have a
4 motion to approve the amendment as I read it?

5 VICE CHAIRMAN DAWSON: Mr. Chairman, I
6 move that we amend the minutes, according to the
7 statement that you just read.

8 CHAIRMAN VAN CLIEF: Okay. The motion is
9 to amend the minutes in accordance with the statement I
10 read, which is in your packets.

11 Is there a second?

12 COMMISSIONER REYNOLDS: Second.

13 CHAIRMAN VAN CLIEF: Any discussion?

14 All in favor signify by saying aye.

15 (Aye.)

16 CHAIRMAN VAN CLIEF: Any opposed?

17 Okay. Thank you. Minutes of the
18 June 21st meeting are approved.

19 Now to new business. I think we've got
20 about eight action items today, all of which are
21 positive and speak to the -- rebuilding the Virginia
22 industry, so I'm looking forward to this. We'll get to
23 work right away.

24 Vice Chairman Dawson very kindly agreed
25 this summer to chair a reconstituted version of our

1 Racing Safety and Medication Committee. There is no
2 more important work than to ensure the safety of our
3 athletes on the track and our compliance with best
4 practices that assure the integrity of our sport.

5 There has been one meeting of that
6 committee since our last commission meeting, so,
7 Commissioner Dawson, can I call on you for a report?

8 VICE CHAIRMAN DAWSON: Yes. Thank you,
9 Mr. Chairman.

10 I'd just like to say at the outset that
11 we're very grateful, as a commission, to have the
12 participation of so many prominent and outstanding
13 individuals who are members of this Racing Safety and
14 Medication Committee, and I want to personally say it
15 was wonderful to see them all attend the meeting. We
16 had two individuals who participated by telephone.

17 All in all, we had a very productive
18 meeting, and I'm just happy to say that it opened up a
19 lot of other issues and things that we need to get into
20 in the month ahead.

21 The one -- the one meeting issue that we
22 did come up with a potential action was the issue of
23 silent enforcers in the paddock, specifically at the
24 Virginia Gold Cup, and we would take up that matter
25 following this agenda item.

1 So, again, I say if any members of the
2 public have issues that they would like us to consider,
3 certainly send those suggestions to our executive
4 secretary. We probably will meet again by the end of
5 October, once the Gold Cup is over and the Shenandoah
6 Downs races have been held, so, again, thanks to
7 everyone who participated. I think we're onto some more
8 productive meetings ahead.

9 Thank you.

10 CHAIRMAN VAN CLIEF: Thank you very much.

11 The next item is an action item that also
12 falls under Vice Chairman Dawson's purview. We were
13 approached by the National Steeplechase Association
14 following the Gold Cup and were asked to consider a
15 modification to our saddling procedures.

16 Executive Secretary Lermond has taken that
17 up with management of the Gold Cup and others, and the
18 subject was remanded to Vice Chairman Dawson's committee
19 for discussion and a recommendation. I think we have a
20 recommendation for action today.

21 Commissioner Dawson, again.

22 VICE CHAIRMAN DAWSON: The recommendation
23 is an amendment to our regulation pertaining to flat
24 racing. It would come under saddling horses, and I will
25 read the -- read the pertinent language.

1 "The trainer shall be responsible for the
2 saddling of the horse, and, in his absence, he must
3 assign an assistant or substitute trainer to saddle each
4 horse entered by him. All horses must be saddled in the
5 paddock unless permission to saddle horses elsewhere has
6 been granted by the stewards."

7 And so that will, as I understand it, be
8 inserted into the regulation.

9 CHAIRMAN VAN CLIEF: And I believe the --
10 the main point there is that we've always mandated that
11 the horses are saddled in the paddock. That gets pretty
12 crowded, and, if you have fractious animal, it can also
13 get a little bit dangerous, so the NSA has requested
14 that we consider that change and allow the stewards the
15 latitude to mandate that the saddling take place back in
16 the stalls. That's the main point.

17 EXECUTIVE SECRETARY LERMOND: That's
18 correct, Mr. Chairman, and, unfortunately, the language
19 we were seeking was there, although it only referred to
20 the saddling of one horse. And in this case, the
21 stewards would want to have the ability to allow all the
22 horses in a race or races to saddle in the barn or
23 somewhere else that it's a safer environment.

24 And like a lot of our regulations, this
25 also appears in another chapter, which is chapter 50,

1 under the duties of the paddock judge. And paragraph 8,
2 where it talks about saddling of the horses shall be
3 open to the public view, we just inserted the exact same
4 language as Commissioner Dawson just described, where it
5 says, "unless permission to saddle horses elsewhere has
6 been granted by the stewards."

7 Procedurally, it would be better if we
8 could do two separate motions, one to approve the final
9 amendments to 11VAC10-140-50 and a separate motion to
10 approve final amendments to 11VAC10-50-50.

11 CHAIRMAN VAN CLIEF: Okay. Thank you.

12 Are there any questions from commissioners
13 on this process?

14 VICE CHAIRMAN DAWSON: Mr. Chairman, I'd
15 just like to comment that there was considerable
16 discussion about this change and the participant from
17 the Virginia Gold Cup was very much inclined to curb the
18 situation to preserve safety in the paddock and made
19 some suggestions about constructing some additional
20 stalls up by the barn area and --

21 No?

22 EXECUTIVE SECRETARY LERMOND: No. I think
23 there were -- there was a rather lengthy discussion. I
24 think in the end we decided we would let the horse
25 saddle in the stall that they were -- where they had

1 arrived and they were more comfortable. Some cases you
2 could have 10 or 12 separate stalls to do nothing but
3 saddling, but that would be in the barn area and
4 wouldn't be really in the view of the public anyway, so
5 I think what we agreed was --

6 But once the horses are all saddled, they
7 will be gathered in one group, and they will be led back
8 to the paddock in numeric order. And at that point, the
9 grooms will walk the horses around the paddock two,
10 three, four times to let the public have a good look at
11 the horses with their saddles. Then they'll call riders
12 up, and they'll go out onto the track.

13 And members of the VRC staff will be there
14 throughout that process just to keep an eye on
15 everything.

16 VICE CHAIRMAN DAWSON: The Gold Cup at
17 this point is the only thing that this covers.

18 EXECUTIVE SECRETARY LERMOND: That's
19 correct. But these -- this language will give the
20 stewards the same ability to make a similar decision if
21 circumstances warranted it, and it would mainly be for
22 safety issues, I would imagine.

23 VICE CHAIRMAN DAWSON: Right.

24 CHAIRMAN VAN CLIEF: All right. If there
25 are no questions, then we're seeking two motions, both

1 of which are going to approve the wording which was read
2 by Commissioner Dawson, one which modifies the first
3 motion, which will modify 11VAC10-140-50. Do I have
4 such a motion?

5 COMMISSIONER REYNOLDS: So moved.

6 CHAIRMAN VAN CLIEF: Second?

7 COMMISSIONER STEGER: Second.

8 CHAIRMAN VAN CLIEF: All in a favor,
9 signify by saying aye.

10 (Aye.)

11 CHAIRMAN VAN CLIEF: Any opposed?

12 Thank you.

13 The second motion, identical motion, this
14 one, however, for 11VAC10-50-50.

15 COMMISSIONER STEGER: So moved.

16 CHAIRMAN VAN CLIEF: Dr. Steger makes the
17 motion. Is there a second?

18 COMMISSIONER REYNOLDS: Second.

19 CHAIRMAN VAN CLIEF: All in favor, signify
20 by saying aye.

21 (Aye.)

22 CHAIRMAN VAN CLIEF: Any opposed?

23 All right. Great. Thank you very much,
24 Commissioner Dawson.

25 The next item on the agenda deals with the

1 potential approval of the Breakers Sports Grille
2 simulcast revenue sharing agreement. And I believe
3 Mr. Petramalo is going to brief you on that one.

4 MR. PETRAMALO: Yes. Under -- under the
5 statute, revenue generated through handle at simulcast
6 wagering facilities is set forth -- a distribution
7 scheme is set forth in the statute. The horsemen get 5
8 percent of the -- of the handle.

9 What you -- what you have before you is a
10 revenue sharing agreement in which the horsemen agree to
11 take the difference, if there is a difference, between
12 their 5 percent share, which the VEA, as operator of
13 Breakers, would have to pay us, and 50 percent of the
14 net revenue, if there is a difference, if it's -- if
15 it's a negative difference, we would -- we -- the
16 horsemen would rebate that to VEA. If it's positive,
17 VEA would pay us.

18 This is -- this is nothing new. We have
19 been doing this for years and years and years, because,
20 basically, in some operations, for example, Colonial's
21 former SWF at Martinsville, if Colonial had to pay the 5
22 percent without getting any rebate, that operation would
23 have closed down because 5 percent would have -- would
24 have put it under water.

25 So what we did was rebate the difference

1 between 5 percent and half of the -- half of the, quote,
2 profits, and we had that in place at, oh, Vinton, the
3 one down in southwest Virginia, Bristol, et cetera.
4 Basically, what we did was, in order to keep operations
5 open, we -- we agreed to rebate a portion of our
6 statutory share.

7 Here what we're doing is for a two-year
8 period -- that's the duration of this agreement -- we're
9 agreeing to do the same thing to give the VEA the
10 opportunity to get off the ground. There are going to
11 be overhead expenses to run the operation, so we're
12 willing to, at least for two-year period, share with
13 them the -- on a 50-50 basis, the net revenue. That's
14 all it's about.

15 CHAIRMAN VAN CLIEF: Thank you very much.

16 Do any commissioners have questions for
17 Mr. Petramalo?

18 If not, the contract in question is
19 included under tab number 4 in your meeting books. I
20 think it was also distributed in advance. Does anybody
21 need a little time to look at it?

22 If not, then we'd seek a motion to approve
23 the agreement as set forth.

24 COMMISSIONER STEGER: So moved.

25 CHAIRMAN VAN CLIEF: We have a motion.

1 Second, please?

2 VICE CHAIRMAN DAWSON: Second.

3 CHAIRMAN VAN CLIEF: We have a second.

4 Is there any discussion?

5 No discussion?

6 All those in favor, signify by saying aye.

7 (Aye.)

8 CHAIRMAN VAN CLIEF: Any opposed?

9 Motion carries. Thank you.

10 The next item is the approval of a limited
11 license for Shenandoah Downs, and I believe Mr. Hannum
12 is going to lead the report on this one.

13 MR. HANNUM: Right. Commissioners, thank
14 you.

15 The application that you have before you
16 for racing in Shenandoah Downs is submitted on behalf of
17 the Virginia Downs Foundation. Virginia Downs
18 Foundation is a tax-exempt, 501(c)(4) organization that
19 was formed in part to preserve and promote Virginia's
20 historic racing and breeding industries and to provide
21 social welfare services to those in need in the
22 industry.

23 The Virginia Downs Foundation has an
24 agreement with the VEA whereby the VEA will provide the
25 racing office and conduct the race meet at Shenandoah

1 Downs.

2 As you are aware, the Shenandoah County
3 Fair has recently completed an extensive renovation of
4 its harness track for this meet. In preparation for the
5 races, the Virginia Downs Foundation, the VEA, and the
6 VHHA have worked closely with the fair, and all parties
7 are in agreement that the track is in excellent
8 condition and suitable for parimutuel wagering.

9 The VHHA is the recognized majority
10 horsemen's group for the meet and will provide
11 approximately \$800,000 from their horsemen's account for
12 purses.

13 It is the intention of the Virginia Downs
14 Foundation, the VEA, and the VHHA and the county fair to
15 conduct racing for many years ahead at Woodstock. This
16 first harness meet will be an important first step in
17 rebuilding the standardbred industry in the state, and
18 we appreciate the commission's support, and I welcome
19 any questions about the application.

20 CHAIRMAN VAN CLIEF: Thank you very much.

21 Are there any questions for Mr. Hannum?

22 If not, the contract is under tab 5 in
23 your meeting books. It was also distributed in advance
24 of the meeting. Does anybody have any questions about
25 the contract? Need a moment?

1 If not, then we do need a motion to
2 approve the contract as submitted.

3 EXECUTIVE SECRETARY LERMOND: It's the
4 application, not the contract.

5 CHAIRMAN VAN CLIEF: I'm sorry.

6 EXECUTIVE SECRETARY LERMOND: The staff
7 report was under tab 5.

8 CHAIRMAN VAN CLIEF: Thank you. So we do
9 need a motion to approve the application as submitted.

10 COMMISSIONER REYNOLDS: Mr. Chairman, I
11 move that we approve the application as submitted.

12 CHAIRMAN VAN CLIEF: Thank you,
13 Commissioner Reynolds.

14 I need a second.

15 COMMISSIONER MILLER: Second.

16 CHAIRMAN VAN CLIEF: Commissioner Miller
17 seconds.

18 Any discussion?

19 All in favor, signify by saying aye.

20 (Aye.)

21 CHAIRMAN VAN CLIEF: Any opposed?

22 Motion carries. Thank you.

23 All right. Next is approval of the
24 agreement between the Virginia Downs Foundation, the
25 Virginia Equine Alliance, and the Virginia Harness Horse

1 Association.

2 Mr. Petramalo, I think you're up again.

3 MR. PETRAMALO: Yes. Very briefly. This
4 is the lawyer's way of putting into effect what Jeb has
5 just described. Under -- under our statute, in order to
6 grant a license of this sort, the organization needs to
7 be either a 501(c)(3) or a 501(c)(4). The Virginia
8 Downs Foundation is a 501(c)(4) social welfare
9 organization, recognized as such by the Internal Revenue
10 Service.

11 VEA, on the other hand, is a 501(c)(6),
12 which is a trade association, so what we have is a
13 three-way agreement between the license holder, the
14 501(c)(4), and the organization that will actually run
15 the racing, the 501(c)(6), and the third party, of
16 course, is the horsemen's group. So the contract, just
17 as I said, puts into effect what -- lawfully -- what Jeb
18 has just described.

19 CHAIRMAN VAN CLIEF: Again, are there any
20 questions for Mr. Petramalo?

21 If there are none, we do need a motion to
22 formally approve the agreement between these three
23 parties.

24 COMMISSIONER MILLER: So moved.

25 CHAIRMAN VAN CLIEF: Commissioner Miller

1 moves it.

2 VICE CHAIRMAN DAWSON: Second.

3 CHAIRMAN VAN CLIEF: And Commissioner

4 Dawson seconds it.

5 Is there any discussion?

6 All in favor, signify by saying aye.

7 (Aye.)

8 CHAIRMAN VAN CLIEF: Are there any

9 opposed?

10 Motion carries. Thank you very much.

11 The next action item is the approval of
12 officials for the Shenandoah Downs meet, and Mr. Lermond
13 is going to address that.

14 EXECUTIVE SECRETARY LERMOND: Thank you,
15 Mr. Chairman.

16 The list of racing officials was submitted
17 with the Shenandoah application, and it's also under tab
18 7 of your -- of your books, and, actually, the judges
19 are appointed by the commission and the commission
20 approves the racing officials, but I think for this we
21 could do it all in one fell swoop.

22 The -- we're very lucky with our judges.
23 We have Jack Remy presiding, who is the presiding judge
24 not only at Ocean Downs but also at Rosecroft. Paul
25 Tishick has been the presiding judge before at Ocean

1 Downs. He's kind of in a semi-retired mode, but has 30
2 or 40 years of experience. He was the very first
3 presiding judge ever at the Meadowlands when they opened
4 up.

5 And because I'm now the executive
6 secretary, I'm asking that we appoint Dan Kazmaier.
7 Again, we're fortunate Mr. Kazmaier is the presiding
8 judge at both Harrington and Dover Downs in Delaware, so
9 we have a very good group of judges, well experienced
10 and well known in the industry.

11 I would also like to have you appoint me
12 as an alternate. We never know when somebody may get
13 stuck in traffic or something may come up, and I am
14 fully accredited.

15 And we move on to the racing officials.
16 Most of those folks have worked at Colonial Downs in the
17 past. The main exception is the racing secretary -- or
18 called the director of racing on this list, Mr. Mike
19 Londishen. Mike has been Racing Secretary in Kentucky
20 at Thunder Ridge, at Bluegrass Downs. He has also been
21 Racing Secretary in the past at Rosecroft.

22 As I said, he -- he has assembled a good
23 group of people for his racing office, all of which are
24 well qualified. And we're also fortunate to have the
25 starter Mike Wojchick, who was starting races at

1 Colonial Downs and also started races at the Woodstock
2 fair for several years now. He will have a little more
3 room on the track this year to start those horses, but I
4 think it's great that we have him as the full-time
5 starter.

6 So I would seek approval of these racing
7 officials as well as the judges, and, also, if you could
8 give me the authority to appoint, possibly, a third
9 judge. Mr. Tishick has a conflict the last two weeks of
10 the race meet. I have two options. I could fill in for
11 him those last four days, or I could find someone else,
12 possibly another judge from Rosecroft, but I don't have
13 that nailed down right now, so if you could make part of
14 your motion to give me the authority to appoint another
15 judge, if necessary, that would be great.

16 CHAIRMAN VAN CLIEF: All right. In that
17 case, I think -- and, Dave, do you need -- do you need
18 to add yourself as an alternate on the list?

19 EXECUTIVE SECRETARY LERMOND: I'm written
20 in there as an alternate.

21 CHAIRMAN VAN CLIEF: I don't have a copy
22 of it in front of me. Okay. So we have a -- I think a
23 two-part motion, number one of which is to approve the
24 officials as submitted by written list to the
25 commission -- or I should say officials and judges --

1 and also to grant our executive secretary authority to
2 appoint an alternative, as necessary; is that correct?

3 EXECUTIVE SECRETARY LERMOND: Very good.
4 Thank you.

5 CHAIRMAN VAN CLIEF: Okay. That would be
6 the motion. I'd seek that motion.

7 COMMISSIONER REYNOLDS: I so move.

8 CHAIRMAN VAN CLIEF: Commissioner Reynolds
9 makes the motion. Do we have a second?

10 VICE CHAIRMAN DAWSON: Second.

11 CHAIRMAN VAN CLIEF: Commissioner Dawson
12 seconds. Any discussion?

13 In that case, all in favor, please signify
14 by saying aye.

15 (Aye.)

16 CHAIRMAN VAN CLIEF: Any opposed?

17 Motion carries. Thank you.

18 You know, it dawns on me, as we go through
19 this, we've just done something extremely important.
20 We've approved the officials and the contracts and the
21 application for a brand new standardbred race meet at a
22 brand new standardbred racetrack. That's a very
23 exciting development for Virginia Racing.
24 Congratulations to all of you who have been working so
25 hard and have been so helpful to this success of getting

1 to this point. We wish you the best of luck.

2 DR. WOOGEN: Thank you.

3 CHAIRMAN VAN CLIEF: All right. The next
4 is also related to harness racing, and that is we need,
5 today, to approve the expenditures from the standardbred
6 portion of the Virginia Breeders' Fund for the current
7 year.

8 Mr. Lermond, are you going to address that
9 as well?

10 And just point out to the commissioners
11 that under tab 8 there's a brief on that, which
12 stipulates what we're looking for.

13 Mr. Lermond, is there anything --

14 EXECUTIVE SECRETARY LERMOND: Sure. Thank
15 you, Mr. Chair.

16 The breeders' fund subcommittee --
17 standardbred subcommittee voted through an e-mail to
18 approve \$40,000 to partially fund eight Virginia-bred
19 staked races, which will be run at Shenandoah Downs on
20 Saturday, September 10th, and Sunday, September 11th.

21 I wish there was more money in the
22 standardbred portion of the breeders' fund this year,
23 but, unfortunately, with the OTBs being shut down, that
24 amount is limited for this year. However, I'm hopeful
25 now with the Breakers OTB, and, hopefully, more to come,

1 that in future years we'll be talking about more than
2 \$40,000 for the standardbreds. But this is what will be
3 available, and this is what the committee voted to
4 recommend to the commission, so I seek a motion.

5 THE CHAIRMAN: Thank you. I concur with
6 your sentiments on that and look forward to more in the
7 future. It's a pleasure to ask for a motion to approve
8 this funding.

9 VICE CHAIRMAN DAWSON: I so move.

10 CHAIRMAN VAN CLIEF: Commissioner Dawson
11 makes a motion. Do we have a second?

12 COMMISSIONER STEGER: Second.

13 CHAIRMAN VAN CLIEF: Commissioner Steger
14 seconds. Any discussion?

15 All in favor, please signify by saying
16 aye.

17 (Aye.)

18 CHAIRMAN VAN CLIEF: Any opposed?

19 Thank you. Motion carries.

20 That brings us to our VEA report and
21 updates on the developments there.

22 Executive Director Hannum?

23 MR. HANNUM: Thank you, Commissioner.

24 So I'll start with the OTB situation. You
25 all approved the license for opening an OTB at Breakers,

1 and we are moving forward quickly to get that --
2 everything in place that we need.

3 Right now we have October 17 penciled in
4 as the opening date, and so the idea would be that we
5 would sort of have a soft launch on the 17th, and then,
6 perhaps, have a sort of more -- have a sort of grand
7 opening, perhaps, a week later or that next Saturday,
8 once we've sort of gotten everything going and gotten
9 some of the kinks out.

10 And so the feeling was that, by waiting
11 until after Shenandoah racing, that our VEA staff, which
12 you know is limited, we could focus on having a great
13 race meet and redeploy our staff to the OTB, so that's
14 why we have the 17th penciled in, so we'll keep you
15 posted on that.

16 Good news. We have a new site at -- just
17 down the road, 110 North 18th Street, the Shockoe Bottom
18 area of the city, for another OTB. Mr. Burman, who has
19 been an important follower and supporter of Virginia
20 racing, nicely introduced us to the owner of what was
21 Tiki Bob's bar and restaurant, which is a great site.
22 It's a large facility. It has its own parking lot.

23 And plans are underway to completely redo
24 this facility with sort of equestrian -- the racing
25 theme, so this is a very exciting opportunity for us. I

1 think we're very lucky to have the ability to be there
2 in this site.

3 As we get a little further along, we
4 certainly -- as it's so close, be nice to get people
5 down to look at it, but it has -- one of the nice things
6 is, while it's a very large facility, it has a -- sort
7 of a private room that we can use for our office and for
8 the tellers, but also for people that are going to be a
9 little bit more serious about betting that want to have
10 a place to focus.

11 And, also, throughout the facility, there
12 will be TVs and people that are sort of more casual fans
13 to, hopefully, be engaged by racing, so we have an
14 agreement in place, and so we'll keep you posted on
15 that. It would be our hope to have an application
16 before the commission, perhaps at the next meeting,
17 depending on when that's scheduled for, but we want to
18 move forward with that very quickly.

19 So the hope is that we have two OTBs open
20 before the end of the year and, importantly, before the
21 breeders cup. So that's, I think, an important --
22 important date that we're shooting for, and then the
23 search continues for other sites.

24 Internally, you know, the VEA is, you
25 know, considering what is the appropriate number for

1 you.

2 MR. HANNUM: Okay. So I'll move on from
3 the OTBs. We've spoken about Shenandoah. Just to point
4 out, Tom Eshelman, who is in the back there in the white
5 shirt, Tom is a general manager for the Shenandoah
6 County Fair, and Tom has been just an absolute superstar
7 to work with.

8 He and his staff have turned around this
9 project, you know, under very difficult circumstances.
10 As you all remember earlier in the spring, we had all
11 that rain and we lost two or three weeks of the
12 construction, and they literally, you know, ripped their
13 whole site apart for harness racing.

14 But at the same time, Tom has been hosting
15 his usual events there, so life has gone on at the fair,
16 but they have been fabulous partners and I really
17 appreciate Tom's direct involvement and all the support
18 from the fair.

19 Dr. Woogen, the president of VHHA, his
20 board has been great to work with and everybody's really
21 done, I think, an awful lot in a very short period of
22 time to pull this off. And if you go out there, you
23 will be absolutely blown away. It's a great track for
24 Virginia, but it's a great track for the East Coast and
25 this whole region, so I think Virginia ought to be very

1 excited about what's happened.

2 And there aren't a whole lot of new
3 harness tracks being built in the US, and this is really
4 what the VEA is all about, to -- to, you know, build new
5 tracks and promote racing and sustain the industry, so
6 it's a great example of us meeting our mission.

7 September 10th and 11th is the first
8 weekend, and then the next four weekends after that, so
9 I hope you all will find an opportunity to come out for
10 a day or two or multiple weekends.

11 And, Commissioner Miller, we're going to
12 put you to work when you come out. You'll be presenting
13 trophies and doing everything we can get you to do, and
14 I know this is exciting for you in your backyard so --

15 COMMISSIONER MILLER: The reason he
16 mentions me in particular, I live about three minutes
17 away.

18 MR. HANNUM: Yeah. And just, lastly, my
19 thanks to Dave Lermond and the commission staff for
20 their support on this project. So today is an important
21 date for Virginia racing and for the standardbred
22 industry. And, fingers crossed, everything will go well
23 and the weather will cooperate, but I hope you all can
24 come out starting September 10th and 11th so thank you.

25 Dr. Woogen, do you want to add anything?

1 DR. WOOGEN: I think you said it quite
2 well and we echo that the VEA has been incredible in
3 their support, your willingness to work with us and make
4 sure that this came about in a timely manner, in a
5 quality manner. We're all proud of the racetrack. I
6 think it will be one of the finest racetracks for
7 harness racing in the country, and we thank the
8 commission, of course, for their incredible support.

9 MR. HANNUM: Tom?

10 MR. ESHELMAN: Ditto.

11 MR. HANNUM: Okay. Thank you,
12 Commissioners.

13 The last thing, Morven Park, you know,
14 this is a project that's six months or a year behind
15 Shenandoah, depending on how you look at it. Things are
16 moving a little more slowly, but it's a slightly more
17 complex project, as I've spoken to.

18 Morven Park is building their equestrian
19 horse park where they want to have top-tier, three-day
20 betting, and so in the relatively small space of the old
21 steeplechase course, we want to have our racetrack, and
22 they also, in the infield, want to have or are planning
23 to have two arenas for dressage and show jumping, and so
24 it's an awful lot of things that are going to be
25 happening in a small area.

1 So we're working -- we're working through
2 that. It's just -- it's just taking a little bit longer
3 than I think everybody had hoped, including Morven Park.

4 A comprehensive civil engineering packet
5 has been prepared, which would be submitted to Louden
6 County, literally, today or tomorrow or next week, very,
7 you know -- you know, very soon, and then that will
8 start a six-week review process where the county will
9 review it all. There may be questions that will
10 lengthen that six-week process, but that's kind of where
11 we are.

12 During the six-week review, Morven Park
13 will be collecting estimates and reaching out for bids
14 on various components of the project, and then we'll
15 have a better sense of what the actual cost is going to
16 be for our component of it, and so that's going to be a
17 very important part. And we have a general sense of
18 what it might be, but with anything like this, it all --
19 it just sort of keeps getting higher and higher.

20 So at the next meeting I hope to have a
21 little bit more to report on where things are with
22 Louden, where things are with the costings for the
23 racetrack, but we're -- but we're moving forward, but,
24 again, it's a complex project, but we're pushing forward
25 to get this done as quickly as we can.

1 I'll pause there. Frank, I don't know if
2 you want to say anything or Debbie wanted to add
3 anything about Morven, but please comment if you'd like
4 to or we can keep moving.

5 MR. PETRAMALO: No, I agree.

6 MS. EASTER: I know that they've put -- I
7 know that they've contacted contractors for bids, but
8 the contractor they contacted told me they were waiting
9 for the -- for the zone -- the stuff to come back from
10 zoning, so they can't really do anything yet, so --

11 MR. HANNUM: So hopefully I'll have a
12 little bit more to report at the next meeting, so that's
13 my report from the VEA, and I welcome any additional
14 questions or comments.

15 Thank you.

16 CHAIRMAN VAN CLIEF: Any questions or
17 comments from commissioners?

18 VICE CHAIRMAN DAWSON: I do have one
19 question. Jeb, you said the civil engineering report
20 has been submitted to the county?

21 MR. HANNUM: It will be. It hasn't --

22 VICE CHAIRMAN DAWSON: It hasn't yet?

23 MR. HANNUM: -- as of this moment, but it
24 may be later today or tomorrow or early next week.

25 VICE CHAIRMAN DAWSON: As I recall, in

1 some of our past meetings we discussed work that had
2 already been started there. Has that just been stopped,
3 or how does it look now?

4 MR. HANNUM: Nothing substantial had
5 happened. When we talked about the work that we had
6 done initially, it was just routine maintenance on the
7 old turf course. It literally had just been used as a
8 hay field, so we'd been doing things out there to help
9 manage the turf a little bit.

10 Morven is doing things to the barns that
11 are there. They have over 100 stalls, so there are
12 things that are happening, but the bulk of the work
13 really can't proceed until the county has given its
14 blessing, so a limited amount has been done, so most of
15 the work has been based on the civil engineering process
16 that goes before the county.

17 VICE CHAIRMAN DAWSON: So does this mean
18 that the whole project is then delayed just a bit more?

19 MR. HANNUM: I don't think it's delayed
20 any more than when I last spoke about it, but it
21 really -- as I understand it, a lot of it will depend on
22 what sort of comments the county has, and I don't want
23 to speak to the intricacies of Louden's review process,
24 but I think that there could be a situation where, if
25 there were substantial questions, that the clock can

1 start over again, and you could start the six weeks over
2 again, if they would be requiring a new submission, if
3 there was substantial questions.

4 But it could be at the end of six weeks
5 there aren't any questions, and they give conditional
6 approval to move forward with construction, so it's
7 possible dirt could be moving this fall or not.

8 VICE CHAIRMAN DAWSON: Just let me ask, if
9 it's appropriate, is there anything the commission can
10 do at this point?

11 MR. HANNUM: Thank you for asking. And I
12 think that at this point probably not, but I think once
13 we get into the weeds with the county, that may be --
14 that may be appropriate, but I appreciate you asking.

15 VICE CHAIRMAN DAWSON: Thank you.

16 CHAIRMAN VAN CLIEF: Thank you. Any other
17 questions?

18 Okay. Mr. Hannum, thank you.

19 MR. HANNUM: Thank you.

20 CHAIRMAN VAN CLIEF: Good report.

21 At this point, we open up the meeting for
22 any public comment. Is there anybody who would care to
23 make a comment? If you do, please identify yourself and
24 stay to a five-minute limit.

25 Anybody? All right.

1 MS. EASTER: I do, if I may, Chairman.

2 CHAIRMAN VAN CLIEF: Yes.

3 MS. EASTER: I have two public comments,
4 if I may. First, just a quick report on the
5 thoroughbred racing. We did -- excuse me. I forgot to
6 state my name. Debbie Easter, Executive Director of
7 Virginia Thoroughbred Association. Maybe I'll get rid
8 of that.

9 Just a quick report, as you all remember,
10 we ran five Virginia-bred races at Pimlico on June 25th,
11 and I don't think -- I think that was after our last
12 meeting. Those races went very well. We had great
13 entries. Of the five races, four of them were -- were
14 won by Virginia owners. The majority of the money that
15 was distributed in those races goes to Virginia owners.

16 But I think overall it was a nice day for
17 opportunities for our folks, and it was a combo
18 Maryland-bred, Virginia-bred day and a good crowd for --
19 for the summer when everybody's at the beach, and I
20 think overall Maryland Jockey Club and our folks were
21 all happy, so I think that was something positive that
22 we could do for Virginia owners.

23 The second -- second comment I have is on
24 the Virginia owner's bonus program that you all had
25 approved. As you remember, the HPPA had asked that we

1 were able to fund an owner's bonus program for -- for
2 any owner that wins with a Virginia-bred in a six-state,
3 mid-Atlantic region.

4 Between July 1st, when -- when it began,
5 and the 15th of August, there have been 30 awards that
6 have been won and 103 -- a little over \$103,000
7 distributed. As you remember, the program, when we set
8 it up, was that it would be -- those wins would be
9 awarded to any -- any horse that won an overnight race,
10 that we excluded stakes and we excluded Virginia
11 restricted races, and we put a \$10,000 cap on it.

12 Not only has this program been real
13 popular with the owners, we're getting a lot of play
14 within the industry. As I'm at the horse sales, people
15 have been very positive about how creative we were, not
16 only to provide the owner's program but most states just
17 do that within their state, not -- not for horses that
18 run out of the state. Obviously, we have no choice, but
19 we're getting a lot of bonus point for creativity.

20 As we look at this, one change that we'd
21 like to make and just would like you all to know about
22 it is that we had said no -- no, we would not award for
23 stakes wins. There's a \$10,000 cap on any individual
24 win, which actually two horses that won at Belmont have
25 made that cap.

1 But we do have a -- we did have a horse
2 win a stake at Belmont, Long on Value, that was
3 Virginia-bred. And the HPPA, in their meeting last
4 week, thought that maybe in tweaking the program a
5 little better, we ought to go ahead and award for stakes
6 win, because then we have really something very nice to
7 advertise and promote and that, you know, we're getting
8 wins from anywhere from very quality level all the way
9 down, and why wouldn't we award the guys that are doing
10 the best? There's a \$10,000 cap, so it can't hurt
11 the -- hurt the -- hurt the total pool that much.

12 So I don't know that that would actually
13 take approval of the commission. I don't know, but I
14 think that that's the way we would like to go and be
15 able to go back retroactively and just award this one
16 gentleman that won the stake. And then, from now
17 forward, go ahead and award -- award stakes wins.

18 We would still not award a bonus for any
19 restricted Virginia-bred race, because I think all of us
20 would think that's a little bit double-dipping, but just
21 open stakes and our program would just be for wins
22 anywhere in any kind of race, except for a restricted
23 Virginia-bred race.

24 EXECUTIVE SECRETARY LERMOND: Debbie, I
25 think what the commission approved previously was not so

1 much the specific rules of the program, but the total
2 dollar amount, and if you're still thinking it's going
3 to be within, I think it was \$500,000 area, I don't
4 think it requires any additional action by the
5 commission, but I would defer to --

6 CHAIRMAN VAN CLIEF: I think it might,
7 just if -- if I recall, the elements were you had a
8 \$500,000 pool, and you're obviously well within that --

9 MS. EASTER: Right.

10 CHAIRMAN VAN CLIEF: -- at a six-state
11 region, which was mid-Atlantic, and if we're talking
12 about Belmont stake, that's New York, so we might need
13 to make a modification. Is that right?

14 MS. EASTER: No. The New York was within
15 that mid-Atlantic region.

16 CHAIRMAN VAN CLIEF: All right. I wasn't
17 quite sure.

18 MS. EASTER: So I think we're well within
19 the \$500,000 that we approved. I don't think that's
20 going to change. And, as you remember, the HPPA agreed
21 that anything over that \$500,000 would be paid out of
22 their non- --

23 MR. PETRAMALO: Discretionary fund.

24 MS. EASTER: -- restrictive -- yeah, their
25 discretionary fund.

1 MR. PETRAMALO: That's correct.

2 MS. EASTER: So I think it all fits within
3 what you all have approved, but I -- one, we want to
4 just notify you that we'd like to do that, and, two, I
5 wanted to check if we needed --

6 CHAIRMAN VAN CLIEF: I'll echo
7 Mr. Lermond's question to counsel. I think we all think
8 that it is within the context of the program. Is there
9 anything we need to do?

10 EXECUTIVE SECRETARY LERMOND: The only
11 difference is that stake races would be included now,
12 where, before, it was only based on overnight races,
13 but, as Debbie says, with the \$10,000 cap in place, I
14 think you're --

15 VICE CHAIRMAN DAWSON: But does that mean
16 that we would have to amend that?

17 EXECUTIVE SECRETARY LERMOND: I --

18 MR. HANNUM: I think what you approved is
19 the dollar amount, because it's money that's coming out
20 of the ADW money earned after July 1, so as long as
21 they're still saying anything over 500,000 will be borne
22 by the horsemen, I think we're in the same place.

23 CHAIRMAN VAN CLIEF: Could this --

24 EXECUTIVE SECRETARY LERMOND: We could
25 certainly do a motion to be safe.

1 CHAIRMAN VAN CLIEF: Why don't we do this.
2 I was just going to say, why don't we, you know,
3 embellish the standards here and do a motion, just to
4 make sure we have it covered.

5 Commissioner Miller has a suggestion as
6 well.

7 COMMISSIONER MILLER: I would suggest,
8 before we act on anything, that maybe we have our
9 counsel give us some advice.

10 Do you need any action today?

11 MS. EASTER: No, because we can go back
12 and pay that person.

13 COMMISSIONER MILLER: I mean, if you
14 needed action today --

15 MS. EASTER: We would change our
16 advertising to say now -- you know, makes it a little
17 easier to understand, but, no, I don't have to have that
18 action today.

19 COMMISSIONER MILLER: I would be more
20 comfortable if we would -- if we could defer this to our
21 next meeting, if we have to take any action. We may not
22 need to.

23 COMMISSIONER REYNOLDS: It's on the
24 agenda.

25 COMMISSIONER MILLER: But counsel may say

1 we don't need to.

2 CHAIRMAN VAN CLIEF: I see he's feverishly
3 researching over there.

4 MR. PITCHFORD: Mr. Chairman, the minutes
5 reflect that at the June meeting the commission approved
6 an expenditure of up to \$500,000 to support an owner's
7 bonus program. The program will run from July 1 to
8 December 31 of this year. The bonuses will be awarded
9 to winning Virginia-breds competing in overnight races
10 in a multi-state area on the East Coast. The bonuses
11 would be 25 percent of the purse with a \$10,000 cap.

12 So, as approved, the program only applies
13 to overnight races. If the request is to move to
14 stakes, we would need a motion.

15 CHAIRMAN VAN CLIEF: There we go.
16 Commissioner Miller, would you still like to defer, or
17 do you want to discuss the motion as amended?

18 COMMISSIONER MILLER: No, no. I just
19 wanted to hear from our counsel. That's all.

20 CHAIRMAN VAN CLIEF: All right.

21 MR. PETRAMALO: Overnight races
22 technically might include stakes races. You can have
23 overnight stakes races as opposed to great stakes or et
24 cetera, so it's -- it's arguable, but I agree with
25 Duncan. I think you ought to take some formal action

1 and say, okay, let's make it clear.

2 CHAIRMAN VAN CLIEF: I think we should as
3 well. There's no point in not giving you the protection
4 of some formal action. If you want to modify the
5 program and we obviously did not approve it exactly in
6 the specific manner you want to apply it right now.

7 Let me ask my fellow commissioners if
8 there are any questions or discussions on this. This
9 issue has obviously not been without some controversy,
10 and there have been some varying opinions on the use of
11 the money in the past, so I want to make sure we answer
12 all questions before we take any action.

13 COMMISSIONER REYNOLDS: I have one.

14 I fully support it, but my big question
15 is: If we took action today, it was not an agenda item,
16 and I don't know if that's cause for concern or not, the
17 fact that it's not on the agenda to be acted upon today.

18 CHAIRMAN VAN CLIEF: That's right. That's
19 a good point.

20 COMMISSIONER STEGER: I concur.

21 MS. EASTER: One other -- one other
22 comment I forgot to tell you is that approximately of
23 the 30 awards, it's running about 50 percent are
24 Virginia owners, so that's a good thing. We're getting
25 money in Virginia owner's hands again, so --

1 CHAIRMAN VAN CLIEF: Well, then I'm going
2 to go ahead and table the issue. I think the consensus
3 of the commission is to make sure we give it careful
4 consideration and put it on the agenda so that if there
5 is any comment, that can be taken into account.

6 Am I correct that your timing allows for
7 that, comfortably? And I'm going to anticipate a
8 meeting next month, at which point we'd have it on the
9 agenda. It's a retroactive award.

10 MS. EASTER: Well, and, going forward, any
11 horse that would win a stake -- but I certainly can --
12 we certainly can put pending approval of the commission,
13 but there's so few horses that actually win an open
14 stake, that we just thought it was silly with the
15 \$10,000 cap not to award the guy that's doing a very
16 good job, so --

17 CHAIRMAN VAN CLIEF: I happen to agree
18 with you.

19 MS. EASTER: Yeah.

20 CHAIRMAN VAN CLIEF: But I think the
21 process has to be correct.

22 MS. EASTER: I understand.

23 CHAIRMAN VAN CLIEF: Mr. Petramalo, did
24 you have a --

25 MR. PETRAMALO: No, no. I thought that

1 would be a good segue into setting a meeting for next
2 month, because what we'd like, hopefully, to do is, as
3 Jeb mentioned, have another license application in to
4 you for the Shockoe Bottom OTB. We wouldn't want to
5 delay that --

6 CHAIRMAN VAN CLIEF: Well --

7 MR. PETRAMALO: -- next month.

8 CHAIRMAN VAN CLIEF: I will move on then.

9 Ms. Easter, was there anything further?

10 MS. EASTER: No. I think that was --
11 overall, all of it is very positive, everything you've
12 heard today, and hopefully we can -- we're making small
13 steps, but we're going forward and that's a good thing.

14 CHAIRMAN VAN CLIEF: Okay. Mr. Eshelman?

15 MR. ESHELMAN: Tom Eshelman, General
16 Manager with the Shenandoah Fair Association. I just
17 wanted to go on record. I started coming here about 18
18 months ago as a fly on the wall to these meetings and
19 got to meet quite a few people here, and I just wanted
20 to say for the record it's been a pleasure to work with
21 Scott at the VHHA and with Debbie and with Jeb.

22 It has been a challenge, and what is
23 existing now in Woodstock is definitely a premiere
24 racetrack. It's something that I think not only can
25 Virginia call -- call its own and be proud of, but it's

1 definitely something that the people of Shenandoah
2 county are seeming to embrace. There has been very
3 little negativity about it. Most of it has been very
4 positive, and we're very excited to have it as an asset
5 of our county, and I think it's going to make a lasting
6 impression for people.

7 So everyone is invited to come, but it's
8 been a great challenge and a great pleasure.

9 CHAIRMAN VAN CLIEF: Thank you for all
10 your work. I can see Mr. Eshelman has the best tan in
11 the room, and I know he hasn't been at the beach. Thank
12 you for all your hard work.

13 At this point, we will circle back to --
14 if the VEA officials would look at their calendars, I'm
15 going to ask for some recommendations on when you can be
16 ready for a meeting. We'll circle back and do that
17 before we adjourn.

18 But at this point, if there are no other
19 comments that any members of the public or audience
20 would like to make, then it is time for commissioner
21 comments. I will deal to my left and start with
22 Commissioner Reynolds.

23 COMMISSIONER REYNOLDS: I just want to
24 thank you all for your hard work. I think it's obvious
25 that, albeit slowly, the racing industry in Virginia is

1 moving forward, and we're very excited and appreciate
2 your hard work. That's all I have to say.

3 CHAIRMAN VAN CLIEF: Commissioner Steger?

4 COMMISSIONER STEGER: Yes, sir. I was
5 just thinking along the same lines, with all progress
6 that we've made that we might want to consider either
7 just the commission or jointly with VEA and the
8 horsemen's association, but putting together a website
9 that aggregates all the these activities so people would
10 have one place to go to get a schedule.

11 You could have photographs of the new
12 tracks and all this sort of things, so you'd have one --
13 one location to see all the things that are happening,
14 the opening day of the OTB and all that.

15 And I might be able to provide some help
16 to get that going, if these things take a little effort,
17 but I really do think it would help us in terms of
18 promotion. It would also help the public in getting
19 access to the various venues that are being created.
20 That's just an idea for discussion and thought.

21 CHAIRMAN VAN CLIEF: That's a great idea,
22 and in the spirit of being careful what you wish for,
23 we, of course, will take you up on your offer, very kind
24 offer, right away.

25 And I would suggest that if Mr. Lermond

1 and Mr. Hannum, Ms. Easter might be able to get together
2 at Dr. Steger's convenience and talk about what
3 facilities might be available and how we could help put
4 that together. I know you all work on a website all the
5 time, and maybe that's where it should reside, but it's
6 a great idea to make that a more robust presence. We
7 got a lot to talk about and a lot to promote, which is
8 great news.

9 Commissioner Dawson?

10 VICE CHAIRMAN DAWSON: Thank you.

11 I just want to add my voice to those who
12 are congratulating the VEA and the VHHA on this great
13 accomplishment, having a harness track. I'm excited
14 about it, too, and I think it just goes to show what you
15 can do when you work together and don't care who gets
16 the credit.

17 And I also wanted to mention -- I know it
18 has nothing to do with Virginia racing, although most --
19 most of us are here because we enjoy horse sports and we
20 support horse sports, and I just wanted to mention that
21 I think it was last night the U.S. hundred jumper team
22 won the silver medal in Rio. And a couple days before
23 that, our U.S. dressage team won the bronze medal.

24 I'm not sure about the event team, if
25 anybody can fill me in on that. I don't know. I know

1 they were in contention, but I don't know how that ended
2 up.

3 But, anyway, we're very proud of our horse
4 sports in the United States and especially in Virginia,
5 so you guys are really keeping up the tradition and I
6 look forward to Morven Park next year.

7 CHAIRMAN VAN CLIEF: Thank you.

8 Commissioner Miller?

9 COMMISSIONER MILLER: I -- I'm in the
10 television market of the Washington, D.C., stations, and
11 so I had the opportunity to see an interesting special
12 on WRC, Channel 4, NBC station. There -- they did a
13 two-part or three-part special on the Charlestown track
14 on -- and on racing, thoroughbred racing. Some of it
15 nice, some of it critical.

16 But if you get on the WRC NBC 4 or -- I
17 think that's what it's called -- website, you can
18 probably draw that -- find that on there, historical
19 data under investigations, so I would urge people to do
20 that.

21 Secondly, I don't know, several years ago
22 we tried to set aside, as the commission, when I was on
23 the commission at a prior -- prior term, we wanted to
24 designate a certain amount of money from our funds for
25 publicity and promotion. I know these are dire times,

1 and there's not much money available, but I think we
2 need to start thinking about, in the coming year, this
3 fall and next year.

4 We may not be able to do anything this
5 fall, but next year we need to be thinking about trying
6 to supplement whatever funds are set forth by the
7 horsemen and by the harness horsemen or the thoroughbred
8 horsemen in promoting their races at Morven Park and
9 Shenandoah Downs, that the racing commission be able to
10 transfer some funds from our account, whatever funds we
11 might be able to use, to supplement promotion and
12 publicity, regarding what we're doing and the races.

13 Because it's going to be very important
14 for the success of Shenandoah Downs and Morven Park to
15 have a publicity promotion presence in Northern
16 Virginia, because that's going to be the primary market,
17 not to say that the Richmond area isn't important also,
18 and Chesapeake and so forth, but we're talking about a
19 huge population center 30, 45 minutes to an hour and a
20 half away from these facilities, so that's something for
21 us to talk about in the future.

22 CHAIRMAN VAN CLIEF: That's a great
23 thought. I couldn't concur more. I believe that ties
24 directly into Commissioner Steger's suggestion on our
25 website. It's about a communications effort. I would

1 love to see the commission support, in a tangible way --
2 and although Mr. Lermond doesn't yet know it yet, he and
3 I have a date to go over the budget in the near future.

4 And, Dave, if you wouldn't mind adding
5 that thought to the conversation, let's start looking
6 for some ways to develop, if you will, a marketing fund
7 that we can use, and maybe there's some ways we can
8 leverage that with other components, both in our
9 industry and in state government to build on it.

10 I think it would be awfully nice if we
11 could create a real marketing wherewithal. And when you
12 think about what we've heard today and the fact that
13 this is not only a significant day for Virginia racing
14 with Shenandoah Downs now on the near horizon, but that
15 Shenandoah Downs provides a facility that is likely
16 going to be of national import and recognition in the
17 world of harness racing.

18 We do have a lot to talk about and we need
19 to shine a bright light on those important developments,
20 and it all eventually goes to the customer creation,
21 which we need so very badly in this sport.

22 Thank you all very much. And, again,
23 those are great reports today, and it's awfully nice to
24 be involved in approving these kinds of developments.

25 That takes us to our next meeting. It

1 sounds like -- so I'll ask Mr. Hannum if it is likely
2 that we're going to be looking at an application for
3 license as early as late September, and, if so, that's
4 when we'll find a date for next meeting.

5 We can take a minute to talk about that,
6 and I'm -- while you're thinking about it, I'm looking
7 at maybe the last couple of Wednesdays of the month.

8 MR. HANNUM: I was thinking -- yeah, so if
9 we look at the -- maybe the 22nd --

10 MR. PETRAMALO: Do you want to do it --

11 MR. HANNUM: -- that gives us --

12 MR. PETRAMALO: That's a Thursday.

13 Wednesday?

14 MR. HANNUM: Wednesday --

15 THE CHAIRMAN: We are flexible these days.

16 I think we floated back and forth through the week.

17 Thursdays are great.

18 MR. HANNUM: Thursday, I think it will be
19 better, the 22nd. Then that gives us four weeks to
20 prepare the application, because then we send it to the
21 staff a week --

22 CHAIRMAN VAN CLIEF: Is that enough or
23 would you prefer another week?

24 MR. HANNUM: I think that's enough.

25 CHAIRMAN VAN CLIEF: I think we need to

1 meet when we have action to take and not before. So I
2 don't want to -- I don't want to set a meeting and then
3 have to change it --

4 MR. HANNUM: Yeah.

5 CHAIRMAN VAN CLIEF: -- if we can help it.

6 MR. HANNUM: Okay. So it sounds like
7 there's a horse council meeting on the 22nd.

8 MS. EASTER: Right.

9 MR. HANNUM: So we'd be looking at
10 Wednesday the 21st or maybe the next week, the
11 Tuesday -- yeah, maybe the next week, the 27th, 28th, or
12 29th, or whatever is --

13 CHAIRMAN VAN CLIEF: All right.

14 MR. HANNUM: -- good for your schedule.

15 CHAIRMAN VAN CLIEF: Do my fellow
16 commissioners have their calendars, and do we know if
17 that is going to -- if you'll be available?

18 MR. PITCHFORD: 27th, 28th is better for
19 me.

20 COMMISSIONER REYNOLDS: Me, too.

21 CHAIRMAN VAN CLIEF: Okay. The 27th or
22 28th? Either one? How about Wednesday the 28th, right
23 in the middle of the week?

24 MR. HANNUM: Does it matter to the
25 commissioners if it's Tuesday the 27th or is --

1 CHAIRMAN VAN CLIEF: Doesn't matter.

2 MR. PITCHFORD: Either one.

3 MS. EASTER: That would be better for me,
4 if you don't mind, but I can --

5 COMMISSIONER REYNOLDS: That's fine.

6 MS. EASTER: -- get somebody to sit in the
7 other meeting.

8 MR. HANNUM: So we'll shoot for Tuesday
9 the 27th?

10 CHAIRMAN VAN CLIEF: All right. Let's
11 pencil in Tuesday, the 27th of September --

12 MR. HANNUM: Thank you.

13 CHAIRMAN VAN CLIEF: -- for the next
14 meeting. If there is some unforeseen conflict --

15 MR. HANNUM: Yeah.

16 CHAIRMAN VAN CLIEF: -- at this very
17 moment, we will circulate a request for some additional
18 dates, but we'll confirm it with a notice ASAP, so we'll
19 set it for Tuesday the 27th.

20 MR. HANNUM: Thank you.

21 CHAIRMAN VAN CLIEF: Thank you.

22 Is there anything else that any member of
23 the commission would like to bring up as other business?

24 MS. EASTER: I'll bring just one more
25 comment that I didn't think of. Commissioner Miller, we

1 are -- we are running cable TV, print, radio, all for
2 the races, so just because you're in the area, just be
3 interested, if you just kind of keep you ears and eyes
4 open in the next month that you'll see if it's being
5 effective all, so it -- so hopefully you'll start seeing
6 stuff around there in the next week or two.

7 CHAIRMAN VAN CLIEF: Commissioner Dawson?

8 VICE CHAIRMAN DAWSON: I just wanted to
9 bring up one other thing. I know, Debbie, you all have
10 a website.

11 MS. EASTER: We do. Virginia Horseracing
12 News, which is a combination website that -- just what
13 you all are talking about that we tried to put all the
14 information, but we would love the commission's help,
15 and if the commission -- if that's something Dr. Steger
16 has access to kids that -- people of more knowledge,
17 we're happy to share and put that in somebody else's
18 hands, but we do have one that we probably should start
19 with --

20 VICE CHAIRMAN DAWSON: Do you have any way
21 of knowing what kind of feedback you're getting from
22 your site?

23 MS. EASTER: I can find that out for you,
24 but I don't have it right in front of me.

25 VICE CHAIRMAN DAWSON: And does the VHHA

1 have a website?

2 DR. WOOGEN: We do.

3 VICE CHAIRMAN DAWSON: So there's a lot --

4 MS. EASTER: We made one big combo one
5 where you can access all of our websites, and we're
6 trying to put all the information on the one and then
7 feed it out to the, you know, say, the standardbred
8 stuff to the standardbred folks and all that, but we
9 would love help with that.

10 CHAIRMAN VAN CLIEF: I'm sure there's a
11 way to improve it, and, if I recall, Blacksburg was the
12 first city in Virginia or maybe anywhere --

13 MR. PITCHFORD: In the United States.

14 CHAIRMAN VAN CLIEF: -- in the United
15 States to get wired for wi-fi, so I'm sure there's some
16 help to be had.

17 Commissioner Miller?

18 MS. EASTER: We'd love help.

19 COMMISSIONER MILLER: It just occurred to
20 me I wanted to ask Dr. Woogen if -- have you heard any
21 feedback from your drivers who have been coming to the
22 fair in years past about the excitement --

23 DR. WOOGEN: Oh, yes, tremendous
24 excitement. I guess, with the saying: If you build it,
25 they will come, we had 90 stalls available, and we've

1 had over 200 applications for horses, so we've -- our
2 problem right now is we have to screen out the ones that
3 we can accept. And, unfortunately, we can't accept half
4 the horses that have applied, so there's a lot of
5 interest from trainers, drivers, owners.

6 We get comments wherever we race. People
7 come up to us and ask us about it.

8 COMMISSIONER MILLER: I suspected that,
9 but I just wanted to hear it from --

10 DR. WOOGEN: I was afraid we wouldn't get
11 applications for the stalls, and here we are turning
12 people away.

13 CHAIRMAN VAN CLIEF: I've got one last
14 comment, one bit of recognition. Mr. Burman is in the
15 audience, and while he has occasionally been one of our
16 critics, he is interested in honesty and engaged with
17 all of his opinion, and I just want to say thank you
18 very much for being the source for what sounds like it
19 might be our next OTB location and sounds like a very
20 good one at that, so thank you for your help.

21 With that, I would entertain a motion to
22 adjourn.

23 VICE CHAIRMAN DAWSON: So moved.

24 CHAIRMAN VAN CLIEF: We have a motion.

25 Second?

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MR. PITCHFORD: Second.

CHAIRMAN VAN CLIEF: Any opposed?

We stand adjourned. Thank you very much.

(This meeting concluded at 11:11 a.m.)

R E P O R T E R ' S C E R T I F I C A T E

I certify that the foregoing is a true and accurate transcription of my stenographic notes well and truly transcribed to the best of my abilities.

Angela N. Sidener