VIRGINIA RACING COMMISSION
STATE CORPORATION COMMISSION
TYLER BUILDING
COURTROOM C
1300 EAST MAIN STREET
RICHMOND, VA 23219

Wednesday, October 2, 2019 at 10:00 a.m.

COMMISSION MEMBERS:
D.G. Van Clief, Jr., Chairman
Stuart Siegel, Vice Chairman
J. Sargeant Reynolds, Jr.
Stephanie B. Nixon

COMMISSION STAFF:
David S. Lermond, Jr., Executive Secretary
Kimberly C. Mackey, Business Manager

ATTORNEY GENERAL'S OFFICE:
Robert N. Drewry, Esquire

CAPITOL REPORTING, INC.
REGISTERED PROFESSIONAL REPORTERS
(804) 788-4917
1. Call to Order

2. Approval of the July 22nd meeting minutes

3. Public Comment Period

4. New Business
   a. Request for Final Amendments to 11VAC10-60-15 (Fee Schedule for Permit Holders)
   b. Request for Approval of Licenses for a Satellite Wagering Facility and to Conduct Pari-Mutuel Wagering on Historical Horse Racing at Rosie's - Hampton Submitted by the Colonial Downs Group, LLC
   c. Report from John Marshall on the Recently Concluded Thoroughbred Race Meeting at Colonial Downs

5. Commissioners' Comments

6. Closed Session (if necessary)

7. Adjournment
CHAIRMAN VAN CLIEF: Good morning, everybody. Ladies and Gentlemen, thank you for taking time out of your busy schedules to join us. With my fellow Commissioners, we welcome you to this morning's Virginia Racing Commission meeting. We don't have a long main agenda, although it's an important one.

I will make note of the fact at the top that we will adjourn and immediately reconvene, as we do have an appellate hearing to deal with this morning.

So I'll call the meeting to order and note in so doing that Commissioner Miller was not able to make it today, but there are four of us and we do have a quorum for the conduct of business.

Also as the last minute change of our customary Courtroom B to Courtroom C was an inconvenience, we apologize. There was a glitch with the AV system as I understand it and that's going to be an important part of the meeting today so we moved our venue to this room.

The first order of business is to consider approval of the minutes from our July 22nd Commission meeting. I have read those through. I don't see any need for changes, but I ask my
fellow commissioners if they would like to modify or suggest changes or corrections to those minutes.

COMMISSIONER REYNOLDS: No, sir.

CHAIRMAN VAN CLIEF: If not, we need a motion to approve.

COMMISSIONER REYNOLDS: So moved.

CHAIRMAN VAN CLIEF: Thank you.

COMMISSIONER SIEGEL: Second.

CHAIRMAN VAN CLIEF: Second. Thank you. Are there any opposed? The minutes are approved for the July 22nd VRC meeting.

At this point, we would like to take any public commentary that anybody would like to make with regards to the agenda or any topics about our industry and we will open the floor to those of you here. I would ask only two things; that you confine your comments to no longer than five minutes each and state your name for the record at the top of your comments.

Is there anybody that would like to be heard this morning with regards to our agenda or any other topic? Yes, sir.

MR. CHATFIELD TAYLOR: I'm Wayne Chatfield Taylor. If this is the time to offer input, then
I'd like to say that I wanted to thank everybody --

CHAIRMAN VAN CLIEF: Mr. Chatfield Taylor, if you'd like, you can come up to the podium. There's a microphone if you wish. You don't have to.

MR. CHATFIELD TAYLOR: My name is Wayne Chatfield Taylor from Morgans Ford Farm, Front Royal, Virginia. We are in our 40th year of business here and I just would like to say at the beginning of this we're here initially to do with running the races, but I would like to say how proud I am of how Virginia has brought racing back and that has been a collective effort of the horsemen and the state government and business members and breeders and everybody.

I think that the spirit of the Colonial Downs meet was so uplifting for everybody, and I heard that in Kentucky and I heard that in Maryland and I heard it in New York. So I think this is a great step forward and I think it has been one -- I couldn't believe how much of a cooperation and a willingness to solve any problem as they came up during this brief meet and I think we took a giant step forward.
In that spirit, I would like to say that I think that in the issue of the stakes race of August 10th, I think one of the things that tends to leave a little bit more of an aftertaste in something that was actually so without problem I think, and I think that Virginia did a wonderful job and I think that I applaud the stewards for the job they did and how they thought long and hard about how they had to do what they did and what they did affected us when we were moved from second to first.

With all that said, I want to thank all of Virginia for the race meet that we just finished.

CHAIRMAN VAN CLIEF: Thank you very much, Mr. Chatfield Taylor. I had the pleasure of knowing his wife, Susie, for longer than any of us would probably care to admit and I know he has occupied positions of leadership in our industry in Virginia for a long time and I much appreciate your positive comments and I dare say most of us agree with that wholeheartedly. Thank you.

Anybody else? If not, we'll press on to new business. The first order of business is a request for final amendments to Title 11 of the Virginia administrative code. I will ask
Mr. Lermond to step up and explain what staff has in mind and his recommendation.

MR. LERMOND: Thank you, Mr. Chairman. Staff is proposing amendments to our current VA fee schedule, which sits in 11VAC10-60-15. Our hope is that the Commission will decide to make all of the license fees for participants zero starting in the year 2020.

I wish I could say that I was the one that thought of this first, but the fact is the Maryland Racing Commission made the similar move three or four years ago. I talked to the executive director, Mike Hopkins. He said it was a great move for them.

It was very well received by the industry and I can't tell you how many times I've had Maryland horsemen say we love it in Virginia, but gosh, I wish the fees were free like they are in Maryland.

So but I see not just making everything free just to do it. I think there's a lot of good reasons why this would have a positive impact on Virginia.

First, I think it would provide an incentive for more horsemen to race in Virginia, which would in turn not only increase the pari-mutuel
wagering, but also the agricultural industry, in addition to tourism and that would be as a result of more horsemen staying here, staying in hotels, going to restaurants, buying feed, straw, farriers' expenses, vets.

Secondly, I think it would create a business-friendly atmosphere in Virginia so that Colonial Downs Group, it would make it easier for them to hire and recruit good employees, both full-time and I think especially the part-time people they hire for racing in the summer, it seems tough to have some college kid take a job for eight or nine weeks and have to pay a $25 license fee.

Lastly, this is not as important as the other two, but I think it's worth mentioning. The Virginia Gold Cup Association pays for all of the licenses for their employees. Dr. Allison, I'm sure he'll agree if you didn't have to do that, that would leave more money for the bottom line and more money to go back into the Great Meadow Foundation, which is the charitable organization that the races are put on for.

I think it's also important to note that license revenue has never been a big significant
source of revenue for the Commission. If you look at the last fiscal year, the total revenue of license fees was about 80,000 and 10,000 of that was license fees from applications like you're going to hear from today.

So we're really only talking about $70,000. That's two percent of the total revenue that we took in that fiscal year. With HHR coming on board, that number would drop to less than half of one percent.

The other thing is that I think it's going to save on labor costs from the staff. I can't tell you how many mornings we walked into Colonial Downs and Rhonda had a stack of applications that people had emailed in that forgot to send the payment along with it so we had to stop, call that person and get payment.

So it would eliminate that, make the whole process much faster, smoother, and I just think it's something little that's not going to affect us very much at all, but I think the benefits of it are going to far outweigh any little bit of revenue that we would give up.

We would also like to have this approved today so that when the employees from Colonial Downs
Group start to renew for 2020, we can start with
the zero license fees. I'm sure some of the
Commissioners probably would like to speak to this
and I'd like to hear any comments or questions we
have before I would ask for a motion.

CHAIRMAN VAN CLIEF: Thank you very much,
Mr. Lermond. I would invite questions or comments
from my fellow commissioners. Commissioner Nixon.

COMMISSIONER NIXON: I just think it's
something that's very positive and I'm sure that
all of the horsemen would be very appreciative of
something like this.

COMMISSIONER REYNOLDS: I think it absolutely
makes complete sense, so I would be in support of
it.

COMMISSIONER SIEGEL: I, too, would support
it.

CHAIRMAN VAN CLIEF: Yes. I appreciate, Dave,
the thought you put in to this. While it is a de
minimus piece of our revenues these days, I don't
want to understate the value of $80,000. Not too
long ago, that would have meant a little more than
maybe it does today. We're fortunate in that
regard. I'm glad you've given it a lot of
thought.
I do agree and I think perhaps as important as anything, it's a demonstration that Virginia's racing industry is indeed open for business. It helps to create another element in creating a business-friendly atmosphere that says we want horsemen and organizations to come here and take part in our sport and I think that will pay dividends I hope far beyond the dollars that we might get from license fees.

And lastly, you make the point which I think is a good one from our internal standpoint that actually, that savings in terms of your labor and man hours at the agency, so it will actually be a little less than an $80,000 expenditure for good reason. I, too, would support it.

Unless there are any further comments or questions, we need a motion to approve the request as set forth by our executive secretary.

COMMISSIONER SIEGEL: I move.

CHAIRMAN VAN CLIEF: Thank you.

COMMISSIONER NIXON: Second.

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

NOTE: The Commission votes aye.

CHAIRMAN VAN CLIEF: Any opposed? Thank you
very much. The request is approved and the motion passes unanimously.

Next up in terms of the ongoing expansion of our industry, Mr. Marshall, representing the Colonial Downs Group, LLC, is going to make comments with regards to the application that he and his team have submitted for licenses to operate a satellite wagering facility and also to conduct pari-mutuel wagering on historical horse racing at that facility which will be Rosie's in Hampton.

So, Mr. Marshall, if you want to take the floor, we welcome any comments you want to make. I've got a couple issues at the top I'd like to ask you to include in your remarks.

Number one. In going through your application, I note that the financial statements included our current, which is normal, not questioning that, but as of 12/31/18, a lot has gone on in nine months subsequent to that date and while I'm assuming that, if anything, your financials are even stronger than they were, and we approved a number of licenses based on those financials already, and that the corporation is still in very good standing and your financials
as strong or are stronger than they were. So I want to ask for confirmation of that since we're now in early October and those are nine months old.

The other issue I'd ask you to explain a little bit about is reading through your lease, I'm not sure I understand it fully. Everybody else up here probably does.

But if I understand it at all, you're leasing the ground in Hampton, yet you're building the building and will be owning that, I assume. Will you explain that in laymen's terms how that lease works and what it means for the future of the operation in the years to come? Thank you very much.

MR. MARSHALL: Thank you. Mr. Chairman, Commissioners, we can certainly cover that ground in our presentation today. With me today is our Executive Vice President of Administration, Jamie Hartman, who will get into some detail as to Chairman Van Clief's initial questions.

Also with me today is Stephanie Wisneski, who is transitioning from our compliance manager to general manager of Rosie's New Kent, and Mindy Townsend, who is our new compliance manager.
In between the two of them, they co-authored the application that's before you today. Also with me today is Curtis Marshall, our Vice President of security.

So to get things started, I'll ask Jamie to make a few comments on Chairman Van Clief's questions about the financial condition and lease.

MR. HARTMAN: Good morning, everyone. So your first question dealt with the financial stability of the company, and as you suspected, our financials are strong. We have no issues with meeting our debt service, meeting our interest payments.

In fact, our operating results have exceeded our expectations. So from that perspective, you should feel comfortable that the business is financially sound, that we are in a position to continually invest in the Commonwealth. We're excited about the future with what is in store for Colonial Downs from that perspective.

If there are any additional questions, sir, I am happy to answer, but rest assured we are in a good position.

CHAIRMAN VAN CLIEF: Thank you.

MR. HARTMAN: I wasn't actually involved with
the lease, but I'll do my very best to explain it. So it's a master ground lease. I see nothing in the lease summary that would indicate that we would own the building during the lease. I think all of these improvements will enure to the benefit of the landlord.

It is a ten-year lease. There is just an annual payment that is associated with it, which increases annually, so nothing exotic about the lease itself. Trying to think if there was anything else worth mentioning.

We are obviously responsible for maintaining the building and ensuring the safety of the guests and just really kind of putting forth a good experience for our customers with respect to maintaining the facilities. There's really nothing that exotic about this lease. It's just a similar ten-year lease.

COMMISSIONER SIEGEL: Is there an option after the ten years?

MR. HARTMAN: There is an option. I have to look for it. I just got this right before me.

COMMISSIONER SIEGEL: Usually on a land lease, the lease is quite a bit longer than ten years.

MR. HARTMAN: Yes. I don't know why the term
of ten years was selected. I think maybe it has
to do with the terms of our license.

COMMISSIONER SIEGEL: You made it an option to
be only ten years, but I wouldn't think you would
want to build a building at your expense for only
a ten-year lease.

MR. HARTMAN: No. I'm sure that isn't the
case. We would look to extend it at this location
for sure.

CHAIRMAN VAN CLIEF: Any questions?

COMMISSIONER REYNOLDS: I had the same
question. When I looked at the lease, it looked
like you had an option to go at least 20 years, if
I remember correctly, but that same question I
have. If it's only ten years, that's not very
long considering the amount of money you all are
going to put in to it.

MR. HARTMAN: So actually, there are two
renewal periods for five years each, so it's
an additional ten years. I can confirm that.

CHAIRMAN VAN CLIEF: Thank you for addressing
both of those issues.

MR. MARSHALL: Thank you, Jamie. So Rosie's
Hampton. The application before you is an
application to conduct pari-mutuel wagering
through historical horse racing terminals at the Hampton site. The first slide is a rendering of the front entrance of Hampton, and also included is a rear view of the facility that faces I-64. We'll have a marquee sign visible to passersby heading to Norfolk on 64.

To orientate you to where exactly the facility is, it's in a plaza that's known as the Power Plant Plaza. It's directly across from I-64 from the Coliseum District in Hampton, which has an abundance of modern retail in the Coliseum forum that many of you I'm sure are familiar with.

Providing an overhead view, you can see our facility. With respect to the new construction that Chairman Van Clief referenced, shaded in yellow is 24,000 square feet of an addition that we're adding on to the current plaza.

We'll be occupying the 15,581 square feet that exists that was formerly a NASCAR sports complex, entertainment complex. So together, we'll have nearly 40,000 square feet between the current and the new.

To the right of our facility is a retailer called Cold Stone Creamery that is connected to us. Next is a country western facility known as
PBR Bar, and beside PBR Bar is a recent development, a Guy Fieri pizza and taco eatery connected to the same plaza.

Further to the right to the top is a Bass Pro Shop retail center and to your far left, you can see a piece of the BJ wholesale retail, and further off the slide to the left is a Lowe's home improvement store.

So there's an aerial where you can see the leased premiss, the leased plaza. Our landlord is The Cornish Group. We have a shared parking situation; over 2000 shared parking spots there for customers.

When we enter Rosie's Hampton, you'll come through front doors and immediately to your right will be the players' club where we will maintain player accounts, issue player loyalty cards as we do at the three existing Rosie's.

To the right of that section will be our Rosie's gift shop that we are all familiar with by now. The shaded area is our restaurant, our bar and restaurant area. So we'll have a full-scale, upscale bar and restaurant as we do in existing Rosie's.

Connected to the historical horse racing
terminal floor is our full card simulcast theater. You can see in blue those are the screens of the TVs and some seating there in orange, and to the left and to the right flanking the theater will be our live mutuel tellers.

Across the top in the yellow section is our cage cashier operation. Moving onward right to left on the screen will be restrooms, and then in the upper left-hand corner is our smoking area where we'll have 229 HHR terminals. Below that, the smaller carve-out, will be 68 high-limit terminals, and within the main floor, we have 403 terminals for a total of 700.

Providing a snapshot of construction as of last Friday. Going left to right, you can see the outside façade of the main entrance. Coming inside, the condition of the players' club, which we are quickly moving through construction.

The upper right is the main floor, the bottom left an image of one of the teller stations. A frontal shot of our cage cashier, and the bottom right to the rear, you can see our marquee sign being assembled to go up to face I-64.

The current timeline from now through when we are aiming to open, of course today is our license
hearing and we have HHR terminals scheduled to begin arriving tomorrow. Our training is set up on the schedule to be this Friday on the 5th. New hire orientation is underway today and continues Thursday and Friday. We've hired 200 new associates to help operate Rosie's Hampton.

Onward down the list, you can see the schedule of equipment arriving. Shaded in green is our targeted TCO date, which is the date that we can occupy without hard hats and vests and other PPE. That's when we can begin to train the team and work within the facility.

Our ABC liquor license inspection and Health Department inspection, those inspections are tentatively scheduled for October 17th. Our AmTote installation date is the same day, October 17th, with more deliveries continuing the 18th. The 20th, we expect all of our terminals to be installed.

Game testing, surveillance testing and positioning ourselves to target a soft opening of October 26th, which is fluid until we understand the trajectory and the progress of the next three weeks. We're aiming for that soft opening on 10/26, which would result in our ribbon cutting
and opening of 10/29 if we're able to remain on schedule.

Are there any questions concerning our plans for Rosie's Hampton and the application before you?

CHAIRMAN VAN CLIEF: The application indicates that you're going to install 700 HHR machines. Is there any change to that? That is still a plan and you plan to have all 700 in at opening?

MR. MARSHALL: That's correct.

CHAIRMAN VAN CLIEF: Okay. Thank you. Does anybody have any questions of Mr. Marshall?

COMMISSIONER SIEGEL: I read it, obviously, and it looks to be in order. You hired most of your people and the training starts shortly?

MR. MARSHALL: Yes. We've hired all of our people. Supervisors and managers start today and the rest of the team starts tomorrow in orientation. Our security team started a week ago, full complement of security to do some advanced training. We like to have our security staff fully trained and on board upon the arrival of games, which is scheduled to be tomorrow. So we've had full security coverage going on two weeks now.
CHAIRMAN VAN CLIEF: Any other questions?

Under Tab Three in your books, you'll note a synopsis which Mr. Lermond put together, as well as the staff recommendation. I call on Mr. Lermond.

Dave, you want to give us a quick heads up in terms of your recommendation and a brief explanation as to what you see as salient points here?

MR. LERMOND: Sure. As always, Colonial Downs Group's application is thorough and well put together, just like the ones we've had submitted to us in the past. I think Mr. Marshall has done a great job of giving you the specifics of the facility and I won't go over that again.

I will say that one of the things that we do is there are a bunch of standard operating procedures and things that all Rosie's tend to try to be the same with, but each facility is a little bit different so there are some minor changes to some of those SOPs and we require and they have already submitted those specific SOPs for this site. I think we got those from Mindy on Monday, which is within 30 days as they promised.

Our compliance specialist, Mr. Rudisill, is
busy at home right now going over them. We are going to go down there the 16th and 17th to license the remainder of the employees that have not started that need to be licensed. Mr. Rudisill will be accompanying us and also do a brief inspection of what we see at that point.

As you can tell by the timeline, they just got the occupancy, so I'm sure there will be a lot going on. Then we'll bring Mr. Rudisill back towards the soft openings and we'll be there for all of the Mach 4 and eight-hour sessions right up until the opening.

Based on everything I've seen from CBG already, I don't have any issues or foresee any problems with this site or this application. I would recommend approval and just ask that you include the two normal conditions to the approval of the license.

CHAIRMAN VAN CLIEF: Dave, one question, just to make sure I'm clear on what you're saying. On Page Three at the bottom of your recommendation, you state: Overall, Mr. Rudisill was satisfied with the plan, however, there are some areas that need to be more detailed such as internal controls and SOPs.
Are you telling us this morning that those gaps in the information have now been filled with the submission from Colonial Downs Group?

MR. LERMOND: That's correct. Yes, sir.


As usual, his recommendation includes a pair of conditions. I think they're pretty much the same in all of our license applications and permission is granted as usual. I will read these into the record and ask that they are part and parcel of any motion that we make here regarding the application.

The conditions recommended by staff are, number one, it reads as follows: The satellite wagering facility and pari-mutuel wagering on historical horse racing shall be operated in accordance with all representations, plans and specifications as submitted in the application and as described at the Virginia Racing Commission's October 2nd, 2019 meeting, and the license shall not deviate materially from these representations, plans and specifications without the prior consent of the Commission or its
executive secretary.

Condition Number Two reads as follows: The satellite wagering facility and pari-mutuel wagering on historical horse racing shall be operated in accordance with all applicable state and federal statutes and regulations, the regulations of the Commission and all local ordinances.

So we will include that in any motion. Are there any other questions or comments that my fellow Commissioners would like to make? If not, then --

MR. LERMOND: Mr. Chairman?

CHAIRMAN VAN CLIEF: Yes.

MR. LERMOND: As an order of procedural -- this really involves two separate licenses; one for the satellite wagering facility and one for the license to operate the HHR terminals. I think with the Richmond application, we made that two separate motions. Just a suggestion.

CHAIRMAN VAN CLIEF: At counsel's direction, is it preferrable that we consider this in two motions or a single motion combining both licenses?

MR. DREWERY: We did it in two the last time.
CHAIRMAN VAN CLIEF: Okay. If we did it in two last time, we'll remain consistent with that practice. I would ask first of all for a motion to approve the Colonial Downs Group, LLC application to license a satellite wagering facility operation.

COMMISSIONER NIXON: Motion.

COMMISSIONER SIEGEL: Second.

CHAIRMAN VAN CLIEF: We have a motion and a second. Is there any discussion? If not, please signify your approval by voting aye.

NOTE: The Commission votes aye.

CHAIRMAN VAN CLIEF: Any opposed? Okay. That passes unanimously and that license is granted.

The second motion would be to approve the Colonial Downs Group, LLC application to conduct at that site pari-mutuel wagering on historical horse racing. Do we have such a motion?

COMMISSIONER REYNOLDS: So moved.

CHAIRMAN VAN CLIEF: Commissioner Reynolds.

COMMISSIONER SIEGEL: Second.

CHAIRMAN VAN CLIEF: We have a motion and a second. Any further discussion? If not, please signify your approval by voting aye.

NOTE: The Commission votes aye.
CHAIRMAN VAN CLIEF: Any opposed? The motion passes unanimously. We're delighted to grant those licenses and thank you very much, Mr. Marshall.

MR. MARSHALL: Thank you.

CHAIRMAN VAN CLIEF: Okay. Before we go to Commissioner comments, we've asked Mr. Marshall to give us a wrap-up on what by all appearances and every account I've heard was a very, very successful race meet.

MR. MARSHALL: Thank you, Mr. Chairman. I'm very happy to stand in for Jill Byrne, who is actually in Lexington today doing some follow-up work and laying some groundwork for 2020 with some of our industry constituents.

So it is with great pleasure to be able to formally on the record thank our horsemen, our racing officials, our veterinarians, this Commission and the State of Virginia for supporting Colonial Downs Group in its inaugural race meet at Colonial Downs. We built it as a revival of Thoroughbred racing in Virginia and we feel like we have succeeded in this revival.

To recap some highlights, over 36,000 people attended races over 15 days, with 6,000 country
music fans attending the Old Dominion concert on September 1st.

Colonial Downs broadcasted in high definition to more than 900 outlets across North America, including the homes of 15 million TVG network subscribers. I noticed locally on Xfinity that TVG turned on the broadcast to those cable subscribers who had not bought up to the level of TVG coverage, which is a great extension of good will by TVG to make that possible within the local network.

Total amount wagered on the races over 15 days was $17.5 million, an 18 percent increase over 2013, with 2013 having more race days as well.

Fifteen percent of those wagers were placed in Virginia, while 85 percent placed outside the state.

Participants in the live race meet competed for $7.6 million in purses, a 55 percent increase over 2013 in total, again with more race days in 2013.

The daily average purses were $507,000, against an advertised payment of $500,000. So we were very close.

We had 87 unique jockeys traveling to Virginia
for mounts with trainers coming from 17 different states as far as way as California, Florida, Louisiana, Maryland, Kentucky, New York and Minnesota. It's worth noting that 17 percent of our entries shipped from Maryland to Colonial Downs.

One hundred forty-four Thoroughbred races ran with 1,229 starters averaging more than eight horses per race. Our proudest accomplishment in our first year was installing new, modern safety and integrity protocols resulting in zero racing or training fatalities throughout the race meet.

So a lot of appreciation and recognition goes to Jill Byrne, our VP of racing operations, Allison DeLuca, our racing secretary, and Ken Brown, who is our director of Track Services.

Ken will be continuing on with us during the off season through an off-season consultancy until his in-season arrangement kicks in in April, and that's meant to continue the top maintenance and care over the turf course and the dirt course that is brand new. We want to maintain it properly so we can continue our stellar record in safety and integrity.

We'll also be applying for the NTRA Safety and
Integrity accreditation in the off season, which is one of the meetings that Jill had arranged for today, which is why she is unable to be here with us. She will be meeting with Keith Chamberlain and other members of the NTRA to petition us for an application.

I did take the time to capture the top five performances in 2019 with live racing and I'd like to take you through it. Number five, the Old Dominion concert on September 1st. Old Dominion was a 2019 ACM Group of the Year, 2018 CMA Vocal Group of the Year and 2018 CMA country music New Album of the Year.

We attracted 6,000 country music fans, put on a world class performance and have heard nothing but positive reviews.

Number four, the Camptown Stakes. Kent Desormeaux joined Vladimir Cerin to ship this Virginia-bred California shipper who started at Del Mar. Holly Hundy, owned by Holly and David Wilson, captured the Camptown Stakes on our closing day, which was filled with Virginia-bred races and probably our highest attended day of the year up against Virginia Derby day.

Number three, the Exacta system's Rosie's
Stakes, which was new to the program this year. A two-year-old first time starter, Four Wheel Drive, drove to the finish line underneath Jorge Vargas, trained by Wesley Ward to a new track record of a five-and-a-half furlong race.

The American Pharaoh colt is positioned to make a Breeders Cup juvenile performance and owners are hopeful that he makes it there. I do not believe this is the last we'll be hearing about Four Wheel Drive.

Number Two, the Fasig-Tipton Virginia Oaks. Carnival Colors, owned by Godolphin, captured the title, trained by Mike Stidham, one of our co-leading trainers of the meet, and jockey, Forest Boyce.

Our number one top performance of 2019 is the New Kent County Virginia Derby, captured by English Bee, owned by Calumet Farm, trained by Graham Motion, also our co-leading trainer of the meet, underneath Jorge Vargas, the trophy presented by Governor Ralph and First Lady Pamela Northam and representatives from New Kent County.

So there's a brief wrap-up of the racing revival at Colonial Downs in 2019. Open to questions, comments or any wrap-up conversation.
The team is ready to turn the page towards 2020, as our planning has already begun.

CHAIRMAN VAN CLIEF: Great. Thank you very much. I think that will take -- are there any questions for Mr. Marshall on this agenda? That takes us right into Commissioners' comments. Probably most of us will talk about what you're talking about as well.

I will start to my left with --

MR. LERMOND: Mr. Chairman.

CHAIRMAN VAN CLIEF: Yes.

MR. LERMOND: I believe some representatives of the VEA wanted to piggy back onto Mr. Marshall's report, if you want to.

CHAIRMAN VAN CLIEF: Thank you for that reminder. Why don't I just open the floor again and start with the VEA and if there are other members of our industry that would like to make comments, I think it's an historical race week and we are experiencing both in Standardbred and Thoroughbred worlds, nothing less than a Renaissance here. It's great to be part of this.

So I'll open the floor to any comment on Mr. Marshall's report or operations of the race meet and bring it back to the Commission.
MS. EASTER: Thank you, Mr. Chairman. Before I get off on my prepared statements, I think it's exciting your top five moments because just traveling here, I think two or three of those horses are lined up this weekend for stakes and year end Breeders Cup possibilities and we could have some exciting -- as you know for all of us, if these horses go on and do well nationally, that only puts Colonial Downs on the map further, so I think it's very exciting to see the types of horses and the types of owners that we got to win races and ship in here to Virginia.

That leads me right into my comments that I have, which are since the meet, I've been on a whirlwind Kentucky, Maryland, New York around visiting. I can say that I've heard anything but positive, very, very positive statements about Colonial and its meet and especially the track; both the turf surface and the dirt surface and people couldn't be happier about what has been going on in Colonial.

It's really sometimes hard to have feel good stories in the horse industry and I think it's probably the feel good story of 2019 for the horse
industry nationally.

I want to especially thank the Colonial Downs management for -- as Wayne took some words out of my mouth, I think it was a good team effort between horsemen, government and the people that came in and purchased Colonial Downs and really made us proud and gave us a place to run our horses again.

I really think I'm going to pick out one person here and I think John Marshall deserves a lot of credit for what's going on here. He had the foresight to hire people such as Jill Byrne, Allison DeLuca, Ken Brown, some of the people that you've talked about which I think in return gave us credibility there and they know their jobs and they know how to do it well and they were all working their tail off the whole meet to make things really happen very positively here in Virginia.

I also think I'm not as familiar with all of the people that run the Rosie's that we have open, but they're outperforming what we thought they would do and there are some -- you know, we have a whole Colonial management, but here is the guy in charge of it that ought to get a lot of credit for
it.

I think that going forward, we're just really happy and really looking forward to -- very happy to hear that Ken Brown is staying on because I think that the safety and what you've done with the courses is spectacular at Colonial and improving that going forward for next year is just smart business.

I think we all at the VEA, horsemen and the Commission, are just looking very forward to -- while it was an exquisite meet, nothing is ever perfect and we're all looking forward to having some input on what we can do to improve it and we are just very happy that you all -- we're partners with good folks that want to put on a good show and looking to the improvements and making it even better for 2020.

CHAIRMAN VAN CLIEF: Thank you very much. Would anybody else like to comment?

DR. ALLISON: Yes. Gold Cup wants to thank you, Colonial Downs, for including two jump races every week. This has made the steeplechase community very happy and I hope that continues.

CHAIRMAN VAN CLIEF: Thank you. Anybody else?

MR. PETRAMALO: Yes.
CHAIRMAN VAN CLIEF: Mr. Petramalo.

MR. PETRAMALO: Yes. Thank you. On behalf of the HBPA and its owner and trainer members, I'd like to join in Debbie's comments. After having spent every single race day of the meet on the back side with owners and trainers, I can say without hesitation that they were pleased with the meet, they were pleased with the conditions of the track for both training and racing.

In parting, the only sentiment was, gee, we'd like to race more next year. I think hopefully we'll be able to build on this year's success and have an extended meet next year.

CHAIRMAN VAN CLIEF: Thank you.

MS. EASTER: The great thing is we have a year to fix the problems that we have going forward so it's very positive.

UNIDENTIFIED SPEAKER: Mr. Chairman, could I say one thing?

CHAIRMAN VAN CLIEF: Yes. Of course.

UNIDENTIFIED SPEAKER: I serve in a number of roles within the state as well as the Racing Commission. I work part-time for the Racing Commission as a veterinarian and worked for Dr. Harden for a number of years.
I think with all the accolades being spread around the able this morning, something that shouldn't go unnoted is that Dr. Ada Caruthers, she had some very large shoes to fill in taking over that very well-tenured position that Dr. Harden had made.

Between the revamping of the test barn and the hiring of staff and the conduct and competency of the operation in general, I think some accolades need to go her way, too.

CHAIRMAN VAN CLIEF: Great. Given the emphasis that the entire industry is putting on safety of our athletes and the condition of our courses, that's particularly relevant. Thank you.

MS. EASTER: One more. Also, kudos to Dave and his staff, because I also heard the licensing process, it was little bit of angst prior to the meet about the licensing process and they made it very easy and efficient and people were very appreciative of that.

CHAIRMAN VAN CLIEF: Okay. Thank you. Then we'll take this to Commissioners' comments and I'll start with Commissioner Nixon.

COMMISSIONER NIXON: I spent quite a bit of time down there as well and same thing. Just the
back side and the front side was run very well. The staff they hired was excellent, especially the paddock judge. Some of the 12 and 14 horse fields, just everything seemed to run very smoothly so I was very impressed and looking forward to 2020.

CHAIRMAN VAN CLIEF: Thank you. Mr. Reynolds.

COMMISSIONER REYNOLDS: I just want to congratulate you all on a great meet. There was one problem area that I saw as I went down there one of many nights. One thing you all couldn't control was the weather. So we got down there, didn't get to see one race, but still ran up quite a bar bill and you all did a great job.

But seriously, congratulations on a great meet. I'm going to head up to Woodstock on Friday and go see Standardbreds and look forward to enjoying my time with them Friday. Thank you.

CHAIRMAN VAN CLIEF: Commissioner Siegel.

COMMISSIONER SIEGEL: I would just echo what has been said and don't want to repeat myself, but I, too, found everyone at the racetrack and all the horsemen and people in Colonial Downs to be very hospitable to everyone.

I think in talking to friends and others that
went out there and had an experience, it was all
very positive. I just didn't hear anything
negative at all and I will echo what Mr. Petramalo
said. We're just looking forward to bigger and
better next year.

CHAIRMAN VAN CLIEF: Thank you very much. I
would echo my fellow Commissioners' comments and
note that our sport, our industry, always works
best when it's working as a partnership between
racetrack ownership, the horsemen and state
government and I'd like to think that what's going
on in Virginia may be the best example of how that
should work that you can find in this country
right now.

It's very exciting to be part of it and it's
impossible not to be pleased by what has been
achieved.

Since we're talking about the race meet,
again, I tip my hat to Colonial Downs Group. It
takes the right motivation and the right kind of
vision and the right kind of people to make things
happen as well as you have.

So John, thank you to you and your team for
doing a great job and we look forward as Debbie
Easter points out to staying in the traces and
getting to work in 2020. So thank you very much.

MR. MARSHALL: You're all very welcome and it is our honor and our pleasure to operate and be good stewards of this race meet in Virginia. Thank you.

CHAIRMAN VAN CLIEF: Thank you.

MS. NIXON: I have a comment.

CHAIRMAN VAN CLIEF: Yes, Commissioner Nixon.

COMMISSIONER NIXON: I forgot to mention I was up in Shenandoah last weekend for the trotter meet and thoroughly enjoyed myself. I wanted to say thank you to Deborah for the hospitality. I got to ride in the gate car and actually got to ride in a race with Mr. Lermond and Mr. Hannum.

The only thing is I'd like to claim an objection on Mr. Lermond because I feel like, you know, he might have -- a little concerning on the way he rode that race.

So but no. It was fantastic. I thought Dr. Caruthers' staff did a great job and just a beautiful, beautiful facility up there. If none of you has ever been there, they need to go check it out. It's just gorgeous.

CHAIRMAN VAN CLIEF: Great. When you think about it, this industry not very long ago was
absolutely flat on its back. We now have a lovely
Standardbred facility in Shenandoah and a
Renaissance in Colonial Downs back online better
than ever, so congratulations to all of you.
Thank you.

I do not think we need a closed session, at
least in this portion of our meeting, so we will
bypass that agenda item.

I do need a motion to adjourn this meeting.
Please keep in mind that then we're going to
immediately reconvene for the purpose of our
appellate hearing. So do we have a motion to
adjourn?

COMMISSIONER SIEGEL: So moved.
CHAIRMAN VAN CLIEF: Second?
COMMISSIONER REYNOLDS: Second.
CHAIRMAN VAN CLIEF: Any opposed? All right.

This meeting is adjourned.

Those of who would like to stay may. The
appellate process is also open to the public, but
for those of you who've got schedules to meet, you
can feel free to take off as you need to. Thank
you very much.

NOTE: This meeting of the Virginia
Racing Commission is adjourned at 10:52 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 30th day of December, 2019.

__________________________
Sandra G. Spinner
Court Reporter