VIRGINIA RACING COMMISSION

June 6, 2017

JAMES MONROE BUILDING
CONFERENCE ROOM B
101 NORTH 14TH STREET
RICHMOND, VA 23219

Commencing at 10:00 a.m.

COMMISSION MEMBERS:
D.G. Van Clief, Jr., Chairman
Carol G. Dawson, Vice Chairman
Charles Steger, PhD
I. Clinton Miller

COMMISSION STAFF:
David S. Lermond, Jr., Executive Secretary
Kimberly C. Mackey, Office Administrator

ATTORNEY GENERAL'S OFFICE:
J. Duncan Pitchford, Esquire

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I N D E X

1. Call to Order 3
2. Approval of the March 7th meeting minutes 3
3. New Business
   A. Approval of a Satellite Wagering Facility License Application Submitted by the Virginia Equine Alliance for Buckets Bar and Grill in Chesapeake 3
   B. Approval of Buckets Bar and Grill Simulcast Revenue-sharing Agreement 12
   C. Approval of Amendments to the Satellite Wagering Facility License Applications Previously Submitted by the Virginia Equine Alliance for Breakers and Ponies & Pints to Address Outdoor Events 14
   D. Request by the VHHA for Expenditures from the Benevolence Fund for Improvements to Shenandoah Downs, Beneficial to Harness Horsemen 18
   E. Request from VHBPA for Races to be Contested in Maryland and West Virginia 23
   G. Report from the Virginia Equine Alliance
      i. Powhatan Site for Possible Thoroughbred Racing 34
      ii. Update on TVG Negotiations 40
      iii. OTB Development 42
4. Public Comment Period 54
5. Commissioners' Comments 54
6. Closed Session (If necessary) 57
7. Adjournment 58
CHAIRMAN VAN CLIEF: Good morning, Ladies and Gentlemen. I've got ten o'clock on the dot and would like to call to order this morning's session of the Virginia Racing Commission.

We've got a number of action items and we'll get started with those right way. I will note that Commissioner Reynolds is not going to be able to be with us. He unfortunately had a conflict today, so we have four out of five commissioners present, and we do have a quorum.

First order of business is to consider approval of the minutes which were distributed to each of you in advance of the meeting. Are there any suggestions for modification or changes that you'd like to make? If not, we need a motion to approve the minutes from the previous meeting.

VICE CHAIRMAN DAWSON: I so move.

COMMISSIONER STEGER: Second.

CHAIRMAN VAN CLIEF: Thank you very much. We have a motion and a second. Any opposed? The minutes of the March 7th meeting stand approved.

Now, new business. We've got several items to deal with, the first of which as the VEA continues to build out its satellite wagering facilities is to consider approval of a license which was submitted
by the VEA for a new facility in Chesapeake.

Mr. Hannum, are you going to brief on that today?

MR. HANNUM: Sure. So this is a site down in Chesapeake. This would be our third OTB. Buckets Bar and Grill is a bar and restaurant that's operating right now. The bar owner, Mr. Manning, has leased the space next to his existing restaurant and has outfitted it for our OTB, and pending approval the construction would be completed.

This is a very nice facility. It's the first one that we've had the opportunity to really design specifically for our own purposes, and we feel that it would really be our flagship site once it's operational.

It will be a sort of similar layout in look and feel of the other sites in terms of the number of televisions and betting facilities, but it would be about 3,000 square feet of dedicated space for the OTB, again attached to the existing restaurant.

So Mr. Manning has been a very enthusiastic partner for us to-date. We had hoped to have the facility open earlier. Unfortunately, we discovered that we needed to get a conditional-use permit down in Chesapeake, and so that set us back a few months.

The permit application has been applied for.
It's in process and the planning commission and the city council will be meeting in July to formally, we hope, approve the permit. So obviously, any approval here today would be conditional upon the final approval of the permit down in Chesapeake.

I believe Mr. Lermond prepared a staff report for you all. I'm happy to speak to any additional points that are raised in that report or in the license application, but we appreciate your consideration, Mr. Chairman, and we're excited to get this facility up and running as quickly as we can.

CHAIRMAN VAN CLIEF: Great. Thank you very much. The staff report which Mr. Lermond distributed in advance of the meeting -- and for those of you at the table, in your meeting books under Tab Two, if you want to refer to that again or have any questions about that, that's where you'll find it.

Jeb, I've got one question while everybody is taking a look. The Commission scale that's included in this, you have one Commission scale for year one, and then it goes to a flat fee for the subsequent year, should it be renewed. Am I reading that correctly?
MR. HANNUM: Yes. You're talking about the .75 percent?

CHAIRMAN VAN CLIEF: Yes. I was curious as to the rationale as to how you arrived at that.

MR. HANNUM: The initial, I believe it's through 2017, is the same rate that we have right now with one of our other sites, and then after that, we go to .75 percent for the remainder of our lease. So this was just a matter of negotiation with Mr. Manning in terms of coming to a point that he was comfortable with based on his investment and how he wanted to proceed.

So we want to have as similar as possible terms with all of our partners, but the unique nature of these OTBs is that these are joint ventures with different owners at each site, and we have to, I think going forward, will have contracts that may vary a little bit depending on the owner.

CHAIRMAN VAN CLIEF: Okay. Thank you. Also on your business projections on Page Four at the top, Page Four of the executive summary, are those revenue projections based on previous facilities in that area?

MR. HANNUM: So yes. With Chesapeake as well as what we did with Richmond, we looked at what the
Colonial OTBs did, taking into account that those OTB customers hadn't had a place to bet for at least a year and that there would be some that would perhaps move away, we've based those numbers in a conservative fashion.

But yes, we use Colonial's OTB figures as a guide. So that's where we've come to these numbers, so we certainly haven't pulled them out of the sky, but they are based on Colonial's experience and we've been conservative.

Also, the Richmond sites have shown people were very keen to come back, and those two sites have done very well, so we're cautiously optimistic that it'll be the case in Chesapeake as well.

CHAIRMAN VAN CLIEF: Okay. Thank you. Any other questions for Mr. Hannum from the Commission?

COMMISSIONER MILLER: I have a question just about your exhibits, since you're making a considerable investment in this facility. I noticed your lease exhibits don't identify the landlord.

MR. HANNUM: Right. So the agent is authorized to sign on behalf of the landlord, and so that -- Charles Grant is the agent for Councill Reality & Management, who manages the building and I've been informed that they're authorized to sign on behalf
of the landlord and I just clarified that again this morning.

COMMISSIONER MILLER: Well, I always look at the worst side of these things in case a legal dispute would arise in the future. I'm just concerned that there's no identification, no signing of the landlord. Is there something in here, a document that gives power of attorney or gives the agency authorization to someone else to act for the landlord?

MR. HANNUM: I don't believe we have a power of attorney in here, but that's certainly something I can provide to the Commission office.

COMMISSIONER MILLER: I just suggest you want to put down this landlord because you're investing a lot of money there. There's no identification of a landlord in either exhibit. There's no signature of the landlord on either exhibit, and this is a significant license that you're going to operate with the leaseholder.

You know, in case anything came up in the future, we want to be sure that the landlord is agreeable to this licensed use of his leased premises. I suggest you may want to pin that down.

MR. HANNUM: Certainly. Obviously, the landlord
is fully aware and on board, but I will provide whatever.

    COMMISSIONER MILLER: I'm thinking that's all well and good, but I'm thinking of when you go to court and the judge says where is the landlord's indication of obligation. So I just wanted to suggest that you might want to take care of that.

    MR. HANNUM: Yes. Thank you.

    CHAIRMAN VAN CLIEF: Any other questions? This staff report concludes with a recommendation of approval of the application and includes three conditions. I wondered, Commissioner Miller, if we might in crafting a resolution add a fourth, and per your suggestion, include a condition the approval is contingent on proper identification and signature by the landlord or that landlord's authorized representative.

    COMMISSIONER MILLER: Or whatever the landlord needs to do to indicate agreement with the licensed use of his leased premises.

    CHAIRMAN VAN CLIEF: And get necessary approvals. In that case, what we'll need then is --

    MR. PITCHFORD: Mr. Chairman, just for clarification.

    CHAIRMAN VAN CLIEF: Yes, sir.
MR. PITCHFORD: The staff report included four conditions. There's a fourth condition on the top of the next page.

CHAIRMAN VAN CLIEF: Okay. Thank you. If I turned the page, I'd see it. Okay. We'll make it five conditions then. So we need to consider a resolution to approve the application from the VEA with the following conditions, and I'll go ahead and read them.

Number one, satellite wagering facility shall be operated in accordance with all representations, plans and specifications as submitted in the application and as described at the Commission meeting on June 6, 2017, and shall not deviate materially from these representations, plans and specifications without prior consent of the Commission.

Condition number two, the facility shall be operated in accordance with all applicable state and federal statutes and regulations, the regulations of the Commission and all local ordinances.

Number three, the VEA shall post a bond or other instrument of financial security in a form acceptable to Commission staff in the amount sufficient to cover outstanding mutuel tickets.
VEA may authorize its existing offer in support of Breakers and Ponies & Pints satellite wagering facilities licenses previously granted by the Commission to meet this requirement.

Number four. VEA shall secure the proper zoning permit from the City of Chesapeake for this location prior to commencing operation.

We're going to add a fifth, and Mr. Pitchford, maybe you will help me with the wording of this. We will make it conditional on receipt of appropriate legal permission from a landlord or that individual's authorized representatives. Fair enough?

MR. PITCHFORD: Yes, sir.

CHAIRMAN VAN CLIEF: So that would be the motion that I would like to put on the table. I'll make that motion that we approve it, and in accordance with the conditions I've just read. Is there a second?

COMMISSIONER STEGER: Second.

CHAIRMAN VAN CLIEF: Thank you. Commissioner Steger seconds. Is there any further discussion or any questions? All those in favor of approval, signify by saying aye.

NOTE: The Commission votes aye.
CHAIRMAN VAN CLIEF: Any opposed? Motion carries unanimously. Thank you, Mr. Hannum.

MR. HANNUM: Thank you.

CHAIRMAN VAN CLIEF: Next up is the approval of a revenue-sharing agreement for Buckets Bar and Grill, and Mr. Petramalo, I believe, is going to take us through that. I think you will find this to be either very similar or identical to previous approvals, but if you wouldn't mind refreshing our memory.

MR. PETRAMALO: Yes, Mr. Chairman. It's identical with the agreements we had covering Breakers and Ponies & Pints. Basically, it's an agreement between the VEA on the one hand, the operator of Buckets and the two horsemen's organizations; my organization, the VHBPA, and the Harness Horse Association.

Basically, what all parties are agreeing is to share 50/50 the net revenue of the OTB, and that's necessary because the statute requires that VEA pay the horsemen's organizations five percent of the handle.

Five percent is a hefty number, and at least to start with, that would financially burden the VEA. So what we agreed to do is share the revenue 50/50,
and if our 50 percent share is less than five percent, which they've already paid us, we rebate the difference.

If in the future it starts developing some significant handle, we just then come up to the five percent level and even go above. We get the difference between what they've paid us by statute and our 50 percent.

So hopefully in the future, they would be rebating to us. That, basically, is the arrangement we've had in the past with Colonial Downs and some of their start-ups.

CHAIRMAN VAN CLIEF: Thank you. Any questions for Mr. Petramalo? A copy of the agreement -- it's a two-page agreement -- is under Tab Three in your books.

If there are no questions, then we do need a motion to approve.

COMMISSIONER STEGER: I make a motion.

CHAIRMAN VAN CLIEF: We have a motion to approve. Second, please.

VICE CHAIRMAN DAWSON: Second.

CHAIRMAN VAN CLIEF: Thank you. Is there any further discussion? All in favor of approval, please signify by saying aye.
NOTE: The Commission votes aye.

CHAIRMAN VAN CLIEF: Any opposed? Motion carries unanimously. The agreement is approved.

Next up will be a report and request for approval of amendments to our existing satellite wagering facility license applications. Mr. Lermond, I think, will take us through the drill on this one.

MR. LERMOND: Thank you, Mr. Chairman. This came about a few months ago when the VEA was talking about having some outdoor parties in conjunction with the Kentucky Derby at Breakers and at Ponies & Pints.

It basically involved at Ponies, they have a parking lot that's next to it, so they wanted to utilize that space to make more room for patrons so everyone wasn't jammed inside. There's also an outdoor patio with Breakers that they wanted to put a better machine out there.

As a result, I spoke to Mr. Pitchford and asked him if he thought this was a material deviation from what had been submitted in those two applications, and I guess we weren't sure exactly if it was totally material or not, but to be on the safe side, his suggestion was that the VEA -- we come up with a
way for the VEA to give the Commission notice of these events and details on security and betting machines, but not to burden the Commission with having to approve each one every time.

So what we came up with is some language that is behind Tab Four of your books, and this same language appeared in the application for Buckets that was just approved, and I'll read it.

It says: From time to time, special events at Breakers will be held that may involve outdoor seating for patrons and additional tote machines in the outdoor space to service those patrons.

In such cases, prior notice shall be provided to the executive secretary for a particular event that outlines the event, the security measures acceptable to the Commission that will be employed to ensure the integrity of the event.

So by adding this language to amend the applications for Buckets and Ponies, this language, everything now is the same with all three. I think it satisfies Mr. Pitchford's concerns about notice to the Commission, and although it's more of a housekeeping item, I think it's important that the Commission approve -- we do this in one motion, but they approve this language to be amended to the
existing application of Breakers and Ponies & Pints.

CHAIRMAN VAN CLIEF: And the wording that Mr. Lermond just referred to appears under Tab Four in your books as part of the disclosure of safety and security plans for both facilities. You will see it begins at the bottom of the first page.

MR. LERMOND: I will add that outdoor events they had at Ponies and at Breakers for the Kentucky Derby were both very successful, and I think it's important that they have this flexibility from time to time to have these outdoor events and expose racing to new people on the big days when most people seem to come out and show interest.

VICE CHAIRMAN DAWSON: Mr. Chairman.

CHAIRMAN VAN CLIEF: Yes, ma'am.

VICE CHAIRMAN DAWSON: I'd like to ask Mr. Lermond what kind of extra security measures might be required for an outdoor event such as that?

MR. LERMOND: When the betting machines and the money are outside of the facility, we would have off-duty police officers there, and also I think in addition, there were actually also additional security guards, especially at Ponies & Pints because we're talking about a big area there. It was the whole parking lot. Breakers is just more of
a patio that's enclosed, so they did have an
off-duty police officer at Breakers as well.

VICE CHAIRMAN DAWSON: So that has been
utilized?

MR. LERMOND: Yes. And any time we would have
notice of this, I would have our security
enforcement, Joe Roney, review the plan, and in some
cases, we may go out at least the first time and
inspect it and see how it all works out.

VICE CHAIRMAN DAWSON: Sounds reasonable.

CHAIRMAN VAN CLIEF: Are those security
personnel uniformed or in plain clothes?

MR. LERMOND: I believe they were uniformed and
I think that's a better deterrent.

CHAIRMAN VAN CLIEF: Right. That's what I was
thinking. Okay. Any questions for Mr. Lermond? If
not, we need a motion to approve the amendments as
set forth.

VICE CHAIRMAN DAWSON: I so move.

CHAIRMAN VAN CLIEF: Thank you. Second, please.

COMMISSIONER STEGER: I second it.

CHAIRMAN VAN CLIEF: Any further discussion?

All in favor of approval of the amendments, please
signify by saying aye.

NOTE: The Commission votes aye.
CHAIRMAN VAN CLIEF: Any opposed? Thank you.
Motion carries unanimously.

MR. LERMOND: Thank you.

CHAIRMAN VAN CLIEF: I want to make one administrative note here. Jeb, I'm going to change the order of our agenda slightly, and when we get down to item F, which is the development of a strategic planning process, we're going to flip that, if you don't mind, with your report and ask you to do the VEA update first, then we'll go to planning and discussion.

MR. HANNUM: Sure.

CHAIRMAN VAN CLIEF: Mr. Lermond, I think Item D is yours as well. That will be a request coming -- you're going to sub for the VHHA today, I think?

MR. LERMOND: I'll pinch hit for Mr. Woolnough, who is in Florida.

CHAIRMAN VAN CLIEF: Okay. I believe they want approval on expenditures for their Benevolence Fund.

MR. LERMOND: Correct. We haven't discussed the Benevolence Fund lately because that money comes from the wagering at the racetrack and OTBs and there hasn't been much of that lately. Luckily for the VHHA, they had 40,000 left in their account.

Under Tab Five in your books, you'll see first
an email from Iain Woolnough asking that they would like to use 20,000 of the 42,000 that is in the account now to support the building of a bathroom with shower facilities at the Woodstock track.

Just to give a brief -- the way it will work financially is that the VHHA would put up twenty, the VEA would also put up 20,000, and the remainder of 80,000 would be put up by the Shenandoah County Fair.

Mr. Eshelman is here in the audience and he could probably give a better description of this facility, if you would like.

MR. ESHELMAN: It's a 1200 square foot facility being added on to the show barn, and that show barn was basically where the Racing Commission offices were, the VEA offices and basically the center point for all the racing. It's kind of the hub.

Our project that has been ongoing for some time is to add bathrooms to the facility, and right now you would have to walk about 200 feet to utilize the restroom facilities.

With that, it was suggested that maybe we could add showers to it for the horsemen after the racing and everything. There would also be a community benefit to it from the standpoint that the 4Hers are
there for nine days during the fair. The FFA attend these as well.

So basically, we took the square footage and divided out what the shower portion of that would be, and it was approximately $40,000. Just a little bit more than that.

The VEA felt very strongly, or the VHHA felt very strongly that it would be great to have that facility there currently for five weekends of racing which we hope to expand later on down the road, to as we all know six or seven weekends of racing.

So the shower facilities would be added to the bathrooms. The square footage was determined out and it came in to the point where that 400 square feet of the bathroom facility with the additional shower would weigh out around $43,000.

We have been doing fundraising through the local community and have already raised close to 70,000 in addition to the forty that would be presented from the VEA and the VHHA. So we're getting to the tail end.

Construction has already started on the facility, and our hopes are that this will go through. Obviously, it would be a huge funding resource for us and actually add a huge benefit to
the horsemen.

CHAIRMAN VAN CLIEF: Thank you.

MR. LERMOND: I would add to what Tom said in
not only would it help the drivers that come back
with dirt and mud all over their face after the
races, but there are some horsemen that do stay
there for the five weeks. Some of them are in very
small campers, to where I think they would really
welcome the fact to be able to go into a real-size
bathroom and take a shower and those things.

I know there was one woman that put up a little
curtain on the side of her horse trailer and used a
hose to take a shower. I think she'd be pretty
happy if this would work.

CHAIRMAN VAN CLIEF: This might be one of the
least controversial issues I've seen come up. Does
anyone have any questions?

VICE CHAIRMAN DAWSON: Has the VEA been involved
in the planning of this from the beginning?

MR. ESHELMAN: They were not in the very
beginning. It was instituted by the Shenandoah
County Fair, and then we went out searching for
resources and we had the bathroom plans already
done, and then it was asked what would it take to
add shower facilities to these bathroom facilities,
and they will be ADA compliant and everything like that, so that's when they got involved.

We had already started our fundraising efforts prior to that; however, they did have significant comment. We did rearrange -- they asked for lockers -- an area in there that the drivers and quite frankly the people that do stay there during the week where they could put their things privately locked and secured and we accommodated that based on the fact --

VICE CHAIRMAN DAWSON: My question is the VEA has approved the expenditure of that?

MR. ESHELMAN: Oh, yes.

VICE CHAIRMAN DAWSON: Yes.

CHAIRMAN VAN CLIEF: So we're being asked to approve a $20,000 expenditure from 42,000 in funds?

MR. LERMOND: The Benevolence Fund. Yes.

CHAIRMAN VAN CLIEF: Any other questions? Do we have a motion to approve?

COMMISSIONER STEGER: So moved.

COMMISSIONER MILLER: Second.

CHAIRMAN VAN CLIEF: Second. Thank you. All in favor, signify by saying aye.

NOTE: The Commission votes aye.

CHAIRMAN VAN CLIEF: Any opposed? Okay. The
That takes us to a consideration this morning of funding purses for races to be contested in both Maryland and West Virginia, and Mr. Petramalo is going to give us a report on that, please, at this time.

MR. PETRAMALO: As you may recall, last year, we had two days of racing at Pimlico in Laurel for Virginia-breds; they were stakes races. This year, we're hoping to replicate that, although all the races this year would be at Laurel. Plus, we're adding another day. We're creating four new stakes races. So if you take a look at the schedule in front of you, you'll see we have an end of June, June 24 date --

CHAIRMAN VAN CLIEF: Excuse me. That's Tab 6 in your books. Sorry.

MR. PETRAMALO: -- at Laurel. Those are the same races we ran last year. We added a middle date, August 5th. Those are the four new stakes that we added. And then on September 30th, those are the same five that we ran last year.

Our horsemen's committee, or excuse me, our race committee of the HBPA put together a schedule so that it made a progression which would allow horses
the opportunity to compete in all three days.

Then as something new, we came up with what we referred to as the sprinkle program. The three days that I've discussed are pretty much geared toward higher-level horses. They're stakes races.

We put together a ten-race sprinkle schedule, sprinkle meaning we're going to have six races at Laurel at various times, four races at Charles Town, but these are for the lower-level, Virginia-bred horses, the ones who would not quite be competitive to run in the stakes races.

After the dates, they start on July 6th and go through November 23rd, you can pretty much see that for example, the first one July 6th at Charles Town, fillies and mares, is a $5,000 claim.

That $5,000 claim is not the type of horse to be running in the stakes race, so we wanted to spread the opportunity around and we allocated a budget of 250,000 to spread across the ten races.

Again, until we come up with a venue in Virginia for racing Thoroughbreds on the flat, we want to keep in the public eye and give our Virginia owners and trainers and other owners and trainers of Virginia-breds the opportunity to race.

CHAIRMAN VAN CLIEF: Okay. Thank you. Just to
be clear, I want to point out that there is a difference between the race schedule in your books this morning and one that you would have received or may have received prior to the meeting.

The previous one included the Commonwealth Oaks and the Commonwealth Derby, both of which of course are open stakes, and those have been deleted from the request for approval this morning, pending further consideration, as I understand.

MR. PETRAMALO: That's correct.

CHAIRMAN VAN CLIEF: I just wanted to make sure you're clear on that and everybody knows what we're approving this morning or considering for approval.

Any questions on the schedule or questions about the races for Mr. Petramalo?

If not, then we do need a motion to approve the stakes as set forth, and the purses, which if my addition is right, total $1,270,000 as set forth this morning.

MR. PETRAMALO: Let me quickly add a little caveat; 130,000 of that would come from the Breeders' Fund.

MR. LERMOND: Eight.

MR. PETRAMALO: No. We've got four, eight, we've got 13 stakes races.
MR. LERMOND: The motion that was made, I think it was last month's meeting or maybe the one before was for $10,000 to be added to eight Virginia-bred stake races. I don't think the new ones had been considered at that point.

MR. PETRAMALO: Okay.

MR. LERMOND: But following what the chairman said, the 1,270,000 would be reduced by that 80,000. So the maximum would be 1,190,000, and that's assuming these races all fill.

MR. PETRAMALO: Yeah.

MR. LERMOND: I think there's a plan where if you don't get six or more runners, they're not going to card those races.

MR. PETRAMALO: I guess we'll come back at the next meeting with a proposal to seek a contribution of an additional 40,000 from the Breeders' Fund, because what we've always done in the past is have a $10,000 contribution. At one time it was 50/50 between the horsemen and Breeders' Fund, but we're long past that.

What I would like to do is come back and ask the Breeders' Fund to put in 10,000 for each of the four new races in August; the Hansel and Bill Backer, Meadow Stable and Camptown stakes.
MR. LERMOND: I think Tyson Gilpin is also --

MR. PETRAMALO: Tyson Gilpin is in the June stakes.

MS. EASTER: That's a new stake.

MR. PETRAMALO: It was run last year, but probably under a different name. There were four stakes run in June, I think.

MS. EASTER: I don't know that. I would look it up, to tell you the truth. I don't think it was there. I think we ran -- didn't we run colts and fillies in the five-and-a-half against each other?

MR. PETRAMALO: You know, you may be right, Debbie. I think maybe we only ran three.

MS. EASTER: I think that's correct.

MR. PETRAMALO: I think we only ran three in June at Pimlico. I think that's right. I stand corrected.

MS. EASTER: I think we ran five total races; two maiden and three stakes.

MR. PETRAMALO: That's the first time I've been wrong since my bet on the Preakness.

MR. LERMOND: You weren't the only one.

CHAIRMAN VAN CLIEF: Okay. Then let's be clear on what we're approving. Dave, if you'll walk us through it again. The race schedule is as it's set
forth in your books and as Mr. Petramalo just
described. That is, the funding is going to include
1,190,000 from the horsemen's purse fund, correct?

MR. LERMOND: Yes.

CHAIRMAN VAN CLIEF: We already have -- so
there's an $80,000 differential to make up, of which
40,000 is already included with approval from the --

MR. LERMOND: Eighty thousand has been approved.

CHAIRMAN VAN CLIEF: By the --

MR. LERMOND: From the Breeders' Fund.

CHAIRMAN VAN CLIEF: -- Breeders' Fund
committee.

MR. LERMOND: Yes, and it was based on the eight
races that were run last year.

MR. PETRAMALO: Correct.

MR. LERMOND: When that motion was made a couple
months ago, the thought of adding these five new
races had not been considered, but if there's enough
money in the Breeders' Fund, we could certainly come
back next meeting and request an additional 50,000.

But to be safe, I would think the Commission
should approve up to 1,190,000 for the races that
are --

CHAIRMAN VAN CLIEF: From a timing standpoint,
what's a deadline for having final approval on what
you're going to be advertising?

MR. PETRAMALO: I think we'd like to get final approval now. The money issue we can resolve later on.

MS. EASTER: We would just reimburse the HBPA. They're putting up all the funds. We'd just reimburse them.

CHAIRMAN VAN CLIEF: Do we have to wait to come back? Can we approve the 1,270,000 today --

MR. PETRAMALO: Yes.

CHAIRMAN VAN CLIEF: -- which would include 1,190,000 from the horsemen's funds and approve in advance as long as the VTA and the Virginia-bred fund committee agree then go ahead?

MR. PETRAMALO: I think that's the best way to do it. That's the way we did it last year, because we paid and then got a check from the Breeders' Fund.

MR. LERMOND: Correct.

CHAIRMAN VAN CLIEF: All right. In that case, we need a motion to approve the stakes schedule and the stakes and everyday racing as set forward in the handout, which will be funded with $1,190,000 from the horsemen's purse funds and an additional 80,000 from the Virginia-bred funds, and one of the
contingencies in this motion, whatever necessary approvals from the Virginia-bred fund will be received by the HBPA on receipt of that approval from the Virginia-bred fund; is that clear?

COMMISSIONER MILLER: Mr. Chairman, do I understand the Commonwealth Cup race -- is that what it's called?

CHAIRMAN VAN CLIEF: Yes. There's a Commonwealth Oaks for fillies and Commonwealth Derby for foals.

COMMISSIONER MILLER: Commonwealth Derby. You're not asking to run those races this year?

MR. PETRAMALO: Not at this point. We are in discussions with the Maryland Jockey Club and the Maryland horsemen about the funding of those. Our agreement last year with the Maryland Jockey Club was a two-year program; 2016 and 2017.

They would run the Oaks and the Derby. We would put up a portion of the purse money. They would run the Turf Cup and put up all of the money.

They would do the same thing in 2017, and the consideration for their putting up half of the money for our two days of stakes that we were, quote, selling them our interest in the Turf Cup, because they wanted to re-brand it in the future and
reinstitute a historic race called the D.C. International.

That was the deal. But as with all deals with racetracks and horsemen, things got a little complicated and we are meeting tomorrow morning at Laurel to try and straighten it out. So until we get that straightened out, I thought it would be best to go forward with the non-controversial schedule.

COMMISSIONER MILLER: All right. Thank you.

CHAIRMAN VAN CLIEF: While we're on it, I think in a sense this works out well, because to me, for what it's worth, to me, the Virginia-bred races are not at all controversial. I think whether we move forward or not with open stakes is sort of a different conversation and it's probably a good thing to have a few more days to think about it and talk about it.

MR. PETRAMALO: I agree.

CHAIRMAN VAN CLIEF: Thank you very much then. Okay. In that case, is everybody clear on what the motion is or shall I try again?

COMMISSIONER STEGER: May I raise one question?

CHAIRMAN VAN CLIEF: Yes.

COMMISSIONER STEGER: Can we put in the motion
that unless we have six entrants, horses, in the race that a $10,000 race is not forthcoming?

MS. EASTER: Isn't that already in the law that there has to be six horses to run a race?

MR. LERMOND: That is actually currently in the regulations, and before that applied to races run at Colonial, but I don't see why it wouldn't apply to these races as well, and I believe that's the understanding you have with the race secretaries at Maryland and Charles Town.

MR. PETRAMALO: Yes.

CHAIRMAN VAN CLIEF: Then I'll run through it one more time. We are approving the race schedule as set forth this morning. The funding will include $1,190,000 to come from the horsemen's purse funds and an additional $80,000 to come from the Virginia-bred fund, which approval will be received in advance of allocating the dollars. Is that clear?

VICE CHAIRMAN DAWSON: That last part, could you repeat that?

CHAIRMAN VAN CLIEF: Yes. That the approval will be received from the Virginia-bred fund for the $80,000. That's not yet been received this morning, so we're approving allocation of those dollars
contingent on approval by the Virginia-bred fund committee.

MR. LERMOND: Mr. Chairman?

CHAIRMAN VAN CLIEF: Yes.

MR. LERMOND: Technically, the 80,000 was approved at the previous meeting. They're going to seek an additional 50,000 which would cover 10,000 for each of the five --

CHAIRMAN VAN CLIEF: Thanks for the clarification. All right. Let's try it again. All right. We're going to allocate 1.27 million plus fifty, right?

MR. LERMOND: It's 1,190,000, assuming the Breeders' Fund contributes 50,000. So technically, it would be 1,140,000 would come from the purse account, and an additional 50,000 would come from the Breeders' Fund, in addition to the eighty that has already been approved.

CHAIRMAN VAN CLIEF: Okay. So the one contingency in the motion is that an additional 50,000 be approved from the Virginia Breeders' Fund. Correct?

MR. PETRAMALO: Correct.

CHAIRMAN VAN CLIEF: All right. Thank you very much. I make a motion.
VICE CHAIRMAN DAWSON: I second.

CHAIRMAN VAN CLIEF: Thank you. Any further discussion? Thank you very much. All in favor of the approval of the schedule set forth, please signify by saying aye.

NOTE: The Commission votes aye.

CHAIRMAN VAN CLIEF: Any opposed? The motion carries unanimously.

Mr. Hannum, can I ask you for your report at this point?

MR. HANNUM: Sure. Thank you, Mr. Chairman. So a number of items to touch on, so please interrupt with questions as I go throughout my report.

Just wanted to start out to say that once again, thanks to Dr. Allison and his committee. We had another great Virginia Gold Cup. Apparently, the person that was responsible for weather has been fired so that won't happen again, but I think it was a nice day for the horses and the die-hard fans and it was just a great day for steeplechase racing as it always is at the Gold Cup, and we were very fortunate that the Gold Cup committee had been able to invite the governor to attend, and he was there and by all accounts had a great day. So thank you to Dr. Allison and his committee. So I'll pause
there.

Dr. Allison, if you want to say anything more about your races, but I just wanted to acknowledge that.

DR. ALLISON: No. No. I didn't.

MR. HANNUM: Okay. So moving on to the item Letter I, the Powhatan site, I would like to do this as a joint update with Frank. The Powhatan estate, as you all may remember, is Raymond Guest's former property. His son, Achille, owns the property now. His son has maintained it as a horse property over the years.

This was a site that we actually looked at as a potential site for Thoroughbred racing, I think kind of right at the very beginning of our considerations back -- and it may have been in the fall of 2014 or it was the spring of 2015, but some time ago.

So we've come back to Powhatan to look at that as a potential site. It offers a lot of positives. First of all, Mr. Guest is very enthusiastic about trying to use the property for racing and to honor his father's heritage and legacy and just a very willing partner, which is important for us.

It's a relatively flat property. There are barns there already. There's a training track there
already. Very importantly, there's plenty of water, which we know is critical for any racing surface.

So the HBPA had a site visit on May 16th. Frank and Stephanie were there and other members of the HBPA and the VTA, and that was the first opportunity that other members of the HBPA outside of our VEA core group had seen the site and I think everybody was pretty excited about it.

Frank and Stephanie went back and had a subsequent meeting with Achille Guest on June 2nd to discuss some of the logistics for the site.

But what we've really tried to do with Powhatan is the opposite of what we did with Morven. So we're conducting a survey right now, which is ongoing. Once the survey and topo work is done, then we can sketch out and design different course and track options. Because the land is so big, it lends itself to a number of different designs.

Then we can do an analysis of what it will cost to build those different concepts, and then we can take a step back and once we have that information whether the track is going to cost $100,000 or $10 million, we can determine if that's appropriate and if we have the money, et cetera.

So we're just doing it a little bit differently
than we did with Morven, and that's something that we want to have the Commission's input, and we just welcome your thoughts as we get to that point.

So I think in the next month or so we'll have a better understanding of what some of the different layouts will look like and what they'll cost, most importantly, and then we can consider whether that's appropriate for Virginia. And we want the HBPA to really be vested and want those members to really help us think about what the best site would look like for Virginia going forward.

Then if the feeling is we move forward, then we can have a more detailed conversation with Mr. Guest about the terms of the lease. So we're just trying to approach it slowly and carefully, and again, Mr. Guest has been very accommodating to that process.

So I'll just sort of pause right there. So Powhatan is the focus right now for the VEA and the HBPA, and I'll pause and let Frank and Stephanie contribute to anything I may have missed out.

MR. PETRAMALO: Well, I certainly agree with Jeb. It's a beautiful site. In toto, it's 1,000 acres with a manor house up on the hill. It's beautiful and it's flat, and unlike Morven Park, we
wouldn't be tearing down hills and moving them to make a flat track.

But the thing that struck me most in my last two visits, last one with Stephanie, is it's not in the middle of nowhere. When I first went there two years ago, probably because of the directions given me, it seemed it took me forever and I went through these little towns, et cetera. It's easy to get to.

Now, it's right off of 95 and Exit 130 where Route 3 comes in. It's about 15 minutes east going toward the river, both the Rappahannock and Potomac. It's easy to get to also from 301 coming south or coming from the north in Maryland. That really impressed me.

Plus, it's a beautiful area. Just another ten minutes away is Fairview Beach on the Potomac and Colonial Beach on the Potomac, so it's really a nice area and I think it would be well-suited, assuming that we come up with a reasonable plan for putting in a track. Could be well-suited for weekend racing. Very nice location.

MR. HANNUM: So that's kind of where we are. So I think sort of just to summarize again, within the next month, I hope we'll have a better sense of what it will cost, most importantly, and then we can take
a step back and consider the appropriate ways to go forward. So Mr. Chairman, Commissioners, if there are any questions on Powhatan?

VICE CHAIRMAN DAWSON: I have one question, Jeb. Given your experience with Morven Park and you are using a little different approach this time with this survey where you're considering costs and options and so forth, is there any thought being given to the question will the public come?

MR. HANNUM: Yes, and that's an excellent question, and I think that gets into perhaps a discussion that the Chairman may want to have as we think about strategically how we move forward.

I think a lot of it, to be blunt, sort of gets in to the cost of the track. I think if we could build a track for $100,000 and it was going to be a beautiful track and was a great place to have turf racing and a good venue, then the participant level would maybe be less important.

If we're going to be spending $1 million or $2 million, then we have to balance that allocation with what we want on the other side. Clearly, having a place to race, providing opportunities for horsemen is critical, but then we have to consider, okay, well, it's not really worth it if nobody shows
up, so what does success look like from a participant side of view. So that's where I think the Commission needs to help us think about what are our goals here.

Clearly, we want to have racing opportunities for Virginia horsemen, but we want to do so, so we are getting people to come and participate and enjoy racing, just as they do at the Gold Cup and become fans and owners and contribute to the sport. So we have to sort of weigh all that out.

I think we will be in a little bit better place to have that conversation once we really understand what the track can look like and what it will cost. So that's a great question.

CHAIRMAN VAN CLIEF: As Jeb points out, that's actually why I flipped the agenda.

VICE CHAIRMAN DAWSON: Okay.

CHAIRMAN VAN CLIEF: This segues into a discussion of planning and sort of a formalized approach to developing a plan.

VICE CHAIRMAN DAWSON: All right. Thank you, Jeb.

MR. HANNUM: Thank you.

So I'll move on from Powhatan. The next item is the update on TVG negotiations. So as you all know,
TVG is one of our licensed ADW operators. They currently are the only ones not to have a formal rebate with the VEA and the horsemen on the fee that we pay or that they pay in to the state.

TVG expressed a strong desire to have a rebate based on the fact that they provide their television to Virginians, which they feel benefits everybody and is an opportunity to showcase racing throughout the state.

So we see TVG as a good partner. We don't want to lose an ADW company in the state, so we felt that if there was to be a rebate for TVG because they aren't providing content in the same way that Twinspires is through the Churchill Downs racing and their racetracks and Xpressbet through the Stronach Group, we felt there needed to be some sort of partnership whereby TVG and the VEA were working to enhance racing opportunities and betting opportunities in the state.

So we're currently in negotiations with TVG to look at how we can have additional sites, principally in Northern Virginia where we can have branded space in bars and restaurants for people to watch racing and to bet, whether through a kiosk network or through a tablet, computer-based. We're
looking at that and hopefully we'll have some sort of partnership formalized for consideration at the next Commission meeting.

But where we are right now is that we agreed to a two percent rebate with TVG, conditional upon the Commission's approval just as you approved the rebates with NYRA, TwinSpires and Xpressbet. So right now, we have a two percent agreed pending Commission approval, and we would therefore need to bring that agreement to you formally and we hope to do that at the next meeting.

But in the meantime, we're working on different types of concepts where we can get racing into different sites outside of the OTBs.

So that's where we are with TVG and they've been a good partner so far and we're hopeful that we can do something that's going to be beneficial for everybody.

If there are no further questions on TVG, I'll just speak to the OTBs. As I mentioned when we were talking about Buckets at the beginning of the meeting, two Richmond sites are continuing to do well and exceed our projections. I don't have the May numbers, but through April, total handle at Breakers was a little over $3.8 million and total
handle at Ponies & Pints was a little over $2.5 million. The average daily handle at Breakers year-to-date is about 32,500 and at Ponies & Pints, it's around $24,000 per day. So they're doing very well.

The split for Thoroughbred and harness, the percentage of all the handle has been -- 73 percent has been for the Thoroughbred side and almost 27 percent has been on the harness side. So we monitored that carefully to make sure we have the right balance of signals in the OTBs. Both breeds are represented properly.

So we are looking to get our Buckets up and running as soon as we can and we'll keep you all informed of that.

Outside of Chesapeake, we're looking at Hampton and Martinsville as the next two areas to go in to. We have two potential sites in Hampton that we are having discussions with the owners about and then two in Martinsville as well.

So as I've said many times here at the Commission, that these conversations take a little bit of time with the potential sites and that each time we're going into working with a new owner, new ownership group. Each bar or restaurant
has its own dynamics and their own pros and cons and we're selling our business as much as they're selling their sites. We don't want to go into a place that's struggling, and if they end up going gangbusters, they probably don't want us there to disrupt things.

So we're looking for places that will be open minded and looking for a little bit of a bump in business. So if it takes a little bit of time to find these places and work with owners and then bring them up to Richmond to see the sites, it's a bit of a process.

We are fortunate to have a couple of potential sites that we will hopefully narrow down shortly. The whole staff works very hard on this. Darryl Woods is our scout and he's out there on the front lines looking at these potential sites.

Debbie Easter has been enormously helpful and is going to be helping us going forward in an enhanced way, which we really appreciate. As Shenandoah is looming and my time will be a little more focused on the races, Debbie will be really helping us get these sites identified and under way. So we're working on it.

The permitting process is a nuance we hadn't
quite encountered with Buckets, which has set us back and we may have to do permits as well for some of these other locations, which delays things a little bit. But we're moving forward as quickly as we can and hope to get these sites going and identified as quickly as possible.

CHAIRMAN VAN CLIEF: Jeb, a couple of questions. Given the importance of the OTB development to the sustenance and growth of the industry, and as it has been pointed out, the OTB dollars are more valuable net dollars than other kinds, specifically than the ADW.

Could you speak to the two existing Richmond facilities? How do your financial experience and revenue stack up to projections and previous experience in Richmond, and is it too early to see how you're trending? Are you experiencing steady growth or have you been around long enough to know that?

MR. HANNUM: Well, I think the growth has been good. Ponies & Pints has been picking up. I don't have the Kentucky Derby numbers, but I can just say that the Kentucky Derby weekend was a great a weekend. I think we did over 300,000 in handle combined for the two sites over the whole weekend,
which is just phenomenal.

Ponies & Pints, the owners made a big effort to have a Kentucky Derby party and people were dressed up and it was a much younger crowd than would normally be in an OTB, which is just the kind of thing we want to see.

Preakness weekend was very strong and we expect Belmont weekend to follow. So Ponies & Pints has picked up nicely. I don't have the numbers right in front of me right now, Mr. Chairman, but as I said, we're very pleased with how both sites are doing, and Ponies & Pints, which we weren't sure about initially, has just stabilized and is doing 20,000 to 25,000 per day on average, which is just great, so we've been very pleased.

CHAIRMAN VAN CLIEF: Thank you. Any other questions about the OTB operations or proposed OTB operations? Mr. Hannum, thank you very much.

MR. HANNUM: Thank you.

CHAIRMAN VAN CLIEF: Anything else this morning?

MR. HANNUM: Thank you.

CHAIRMAN VAN CLIEF: All right. That takes us to what was Item F under Two on the agenda. I wanted to take a few minutes with my fellow commissioners to discuss this strategic planning
process a little bit.

As Jeb referred to a few minutes ago in his report, a lot of what is going on I think in many ways begs for some formalized planning, and so I've had an opportunity over the last month or two to speak at least briefly with some of the stakeholders and some of my fellow commissioners, and I'd like to suggest that we move forward with a planning process.

I think we could benefit not only by having a plan and a process that would include the stakeholders, but this is sort of a reversion to the old Blue Ribbon panel that we had before the war broke out.

So what I would like to suggest, I would like to ask the VEA to engage with us in a formalized planning process and to look at the fundamentals and how we're going to continue to rebuild this industry as we go forward.

I think we could beneficially utilize the services of a professional with one or more retreats putting the shareholders or stakeholders, as you will, in the room.

To me, and this is not necessarily going to be my call, but I think we need to examine what the
best model is going to be going forward; what are our best practices and what is our best approach for building a sustainable industry.

I think the VEA has done a fantastic job in recent months and I think they've got their priorities right with the build-out of the OTBs as quickly as they can do it, with the stabilization and rationalization of the ADW market and building of a partnership being the most recent chapter in that.

What we haven't got the fix on, with the exception of the Standardbred industry, who certainly has their act together with a first-class race course and good facilities and a great location in Woodstock, I think that leaves the question open now what is the best approach to our flat racing product.

Although it sounds as if the decision-making is almost about to outrun the planning process listening to the report on Powhatan, I still think we'd benefit by sitting down and talking about questions such as what should our live racing product in Virginia look like. What reason do we want to create additional live racing. For instance, what will the deliverables be. Are we
looking for a spot simply to provide an opportunity to Virginia-breds to run at home, or are we looking for a way to build a strong brand and a visible brand with a political and a social and a professional audience in this state. Are we looking for a way to connect our sport and wagering product with a broader audience. I think the answer is probably yes to all of those questions, but I don't want to prejudge anything.

So what should our live racing product look like going forward? I think we can answer what is it we can do for the industry and what's the purpose of that in live racing, then we can pretty quickly nail down questions such as where should it be located, how many days a year should we run, what should the schedule or the calendar look like.

So to me, that's a phase one question. I consider myself extremely fortunate this morning because Commissioner Steger has very kindly volunteered, despite an already heavy schedule both with this Commission and elsewhere, to chair a commission and VEA planning committee.

I will at least initially serve with him on that and Debbie and Jeb, we'd ask that we could sit down with you all and designate those who will be serving
from the various stakeholder groups, which I think will probably include a number of you in this room, and as I mentioned a minute ago, if you remember the old Blue Ribbon Committee, my preconception is it will look a lot like that, but I will put those decisions into Dr. Steger's hands this morning.

I think we can move on once we get past that threshold question to other issues about building out and sustaining an industry, but to me, that's the first one. But again, I think our initial committee group will sit down and determine what the agenda is.

I would also this morning like to appoint another ad hoc committee, and I want to stress this. I don't see these as standing committees, but ad hoc committees. When this job is behind us, we can consider what we might also put on the agenda, if anything, for these committees.

I think we can benefit from a committee and I see this as working hand-in-hand with our planning committee, and that is a committee to specifically look at how to grow handle, and I look at that as both on and off track.

As we build out our live racing product, there will be more emphasis on track, but I see it as
being all encompassing -- essentially, I see this as a marketing function, but I put the emphasis on growing handle initially. How do we do it? How do we connect with a broader public? Essentially, I'd like to see it consider everything from technology to how we plug in with a broader sector of the public. What's the best way to grow handle in the state.

Just to prove that if you don't show up at a meeting something might happen to you, Sarge Reynolds will be the chairman of this committee. Commissioner Reynolds has actually agreed to do this in advance. I had some conversation with him and he enthusiastically volunteered to chair that committee.

So since he's not here, I will defer appointing any further individuals, but again, I'd see this as being a combination of commissioners and senior management or board members of our stakeholder organizations.

So let me just stop right there and ask if there are any questions about this from my fellow commissioners or any of the stakeholders.

VICE CHAIRMAN DAWSON: I think it's a great idea. Do you have today any action by the
Commission that is necessary?

CHAIRMAN VAN CLIEF: We do. What I'd like to do is I think I have the authority to approve as Chairman to appoint or approve ad hoc committees, but I'll ask my fellow commissioners to approve it with me.

What I would like to do today is appoint two ad hoc committees, the first of which will be, for lack of a better name, a strategic planning committee, and they will be chaired by Commissioner Steger. I will serve on that initially to help get it going and then we'll see if maybe somebody else might serve better.

I would also like to -- and then we will immediately sit down with senior reps of the VEA management team and ask if they can poll their constituent memberships and we will get names to add to the committee. That will be for starters.

Secondarily, and I put this in same motion, I would like to appoint an ad hoc committee to look at how to grow handle from all sources in the state of Virginia, and I would appoint Commissioner Reynolds as chairman of that and will defer additional appointees until he gets back in town and we can sit down and move forward with that.
MR. LERMOND: Want to add another commissioner to that?

CHAIRMAN VAN CLIEF: I haven't yet and I haven't had a chance to talk with the other commissioners. So we will appoint the chairman today, and I think we can go ahead and appoint additional commissioners or members of the stakeholders as we go along.

Any questions about that? I'll make the motion. Could I have a second?

VICE CHAIRMAN DAWSON: Second.

CHAIRMAN VAN CLIEF: Any further discussion?

COMMISSIONER STEGER: I just wanted to mention when I talked with the Chairman about this, the first step is going to be to outline in some detail the process which we will share with all the stakeholders and be sure we know how we are going to go about this. I think that will facilitate with moving with new speed once we get under way.

But there's a lot of data we don't have and other factors that we need to think about that will be important to be put together before we really begin the process, so we will start that immediately.

CHAIRMAN VAN CLIEF: Hopefully one of the benefits of this whole process is that as we exit
the process, then we will have a strong consensus among the industry as to what our live race product should be and what it should do and where it should be located and when it should occur, and perhaps other questions along with that.

Are there any other questions, any other commentary?

VICE CHAIRMAN DAWSON: I think that's probably a good start and we can take it from there.

CHAIRMAN VAN CLIEF: Okay. In that case, we have a second? Do we have a second?

VICE CHAIRMAN DAWSON: I did.


NOTE: The Commission votes aye.

CHAIRMAN VAN CLIEF: Any opposed? Okay. Thank you very much. That takes us to the public comment period. Is there any member of the audience that has anything else they'd like to add or address? No? Okay. Thank you very much. Any further comments from our commissioners today?

COMMISSIONER STEGER: Only I think the Commission should cover your parking ticket if you got one, because the time ran out ten minutes ago.
CHAIRMAN VAN CLIEF: I did become eligible for a parking ticket ten minutes ago. My only legal infraction, I should point out, recently.

I'd add one comment, too, and I would like to second what Jeb Hannum said. May 6th in Great Meadow and surrounding environs was cold and very wet. Nonetheless, I want to thank Dr. Allison for very warm hospitality as always, and as I understand it, the crowd, which I would not have expected to hit the 70,000 mark of the previous couple years was just shy of 60,000 on a very, very wet day.

So I think you're to be congratulated and all of your team for that. I'm not sure if that still makes it, but I'll bet it does still make it the largest sports event in Virginia by crowd count, even on a rainy day.

DR. ALLISON: The governor agrees anyway.

CHAIRMAN VAN CLIEF: So thank you very much and congratulations on a good day, despite the conditions.

DR. ALLISON: I did want to mention the First Lady is quite a horseman.

CHAIRMAN VAN CLIEF: Really?

DR. ALLISON: She knew the questions to ask and wanted to go see the stabling area, and it was a
great occasion to show her 100 horses, great Thoroughbreds.

CHAIRMAN VAN CLIEF: Outstanding. In a regulated industry, it's always good to have a good relationship with the administration.

I point out that one observation, too, is that if we're successful in putting together a viable plan, I think this plan is going to not only help guide decision making by those of us in this room this morning, but it's something we can take to the governor or our legislature, so it'll work in a political arena as well and it's important that way, too. Thanks for a great day.

Yes, Commissioner Dawson?

VICE CHAIRMAN DAWSON: You just said what I had on my mind. I do want to thank you. It was a great day and everybody who worked there and helped did a great job and it was very well run and it was most enjoyable, so thank you.

DR. ALLISON: Thank you.

CHAIRMAN VAN CLIEF: Commissioner Miller.

COMMISSIONER MILLER: No comments. I just want to find out when we're going to have our next meeting.

CHAIRMAN VAN CLIEF: Okay. Speaking of meeting,
I did want to make mention of this and ask our executive secretary, Mr. Lermond. Commissioner Miller and I are on the budget committee. I think we're due for a budget committee meeting. We are going to sit down and take a look at the Commission's budget and see if we might not have the wherewithal at some point in the future to be of assistance in some of these efforts, so Dave will put together a schedule and I think try to meet within the next month to six weeks.

MR. LERMOND:  Correct.

CHAIRMAN VAN CLIEF:  We will be doing that. We do not need a closed session today. The next meeting date we're going to try to set, and I'll ask my fellow commissioners if they can be available on Thursday the 6th of July.

The reason we're going to go in early July, try to go that week, is that the VEA and the VTA are going to need a consideration of approval on a new incentive bonus plan, which will hopefully drive business to Virginia by bonusing horses that are resident here for whatever reason and whether they are being trained or boarded or bred, and that they're going to want to get that incentive plan approved by the Commission in time for the July 10th
yearling sales of the Kentucky Derby. So hopefully we can meet for that at the very least.

It sounds as if we'll be addressing a completed TVG model, and hopefully, we'll be talking about the planning process.

So I'll ask if July 6th meets with everybody's approval. If so, Dave, if you'll let us know where we're going to meet next time as soon as possible, we'll go with a ten o'clock start time in the morning on the 6th of July, which is a Thursday.

MR. LERMOND: We'll be back in our normal spot.

CHAIRMAN VAN CLIEF: Okay.

MR. LERMOND: Kim has already secured that.

CHAIRMAN VAN CLIEF: Any other business that any commissioner would like to bring before the meeting this morning? If not, we need a motion to adjourn.

VICE CHAIRMAN DAWSON: I so move.

CHAIRMAN VAN CLIEF: Thank you. I will second that. Any opposed? Thank you all very much for your attention this morning. We are adjourned.

NOTE: The hearing is adjourned at 11:17 a.m.
CERTIFICATE OF COURT REPORTER

I, Sandra G. Spinner, hereby certify that having first been duly sworn, I was the Court Reporter at the meeting of the Virginia Racing Commission at the time of the hearing herein.

Further, that to the best of my ability, the foregoing transcript is a true and accurate record of the proceedings herein.

Given under my hand this 11th day of June, 2017.

Sandra G. Spinner
SANDRA G. SPINNER
COURT REPORTER