



The Horsemen's Newsletter

December 2012 / January 2013

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MTHA Reaches Historic 10 Year Agreement With Stronach Group

Avoiding another end of year showdown, the Board of Directors of the Maryland Thoroughbred Horsemen's Association has unanimously approved a monumental deal with The Stronach Group (parent company of the Maryland Jockey Club) that assures long sought after stability in the industry for a minimum of 10 years.

"This is a historic moment for the Maryland racing community and the dawn of a new era," said Alan Foreman, counsel for the Maryland Thoroughbred Horsemen's Association. "The years of uncertainty and strife are over. This deal shows all parties commitment to restoring Maryland racing as a national leader and this agreement sets us up to be just that."

Brokered by the negotiating team led by Richard Hoffberger with Dale Capuano and Foreman, in conjunction with MJC, Maryland Racing Commission and Maryland Horse Breeders Association, the agreement struck assures a year round racing schedule through



2022 by guaranteeing 146 days of racing in 2013 and 100 days thereafter. In future years, the MTHA will enter into a revenue sharing arrangement which allows the addition of days at the option of the MTHA, which likely will maintain at least a 146-day schedule moving forward. The funds available for this arrangement are aided significantly by increasing slots proceeds destined to the Purse Dedication Account from the recently passed Question 7 expanded gaming ref-

erendum.

The MTHA has also agreed to a closure of Bowie Training Center on January 1, 2014 in return for a binding commitment to build 300 net new stalls at Laurel Park funded in part by the MTHA to properly accommodate horsemen displaced by the closure.

This project would be part of a to-be-determined larger backstretch refurbishing project financed by the Stronach Group.

HIGHLIGHTS OF THE AGREEMENT:

2013 Racing Season

MJC agrees to operate a minimum of 146 live racing days at Laurel Park and Pimlico combined; the MTHA and Maryland Horse Breeders Association agree to provide MJC \$4,000,000 for operational expenses; and MJC will receive \$6,000,000 from the Racetrack Facility Renewal Account for operational expenses.

Additional Racing Days

Commencing in 2014, the MTHA and MHBA agree to enter into a revenue sharing arrangement to allow the addition of racing days at the option of the MTHA.

Stabling

During the Term, MJC will make available to horsemen, at no cost, year-round stabling at Laurel Park and Pimlico for training, as well as adequate dormitory space and services for backstretch workers.

There will be 1900 stalls guaranteed combined between Laurel Park and Pimlico, which MJC agrees to maintain for the duration of the deal.

Provided that the MTHA is responsible for 50% of the cost and Racetrack Facility Renewal Account funds are responsible for the remaining 50% of the cost, MJC agrees to construct an additional 300 net new stalls at Laurel Park to accommodate horsemen at Bowie displaced by it's closing.

Bowie Training Center

Legislation and Commission approval to authorize the closing of Bowie is contingent upon the construction of 300 new stalls at Laurel no later than December 31, 2014 and a requirement that Laurel Park and Pimlico remain open for year-round stabling and training at no cost to the horsemen. Such legislation and Commission approval shall also provide that Bowie may not be closed until completion of the initial 150 stalls.

Duration of Deal

The Agreement will have a term of 10 years, starting in January 1, 2013.



Calendar

Live Racing:

Laurel Park Now-Dec. 31



Fasig-Tipton Midlantic Auctions:

Two-Year-Olds in Training May 20, 21
Eastern Fall Yearlings Sept. 30

Out of State Auctions:

Keeneland January Horses of All Ages,
Lexington, KY
(800) 456-3412 Jan. 7-11

Ocala Breeders' Sales Company
Winter Mixed
Ocala, FL (352) 237-2154 Jan. 15, 16

Fasig-Tipton Kentucky Winter Mixed,
Lexington, KY (859) 255-1555 Feb. 11

Ocala Breeders' Sales Company Selected
Sale of Two Year Olds In Training,
Ocala, FL (352) 237-2154 March 12, 13

Fasig-Tipton Florida Two-Year-Olds in
Training, Boynton Beach, FL
(859) 255-1555 March 25

Keeneland Two-Year-Olds in Training,
Lexington, KY (800) 456-3412... April 8

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- Consolidation of stabling year-round at Laurel and Pimlico with the eventual closing of the Bowie Training Center. For over 15 years, MJC has sought to close Bowie. It has been the MTHA's long-standing position that it would not oppose the closing of Bowie provided sufficient replacement stalls were built at Laurel and there was sufficient stabling in the State to support year-round racing. With the opening of Pimlico on a year-round basis, the agreement calls for there to be as many stalls in the future as currently exists at Laurel and Bowie combined, to replace what will be lost at Bowie.

The agreement to permit Bowie to close has significant pre-conditions:

- 1) 300 net new stalls will be built at Laurel;
- 2) MJC must secure the permits and zoning to build the 300 net new stalls at Laurel by December 31, 2013;
- 3) MJC must complete construction of 150 stalls by December 31, 2013;
- 4) MJC must provide a performance bond to the Maryland Racing Commission for the benefit of the MTHA to guarantee construction of the stalls; and
- 5) No stall rent will be charged during the term of the agreement.

The agreement to close Bowie will also require passage of legislation during the 2013 session of the General Assembly. If these conditions are met, Bowie will be permitted to

Maryland Racing's Legendary Journalist Joe Kelly Passes

The Maryland racing community lost one of its most prominent members when award-winning journalist and racing historian Joseph B. Kelly passed away November 26th at Stella Maris Rehabilitation and Hospice after a short battle with cancer. He was 94 years old.



Rec Report

From Dan Mangum,
MTHA Recreation Director.

Texas Hold'em Poker Tournament

The winner of the recent Texas Hold'em tournament at Bowie was Edmund Benson. Finishing second was Samuel Davis.

The next Tournament will be held on Monday, January 28th at Bowie at 12:00 Noon. Everyone may sign up at the track kitchens or call Dan at (410) 802-5798.

Thanksgiving Dinners For Backstretch Workers

The MTHA continued its long-standing tradition of serving dinners to backstretch workers at Bowie and Laurel on Thanksgiving day. Over 380 meals were served free of charge.

Winter Coat Drive

As always with colder weather here, we would ask everyone to consider donating warm clothing such as coats gloves, and other clothing suitable for colder weather.

You may leave these items in the MTHA office at Laurel or contact Dan at (410) 802-5798.

Donations

The following generous people/companies made donations: Maryland Million, Annette Eubanks Gene Gilhooley and Tom DeGraw.

close on January 1, 2014. The agreement also provides that MJC will work with the MTHA to ensure a smooth transition of stabling arrangements for the horsemen who have supported Maryland racing during the difficult past decade.

It has been a long time coming, but working out this agreement provides the horsemen with three major guarantees: racing days (with the distinct possibility that the number of days can be increased), good purses and year-round stabling and training.

I didn't count the number of meetings that the MTHA's Negotiating Committee, which included Dale Capuano, Alan Foreman, Wayne Wright (who was eventually replaced by David Richardson after his retirement) and myself, spent meeting with either track management or the Racing Commission to work out this program. Our accountant, Craig Gegorek, was invaluable to us in getting the deal done. The agreement was almost one year in the making. Hopefully, with the guarantee of future racing days, purses and stalls, we can concentrate on moving our racing program forward.

Richard J. Hoffberger

Richard J. Hoffberger - 12/14/12

Immigration Issues?



The MTHA has contracted the services of an experienced immigration attorney to help trainers and backstretch employees with issues concerning visas, green cards and general immigration issues.

Please contact Diana Pinones in the MTHA office at Laurel Park at (301) 470-5464 for further information and complete details.



Board Actions

MTHA Board Meeting – October 9, 2012 – Conference Call

Members present: Richard J. Meyer, president, Dale Capuano, vice-president Christine E. Bricker, Linda S. Gaudet, H. Neil Glasser, Christopher W. Grove, Richard J. Hoffberger, Michael F. Horning, Timothy L. Keefe, Lawrence E. Murray, Katharine M. Voss.

Members absent: W. Robert Bailes, Howard M. Bender, R. Larry Johnson and Arnold A. Heft.

Immigration Attorney

The Board authorized up to \$10,000.00 to secure the services of an attorney specializing in immigration issues on a trail basis to assist trainers and their employees in matters associated with the immigration process. **Voted unanimously.**

MTHA Board Meeting – November 19, 2012 – Executive Session

Members present: Richard J. Meyer, president, Dale Capuano, vice-president W. Robert Bailes, Christine E. Bricker, Linda S. Gaudet, H. Neil Glasser, Christopher W. Grove, Arnold A. Heft, Richard J. Hoffberger, Michael F. Horning, R. Larry Johnson, Timothy L. Keefe, Lawrence E. Murray, Katharine M. Voss. **Member absent:** Howard M. Bender

Financial Audits

The Board reviewed and accepted the 2011 MTHA and the 2011 Backstretch Pension Plan audits.

Treasurer's Report

The January 1 through June 30, 2012 *Treasurer's Report* was reviewed and accepted as presented.

Thanksgiving Dinners

The Board approved funding for the annual Thanksgiving dinner held at the Laurel Park and Bowie track kitchens for backstretch employees. **Voted unanimously.**

Recreation Program

The Board appropriated up to \$35,000, the same amount as in previous years, to extend the Recreation Program through December 31, 2013. **Voted unanimously.**

Main Office

The Board authorized a move of the MTHA corporate office location from Windsor Mill Road in Woodlawn, MD to a new location in Owings Mills, MD because of a substantial rent increase. **Voted unanimously.**

NTRA

The Board approved membership in the NTRA for 2012-13. **Voted unanimously.**

Benevolence

Following established procedure, the Board approved up to \$60,000 in 2013 to fund the Maryland Thoroughbred Horsemen's Benefit Trust, by which the MTHA provides health benefits to trainers and their spouses. **Voted unanimously.**

Maryland Million

The Board approved up to a \$65,000 contribution from the Thoroughbred Purse Account, on a matching basis, with the Maryland Horse Breeders Association and Maryland Jockey Club, to cover losses for the 2012 running of the Maryland Million. **Voted unanimously.**

Jockey Worker's Compensation Insurance

The Board approved paying up to \$1.4-million of the premium of the Maryland Jockey Workers' Compensation Insurance for 2013 from the Thoroughbred Purse Account in addition to the funds generated from a \$100 fee to each owner and trainer when licensed as well as a surplus from previous years carried forward.

Voting for were Mr. Bailes, Ms. Bricker, Mr. Capuano, Mrs. Gaudet, Mr. Glasser, Mr. Grove, Mr. Heft, Mr. Hoffberger, Mr. Horning, Mr. Keefe, Mr. Murray, and Ms. Voss.

Abstaining was Mr. Johnson.

Board Meeting – November 28, 2012 Executive Session

Members present: Richard J. Meyer, president, Dale Capuano, vice-president W. Robert Bailes, Christine E. Bricker, Linda S. Gaudet, H. Neil Glasser, Christopher W. Grove, Arnold A. Heft, Richard J. Hoffberger, Michael F. Horning, R. Larry Johnson, Timothy L. Keefe, Lawrence E. Murray, Katharine M. Voss. **Member absent:** Howard M. Bender

Negotiations

The Board approved, in concept, the agreement reached with The Stronach Group for a long-term plan for racing. **Voted unanimously.**

Lobbying Fees

The Board authorized an increase in legislative representation fees. **Voted unanimously.**



Our Office Is Moving

Beginning 1/1/13, the MTHA's business office address will change to:
500 Redland Court - Suite 105
Owings Mills, Maryland 21117
Phone: (410) 902-MTHA(6842)

The Horsemen's Newsletter

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Website: www.mdhorsemen.com

The Horsemen's Newsletter
reports on issues and events
of interest to owners and trainers in
Maryland. Your suggestions
are welcome.



ATTENTION HORSEMEN: Please have an up-to-date Maryland Racing Commission license to have access to all MJC facilities.

Our dedicated backstretch workers can enjoy a free

HOLIDAY BREAKFAST

Christmas morning at both the Bowie Training Center and
Laurel Park track kitchens compliments of the Maryland
Horsemen's Assistance Fund and the Maryland Jockey Club.



MTHA

500 Redland Ct. - Suite 105
Owings Mills, MD 21117

Dec. '12/Jan. '13

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Thoughts & Comments

The agreement between the MTHA, MHBA and the Maryland Jockey Club is certainly "unprecedented".

In negotiating this agreement, the MTHA's goal was to develop a long-term plan that would:

- Enhance live racing.
- Provide a mechanism for at least 146 live racing in the immediate future.
- Allow for the potential to increase of the number of racing days, while maintaining the current purse schedule of approximately \$250,000.00 a day.
- Develop a mechanism to increase purses as slot revenues increase.
- Guarantee that we would have year-round stabling of approximately 2,000 stalls.

The agreement with Maryland Jockey Club accomplishes these goals. It may not be a perfect deal, but it does in fact go a long way to set the stage to provide Maryland horsemen with the stability needed to guarantee future racing opportunities.

With strong purses and a long racing schedule, we hope to have created an environment where owners (from Maryland and other states) will say "I can make money in Maryland and want to keep or send my horses there to train."

Other important parts of the deal between the horsemen and the tracks include:

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MTHA Board of Directors

Richard J. Meyer,
President

Dale Capuano,
Vice President

W. Robert Bailes
Howard M. Bender
Christine E. Bricker

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