



The Horsemen's Newsletter



March 2017

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Pimlico Viability Study: The Assessment Has Just Begun

The first phase of a Maryland Stadium Authority study into the viability of Pimlico Race Course continuing as host of the Preakness Stakes and other racing and non-racing events revealed there's far more work to be done before a decision is made.

And the future of the historic facility apparently lies with "leadership" developing a consensus on how to proceed. The study, however, suggested there is hope that a revitalized Pimlico could be profitable.

The MSA, which is responsible for the Baltimore Orioles' Camden Yards stadium among other projects, released the report Feb. 24, more than a week before its next board meeting.

"Although a financial analysis has not yet been developed, it is reasonable to assume that if a critical mass of the recommended physical improvements outlined in this study are pursued, Pimlico will be able to diversify its revenue-generating opportunities and realize lower operating costs for the Preakness Stakes, which should yield increased overall profitability," said the study performed by Crossroads Consulting Services and Populous. "Once leadership comes to a consensus regarding the future direction of Pimlico as the long-term home of the Preakness Stakes, we can proceed with the next phase of the study process."

Based on 2017 "hard costs," the total estimated renovation or rebuild of Old Hilltop would cost \$312 million. Artist renderings show a total remake of the entire Pimlico property, not just the grandstand, clubhouse and barn area.

"If a minimal approach to renovation were taken to primarily address (essential improvements), it is estimated that the cost of the renovation would be 80%-85% of this estimate," the report states. "Given the age and state of the facilities at Pimlico, we do not believe that a piecemeal renovation approach will deliver the desired result of resolving these challenges, nor would such an approach be feasible given the extent of work required."

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Excitement Building For Fantasy Owners Day

Make plans to be a part of something special when the Maryland racing industry hosts its first Fantasy Owners Day Saturday, March 18, at Laurel Park.

The event, which features a full day of activities including a live racing program with five stakes, is sponsored by the Maryland Thoroughbred Horsemen's Association, Maryland Jockey Club, Maryland Horse Breeders Association, and Capital Bank.

The program will begin at 8:30 a.m. with an opportunity to watch horses train on the track with free coffee and donuts available. At 10:30 a.m. in the Ruffian Room on the second floor of the clubhouse, there will be a seminar featuring some of the region's racehorse and breeding partnership managers as well as others who will offer industry insights.

The Fantasy Owners Day experience includes a free buffet luncheon, paddock access, a winner's circle presentation, and

gift bags. There will also be a surprise announcement for potential new owners.

The event is free, and registration is required by Wednesday, March 15, at mtha.eventbrite.com.

Sponsors will also honor existing owners and breeders with a free buffet lunch and afternoon at the races. In addition, each owner will receive a customized saddle towel.

The March 18 racing program at Laurel will offer five stakes: the Private Terms for 3-year-olds and Caesar's Wish for 3-year-old fillies, each worth \$100,000; two \$75,000 events for Maryland-bred or -sired horses: the Not For Love for 4-year-olds and up and the Conniver for fillies and mares, 4-year-olds and up; and the \$75,000 Harrison E. Johnson Memorial for 3-year-olds and up. In addition, the purses for the additional six other overnight races will be enhanced by 25% from their condition book value.

MTHA Backstretch Pension Program, A Valuable Perk For Maryland's Horsemen

Retirement benefits for backstretch workers are a reality in Maryland, thanks to a program started by the MTHA in 1988. The Backstretch Pension Fund is derived from monies deducted from the Purse Account. Participants do not make individual contributions into the plan.

The Board of Directors of the MTHA annually allocates funds to support this program. The plan year 2016 contribution is \$400,000, which is distributed among all participant's accounts for that year.

Sign-ups for the Pension Program are conducted each spring at Laurel Park and Pimlico. At that time, employees must register to receive benefits based on the previous year.

For individual questions regarding your pension account contact Joyce Hoffman.

She can be reached by calling 904-853-5385 or by email at jhoffman@pollardpensions.com for questions about accounts or for information about cashing out.

ELIGIBILITY REQUIREMENTS FOR PENSION PROGRAM

Anyone employed in the care of horses on the backstretch in Maryland in good standing, including trainers, are eligible to participate in the program.

Employees must have worked a minimum of 1,000 hours during the specified year in Maryland, and provide documentation to that effect (with a W-2 or 1099 form, or tax return) at time of sign-up.

Benefits become available when the employee reaches the age of 65, or at age 55 with 25 years of service.

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"Additionally, a minimalist approach to renovation with less emphasis on overall facility redevelopment and event experience may not yield the same return on investment.

According to reports in the *Baltimore Sun*, officials indicated a public-private partnership could be the preferred route for hundreds of millions of dollars to be spent on revitalizing the Pimlico property. Pimlico is owned by the Maryland Jockey Club, which falls under The Stronach Group; the company already has spent at least \$30 million on improvements at Laurel Park in Maryland.

According to the report, direct, indirect, and induced impacts associated with the Preakness Stakes, including race-day operations and visitor spending as well as state and local sales taxes, generated approximately \$18.9 million in direct spending that produced \$33.7 million in total spending. The direct spending was estimated to support approximately 480 jobs and \$12.9 million in employee income.

"Once leadership comes to a consensus regarding the future direction of Pimlico as the long-term home of the Preakness Stakes, we can proceed with the next phase of the study process," the report states. "Phase 2 currently calls for a more detailed analysis associated with the preferred development option, which may include a phased approach.

"The first task in Phase 2 would consist of visioneering and concept development of an 'ideal' Preakness Stakes venue including programming to itemize products and capacities, integrated branding and sponsorship opportunities, cost estimates, market opportunities and revenue-generating potential. Phase 2 would outline a potential development strategy which would include an estimate of the costs and benefits associated with the agreed-upon development option as well as the associated return in terms of economic and fiscal benefits.

"Phase 2 would also identify preliminary funding sources, including alternative funding sources relating to infrastructure development, non-racing uses, and other funds, as appropriate."

(Link: <http://mdstad.com/images/pdf/PimlicoStudyPhase1.pdf>)



Pension Plan Registration for the plan year 2016 will take place at the following times and locations. Bring your MRC Badge and W-2, 1099, or tax return for 2016. For more information call the MTHA office at (410) 902-6842.

April 24 through April 28

Laurel Track Kitchen,
9:30 a.m. to 1:00 p.m.

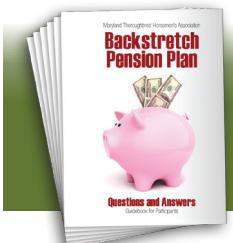
May 1 through May 5

Laurel Park MTHA Office,
9:30 a.m. to 3:30 p.m.

May 8 through May 12

Pimlico MTHA Office,
9:30 a.m. to 3:30 p.m.

Failure to register will result in the loss of your 2016 benefit.



Stop in the MTHA Racetrack Office or visit mdhorsemen.com for a copy of the MTHA Backstretch Pension Plan Guidebook to answer all your questions about the Plan.

The Horsemen's Newsletter

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Home Cooking: Maryland Connections Have Successful Year for Purses Earned

Owners, trainers and breeders with ties to Maryland took home the bulk of the more than \$50 million in purse money available at the state's Thoroughbred tracks in 2016.

A recent in-depth study shows that for total 2016 purse earnings of \$50,085,471, 78.2% was paid to horses with Maryland connections. And the percentage was even higher when it came to money earned by Maryland connections in thousands of overnight races.

Of the \$40,293,471 in purse earnings in overnight races at Laurel Park, Pimlico Race Course

and the Maryland State Fair at Timonium, 86.4% went to horses with Maryland connections—owners, trainers and breeders either separately or in combination.

Stakes earnings in Maryland in 2016 totaled \$9,792,000 (\$6,251,200 of which was derived from the Thoroughbred Purse Account). Horses with a Maryland connection collected 44% of the total (\$4,312,57) or 52% if you exclude the Preakness. The purse of the middle jewel of the Triple Crown is split 50/50 between the Maryland Jockey Club and Thoroughbred Purse Account.

The percentages are encouraging, according to Maryland Jockey Club President and General Manager Sal Sinatra.

"I'm really pleased with the results from last year," Sinatra said. "The numbers show a good balance, with Maryland connections benefiting from the improved racing and purse program on the overnight side. Maryland connections also did very well in stakes here, but it's also good to see quality shippers from other states per-

form well in our major races. It elevates the program."

Sinatra noted many of the state's open stakes are concentrated on the Preakness Stakes and Black-Eyed Susan Stakes programs in May. They naturally attract a higher number of shippers however purse account revenue from pari-mutual handle far exceeds the purses paid out on these big days.

In 2016, stakes purses paid from the Thoroughbred Purse Account on Black-Eyed Susan and Preakness days totaled \$2,414,750 with total revenue into the Purse Account easily topping the \$4-million mark for those two days.



Rec Report

Poker Tournament

Eddie Pryzbyla won the February poker tournament with Tim Walsh finishing in second place and newcomer Uncle Larry Aguirre in third in his first tournament.

The next poker game will be held at 12:30 on Tuesday, March 14 at Laurel Park. If you have any questions, please contact Marty Leonard at 203-733-1367.

Bowling Results

The MTHA Bowling League completed its 19-week schedule with an awards ceremony and party in February. Awards were presented to the following bowlers:

1st Place Team: "Boyz in the Hood" which included J.D. Brown, Tink Throckmartin and Billy Gardner.

2nd Place: "Motley Crew" Wayne Potts, Kristina Schmidt and Berkley Kern.

3rd Place: "Mustangs" Tony Aquirre, Anthony Aguirre, JR. and Tim Welch.

Female Most Improved: Kristina Schmidt

Male Most Improved: Jack Hurley

The MTHA would like to thank our league's secretary Sarah Carter for all of her hard work keeping the league stats up to date each week.

The league was a phenomenal success!

Spring Golf Tournament

The Annual MTHA Golf Tournament will be held at Compass Pointe Golf Course in Pasadena, MD, on Monday, April 10 with registration starting at 11:00 a.m. and Tee Time at 12 p.m.

We will be having teams of four and playing best ball. The price will be \$65 per person. Prizes will be given out for Longest drive and the closest to the pin. After the round is over we will have a dinner and award ceremony. Please contact Marty Leonard at 203-733-1367 to re-reserve your spot.

Condition Book Changes

The MTHA has worked with Maryland Jockey Club officials to make changes in the condition book designed to reduce the number of race categories and give dirt races a better chance of filling when turf racing begins at Laurel Park in early spring.

The MTHA Purse Committee, along with MJC President and General Manager Sal Sinatra and Racing Secretary Georganne Hale, agreed to the following changes that will take effect with the April condition book.

Here is a rundown on the updated conditions:

All maiden races will be written for 3-year-olds and up;

There will be no "beaten" races for a price of less than \$16,000 on the turf;

All dirt and turf races will be written separately—there won't be turf/alternate dirt races in the book—and they will be staggered;

Open claiming races on the turf will be alternated price-wise;

Events for non-winners of four races lifetime with claiming prices of \$5,000 or \$10,000 will be eliminated;

The "non-winners of a race other than" allowance and \$20,000 claiming races will be written separately for the turf but still combined on the dirt;

There will be four Maryland-bred or Maryland-sired "non-winners of a race other than" events in the condition book.

The committee also reported that Maryland Million will pay bonuses to the winners of all maiden races if they are eligible to the Maryland Million program. The program is effective March 1.

The bonus schedule is as follows: \$2,500 for maiden special weight and maiden-claiming \$40,000; \$2,000 for maiden-claiming \$25,000; \$1,500 for maiden-claiming \$16,000; and \$1,000 for maiden-claiming \$10,000. As a reminder, beginning with the March condition book, maiden-claiming races for a tag of \$40,000-\$32,000 (purse \$33,000) will carry the following provision: Maryland-bred or Maryland-sired horses have the option of waiving the claiming price. The MTHA and MJC agreed to the change earlier this year.



Bill Whitescarver, Designer of MTHA Pension Plan, Passes Away at Age of 81

William "Bill" Whitescarver, who designed and launched the backstretch pension plan for Maryland Thoroughbred horsemen in 1987, died Feb. 6. He was 81.

Whitescarver, a United States Army veteran, served as vice president of investments for Chapin Davis Inc., a financial services firm in Baltimore, and was a member of the company's board of directors. Up until his death, he continued to manage the investments of MTHA pension plan which was created to provide retirement income to backstretch workers as a supplement to Social Security.

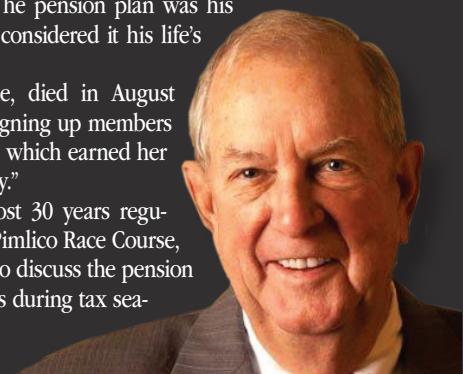
Whitescarver, a Baltimore County resident who was educated at the University of Baltimore, also served on other boards in the retirement services industry.

"Bill was a first-class guy who truly cared about the racing

community and the people who work on the backstretch," MTHA's David Richardson remarked. "The pension plan was his baby, he told me often that he considered it his life's work."

Whitescarver's wife, Connie, died in August 2015. She was responsible for signing up members of the horsemen's pension plan, which earned her the nickname "The Pension Lady."

The Whitescarvers for almost 30 years regularly spent time at Laurel Park, Pimlico Race Course, and the Bowie Training Center to discuss the pension plan with backstretch employees during tax season.



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March 2017

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MTHA Golf Tournament Monday, April 10

Spring is right around the corner and that means one thing, the MTHA Spring Golf Tournament is upon us.



Compass Point G.C.
Pasadena, Maryland
Registration: 11am
Tee Off: Noon

\$65 per golfer. Contact Marty Leonard at (203) 733-1367

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