



a California joint powers agency

1776 Tribute Road, Suite 205
Sacramento, CA 95815
Office: 916.927.7223 Fax: 916.263.3341
www.calairs.com

AGENDA
CALIFORNIA AUTHORITY OF RACING FAIRS
BOARD OF DIRECTORS MEETING
JOHN ALKIRE, CHAIR
12:30 P.M., TUESDAY, FEBRUARY 3, 2009
VIA TELECONFERENCE

Notice is hereby given that a meeting of the California Authority of Racing Fairs' Board of Directors will commence at 12:30 P.M., Tuesday, February 3, 2009. The meeting will be held at the CARF Conference Room located at 1776 Tribute Road, Sacramento, California 95815. Directors may participate by teleconference.

AGENDA

- I. Determination of Date, Time, and Location of Next Meeting.
- II. Approval of Minutes.
- III. Discussion and action, if any, on Legislative Matters.
- IV. Informational Update on Discussions Regarding Night Harness Racing in Northern California.
- V. Discussion and action, if any, on a Survey of Fair Satellite Wagering Facilities.
- VI. Discussion and action, if any, on Prospective New Satellite Wagering Facilities.
- VII. Follow-up on Discussions and Presentations at Western Fairs Conference.
- VIII. Financials.
- IX. Executive Director's Report.

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CALIFORNIA AUTHORITY OF RACING FAIRS
BOARD OF DIRECTORS MEETING
JOHN ALKIRE, CHAIR
12:30 P.M., TUESDAY, FEBRUARY 3, 2009
VIA TELECONFERENCE**

Notice is hereby given that a teleconference meeting of the California Authority of Racing Fairs' Board of Directors will commence at 12:30 P.M., Tuesday, February 3, 2009. The meeting will be held at the CARF Conference Room located at 1776 Tribute Road, Sacramento, California 95815.

The Public and members of the California Authority of Racing Fairs Board of Directors may participate from the following locations:

Alameda County Fair
4501 Pleasanton Ave.
Pleasanton, CA 94566

The Big Fresno Fair
1121 S. Chance Avenue
Fresno, CA 93702

Monterey County Fair
2004 Fairground Road
Monterey, CA 93940

Antelope Valley Fair
2551 W. Avenue H
Lancaster, CA 93536

California State Fair
1600 Exposition Blvd.
Sacramento, CA 95815

Southern California Fair
18700 Lake Perris Dr.
Perris, CA 92570

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CALIFORNIA AUTHORITY OF RACING FAIRS

Board of Directors

Monday, October 6, 2008

Minutes

A meeting of the California Authority of Racing Fairs Board of Directors was held at 12:00 P.M., Monday, October 6, 2008. The teleconference meeting was conducted at the CARF Conference Room located at 1776 Tribute Road, Sacramento, California 95815.

Board of Director Members attending: Joe Barkett, Rick Pickering and Forrest White. Joining by conference call: Dan Jacobs, John Alkire, Stuart Titus and Kelly Baldwin.

Staff and Guests attending: Christopher Korby, Larry Swartzlander, Heather Haviland, Rick Wood, Debbie Cook, Tawny Tesconi, Chris Carpenter, Norb Bartosik, Richard Lewis, Kate Phariss and Margot Wilson. Joining by conference call: Linda Jenkins, Scott Grieve and Tom "Bomber" Doutrich.

Agenda Item I – Determination of Date, Time, and Location of Next Meeting. The next CARF Board & Live Racing Committee meetings are tentatively scheduled for 6:00 p.m. on Tuesday, November 11, 2008 in Sacramento.

Agenda Item II – Discussion and action, if any, on Racing Dates for 2009 and Beyond. [Discussion of this Agenda item pended to take place during the Live Racing Committee meeting.]

Agenda Item III – Report and Discussion Regarding 2008 and 2009 Legislative Session. Mr. Korby reported on the passage of AB 2258 (Evans) which clarified language in the Business & Professions Code, Section 19616.51, which more precisely describes the \$40 million guarantee as it pertains to license fees in 2008; this bill made it a simpler and clearer task for the CHRB to collect those monies from racing associations. AB 2258 was an urgency bill which went into effect immediately. The CHRB has actually taken this in a broader context and is now considering asking for license fees from prior years; that concept is currently under discussion. The group discussed the impact of this bill on Racing Fairs. The consensus was that AB 2258 was good for Fairs, generally, and there was a need to get the license fees up to the level that they once were. Mr. Korby noted that he was informed that the CHRB was preparing invoices to go out soon. Mr. Pickering made a motion to direct Mr. Korby to coordinate with F&E and WFA regarding a collective position of recommendation to the CHRB. Mr. White seconded, unanimously approved.

Mr. Korby submitted two items for Board consideration as part of the CARF legislative program for 2009. The first item was with regards to location fee commissions that are paid to satellites. A number of fair satellites are struggling financially due to variety of impacts on their business including declining horseracing attendance and handle, the impact of tribal casinos, the state of the economy and rising expenses, to such an extent that they are considering whether or not they should stay in business. Mr. Korby recommended that the Board support legislation that would increase

the commission paid to satellites; it would mean an immediate injection of new revenue into the business model. If this is not done, the risk is that some of the smaller satellites will be forced to close their operation. Mr. Korby suggested raising the commission to 3%. The group discussed the development of business models for mini-satellites. Mr. Pickering made a motion to direct Mr. Korby to draft legislative language, working with Mr. Louie Brown and Mr. George Soares, regarding an increase in take-out for satellites, and bring that back to the Board for approval as to how they will move forward. Mr. Jacobs seconded, unanimously approved.

The second item Mr. Korby offered for consideration by the Board is the reactivation of legislation that came forward late in the session last year, which allowed for an additional take-out from exotic wagers to be used for capital improvements at Fair race tracks. Mr. Korby recommended that this be considered for Northern California only and that the additional take-out be dedicated for infrastructure improvements at Fair racing facilities. The additional take-out would supersede or supplant the existing 1% that applies only to Fairs. This would apply to all exotic wagers, year-round, anywhere in Northern California. Mr. Korby suggested that decision-making control remain in Northern California for monies generated in Northern California a Fair JPA, because, for the purposes of public bonding, it's necessary that the money flow through a public entity. There are advantages to both in either declaring a specific entity in statue, as was done before, or be more generic and just specify that it be a public entity. Mr. Pickering made the motion for CARF to pursue legislation for an increase in Northern California exotic take-out designated for the purpose of funding facility improvements at Fair-owned racing facilities. Mr. White seconded, unanimously approved.

Agenda Item IV – Executive Director's Report. Mr. Korby introduced Rick Wood from CFSA to give an update on financial reports that are going to Fairs & Expositions. Mr. Wood reported that he met with F&E – Bruce Lim and Mike Treacy – a couple of months ago, following up on their request for information on CARF financial statements. A historical analysis, going all the way back to 2000, was done showing all monies received into the CARF fund and where that money had been expended. Mr. Wood reported that he spent a considerable amount of time with Mr. Lim, going through the records and after all was said and done Mr. Lim responded that he was satisfied with what he had seen and that F&E liked the format it was presented in. Mr. Jacobs asked Mr. Wood if there was a way to add another column titled "Year-to-Date" in the financial report in order to compare year-to-date with the previous year. Mr. Wood responded that it would be very easy to do. Mr. Jacobs requested that "Finance" be placed as an agenda item every month. Mr. Barkett responded that he didn't have a problem with that and that it was pretty standard for boards to have some sort of financial reporting every month. Mr. Wood responded that it would be simple to provide financial statements on a monthly basis with the caveat that some of the information is not received except on a quarterly basis, some examples being investment figures and racing numbers that don't show up until after the race dates.

Mr. Pickering thanked Mr. Wood, Mr. Jacobs, Mr. Alkire and others who participated in a series of meetings in the last year with F&E staff to review expenditures over the past years. Mr. Pickering continued by saying the new Expenditure Plan that has been put forward definitely includes funding for Racing Fairs, satellite wagering and

CARF at necessary levels and that speaks volumes to F&E's level of comfort with CARF. Mr. Barkett agreed that the Finance Committee has done a lot of work this year and very good work too.

Mr. Korby informed the Board regarding an orientation for CARF members and other Fairs who wish to learn more about horse racing. A presentation will be given at the upcoming WFA conference and Mr. Korby would like to see that become an ongoing continuing education program and hoped that Ms. Baldwin would dedicate some of her time and energy to working with CARF Staff on that. On that note, Ms. Baldwin said she spoke with Ann at Senator Vincent's office and they would be sending her the PowerPoint presentation later in the week. Mr. Korby said he looked forward to seeing that presentation.

Norb Bartosik, Chris Carpenter and Kate Phariss joined the meeting at 12:50 P.M.

Mr. Korby provided an up-date regarding an email he sent to the Board and Live Racing Fair members. Mr. Korby was honored to be asked to sit on a CDFA Equine Advisory Task Force which has been put together in response to testimony presented to the State Board of Food & Agriculture in August 2007. That Board has decided that the equine agricultural sector is significant enough that they wanted to put a task force together to give them some recommendations on if, and if so, how that part of California's agricultural economy be brought into the fold, so to speak, with CDFA. Mr. Korby said that he would keep the Board posted on how that transpires. The first meeting of the Equine Advisory Task Force is scheduled for November 10th.

At approximately 12:55 p.m., a five minute intermission was taken by the Board.

After a brief intermission, the Board meeting resumed. Mr. Jacobs made a request for the Board, on the next Agenda, to discuss if and when the next Satellite Conference was taking place. Mr. Jacobs also requested another item placed on the next Agenda regarding Board elections to confirm the schedule for elections and make sure that by-laws are followed. Mr. Korby and Mr. Barkett assured Mr. Jacobs that that issue would be on the Agenda.

Mr. Jacobs commented that, for anyone who saw Dave Elliott's letter, he himself was disappointed in the tone of that letter. Not being directly involved in the racing dates as his facility doesn't have live racing, Mr. Jacobs had nothing to say, no arguments either way on the subject, but he felt that it was strange for CalExpo, which has not been a member of CARF for several years, to say how CARF needs to be prudent. Mr. Jacobs continued by saying that people and organizations should not complain from the side lines; they have to be a member. Because so many agendas are going on and different points of view that are self-serving, Mr. Jacobs recommended that CARF discussions about racing dates consider how they affect satellites.

In light of all the race dates, Mr. White asked Mr. Jacobs what was happening with his fair and the Pomona Fair expansion. Mr. Jacobs responded that they are planning to go to their Board this month with two options.

At 12:59 p.m. the meeting segued into a concurrent meeting of the Live Racing Committee.

Respectfully submitted,

Margot Wilson

PROPOSED LEGISLATION

INCREASE SATELLITE WAGERING COMMISSION FROM 2% TO 3%

BACKGROUND

The California Fairs' satellite wagering network was created by a series of legislative actions in the mid- to late-1980's. The purpose for its creation was three-fold: 1) increase horse-racing license fee revenue to the state; 2) create new revenues and growth for the horse racing industry; and, 3) create a new revenue source to support local Fairs through commissions paid on Fair satellite wagering facility operations.

In the intervening years, several factors have combined to negatively impact attendance and revenues at Fair satellite facilities. First of all, *tribal gaming* has grown explosively from virtual non-existence in the 1980's to a multi-billion dollar activity that now rivals gaming in Nevada. Tribal gaming has had a significant negative impact particularly on smaller Fair satellite facilities in more rural markets, where most tribal casinos are located. Secondly, *advanced deposit wagering* (on-line betting on horse races) has eroded attendance at Fair brick-and-mortar satellites; patrons no longer must attend a satellite facility or race track to make a wager on a horse race. Thirdly, *recent declines in the economy* have contributed to a further downturn in the level of business at Fair satellites. The combination of these factors has negatively impacted revenues at all Fair satellite facilities and has driven a number of smaller facilities to the brink of closure.

Fairs facing the decision to close or reduce operations at their satellite facilities include Fairs in Anderson, Eureka, Lake Perris, Santa Maria, Santa Barbara, Tulare and Victorville. Even after initiating cost cutting steps, Fairs in Santa Barbara, Santa Maria, Tulare and Victorville have decided to close night operations. This has impacted jobs at those facilities along with revenues to Fairs, to the state and to racing associations which conduct harness racing at Cal Expo and quarter horse racing at Los Alamitos. Horse owners, trainers and employees at the racing associations will also be impacted by these closures unless we can reverse this trend.

We have worked with each of the Fairs noted above in an effort to reduce operating costs in order to maintain operations. Several Fairs, notably those at Eureka and Santa Barbara, have agreed to continue operating at or near break-even in the hope that our legislative efforts to increase revenues will be successful and they will be able to stay open in the future. If our effort to increase commissions is not successful, they will be forced to close down operations.

Horse racing represents a \$3 billion component of California's agricultural economy. It employs over 20,000 Californians. Agricultural land dedicated to horse breeding activities helps keep California green. Parimutuel wagering on horse racing is the engine that pulls this economic train. We need this adjustment to our business model to help keep this economic sector strong.

DRAFT FOR INTERNAL USE ONLY

Two Percent Satellite Commission Raised to Three Percent

NOTE: This language adjusts the commission paid to satellite wagering facilities (also know as "location fees") from two percent to three percent, both for traditional totalisator wagers and for ADW wagers. It deletes the language that maintains the same take-out off-track and on-track.

19605.7. The total percentage deducted from wagers at satellite wagering facilities in the northern zone shall be distributed as set forth in this section. Amounts deducted under this section shall be distributed as follows:

(a) For thoroughbred meetings, 1.3 percent of the amount handled by the satellite wagering facility on conventional and exotic wagers shall be distributed to the racing association for payment to the state as a license fee, 3 percent shall be distributed to the satellite wagering facility as a commission for the right to do business, as a franchise, and this commission is not for the use of any real property, 2.5 percent or the amount of actual operating expenses, as determined by the board, whichever is less, shall be distributed to an organization described in Section 19608.2, and 0.54 percent shall be deposited with the official registering agency pursuant to subdivision (a) of Section 19617.2 and shall thereafter be distributed in accordance with subdivisions (b), (c) and (d) of Section 19617.2, and 0.033 percent distributed to the Center for Equine Health and 0.067 percent distributed to the California Animal Health and Food Safety Laboratory, School of Veterinary Medicine, University of California at Davis. It is the intent of the Legislature that the 0.033 percent of funds distributed to the Center for Equine Health shall supplement, and not supplant, other funding sources.

(b) For harness, quarter horse, Appaloosa, Arabian, or mixed breed meetings, 0.4 percent of the amount handled by the satellite wagering facility on conventional and exotic wagers shall be distributed to the racing association for payment to the state as a license fee, for fair meetings, 1 percent of the amount handled by the satellite wagering facility on conventional and exotic wagers shall be distributed to the fair association for payment to the state as a license fee, 3 percent shall be distributed to the satellite wagering facility as a commission for the right to do business, as a franchise, and this commission is not for the use of any real property, and 6 percent of the amount handled by the satellite wagering facility or the amount of actual operating expenses, as determined by the board, whichever is less, shall be distributed to an organization described in Section 19608.2. In addition, in the case of quarter horses, 0.4 percent shall be deposited with the

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official registering agency pursuant to subdivision (b) of Section 19617.7 and shall thereafter be distributed in accordance with subdivisions (c), (d), and (e) of Section 19617.7; in the case of Appaloosas, 0.4 percent shall be deposited with the official registering agency pursuant to subdivision (b) of Section 19617.9 and shall thereafter be distributed in accordance with subdivisions (c), (d), and (e) of Section 19617.9; in the case of Arabians, 0.4 percent shall be held by the association to be deposited with the official registering agency pursuant to Section 19617.8, and shall thereafter be distributed in accordance with Section 19617.8; in the case of standardbreds, 0.4 percent shall be distributed for the California Standardbred Sires Stakes Program pursuant to Section 19619; in the case of thoroughbreds, 0.48 percent shall be deposited with the official registering agency pursuant to subdivision (a) of Section 19617.2 and shall thereafter be distributed in accordance with subdivisions (b), (c), and (d) of Section 19617.2; and 0.033 percent shall be distributed to the Center for Equine Health and 0.067 percent shall be distributed to the California Animal Health and Food Safety Laboratory, School of Veterinary Medicine, University of California at Davis. It is the intent of the Legislature that the 0.033 percent of funds distributed to the Center for Equine Health shall supplement, and not supplant, other funding sources.

(c) In addition to the distributions specified in subdivision (a) and (b), for mixed breed meetings, 1 percent of the total amount handled by each satellite wagering facility shall be distributed to an organization described in Section 19608.2 for promotion of the program at satellite wagering facilities. For harness meetings, 0.5 percent of the total amount handled by each satellite wagering facility shall be distributed to an organization described in Section 19608.2 for the promotion of the program at satellite wagering facilities, and 0.5 percent of the total amount handled by each satellite wagering facility shall be distributed according to a written agreement for each race meeting between the licensed racing association and the organization representing the horsemen participating in the meeting. For quarter horse meetings 0.5 percent of the total amount handled by satellite wagering facility on races run in California shall be distributed to an organization described in Section 19608.2 for the promotion of the program at satellite wagering facilities, 0.5 percent of the total amount handled by each satellite wagering facility on out-of-state and out-of-country imported races shall be distributed to the official quarter horse registering agency for the purposes of Section 19617.75, and 0.5 percent of the total amount handled by each satellite wagering facility on all races shall be distributed according to a written agreement for each race meeting between the licensed racing association and the organization representing the horseman participating in the meeting.

(d) Additionally, for thoroughbred, harness, quarter horse, mixed breed, and fair meetings, 0.33 percent of the total amount handled by each satellite wagering facility shall be paid to the city or county in which the satellite wagering facility is located pursuant to Section 19610.3 or 19610.4.

(e) Notwithstanding any other provision of law, a racing association is responsible for the payment of the state license fee as required by this section.

19605.71. The total percentage deducted from wagers at satellite wagering facilities in the central and southern zone shall be distributed as set

forth in this section. Amounts deducted by a satellite wagering facility under this section shall be distributed as follows:

(a) For thoroughbred meetings, 2 percent of the amount handled by the satellite wagering facility on conventional and exotic wagers shall be distributed to the racing association for payment to the state as a license fee, 3 percent shall be distributed to the satellite wagering facility as a commission for the right to do business, as a franchise, and this commission is not for the use of any real property, 2.5 percent or the amount of actual operating expenses, as determined by the board, whichever is less, shall be distributed to an organization described in Section 19608.2, and 0.54 percent shall be deposited with the official registering agency pursuant to subdivision (a) of Section 19617.2 and shall thereafter be distributed in accordance with subdivisions (b), (c), and (d) of Section 19617.2, and 0.033 percent shall be distributed to the Center for Equine Health and 0.067 percent shall be distributed to the California Animal Health and Food Safety Laboratory, School of Veterinary Medicine, University of California at Davis. It is the intent of the Legislature that the 0.033 percent of funds distributed to the Center for Equine Health shall supplement, and not supplant, other funding sources.

(b) For harness, quarter horse, Appaloosa, Arabian, or mixed breed meetings, 0.4 percent of the amount handled by the satellite wagering facility on conventional and exotic wagers shall be distributed to the racing association for payment to the state as a license fee, for fair meetings, 1 percent of the amount handled by the satellite wagering facility on conventional and exotic wagers shall be distributed to the racing association for payment to the state as a license fee, 3 percent shall be distributed to the satellite wagering facility as a commission for the right to do business, as a franchise, and this commission is not for the use of any real property, and 6 percent of the amount handled by the satellite wagering facility or the amount of actual operating expenses, as determined by the board, whichever is less, distributed to an organization described in Section 19608.2. In addition, in the case of quarter horses, 0.4 percent shall be deposited with the official registering agency pursuant to subdivision (b) of Section 19617.7 and shall thereafter be distributed in accordance with subdivisions (c), (d), and (e) of Section 19617.7; in the case of Appaloosas, 0.4 percent shall be deposited with the official registering agency pursuant to subdivision (b) of Section 19617.9 and shall thereafter be distributed in accordance with subdivisions (c), (d), and (e) of Section 19617.9; in the case of Arabians, 0.4 percent shall be held by the association to be deposited with the official registering agency, pursuant to Section 19617.8, and thereafter shall be distributed in accordance with Section 19617.8; in the case of standardbreds, 0.4 percent shall be distributed for the California Standardbred Sires Stakes Program pursuant to Section 19619; in the case of thoroughbreds, 0.48 percent shall be deposited with the official registering agency pursuant to subdivision (a) of Section 19617.2 and shall thereafter be distributed in accordance with subdivisions (b), (c), and (d) of Section 19617.2; and 0.033 percent shall be distributed to the Center for Equine Health and

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0.067 percent shall be distributed to the California Animal Health and Food Safety Laboratory, School of Veterinary Medicine, University of California at Davis. It is the intent of the Legislature that the 0.033 percent of funds distributed to the Center for Equine Health shall supplement, and not supplant, other funding sources.

(c) In addition, for Appaloosa and mixed breed meetings, 1 percent shall be distributed to an organization described in Section 19608.2 for promotion of the program at satellite wagering facilities. Notwithstanding any other provision of law, on wagers made in the Counties of Orange and Los Angeles on thoroughbred races conducted in the County of Orange or Los Angeles, or both, excluding the 50th District Agricultural Association, the amount deducted for promotion of the satellite wagering program at satellite wagering facilities shall be 0.5 percent. Any of the promotion funds that are not distributed in the year in which they are collected may be distributed in the following year. If promotion funds distributed in any year exceed the amount collected for that year, the funds distributed in the following year shall be reduced by the excess amount. For harness meetings, 0.5 percent of the total amount handled by each satellite wagering facility shall be distributed to an organization described in Section 19608.2 for the promotion of the program at satellite wagering facilities, and 0.5 percent of the total amount handled by each satellite wagering facility shall be distributed according to a written agreement for each race meeting between the licensed racing association and the organization representing the horsemen participating in the meeting. For quarter horse meetings 0.5 percent of the total amount handled by satellite wagering facility on races run in California shall be distributed to an organization described in Section 19608.2 for the promotion of the program at satellite wagering facilities, 0.5 percent of the total amount handled by each satellite wagering facility on out-of-state and out-of-country imported races shall be distributed to the official quarter horse registering agency for the purposes of Section 19617.75, and 0.5 percent of the total amount handled by each satellite wagering facility on all races shall be distributed according to a written agreement for each race meeting between the licensed racing association and the organization representing the horseman participating in the meeting.

(d) Additionally, for thoroughbred, harness, quarter horse, mixed breed, and fair meetings, 0.33 percent of the total amount handled by the satellite wagering facility shall be paid to the city or county in which the satellite wagering facility is located pursuant to Section 19610.3 or 19610.4.

(e) Notwithstanding any other provision of law, a racing association is responsible for the payment of the state license fee as required by this section.

ADW 2% LOCATION FEES ALSO ADJUSTED TO 3%

19604. Notwithstanding any other provision of law, in addition to parimutuel wagering otherwise authorized by this chapter, advance deposit wagering may be conducted upon approval of the board. The board may authorize any racing association or fair, during the calendar period it is licensed by the board to conduct a live racing

meeting in accordance with the provisions of Article 4 (commencing with Section 19480), to accept advance deposit wagers or to allow these wagers through a betting system or a multijurisdictional wagering hub in accordance with the following:

(a) Racing associations and racing fairs may form a partnership, joint venture, or any other affiliation in order to further the purposes of this section.

(b) As used in this section, "advance deposit wagering" means a form of parimutuel wagering in which a person residing within California or outside of this state establishes an account with a licensee, a board-approved betting system, or a board-approved multijurisdictional wagering hub located within California or outside of this state, and subsequently issues wagering instructions concerning the funds in this account, thereby authorizing the entity holding the account to place wagers on the account owner's behalf. An advance deposit wager may be made only by the entity holding the account pursuant to wagering instructions issued by the owner of the funds communicated by telephone call or through other electronic media. The licensee, a betting system, or a multijurisdictional wagering hub shall ensure the identification of the account's owner by utilizing methods and technologies approved by the board. Further, at the request of the board, any licensee, betting system, or multijurisdictional wagering hub located in California, and any betting system or multijurisdictional wagering hub located outside of this state that accepts wagering instructions concerning races conducted in California or accepts wagering instructions from California residents, shall provide a full accounting and verification of the source of the wagers thereby made, including the zone and breed, in the form of a daily download of parimutuel data to a database designated by the board. Additionally, when the board approves a licensee, a betting system, or a multijurisdictional wagering hub, whether located within California or outside of this state, to accept advance deposit wagering instructions on any race or races from California residents, the licensee, betting system, or multijurisdictional wagering hub may be compensated pursuant to a contractual agreement with a California licensee, in an amount not to exceed 6.5 percent of the amount handled on a race or races conducted in California, and in the case of a race or races conducted in another jurisdiction, may be compensated in an amount not to exceed 6.5 percent, plus a fee to be paid to the host racing association not to exceed 3.5 percent, of the amount handled on that race or races. The amount remaining after the payment of winning wagers and after payment of the contractual compensation and host fee, if any, shall be distributed as a market access fee in accordance with subdivision (g). As used in this section, "market access fee" means the contractual fee paid by a betting system or multijurisdictional wagering hub to the California licensee for access to the California market for wagering purposes. As used in this section, "licensee" means any racing association or fair, or affiliation thereof authorized in subdivision (a).

(c) (1) The board shall develop and adopt rules to license and regulate all phases of operation of advance deposit wagering for licensees, betting systems, and multijurisdictional wagering hubs located in California. Betting systems and multijurisdictional wagering hubs located and operating in California shall be approved by the board prior to establishing advance deposit wagering accounts or accepting wagering instructions concerning those accounts and

shall enter into a written contractual agreement with the bona fide labor organization that has historically represented the same or similar classifications of employees at the nearest horse racing meeting. Permanent state or county employees and nonprofit organizations that have historically performed certain services at county, state, or district fairs may continue to provide those services, notwithstanding this requirement.

(2) The board shall develop and adopt rules and regulations requiring betting systems and multijurisdictional wagering hubs to establish security access policies and safeguards, including, but not limited to, the following:

(A) The betting system or wagering hub shall utilize the services of a board-approved independent third party to perform identity, residence, and age verification services with respect to persons establishing an advance deposit wagering account.

(B) The betting system or wagering hub shall utilize personal identification numbers (PINs) and other technologies to assure that only the accountholder has access to the advance deposit wagering account.

(C) The betting system or wagering hub shall provide for withdrawals from the wagering account only by means of a check made payable to the accountholder and sent to the address of the accountholder or by means of an electronic transfer to an account held by the verified accountholder or the accountholder may withdraw funds from the wagering account at a facility approved by the board by presenting verifiable personal and account identification information.

(D) The betting system or wagering hub shall allow the board access to its premises to visit, investigate, and place expert accountants and other persons it deems necessary for the purpose of ensuring that its rules and regulations concerning credit authorization, account access, and other security provisions are strictly complied with.

(3) The board shall prohibit advance deposit wagering advertising that it determines to be deceptive to the public. The board shall also require, by regulation, that every form of advertising contain a statement that minors are not allowed to open or have access to advance deposit wagering accounts.

(d) As used in this section, a "multijurisdictional wagering hub" is a business conducted in more than one jurisdiction that facilitates parimutuel wagering on races it simulcasts and other races it offers in its wagering menu.

(e) As used in this section, a "betting system" is a business conducted exclusively in this state that facilitates parimutuel wagering on races it simulcasts and other races it offers in its wagering menu.

(f) In order for a licensee, betting system, or multijurisdictional wagering hub to be approved by the board to conduct advance deposit wagering, it shall meet both of the following requirements:

(1) All wagers thereby made shall be included in the appropriate parimutuel pool of the host racing association or fair under a contractual agreement with the applicable California licensee, in accordance with the provisions of this chapter.

(2) The amounts deducted from advance deposit wagers shall be in accordance with the provisions of this chapter.

(g) The amount received as a market access fee from advance

deposit wagers, which shall not be considered for purposes of Section 19616.51, shall be distributed as follows:

(1) An amount equal to 0.0011 multiplied by the amount handled on advance deposit wagers originating in California for each racing meeting shall be distributed to the Center for Equine Health to establish the Kenneth L. Maddy Fund for the benefit of the School of Veterinary Medicine at the University of California at Davis.

(2) An amount equal to 0.0003 multiplied by the amount handled on advance deposit wagers originating in California for each racing meeting shall be distributed to the Department of Industrial Relations to cover costs associated with audits conducted pursuant to Section 19526 and for the purposes of reimbursing the State Mediation and Conciliation Service for costs incurred pursuant to this bill. However, if that amount would exceed the costs of the Department of Industrial Relations, the amount distributed to the department shall be reduced, and that reduction shall be forwarded to an organization designated by the racing association or fair described in subdivision (a) for the purpose of augmenting a compulsive gambling prevention program specifically addressing that problem.

(3) An amount equal to 0.00165 multiplied by the amount handled on advance deposit wagers that originate in California for each racing meeting shall be distributed as follows:

(A) One-half of the amount shall be distributed to supplement the trainer-administered pension plans for backstretch personnel established pursuant to Section 19613. Moneys distributed pursuant to this subparagraph shall supplement, and not supplant, moneys distributed to that fund pursuant to Section 19613 or any other provision of law.

(B) One-half of the amount shall be distributed to the welfare fund established for the benefit of horsemen and backstretch personnel pursuant to subdivision (b) of Section 19641. Moneys distributed pursuant to this subparagraph shall supplement, and not supplant, moneys distributed to that fund pursuant to Section 19641 or any other provision of law.

(4) With respect to wagers on each breed of racing that originate in California, an amount equal to 3 percent of the first two hundred fifty million dollars (\$250,000,000) of handle from all advance deposit wagers originating from within California annually, an amount equal to 2.5 percent of the next two hundred fifty million dollars (\$250,000,000) of handle from all advance deposit wagers originating from within California annually, and an amount equal to 2 percent of handle from all advance deposit wagers originating from within California in excess of five hundred million dollars (\$500,000,000) annually, shall be distributed as satellite wagering commissions. The satellite wagering facility commissions calculated in accordance with this subdivision shall be distributed to each satellite wagering facility and racing association or fair in the zone in which the wager originated in the same relative proportions that the satellite wagering facility or the racing association or fair generated satellite commissions during the previous calendar year. In the event of a reduction in the satellite wagering commissions, pursuant to this section, the benefits therefrom shall be distributed equitably as purses and commissions to all associations and racing fairs generating advance deposit wagers in proportion to the handle generated by those associations and racing fairs. For purposes of this section, the purse funds distributed pursuant to Section

Deleted: 2

Deleted: 1.5

Deleted: 1

19605.72 shall be considered to be satellite wagering facility commissions attributable to thoroughbred races at the locations described in that section.

Korby
January 16, 2009

DRAFT-For Internal Use Only
Korby—January 16, 2009

THE PEOPLE OF THE STATE OF CALIFORNIA DO ENACT AS FOLLOWS:
Section 19605.74 is hereby added to the Business and Professions Code:

19605.74 (a) The Legislature finds and declares that the existence of high caliber thoroughbred racing in California is important to this state's agricultural economy and a source of employment for thousands of Californians. The California horse racing industry is being threatened by the potential closure of one or more thoroughbred racing venues with a consequent shortage of facilities at which thoroughbred race horses can race, stable and train. It is the intent of the Legislature to establish a fund to be utilized for the financing of capital improvements, for the acquisition of real property and for the development of infrastructure required for the racing, stabling and training of thoroughbred race horses in Northern California through the redistribution of the parimutuel handle on all exotic wagers made on thoroughbred races and emerging breed races run in the Northern Zone. This section shall be known as the California Racing Infrastructure Development and Economic Stimulus Act of 2009.

(b) Notwithstanding Section 19610, every thoroughbred association or fair that conducts a racing meet in the Northern Zone shall deduct an additional amount not to exceed two percent of the total amount handled in all parimutuel pools of exotic wagers on thoroughbred races or on emerging breed races at fairs to be used for the purposes set out in subdivision (a). The amount initially deducted and distributed pursuant to this section shall be two percent of the total amount handled in all parimutuel pools of exotic wagers on thoroughbred races or emerging breed races at Fairs run in the Northern Zone, but that allocation may be adjusted by the board, except that any adjustment by the board shall ensure funds sufficient to meet the intent of subdivisions (f)(3) and (f)(4) herein. In any event, however, the adjusted amount may not exceed two percent of the amount handled in all parimutuel pools of exotic wagers on thoroughbred races or emerging breed races run in the Northern zone, to finance capital improvements, to acquire real property or to develop infrastructure required for the racing, stabling and training of thoroughbred race horses in the Northern Zone.

(c) The funds collected pursuant to subdivision (b) from all parimutuel pools on exotic wagers on thoroughbred races or emerging breed races at fairs arising out of wagering activities within the inclosure of a thoroughbred association or fair conducting a race meeting, at all satellite wagering facilities within this state, and through advance deposit wagering by residents of this state, shall be distributed to the organization described in subdivision (e) to be used in accordance with subdivision (f).

(d) Any thoroughbred association or fair that authorizes a betting system located outside of this state to accept wagers on its races and to combine those wagers in the association's or fair's exotic wagers parimutuel pools, including, but not limited to, a multijurisdictional wagering hub as to wagers made by residents other than those of this state, shall deduct the amount specified in subdivision (b) in addition to any other

applicable deductions specified in law. The amount deducted pursuant to this subdivision shall be distributed to the organization described in subdivision (e) to be used in accordance with subdivision (f). This additional deduction shall not be included in the amount on which license fees are determined pursuant to Section 19602 or Section 19616.51.

(e) The organization shall be the California Authority of Racing Fairs, or its successor, a joint powers agency formed pursuant to Chapter 5 of Division 7 of Title 1 of the Government Code. The organization shall account annually to the California Horse Racing Board with respect to the expenditure and distribution of funds received by the organization pursuant to subdivisions (c) and (d), and shall obtain an independent audit of fund generation and distribution. A copy of the completed audit shall be forwarded to the California Horse Racing Board within 45 days of its receipt by the organization.

(f) (1) The amount distributed to the organization described in subdivision (e) shall be deposited by that organization in separate accounts and such funds and any interest thereon shall be expended for the financing of such capital improvements as are deemed necessary and appropriate in the Northern zone by the organization described in Section 19607.2 to provide adequate stabling training and related facilities for thoroughbred horse racing in the Northern zone

(f) (2) Any financing plan or proposal shall be submitted to and approved by the organization described in subdivision (e) prior to any expenditure of funds, pursuant to this subsection. However, such approval may be withheld solely on the basis that funds generated pursuant to subdivision (b) are not sufficient for repayment of debt to finance the improvements determined by the joint resolution described in this subdivision.

(f) (3) Such approval by such organization may provide for the payment of such amounts to one or more joint powers agencies for the repayment of the principal of, interest on, and costs of issuance of, and as security, including any coverage factor, pledged to the payment of, bonds issued or to be issued by such joint powers agency or other debt service or expense, including repayment of any advances made or security required by any provider of credit enhancement or liquidity for those bonds or other indebtedness or expenses of maintaining that credit enhancement or liquidity, incurred for the purpose of constructing or acquiring improvements or the purchase of real property to provide adequate facilities for racing, stabling and training thoroughbred race horses at fairgrounds in the Northern Zone or for the purpose of refunding bonds or other indebtedness incurred for those purposes.

(f) (4) As used in this subsection (f) "coverage factor" means revenues in excess of the amount necessary to pay debt service on the bonds or other indebtedness, up to an amount equal to 100 per cent more than the amount of that debt service, which such joint powers agency, pursuant to the resolution of indenture under which the bonds or other indebtedness are or will be issued, pledges as additional security for the payment of that debt service or as is required to have or maintain as a condition to the issuance of additional bonds or other indebtedness.

(g) It is the intent of the Legislature in enacting this section to provide the revenues necessary for the financing by one or more joint powers agencies of the facilities and improvements described in subparagraph (f)(1) and (f)(3) of this section all of which shall be deemed to be public capital improvements within the meaning of Article 4 (commencing with section 6584) of Chapter 5 of Division 7 of Title 1 of the Government Code. Payments described in paragraph (f)(1) of this section shall continue through whatever period of time is necessary to repay any borrowings of joint powers funding mechanism, including, but not limited to, retirement of bonded indebtedness, loan repayments, and monthly payments involving lease-purchase programs made by a joint powers agency to finance the improvements referenced in subparagraph (f)(1) of this section.

(h) The State of California does hereby pledge to the holders of any bonds or other indebtedness, and with those joint powers agencies which may enter into agreements with fairs or other third parties or authorize bonds or other indebtedness to be issued, in reliance on the allocations set forth in this section, that the State will not alter or change the structure of funding and deposits set forth in, or the pledge of funds for debt service, security, including any coverage factors, and expenses, pursuant to this section until the bonds and other indebtedness are fully paid or discharged. However nothing precludes any alteration or change, if and when, adequate provision has been made by law for the payment of debt service on the bonds and other indebtedness, and the right to so alter or change is hereby reserved. Joint powers agencies may include this pledge and undertaking of the State in the bonds or agreements evidencing other indebtedness.

(i) The approval described in (f)(3) shall provide for the disbursement to the organization described in Section 19607.2 of any funds over and above those necessary to accomplish the financing of improvements referred to subsection (f)(1) and (f)(3) including any required coverage factor and reserves. The organization described in Section 19607.2 shall thereafter annually disburse the total amount so received solely for any or all of the following purposes: the amount, if any, required to insure that stabling and vanning funds provided for in section 19607.1 of this code are sufficient to cover the expenses of vanning and stabling in the northern zone; and alternatively or additionally; to pay down the principal on any bonded indebtedness incurred to provide and maintain adequate racing, stabling and training facilities, including the purchase of real property, in the northern zone, and, additionally or alternately, to supplement thoroughbred purses paid in the northern zone; to promote and market thoroughbred racing in the northern zone, which purpose may include supplemental additions to parimutuel pools in order to promote racing events in the northern zone.

Section 19606.1 is amended as follows:

19606.1. (a) Except as otherwise provided in Section 19606.3, all revenues distributed to the state as license fees from satellite wagering facilities shall be deposited in a separate account in the fund and, notwithstanding Section 13340 of the Government Code, are continuously appropriated from that account to the Department of Food

and Agriculture, for allocation by the Secretary of Food and Agriculture, at his or her discretion, for the purposes set forth in paragraphs (1) to (6), inclusive. The concurrence of the Director of Finance shall be required for allocations pursuant to paragraphs (1) and (2). Allocations pursuant to paragraphs (3) to (6), inclusive, shall be made with the concurrence of the Joint Committee on Fairs Allocation and Classification.

(1) For the repayment of the principal of, interest on, and costs of issuance of, and as security, including any coverage factor, pledged to the payment of, bonds issued or to be issued by a joint powers agency or other debt service or expense, including repayment of any advances made or security required by any provider of credit enhancement or liquidity for those bonds or other indebtedness or expenses of maintaining that credit enhancement or liquidity, incurred for the purpose of constructing or acquiring improvements at a fair's racetrack inclosure, *a fair's race track grandstand, a fair's race track surface, a fair's race track barn and stable area*, satellite wagering facilities at fairs, health and safety repair projects, or handicapped access compliance projects at fairs or for the purpose of refunding bonds or other indebtedness incurred for those purposes. As used in this paragraph, "coverage factor" means revenues in excess of the amount necessary to pay debt service on the bonds or other indebtedness, up to an amount equal to 100 percent more than the amount of that debt service, which a joint powers agency, pursuant to the resolution or indenture under which the bonds or other indebtedness are or will be issued, pledges as additional security for the payment of that debt service or is required to have or maintain as a condition to the issuance of additional bonds or other indebtedness. Notwithstanding any other provision of law, the department may also commit any funds available for allocation under Article 10 (commencing with Section 19620) to complete projects funded under this paragraph in the priority described in this paragraph.

(2) For payment to the State Race Track Leasing Commission to be pledged for the repayment of debt necessary to construct a racetrack grandstand at the 22nd District Agricultural Association fairgrounds. This payment shall be made only if the Secretary of Food and Agriculture determines, annually, that all other pledged revenues have been applied to the repayment of that debt and have been determined by the secretary to be inadequate for that purpose.

(3) For the payment of expenses incurred in establishing and operating satellite wagering facilities at fairs.

(4) For the support of an equipment and operating fund to produce and display a consolidated California signal at satellite wagering facilities and fairs.

(5) For health and safety repair projects at fairs, which includes fire and life safety improvement projects, California Code of

Regulations compliance projects, and long-term deferred maintenance projects.

(6) For the development and payment of revenue generating projects, the establishment of pilot projects to restructure the current fair system, and for projects realizing a cost savings for more efficient utilization of existing fair resources.

(b) The Secretary of Food and Agriculture may not make an allocation for purposes of paragraphs (2) to (6), inclusive, of subdivision (a) until the payments required in any fiscal year pursuant to paragraph (1) of subdivision (a) have been funded.

(c) Pursuant to subdivision (a), the Joint Committee on Fairs Allocation and Classification shall review and concur, or not concur, with the secretary's determination of the allocations to be made pursuant to paragraphs (3) to (6), inclusive, of subdivision (a) in total, and the committee may not add to, or delete projects or line items from, the proposed allocations.

(d) Approval of the Joint Committee on Fairs Allocation and Classification is deemed complete when one of the following conditions is met:

(1) The annual budget act is enacted.

(2) If the secretary's recommendations are received by the Joint Committee on Fairs Allocation and Classification after the enactment of the annual budget act, the recommendations shall be deemed approved 30 days after they are received unless they are rejected by the committee.

(e) If the Joint Committee on Fairs Allocation and Classification does not concur with the secretary's recommendations, the secretary may submit another set of recommendations to the committee pursuant to this section.

(f) The payments required in any fiscal year for the purposes of paragraphs (1) to (3), inclusive, of subdivision (a) shall be made before any transfer is made pursuant to subdivision (g).

(g) Except as otherwise provided in subdivision (f), when the revenues deposited in the separate account exceed eleven million dollars (\$11,000,000) in any fiscal year, 98 percent of the amount in excess of eleven million dollars (\$11,000,000) shall be transferred to the Fair and Exposition Fund for allocation in accordance with Sections 19620.1 and 19630.

(h) All of the costs of administering the accounts created by subdivision (a) and Section 19606.3 shall be charged to the respective accounts.

California Authority of Racing Fairs

Legislative Report - Last 10 Days 1/23/2009

AB 136 (Silva) Horse racing; harness or quarter horse races; imported races. (I-01/20/2009 [html](#) [pdf](#))
Status: 01/21/2009-From printer. May be heard in committee February 20.
Current Location: 01/20/2009-A PRINT

Digest: Under existing law, the California Horse Racing Board is authorized to permit a harness or quarter horse association conducting a race meeting to accept wagers on the results of out-of-state or out-of-country harness or quarter horse races, and certain other designated harness or quarter horse races, if specified conditions are met. One of these conditions is that, if only one breed is being raced on a given day, the racing association conducting live racing may import those races that would otherwise be simulcast by the association which is not racing, subject to the limitation that the total number of harness or quarter horse races imported in a calendar year does not exceed the number of night races imported in 1998 after 5:30 p.m.

This bill would delete that limitation regarding the total number of harness or quarter horse races imported in a calendar year.

Under existing law, revenues distributed to the state as license fees from horse racing are required to be deposited in the Fair and Exposition Fund and are continuously appropriated to the Department of Food and Agriculture for various regulatory and general governmental purposes.

By deleting a limitation on imported races, this bill would authorize additional wagering, and would increase the amount of continuously appropriated license fees, thereby making an appropriation.

Vote: 2/3. Appropriation: yes. Fiscal committee: yes. State-mandated local program: no.

Laws: An act to amend Section 19596.1 of the Business and Professions Code, relating to horse racing, and making an appropriation therefor.

History:

Jan. 21 From printer. May be heard in committee February 20.

Jan. 20 Read first time. To print.

Organization

CARF

1998

Satellite Wagering Facility

Physical Plant Survey

Earl Warren Showgrounds
Santa Barbara, CA

Prepared by
Michael L. Knapp

Facility Survey Summary

SATELLITE WAGERING FACILITY SURVEY SUMMARY

Santa Barbara-Earl Warren Showgrounds

The Earl Warren County Fairground Satellite Wagering Facility at Santa Barbara survey was on August 26, 27, 28 and 29. Interviews were with Pat Kress-Fair manager, Bill Connolly-Facility Supervisor, Ron Bell-Assistant Satellite Supervisor, Gerald Cummings-Mutuel Manager, Gary-Maintenance, Nick-Tote Technician, Diane-Admission Clerk, Ian-Food Concessionaire and local patrons. Facility discussions with representatives from the cleaning staff and the contracted security crews are included.

The Earl Warren is the closest SWF for approximately 250,000 of the 370,000 people in Santa Barbara County. Average daily attendance is 145 patrons. 1998 Kentucky Derby day attendance was 451 with the note that Derby fell in the middle of their annual Fair event. The recently constructed (1995) Ventura County SWF is 34 miles from the Showground and the Santa Barbara County Fairground in Santa Maria has a SWF 75 miles away. A medium sized Native American casino operates 30 miles away in Santa Ynez by the Chumash tribe. The casino opened in 1993.

The Earl Warren Showgrounds has a great location just off an exit from Highway 101. The current and original SWF at the Earl Warren in Santa Barbara is a forty-year-old building with remodels and additions in 1984, 1987, 1989 and 1996. The site moved to a much larger, newer building built in 1991 with a design for satellite horse race viewing and wagering. Shortly after the move to the new building, legislation passed allowing full card simulcasting of all California racing to all SWF. Santa Barbara lost their unique market position that enabled them to simulcast both regions since inception. Market pressures from the nearby Native American casino and the impressive new Ventura facility further eroded their population and the decision was made to relocate the SWF back to the original site in 1996. Chairs, banquet tables and monitors purchased for the new building moved to the smaller facility. Additional large screens, monitors, banquet tables and video control equipment were acquired for the move. Supervisor, tote technician and pari-mutuel offices were added to the building at that time.

The building exterior has an inconsistent look reflecting the many modifications over the years. A large covered patio provides most of the facility seating and separates into smoking and non-smoking sections. The patio enjoys the great outdoor weather of Santa Barbara but is plagued with flies. The interior building is a converted restaurant with wood open beams and paneling. Low roofs and a generally small area packed with a generous supply of viewing devices and wagering equipment give a cramped feeling. Available seating at the facility seems to be ample for weekdays but not for big weekends or events. Restrooms are minimal, small and poorly located inside the facility. Furthermore, the toilets do not flush normally. The facility produces a good race-viewing product with viewing zones set for maximum display and audio available for all races. Carpets need replacing. They are of original poor quality, wearing thin and have permanent stains. Furniture is basic but in adequate condition.

There is freeway signage for the Earl Warren Showground but not for the SWF. Directional signs off the freeway do a good job of leading to the Showground main entrance. Marquee signs on perimeter roads, one seen from the freeway, posts basic hand lettered information pertaining to the Watch and Wager and rarely changes. Signage is needed inside the main entrance directing

SATELLITE WAGERING FACILITY SURVEY SUMMARY

Santa Barbara-Earl Warren Showgrounds

traffic towards the designated Satellite parking area. The Watch and Wager name is "Earls Place" but signage does not relate the two.

The SWF has a close, good-sized parking area with no signage indicating its use. There is no signage on the SWF building facing the lot. The facility cannot be seen from the main parking area and difficult to see on the Showgrounds. Overflow parking is available at the main lot. An adjacent lot reserves for Recreational Vehicle parking. No signage attached to the unusual looking building indicates a Satellite Wagering Facility, Watch N Wager or entrance. Basic landscaping around the facility is maintained. Four satellite dishes sit to the northwest of the building in a secure fenced area.

The entry area is really a 5-foot concrete path with a stop at the admission desk. The setup is functional but basic providing little covered queue area. Pathways leading to general admissions are minimal. No "How to bet" information is available inside the entry. Retail merchandise hides against a wall in a lightly traveled area. The Daily Racing Form, tip sheets and the Racing Digest are for sale adjacent to the admission desk. A non-equipped security desk sits next to the Racing material sales desk. Security personnel are responsible for the entry, two patio rooms, general admissions, the mutuel area and the parking area. Typically, one contracted security person performs this duty. Security alarms connect to all perimeter interior doors. Motion detectors mount inside and outside on the patio and are activated at the end of the business day. No hold-up alarm switches are available in the entry/admissions area. There is no area designated to post general information but several corkboards and a character generator are available for that purpose.

The building is roughly half indoors and half outdoors. Kitchen, restroom and mutuel lines are inside and the facility entry and patio area attaches to the original building. Plastic banquet tables align in perpendicular rows creating different viewing zones. Race viewing sits low in relation to the pedestrian traffic but is well set up providing single line of sight viewing for all events with supporting information. Aisles and traffic flows are tight in many spots. The amount of wagering stations in the facility diminishes lineup problems but not all areas are friendly access. There is no storage room in this facility but an area is available in the former Satellite location.

The men and women's restrooms are in below average condition. They are minimally furnished and poorly plumbed. The location is hidden from the patio without any supporting signage. Cleaning and maintenance is basic and appeared below average. Because of the ratio of use, the men's rooms are clearly more worn than the women's rooms.

The snack bar/kitchen is on the east perimeter of the building and does not have public access. All interior tables have food and beverage service and table tent menus with basic salt, pepper and sugar condiments. The kitchen has all the basic equipment contained in three rooms. The concessionaire has additional space and storage on the Showgrounds. A full-service beverage-bar has a counter and viewing monitor, but no seating, inside the building.

Seven-year old padded red cloth chairs provide average comfort for the patrons. The lightly colored plastic banquet tables are sturdy but permanently stained from newspaper ink. Viewing

SATELLITE WAGERING FACILITY SURVEY SUMMARY

Santa Barbara-Earl Warren Showgrounds

displays are well done with relatively new screens. An Infotext video wall is a recent addition. Electrical cords run inside exposed metal conduit throughout the open beam facility. Overhead grids harness the spray of fluorescent light with some compromise to reading. Audio is above average. The carpet needs immediate replacement. One air conditioning unit is broken which creates a definite warm zone inside the building. Video camera coverage is available to the Facility supervisor for the admissions and inside general admissions areas.

The building interior walls and ceilings have a natural wood design giving the facility a "club" feel. The black viewing cabinets and light-gray mutuel counters and trim are inconsistent with this décor. Beige plastic tables are marginally complimentary in color but not in style. Red chairs and the existing wooden tables from the restaurant look like they belong. Ceilings have some damage from roof water leaks. Signage on walls and mutuel counters is not congruent. Ongoing problems with roof leaks and plumbing need resolution. The building exterior was painted gray in 1998.

The gray pari-mutuel Formica counters are basic and in average condition. Results, scratches and changes post on corkboards mounted in four locations around the facility. Results print on 3-inch thermal paper from the mutuel machines and then a pushpin attaches them to the corkboards. Scratches and changes come from the racetracks via fax transmissions. The information is then pinned to the corkboards. The Infotext feeds supply similar information to an assigned monitor in their video wall display. Three mutuel-lines service the facility. Two are inside and one seldom used by tellers is outside in the smoking section of the patio. Four self-bet (SAMS) and a voucher machine mount on movable counters in both the interior and smoking side of the patio. Wagering slips have a wooden rack mounted on the main mutuel counter. Race odd displays are available from all locations within viewing range of the counter.

Behind the line is simple. Access is through metal locking doors. The floor is concrete. All tellers have close access to emergency hold-up switches. Ample light comes from overhead fluorescent bulbs. Furnishings are minimal with some shelf storage. Unpadded metal stands are available for seating. A height adjustable stand for the moneybox is a unique feature for the tellers.

The pari-mutuel office is located behind the double mutuel line and the smoking patio line but away from the main mutuel counter inside general admissions. The offices are very organized and well equipped. The Supervisor office houses the audio and video equipment. Video feeds from the surveillance-cameras display here. This office is behind locking Dutch doors off the smoking patio. The furnishings are comfortable and efficiently arranged. Audio and video equipment was upgraded during the 1996 move and stores in an efficient desk/rack. A tote room sits between the supervisor and pari-mutuel offices and is sufficient in size.

The covered and screen-enclosed patio area is a 1989 addition to the facility. The patio runs the length of the original building and supplies most of the seating for the facility. A smoking section and non-smoking section divides in the center of the patio by viewing displays of large screens and monitors. The open-beam wood ceiling covers the area and painted plywood panels with

SATELLITE WAGERING FACILITY SURVEY SUMMARY

Santa Barbara-Earl Warren Showgrounds

wrought iron on top enclose the sides. A plastic screen rolls down from the wood beams and helps against ambient light and insects. The exposed wood at the patio exterior looks in need of a sealant. The concrete floor may need a sealant and the plastic screen is brittle in some areas. Smokers have 69 seats or thirty-percent of the facility seating. Fans sitting next to the race viewing help cool and disperse smoke in the area but are no sufficient for the task. Smoke noticeably drifts towards the non-smoking section of the patio. All patio tote service is inside the smoking section. Nine self-bet terminals are available to the area. Mild Santa Barbara weather insures comfortable patio temperatures for most of the year. Overhead gas heaters work during cooler months. The patio covers keeps out most sun, rain and wind. Race viewing is on par with the great indoor presentations. The patios sole fire exit is the facility main 5-foot entrance. A fire evacuation plan is behind the mutuel-line. One fire extinguisher mounts against the building inside the patio.

A comprehensive 50-page emergency policy manual details procedures relating to fire, first aid, emergencies, law enforcement and disasters. It is required reading for all employees. A first-aid kit is located behind the mutuel counter and in the supervisor office. The staff or Fairground does not rehearse for emergency contingencies.

The Earl Warren Satellite Wagering Facility is a small but adequate facility with a great race viewing presentation. Air conditioning, restrooms, carpets and patio airflow need immediate attention. Improved signage, repair or replacement of a few existing items and room reconfigurations would help in the near future. Regular attention and upgrades to furnishings and equipment when needed should satisfy the upkeep requirements of the facility. There should be an ongoing analysis of facility size for the customer population.

Overall, the rating for the facility is 4.9 Adequate.

Graded Report

SAMPLE

SATELLITE WAGERING FACILITY SURVEY
Graded Table
EARL WARREN SHOWGROUND-SANTA BARBARA

EXTERIOR SIGNAGE

| | |
|-----------------------------------------------------|---|
| Freeway signage | 5 |
| Streets surrounding Fairgrounds | 6 |
| Directional signage at parking entrance/inside lots | 4 |
| Satellite Wagering Facility exterior signage | 3 |
| Informational signage pertaining to current races | 4 |

EXTERIOR APPEARANCE OF SWF

| | |
|-------------------------------------------|---|
| Parking area | 7 |
| Facility visibility | 2 |
| Accessibility from designated parking | 7 |
| Landscaping | 5 |
| Lighting (safety and appearance) | 5 |
| Facility entrance and signage | 3 |
| Facility appearance | 4 |
| Satellite dishes (security and condition) | 6 |

FACILITY ENTRY AREA (INTERIOR)

| | |
|---------------------------------------------|---|
| Room layout | 4 |
| Box office/Admissions | 4 |
| Security station | 4 |
| Security alarm system | 4 |
| Circulation and traffic efficiency | 4 |
| General informational signage | 2 |
| Promotion of upcoming events | 6 |
| Daily Racing Form/Program Sales/tout sheets | 5 |
| "How to Bet" teaching materials | 3 |
| Merchandising | 4 |

INTERIOR PUBLIC AREAS

| | |
|--------------------------------|---|
| Room Layout | 4 |
| Furniture | 4 |
| Race viewing | 8 |
| Mutual windows/lineup capacity | 7 |
| Pedestrian circulation | 4 |
| Storage | 3 |

Restrooms

| | |
|----------------------------------|---|
| Layout | 3 |
| Location | 4 |
| Cleanliness, condition (women's) | 4 |
| Cleanliness, condition (men's) | 3 |
| Ventilation | 4 |
| ADA compliance | 3 |
| Comfort and amenities | 3 |

score descriptions

1. None 2. Poor 3. Minimal 4. Below Average 5. Adequate 6. Average 7. Good 8. Above Average 9. Excellent 10. State of the Art

SATELLITE WAGERING FACILITY SURVEY
Graded Table
EARL WARREN SHOWGROUND-SANTA BARBARA

Food Service

| | |
|-----------------------|---|
| Layout | 5 |
| Location | 5 |
| Seating, counterspace | 3 |
| Amenities | 6 |

Fixtures

| | |
|---------------------------|---|
| Chairs | 5 |
| Tables | 5 |
| Televisions/cords/cabling | 6 |
| Lighting | 5 |
| Audio | 8 |
| Carpet/Floor coverings | 2 |
| Trash receptacles | 4 |
| HVAC | 4 |
| Cameras | 4 |

General Appearance

| | |
|-------------------------------------------|---|
| Interior design | 4 |
| Ceilings | 4 |
| Walls | 6 |
| Interior signage | 3 |
| Cleanliness | 5 |
| Building condition (roof leaks, plumbing) | 4 |
| Comfort and amenities | 4 |

PARI-MUTUEL AREA

Front of the Line

| | |
|--------------------------------------------|---|
| Wagering counters | 5 |
| Display for Results, Scratches and Changes | 4 |
| Teller station | 6 |
| Self bet/voucher terminals | 7 |
| Wagering slip | 3 |
| Odds availability in the queuing area | 8 |

Behind The Line

| | |
|---------------------------------------------|---|
| Security access | 5 |
| Alarm systems/hold up switches | 7 |
| Lighting | 6 |
| Layout/Operating efficiency/cash dispensers | 4 |

score descriptions

1. None 2. Poor 3. Minimal 4. Below Average 5. Adequate 6. Average 7. Good 8. Above Average 9. Excellent 10. State of the Art

SATELLITE WAGERING FACILITY SURVEY
Graded Table
EARL WARREN SHOWGROUND-SANTA BARBARA

OFFICE AREAS

| | |
|------------------------------|---|
| Parimutuel office/efficiency | 6 |
| Tote Room | 7 |
| Supervisor office layout | 6 |
| Security/access | 5 |
| Furnishings | 6 |
| Storage areas | 3 |
| Efficiency | 7 |
| Video Equipment Room | 8 |

PATIO/SMOKING AREA

| | |
|----------------------------|---|
| Layout/location | 7 |
| Appearance | 6 |
| Seating capacity | 8 |
| Accommodations for smokers | 8 |
| Weather protection | 6 |
| Race viewing | 7 |
| Tote service | 7 |
| Security/fire safety | 4 |

SAFETY

| | |
|------------------------------|---|
| Fire Safety | 4 |
| Emergency evacuation plan | 3 |
| Paramedic emergency response | 5 |

FACILITY SCORE

4.9 ADEQUATE

score descriptions

1. None 2. Poor 3. Minimal 4. Below Average 5. Adequate 6. Average 7. Good 8. Above Average 9. Excellent 10. State of the Art

SWF Detailed Description

SATELLITE WAGERING FACILITY SURVEY DETAILED FINDINGS SANTA BARBARA-EARL WARREN SHOWGROUNDS

EXTERIOR SIGNAGE

Freeway signage

Grade: 5

Green 8-foot "Earl Warren Showgrounds" signs are before the Los Positas freeway exits signs on Highway 101 North and South. A Showgrounds marquee is visible from the freeway. The north Los Positas exit has two directional signs on the off ramp that point to the Showgrounds entrance road.



Streets surrounding Fairgrounds

Grade: 6

Calle Real, the frontage road for Highway 101 and the Showgrounds has a directional sign pointing towards the main entrance. Further north on Calle Real is a backlit double-sided 5 by 25-foot marquee sign that sits 10-feet off the ground. On top of the four-line marquee sign mounts a 2 by 21-foot double-sided white plastic marquee sign with two red lettered message lines relating to the SWF. The upper marquee lights at night by four overhanging lamps on each side of the sign. The marquees are visible from Highway 101. A side-gated entrance on Los Positas has a backlit (not in use) 6 by 12-foot white-plastic marquee sign that sits on top of a 15-foot pole. The sign is dirty, rusting and in below average condition. This marquee can use up to six lines of lettered message.



Directional signage at parking entrance/inside lots

Grade: 4

No signs at the main entrance or front parking lot direct traffic towards the back designated SWF parking lot. A hundred yards straight inside the main entrance sits a large statue. At the base of the statue in a landscaped area is a new 4 by 6-foot white sign with black lettering directing traffic towards different locations, including the SWF. The assumed parking is one hundred and twenty-five yards from the facility. The designated parking is just outside the SWF. Well inside the Los Positas entrance, which is a dangerous entry and not always open, a small 1 by 3-foot sign points to "Earls Place" and the designated parking area.



Satellite Wagering Facility exterior signage

Grade: 3

A 2 by 8-foot hand painted multi-colored sign mounts on the right side of the building entrance and names the building "Earls Place". The name is familiar with the regular customers. Promotional banners mount on the left side of the entrance gate.



Informational signage pertaining to current races

Grade: 4

3-foot high vinyl promotional banners attach to wood framing on top of the box offices at the main Showground entrance, one hundred and twenty-five yards from the SWF. The marquees on both Calle Real and Los Positas list general information pertaining to current races.

EXTERIOR APPEARANCE OF SATELLITE WAGERING FACILITY

Parking area

Grade: 7

The SWF has specific parking in a paved asphalt parking lot at the back (North) the building. The lot contains 105 faded 10-foot painted slots, including nine designated for handicap use. The Showground has a thousand additional parking spaces at the main entrance lot.



Facility visibility

Grade: 2

The facility is not visible from the surrounding streets. There is some signage representing the SWF on top of the Showground box offices but none directing traffic towards the building, which hides behind a large grandstand.

Accessibility from designated parking area

Grade: 7

Access to the SWF from the designated parking area is by way of a 10-foot asphalt path in fair condition. The distance from the designated back parking area is approximately twenty yards. The main Showground parking is approximately one hundred and forty yards from the SWF, using a concrete path (in good condition) that narrows to a 4-foot inclined asphalt path in front of the building.

Landscaping

Grade: 5

A shaded turf plot in front of the SWF has outdoor tables and chairs. A turf strip separates the facility from the grandstand. Where the building meets the parking lot, there are flowerbeds in wooden containers built against the building exterior. The building experiences leaks when the beds are watered. Asphalt fronts the building entrance.



Lighting

Grade: 5

The back parking lot has two lampposts with three lamps on each pole, which provides adequate light. The facility has minimal light on the exterior but illuminates from the interior patio light. The main parking area had three lampposts illuminated on the night of the survey but lampposts lining the walkway to the facility were dark. The pathways to the building depend on light from the parking area and from lamps attached to the nearby grandstand.



Facility entrance and signage

Grade: 3

The SWF exterior entry area is paved asphalt covered by only a normal roof overhang. Two latted outdoor chairs and a row of five bleacher type seats sits in the area. The public enters through the patio area. The patio access is through a wood half door and wrought-iron gate. *Entrance signage*-A 2-foot square CHRB rules sign sits under the "Earls Place" signage at the entrance.

Facility appearance

Grade: 4

The facility is a series of additions to an original food-concession building. Roughly, the building divides into two areas: the interior converted dining room and the exterior screened patio. The older dining room is a wooden exterior, painted gray in the spring of 1998, with a red brick foundation. The attached patio is wood beam construction with iron fencing around the perimeter. The patio wood is faded and appears to suffer from weathering. Ceilings in both areas are between 8 and 10-feet. The roof has a foam seal.



Satellite dishes

Grade: 6

Three 12-foot dishes and a 10-foot mesh dish sit inside a 2000 square foot area surrounded by a 6-foot chain-link fence. The dishes are just off the

Northeast side of the SWF. Large clumps of lichen cling to the dishes but do not effect reception.

FACILITY ENTRY AREA (INTERIOR)

Room layout

Grade: 4

The facility entry is up a 5-foot concrete ramp into the patio area. To the immediate left is a 14 by 17-foot area that contains the admissions, racing forms and security desks.



Box Office/Admissions

Grade: 4

The admissions desk is a 7-foot long white painted plywood desk with a 19-inch Formica counter and stained molding trim. The 40-inch high desk has non-locking money drawer and a lockable cabinet for storage. The desk has some scratches and wear. A worn padded stool is available for the admission clerk. This area gets use for chair storage.

Security station

Grade: 4

A security desk and the racing form desk sit adjacent to the admissions desk in the entry area. The security desk is identical in size and appearance to the admission desk. The contracted security guards use the area for storage and deskwork. Observation is limited to the entry and half of the patio. The area is not equipped with telephones. All facility staff carries two-way communication devices.

Security alarm system

Grade: 4

There is no security alarm switch at the admissions counter. The security and forms desks enclose the admissions desk. All exterior doors to the interior of the SWF have contact alarms and activate by a coded alarm system. Four 3-foot square windows and the restroom windows have metal bars but are not alarmed. Three motion detectors guard the interior room and six motion detectors alarm the perimeters of the patio area.

Circulation and traffic efficiency

Grade: 4

The entry path is up the 5-foot ramp and continues at that width along the side of the building. The path narrows to approximately 3-feet where four tables sit against the building wall. A double door entry to the interior opens out approximately 32-feet up from the front entrance.



General informational signage

Grade: 2

There is not a specific area for the posting of general information. Building and patio capacity information is on the four result boards that mount around the facility.

Promotion of upcoming events

Grade: 6

Promotional posters from current racing meets and upcoming events display on walls in general admissions and the patio. A character generator in the supervisor office advertises for upcoming events on the Infotext screens. A telephone message machine in the supervisor office promotes the weekly racing schedules and upcoming attractions with the daily racing results. There is a monthly SWF racing calendar displayed and available at the admission desk.

Daily Racing Form/Program sales/Tout sheets

Grade: 5

The Daily Racing Form, daily Track programs, The Racing Digest and tip sheets sell through an outside vendor. All materials are sold at a 7-foot desk adjoining admissions. The décor of the desk matches the admissions desk. When the vendor is not present the admissions personnel conduct all sales. Signage for the Racing Digest is on the top of the counter. No signage is available indicating outside sales of racing publications.



How to bet teaching materials

Grade: 3

How to bet materials are not displayed in the public view. The admissions clerk was unaware of any specific guides for wagering. "A Racing Guide" pamphlet is available behind the three mutuel-counters. This eight-page guide is informative with betting instructions and a glossary but does not include recently developed wagering options.

Merchandising

Grade: 4

Former promotional items, supplied by Racetracks and Fairs are in a 6-foot long white wooden display case in the entry area next to the security desk. The 42-inch high glass encased display contains mugs, T-shirts, duffel bags and umbrellas with list prices between \$4-6.

INTERIOR PUBLIC AREAS

Room statistics/Facility square footage/Capacities

Total area of SWF is 7,925 square feet.

General Admissions=3,168square feet.

Patio Area=2,635 square feet.

Bathrooms=240 square feet.

Mutuel offices=368 square feet.

Food Services=1056 square feet.

Entry=238 square feet.

Storage=144 square feet. (Off site)

Supervisors office=176 square feet.

Posted Capacities

Building Capacities: Interior, 250. Patio, 220.

Total seats at time of survey-Interior, 82. Patio, 120.

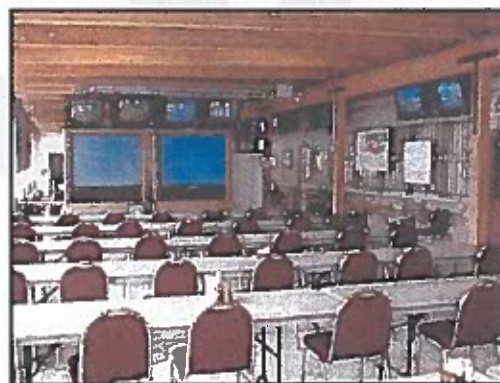
Average daily attendance-145. Kentucky Derby day-451.

Room layout

Grade: 4

The building used for the SWF was originally a concession stand built in 1959. In 1984, a 4,000 square foot addition gave the building enclosed restaurant style seating with an enlarged kitchen on the east-end of the building and basic restrooms to the west-end. The banquet room converted to a SWF in 1989 as the "Turf Club" and a large patio addition (2875 square feet), containing most of the facility seating, attaches to the south of the building. The General admissions area was in an attached tent. The Earl Warren building was built in 1991 to house the SWF and all operations relocated to the new site. Six years later (1996) the SWF moved back to the current restaurant style location. At that time, offices for the supervisors, tote room, money room and mutuel managers were added to the west-end of the building and patio. Mutuel windows have two locations to service general admissions. Self-bet machines have counters inside the building.

The patio divides into two areas: smoking and non-smoking. The general admission entrance is through the non-smoking patio. An additional public door to the interior of the facility is in the smoking section of the patio.



Furniture

Grade: 4

Banquet tables align two or three across in rows of three or four forming four distinct viewing zones inside the building. Each table seats approximately 2 1/2 (6-foot tables) to 3 1/2 patrons (8-foot table). Some of the wooden tables used in the original restaurant design sit among the banquet tables and can seat two.

Race viewing

Grade: 8

Race viewing in general admissions divides into four distinct viewing zones with eighteen monitors of Infotext used as an auxiliary information display. The viewing zones typically have two or three 60-inch rear-projected screens with two 27-inch monitors sitting on top of the projector cabinets. Six screens of viewing in the zones allow a great presentation of odds and races providing a great experience for the 15-20 watching patrons. Projectors sit on 3-foot stands on the perimeter walls of general admissions. The facility is rich in viewing for its size with (including purchase dates) eleven 60-inch projectors (1996), five 44-inch projectors (1990), thirty-six 26-inch monitors (1990, 1996), and three older MGA 21-inch monitors. Map of viewing screens in Section 5.



Mutuel windows

Grade: 7

The general admissions room has two areas for mutuel windows. There is a four-window counter on the north side of the building and two windows at the southwest corner. All windows are equipped for use by tellers. A self-bet counter with four SAM's and a voucher machine sits against the north building wall. The mutuel windows serve the interior and patio patrons wishing to avoid the wagering terminals located inside the smoking side of the patio.

Pedestrian circulation

Grade: 4

The 3,000 square foot room is a tight fit for twenty-eight banquet tables spaced 3-feet apart. The tables align perpendicularly to each other defining the separate viewing zones. A beverage bar juts into the room and breaks up the pedestrian flow. The main mutuel-line has an 11-foot queue while the double window line is just 5-feet deep. Aisles are 4 to 5-feet wide at the center and perimeters. Viewing is distracted at the perimeters due to the low stand heights for the large screens.



Storage

Grade: 2

The facility does not have a storage area. Twenty additional chairs stack against the walls in both the interior and patio. The Warren building has a 144 square-foot room that stores furnishings for the facility. An outdoor storage shed inside the satellite fencing stores materials for the maintenance crews.

RESTROOMS

Layout

Grade: 3

Both restrooms have a similar rectangular shape. The men's room is 7 by 15-feet. The women's room is wider at 9 by 15-feet. Both rooms are equipped with two stand-alone sinks, paper towel dispensers and mirrors. The women's room has two waterclosets. The men's room is equipped with one watercloset and urinal. The wall covering is Formica to 4-feet high. Above the Formica siding, white paint covers the upper walls and 8-foot high ceiling. Linoleum tile covers the floors. Metal partitions separate the stalls and urinal.



Location

Grade: 4

The restrooms access is at the west-end of general admissions through a door that enters to a 4-foot wide alcove with worn tile. Both restrooms have doors off the alcove. There is no signage at the patio indicating a restroom inside the building. Many patrons use an outdoor restroom 15 yards from the patio. The exterior restrooms have more units than the facilities restrooms but are without heat or floor coverings.



Cleanliness/condition

Women's

Grade: 4

The cleanliness of the room is below average. The walls have some bubbling and peeling. Fixtures are tarnished and there is rust. The room has natural and fluorescent light. The two toilets appear in good condition but have an inadequate flush.

Men's

Grade: 3

Cleanliness is below average. Paint is peeling. There is rust around the fixtures. Fixtures are tarnished. The room has natural and fluorescent light. The poor flush in the toilet is thought to be from an inadequate plumbing infrastructure.

Ventilation

Grade: 4

Each room has a two square foot vent with an exhaust fan. The vents were covered with lint and the covers are rusting. Exhaust fans are below average. Both rooms have 1 1/2 by 3-foot long windows.

ADA compliance

Grade: 3

One stall in the women's room can accommodate handicap access but a sign does not designate it. .

Comfort and amenities

Grade: 3

Both rooms have soap dispensers. The women's restroom has a hand lotion dispenser. There are no vending machines in the restrooms.

FOOD SERVICE

Layout

Grade: 5

The kitchen divides into three rooms plus a small office and storage area. The kitchen is a part of the original building construction from 1959. The area expanded during the 1984 remodel to 30 by 32-foot (960 square feet) at the east-end of the building. The common wall with general admissions has plans to open and become a snack bar counter. The kitchen swinging doors hide behind a wooden partition in general admissions. The carpeted path leading to the doors is dark with grime and appears to be beyond cleaning. Flooring inside the kitchen is red concrete. The walls have white paint and a 4-inch plastic baseboard strips. All the basic stainless steel furnishings are in the three rooms: stoves, grills, fryers, refrigeration, ice machine, sinks and a dishwasher. Ventilation is poor and the kitchen can get very warm.



Location

Grade: 5

The kitchen area is on the east-end of the building in general admissions. A 7 by 8 by 7-foot three-sided beverage bar protrudes into general admissions at roughly the center of the building, next to the four-teller mutual counter.

Seating, counterspace

Grade: 3

No seating is available at the 2-foot wide counter at the beverage bar, which also is the service area for food. Counterspace displays condiment food and stores coffee and cups.



Amenities

Grade: 6

Menus inserted into table tents and salt, sugar and peppershakers garnish the banquet tables. All tables have food and beverage service. There is easy access to food and beverage attendants in this small room.

FIXTURES

Chairs

Grade: 5

Padded red cloth chairs, purchased in 1990 for the opening of the Earl Warren building, provide seating throughout the facility. The manufacturer is Virto. The chairs are in good shape for eight years of use. They have 1-inch chrome metal bases, 16-inch square seat and a 14-inch square back pad. Several damaged chairs are in storage.



Tables

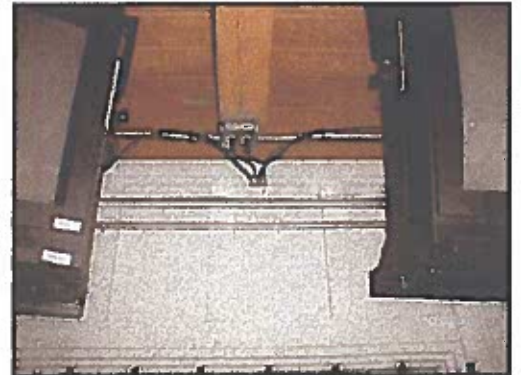
Grade: 5

Might Mite manufactures all plastic banquet tables used in the facility. There are eighteen 8-foot long gray plastic tables, purchased in 1990, used mostly in the patio area. Thirty-seven 6-foot beige tables, purchased in 1996, furnish most of general admissions. The 8-foot tables are 30 inches wide and the 6-footers are 24 inches wide. Most tables tested were sturdy but the light colored tabletops contain deep stains of newspaper ink.

Televisions/cords/cabling

Grade: 6

All the screens were clean. Picture burn in the screens was only evident in the older 44-inch models. Three older monitors display a dark signal. Cables are hidden in the "stacked" (monitors on top of projector units) presentation. The open beam style of the building and patio require the presence of electrical conduit. Plugs and cables are evident around monitors hanging from brackets on the patio. Cabinetry, except for the 9 by 12 1/2-foot Infotext display, is only used as stands. The stands are typically 3-feet high for the 60-inch monitors to accommodate the low ceilings in the building. The taller stands used for the 44-inch units transferred from the Earl Warren building.



Lighting

Grade: 5

Overhead light emits from double 4-foot fluorescent bulbs hidden behind inch-square grid covers. The lights align in seven rows of two, each lamp separated by 2-feet and each row by 7-feet. Additional light comes from wall mounted iridescent bulb lamps attached to the limited open wall space. Natural light enters from the four windows in the room but they are typically shaded due to the interference the light produces on the monitors and screens. The amount of lighting looks to be sufficient but the wood interior gives the room a dark feel. The grids do a great job diffusing the fluorescent light down and away from the viewing areas with some compromise to their effectiveness for reading.

Audio

Grade: 8

Race audio disseminates from large screen projector speakers. This system works well for this small building. Each race broadcasts with sound controlled by the supervisors in their office resulting in a very nice presentation. Six channels of audio are available. Public address audio broadcasts from a microphone in the supervisor office. Speakers are mounted on walls in general admissions but are currently inactive.

Carpet/floor covering

Grade: 2

General admissions has wall to wall carpet except for a 12 by 15-foot wooden dance floor under the west-end viewing zone. The seven-year-old worn and deeply stained carpet needs a replacement. The last carpet cleaning was during the spring of 1997 and did little to remove the stains.



Trash receptacles

Grade: 4

Two 30-gallon plastic outdoor trashcans sit in general admissions and the non-smoking section of the patio. An ash/trash can is in the smoking patio.



HVAC

Grade: 4

Three cooling units sit on the roof for use in the building interior. The center unit is broken resulting in a noticeable warm spot in the center of the facility. Venting from the coolers is a vehicle for water leaks from the roof and damage is clearly visible around three ceiling vents. Gas heating is reported to work well.

Cameras

Grade: 4

Two cameras provide video feeds from the admission desk and general admissions at the west mutual line. The video feeds display in the supervisor office only, providing black and white visual coverage to critical areas inaccessible when the supervisor is working the audio/video controls. The video feeds are not taped.

GENERAL APPEARANCE

Interior design

Grade: 4

The converted restaurant, "Earls Place", is small for its furnishings and purpose. The open beam stained wooden interior has a "club" look but seems cramped and small compared to the large viewing displays. Lines of electrical conduit give the interior and exterior an industrial look. Gray mutual counters and plastic banquet tables look out of place in the natural wood environment. The patio wood-beam design does not integrate with the gray paneling on the building exterior. The patio is a nice outdoor design and a great room for the climate of Santa Barbara.

Ceilings

Grade: 4

The slant wooden ceiling is as high as 10-feet and slopes down to 7-feet at the north perimeter wall. Overhead lights, metal electrical conduit and HVAC vents attach to the ceiling, spaced between the 8-inch wooden beams. As noted earlier, water leaks from the roof are damaging the ceiling at the HVAC vents. The low 7-10-foot ceilings contribute to a cramped feeling in the room.



Walls

Grade: 6

The 7 to 10-foot walls in general admissions are wooden pine slats. Most of the walls are covered by the race viewing displays. Framed pictures of horses adorn empty wall space along with promotional posters distributed by the Racetracks. Electrical conduit and switch boxes attach to the walls. Baseboards are 2-inch wood moldings. The wall space visible appears in good shape with minor scratch damage.

Interior signage

Grade: 3

Two painted wooden signs from the 1984 expansion hang in the building. One sign above the interior room entrance identifies the former restaurant, "Stirrup Room". The other sign is a restroom sign above the entryway to those rooms. Informational signs taped to the mutuel counters are computer-generated print on plain paper.

Cleanliness

Grade: 5

The cleaning team is two persons on weekends and a single person during the week from 7 A.M. to 11:30 A.M. The facility appears adequately cleaned. Monitors are cleaned weekly and dusted daily. Chairs, counters, floors and tables receive regular attention. Tables have permanent stains from marking pens and newspaper ink. The backs of the viewing screen cabinets, out of public view, have dust accumulation.

Building condition

Grade: 4

The forty-year-old wood and brick building is in below average condition. The roof has an ongoing, unidentified problem with water leaks. A large crack in the brick foundation of the original structure is apparent just inside the entrance. The plumbing infrastructure does not adequately handle the flushing of toilets. Rust is present around the building. The patio wood is fading and may need to be sealed.



Comfort and amenities

Grade: 4

Pay telephones are available but are 75 yards from the building on the Fairgrounds. The facility has a water fountain and an ATM machine. The patio is a comfortable feature at Santa Barbara. Nineteen teller and self-bet terminals provide a great ratio to customers. Race audio for all signals and the Infotext display are great presentations. Race results by telephone message are a nice feature for the customers.

PARI-MUTUEL AREA

Front of the Line

Wagering Counters

Grade: 5

There are two wagering counters in general admissions. One is a 25-foot four-teller station behind a wooden pine façade on the north wall between the beverage bar and the kitchen wall with an 11-foot queue. The second 6-foot long counter, used primarily by the mutuel manager, has two windows cut out of a wooden pine façade at the southwest corner with 5-feet of queue. Both counters are gray Formica placed at 42-inches high. A gray trim surrounds the windows. All windows use the "flip" Autotote Probes.



Display for Results, Scratches and Changes

Grade: 4

Four corkboards display the results, scratches and changes for the SWF. One 3 by 4-foot mauve cloth covered corkboard mounts on a divider wall inside general admissions, to the right of the main mutuel counter. An identical 3 by 4-foot corkboard sign mounts on a wall inside the smoking section of the outdoor patio. Two 3 by 6-foot gray colored result corkboards are inserted inside a wood frame inside the patio. Race results, printed from the ticket terminals, are individually push pinned to the boards under the appropriate Racetrack headings. Posted scratches and changes are the fax sheets sent from Scotwinc.



Tellers station

Grade: 6

The six teller window stations in general admissions have a minimum of 25-inch separations between windows. The windows are 19-inches wide and 42-inches tall. Fourteen inches of counter transactional space is available for the tellers and customers. Five teller stations at the smoking patio are similar in size.

Self-bet/voucher terminals

Grade: 7

Four self-bet terminals (SAMS) mount on 42 to 44-inch movable gray painted wood cabinets in both general admissions and the smoking patio. The five Probes in the smoking patio mutuel-line are usually used as self-bet machines as are at least four Probes in general admissions.



Wagering slips

Grade: 3

Three wooden wagering slip holders set around general admissions. The most obvious one sits on the main mutuel counter. The other two tuck in between 60-inch projector units around the room. None were noticed in the patio rooms.

Odds availability in the queuing area

Grade: 8



Because the facility is small and has a good supply of viewing screens, all wagering areas have some visibility to race odds displays. The patio self-bets have multiple monitors hanging over the terminals as well as visibility to the large screens in the area. Inside, no machine is more than 15-feet from a bank of race viewing display.

Behind the line

Security access

Grade: 5

Access to the teller and self-bet mutuel lines are through keyed locking metal doors. Soda syrup dispensers sit behind the line and feed the beverage bar requiring access to the back of the line by Food and Beverage personnel.



Alarm system/hold up switches

Grade: 7

All teller stations have access to hold up alarm buttons.

Two set in-between the terminals at the main mutuel line. The patio mutuel line, that continues down to the SW corner mutuel line, all have Ademco manufactured hold up buttons.



Lighting

Grade: 6

Two teller stations share a double-bulb fluorescent overhead light in each of the mutuel areas. The lights attach to the 7-foot ceilings and provide decent illumination to the area.

Layout/Operating efficiency/cash dispensers

Grade: 4

The mutuel counters sit 5-feet off the back walls. Tellers have about 5 inches behind the façade of the 14-inch wide counterspace for use. Three shelves sit behind the 25-inch wooden facades and give storage for ticket refills, wagering informational guides and other items. A 17-inch square red Formica counter sits to the left and slightly below the terminals at the four-station general admissions mutuel-line. Each station has a 9 by 24-inch six shelf non-locking wooden moneybox that attaches to adjustable-height wood stands. Telephones are available in all mutuel areas. The walls have gray or white paint. Thirty-inch high non-padded metal stools are provided for seating. Flooring is concrete.

OFFICE AREAS



Pari-mutuel office efficiency

Grade: 6

The pari-mutuel office addition was part of the 1996 move back to the current building. A 12 by 16-foot area divides into two 8-foot rooms, the pari-mutuel manager office and the money room. The office contains all the necessary items for efficiency: Fax machine, two telephone lines, adding machine, money counter, money box (organizer), safes, padded chairs, tote administrative terminal and associated printer. The room setup allows accessible storage with 14-feet of counter space, ample shelving, pegboards for active memos and a four-drawer metal file cabinet. The office and money rooms are very organized. The location easily services the two-station mutuel-line and the seldom-used patio smoking mutuel-line but is separated from the main mutuel counter in general admissions.

Tote room

Grade: 7

Next to the pari-mutuel offices, there is a narrow 6 by 16-foot room that contains the tote feed equipment, archived cashier tickets, storage for terminal tickets, tools, repair parts and a workbench. There are no backup terminals in the office, however the facility has an above average supply of bet terminals.



Layout Supervisors Office

Grade: 6

The office is located in the southwest corner of the facility, just off the smoking patio. This 1996 constructed 10 by 16-foot (160 square feet) room houses the audio/video equipment and office space for the supervisors. Walls are painted up to and including the 10-foot ceiling and the floor has carpeting.

Security/access

Grade: 5

The office access is from the smoking patio area through a small entryway. Dead bolt and a keyed lock secure the Dutch door entrance. The room is alarmed with a motion detector. Motion detectors also are alarmed just outside the office on the patio.

Furnishings

Grade: 7

The office equipment is a desk with two padded office chairs, a copy machine, two four-drawer metal filing cabinets, a computer, three telephones (two with answering machines) and an adding machine. A Fax machine is in the nearby mutuel managers office and is shared. Two black and white monitors have video feeds from surveillance cameras directed at the admissions counter and inside general admissions at the SW mutuel-line. The facility audio/video equipment fills much of the room.

Storage area

Grade: 3

Three locked 2 by 3-foot wood cabinets supply limited storage in the corner of the supervisor's office. Office desks provide storage for paper files. A hutch on the copier desk stores business manuals. Additional storage is available in the Earl Warren building.

Efficiency

Grade: 7

The supervisor's duties include operating the audio and video equipment for all races. An efficient control panel with desk, character-generator keyboard and microphone sits directly behind the supervisor desk giving them control of the resources needed for job performance. The office desk faces a bank of monitors hanging from ceiling brackets or sitting on top of cabinets. The screens allow easy monitoring of current races while completing office tasks. The office is well equipped and properly sized for the duties.



Video equipment room

Grade: 8

Video equipment is contained in racks inside the SWF Supervisor office. The equipment was upgraded in 1996 during the move back to this facility. A control desk with three racks of decoding, monitoring, audio and switching equipment has a neat and efficient appearance. Wiring behind the racks is



orderly. The Infotext equipment rack is also stored in this office. Tote information decoders, Santa Barbara currently has four, are in a rack inside the tote room.

PATIO/SMOKING AREA

Layout/location

Grade: 7

The covered patio provides the majority of the seating at this facility. The 23 by 125-foot (2875 square feet) patio attached to the south side of the existing building in 1989. It divides into a smoking and a non-smoking section of roughly equal size separated by viewing displays set in the middle of the patio. The patio serves as the public entrance to the facility and the entry and admissions areas are just inside the patio. Entrance to the interior building passes through the non-smoking section along a concrete 5-foot path, 32-feet up from the patio entrance. Plastic banquet tables align in rows convenient to the central viewing displays. 4-foot wooden tables, from the original restaurant, sit against the building exterior providing few seats and narrowing the width of the pedestrian traffic lanes. A five-station mutuel-line is available at the west-end of the smoking patio section. The patio sits next to an arena often used for horse shows. Flies are present and a constant nuisance inside the patio.



Appearance

Grade: 6

The patio area is eight years old. Wood beam construction with a tar and gravel roof covers the concrete floored area. The patio enclosure is 40-inch high gray painted plywood with 56-inch wrought iron fencing on top of the plywood frames. Nylon mesh screens pull down from rollers attached to the 10-foot high patio frames and cover the wrought iron. The original 1989 mesh screens help with weather protection, and bug control. Natural lighting is predominant during daylight hours. Single 4-foot bulb fluorescent lights align two across approximately every 10-feet. Chairs and furnishings have some damage, mostly from burns and newspaper print stain. Flooring is clean. Areas that receive direct sunlight such as the screens and the wood frames appear damaged.



Seating capacity

Grade: 8

The non-smoking section of the patio has eight rows; each aligned with two 8-foot gray-colored plastic banquet tables. The smoking section of the patio has the same 8-foot long banquet table alignment but for only four rows. Additionally, this area has two rows of three 6-foot beige-colored outdoor banquet tables, with seating on both sides, perpendicularly aligned to the other rows. The entire patio currently seats 120.



Accommodations for smokers

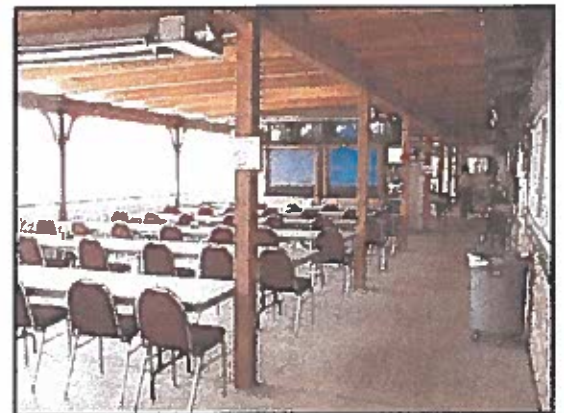
Grade: 8

Ashtrays were present on each banquet table in the 69-seat smoking section. An ash/trash can sits by the self-bet terminals. Area fans help disseminate some smoke. Plastic tables are resistant to smoker's cigarette burns and weather. The cloth-covered chairs are susceptible to burns. The smoking area contains 35 percent of the facility seating. Outdoor furniture, close to the SWF, gives an additional smoking area.

Weather protection

Grade: 6

Santa Barbara has a mild climate that usually makes the patio a comfortable room. An overhead roof, plywood boards and mesh screens sidings protect the area from wind, sun and rain. Six radiant gas heaters attach to the patio ceiling and provide good area heat. Three-foot fans sit next to the viewing displays for cooling but do a poor job for most of the room. Additional fans would help cooling and force smoke away from the non-smoking section. The overhead roof is variable. Highs are over 100 degrees in the summer and winters reach below freezing. The tables are weather resistant.



Race viewing

Grade: 7

Both sections of the patio have similarly good race coverage and viewing. The main centered displays have two 60-inch Mitsubishi projectors on 3-foot stands sitting side by side and four 26-inch Mitsubishi monitors above the projectors. Six equally spaced 26-inch Mitsubishi monitors hang from brackets against the original building spaced along the length of the seating areas. The mutuel-line has three 21-inch monitors hanging above the windows and a 44-inch projection screen on a stand nearby. The multiple viewing displays work well when everyone remains seated. The mesh screens and a vinyl tarp around the main viewing displays effectively block most of the ambient light to the area. Monitors receive some glare from the overhead fluorescent lights. Audio disseminates from the projector speakers providing good sound to all areas except for the back seating rows.



Tote service

Grade: 7

Five teller stations sit behind a gray-painted wooden façade on the west-end smoking section of the patio. Additionally, there are five movable gray-painted wooden 42 to 44-inch stands with four SAM's and a voucher machine in the smoking section. The mutuel counter usually operates their five Probes as self-bet terminals, which places all nine wagering terminals in the smoking section of the patio. The nearest patio wagering area for non-smoking sits approximately 40-feet away, inside the building.



Security/fire safety

Grade: 4

Contracted security personnel have a basic desk with no equipment on the east-end of the patio. They patrol patio sections, general admissions and parking areas. The patio is enclosed by 8-foot outward pronged wrought iron fencing up to the patio roof frame. The north wall is the buildings' solid brick and wood wall. Eight motion detectors mount on the walls and patio frames to provide after-hours security. One fire extinguisher mounts on the wall by the general admission entrance and another extinguisher is inside the nearby supervisor office. There are no evacuation plans posted to the public but one is behind the mutuel-line inside the patio (Section 5).

SAFETY

Fire safety-General Admissions

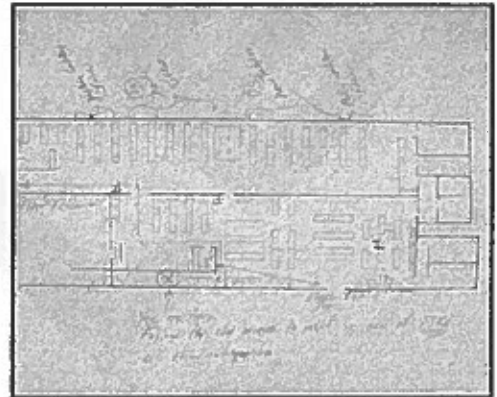
Grade: 4

There are two clearly signed double door fire exits in general admissions. One leads to the back parking area and the other opens to the patio. An additional single door opens to the smoking section of the patio. One fire extinguisher attaches to the wall in general admissions by the single door. Additional fire extinguishers in the facility are in the kitchen, supervisor office and patio. There are no ceiling sprinklers in general admissions or the patio.

Emergency Evacuation Plan

Grade: 4

Emergency evacuation plans are visible in the kitchen and behind the mutuel lines but not to the public. (Sample in section 5)
Procedures for dealing with fires appear in a scripted format in the Facilities emergency procedure manual. (Section 5)



Paramedic Emergency Response

Grade: 5

A comprehensive 50-page emergency policy manual details procedures relating to fire, first aid, emergencies, law enforcement and disasters. The manual is in the supervisor office. It is required reading for all employees. Telephone, public address announcements and two-way radios are the forms of communication used inside the facility. Telephones are in the mutuel office (2), supervisor office (3), tote room, kitchen and the admissions counter. In case of an emergency the person nearest a telephone would dial the 911 emergency telephone number. The Santa Barbara County Fire Department, less than a mile away, would answer the call. A first-aid kit is located behind the mutuel counter and in the supervisor office. The staff or Fairground does not rehearse for emergency contingencies.

PARIMUTUEL MONEY ROOM SECURITY

Money Room Security and Alarm System

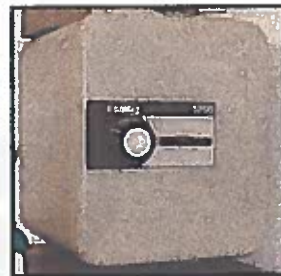
Grade: 7

The pari-mutuel and money rooms have a 12 by 16-foot area behind the patio smoking mutuels line and the two-station mutuel-line in general admissions on the west perimeter of the facility. The rooms both have several sheets of plywood surrounding the continuous walls and ceilings. All SWF doors have contact alarms wired to a coded alarm system. The alarm connects to the system that guards all the facility. The mutuel manager maintains the panic code for the alarm. There is a separate access to these offices through a locked gate at the rear of the facility and a bolted and alarmed metal door. A keypad for the alarm mounts on a wall outside the entrance to the rooms. The wooden door to these rooms has a keyed lock. Inside each room is a motion detector.

Safe

Grade: 3

The money room contains two safes. The main unit is a 55-inch tall brown metal safe. The other is a small gray 20-inch tall safe used for the night shift banks. No TL or fire test ratings were available on either safe. The main safe has a 2-inch metal door thickness. It sits against the west wall, which is the building exterior. There are no vibration sensors or contact alarms attached to the safes. Both safes have combination locks and the main unit has a keyed lock.



Law Enforcement Response

Grade: 5

An emergency policy manual details procedures relating to law enforcement. The manual is in the supervisor office. It is required reading for all employees. Telephone, public address and two-way radio communications are the staff communication devices inside the facility. Telephones are in the mutuel office (2), supervisor office (3), tote room, kitchen and admission desk. The facility supervisor, security and the tote technician carry two-way radios. In case of a hold up, emergency or disturbance, a hold up button would notify the Santa Barbara Sheriff. Any person near a telephone could dial the 911 emergency telephone number and contact the Santa Barbara Sheriffs Department. No benchmark time for response by the Sheriffs is established. Experience has the Sheriff at the facility within five minutes of notification. The staff does not rehearse for contingencies.

RECOMMENDATIONS

- Hold up switches at the security station, money room and admissions.
- Video surveillance cameras aimed at the mutuel entrance and safes.
- Have safes evaluated to determine TL and fire rating effectiveness.
- Vibration sensor and contact door alarms for the safes.
- Move safes away from building exterior walls
- Consider consolidated mutuel windows to the money room area.
- Provide an emergency script near telephones for contingencies.
- Rehearse emergency procedures on a timely schedule with Fairgrounds staff and the Sheriff department.

Recommendations

SATELLITE WAGERING FACILITY RECOMMENDATIONS

Earl Warren Showgrounds-Santa Barbara

Maintenance. ADA compliance should be evaluated. Vending materials should be made available in the women's room. Investigate the possibility of incorporating nearby exterior restrooms.

Food Service

Improved ventilation or air conditioning to the kitchen. Remove the beverage bar. Open the kitchen to the general admission and patio area as a snack bar.

FIXTURES

Seating upgrades should be considered. Smaller 18-inch wide banquet tables could increase seating. Tables are permanently stained and replacement (with darker colors) should be considered inside general admissions. Carrels should be considered in any upgrades. Higher stands should be considered for the 60-inch screens with monitors on side shelves. Smaller 50-inch screens would provide a good experience in this tight building. Skylights would help interior lighting without distracting viewing. Carpeting should be replaced. It is of poor quality and permanently stained. One of the three HVAC units is broken and needs repair or replacement. An ongoing water leak needs resolution. Trash receptacles could be incorporated into mutuel counters. Consider using losing tickets into a promotional opportunity.

A video feed of the general admission area going to the supervisor's office should be split and sent to the mutuel office. Video recordings of camera feeds trained on cash areas should be considered.

General Appearance

The gray counters and trim does not compliment the natural wood inside the room. Consider complimentary wood cabinets for race viewing displays. Furniture upgrades should consider the natural wood look. The ceiling needs repair around vents were the roof has leaked. Building exterior look should be more complimentary or conforming. Facility should consider Lotto service. Overnight entrees, closer newspaper vending machines and pay telephones would benefit the customer.

PARI-MUTUEL AREA

Front of the Line

Removal of counter facades might be considered for a friendlier appearance to the customer. Display for results, scratches and changes could be generated on video monitors (Infotext) in sight of the wagering counters. Consider consolidating two mutuel counters into one for efficiency and added customer seating. Move self-bets (SAMS) to mutuel counters. Move some self bet machines to the non-smoking section of the patio. Wagering slips should have a rack inside the patio.

Behind The Line

An electronic lock should be used on the door accessing the mutuel line. Comfort to the staff should be considered. A "finished look" to the area could help. Walls should have an aesthetic display for the public. Coin racks might help efficiency. Lockable money containers would provide security. Money drawers with a pull out alarm switch would be effective. A camera trained at the mutuel line and mutuel line entrance with videotape capabilities is recommended.

OFFICE AREAS

Configuration allowing single switch audio changes would help. The current operational setup has the supervisor controlling all the well-presented audio and video displays. This system locks the supervisor behind closed doors and minimizes customer interaction. Consideration should be given allowing different personnel the ability to operate race-viewing equipment.

SATELLITE WAGERING FACILITY RECOMMENDATIONS

Earl Warren Showgrounds-Santa Barbara

PATIO/SMOKING AREA

Wooden tables aligned against the pedestrian circulation routes should be moved. Mesh screen is ten years old and may need replacement. The smoking section should be reduced to no more than twenty-percent of the facility population. More efficient circulation fans are needed in cooling and disseminating smoke away from the non-smoking section of the patio. An additional viewing area should be considered for the non-smoking section of the patio, especially if seats are transferred from the smoking area. The back rows of the non-smoking patio section are distant for effective viewing of the concentrated video display. Tellers seldom use the mutuel line inside the smoking section and some or all windows should be converted to SAM's. The non-smoking section is deserving of self-bet terminals. A fire evacuation plan should be posted inside the patio. The concrete floor could use a sealant. Pest control is an ongoing issue on the patio and needs resolution.

SAFETY

A timely rehearsed emergency plan with all staff and Showground members is advised. A written script (existing) with the emergency numbers for specific emergencies should be posted by each facility telephone. The emergency manual should at least be distributed to mutuel and security personnel. Fire evacuation maps should be available to the public. Extinguisher placement should be evaluated.

Maps/Miscellaneous

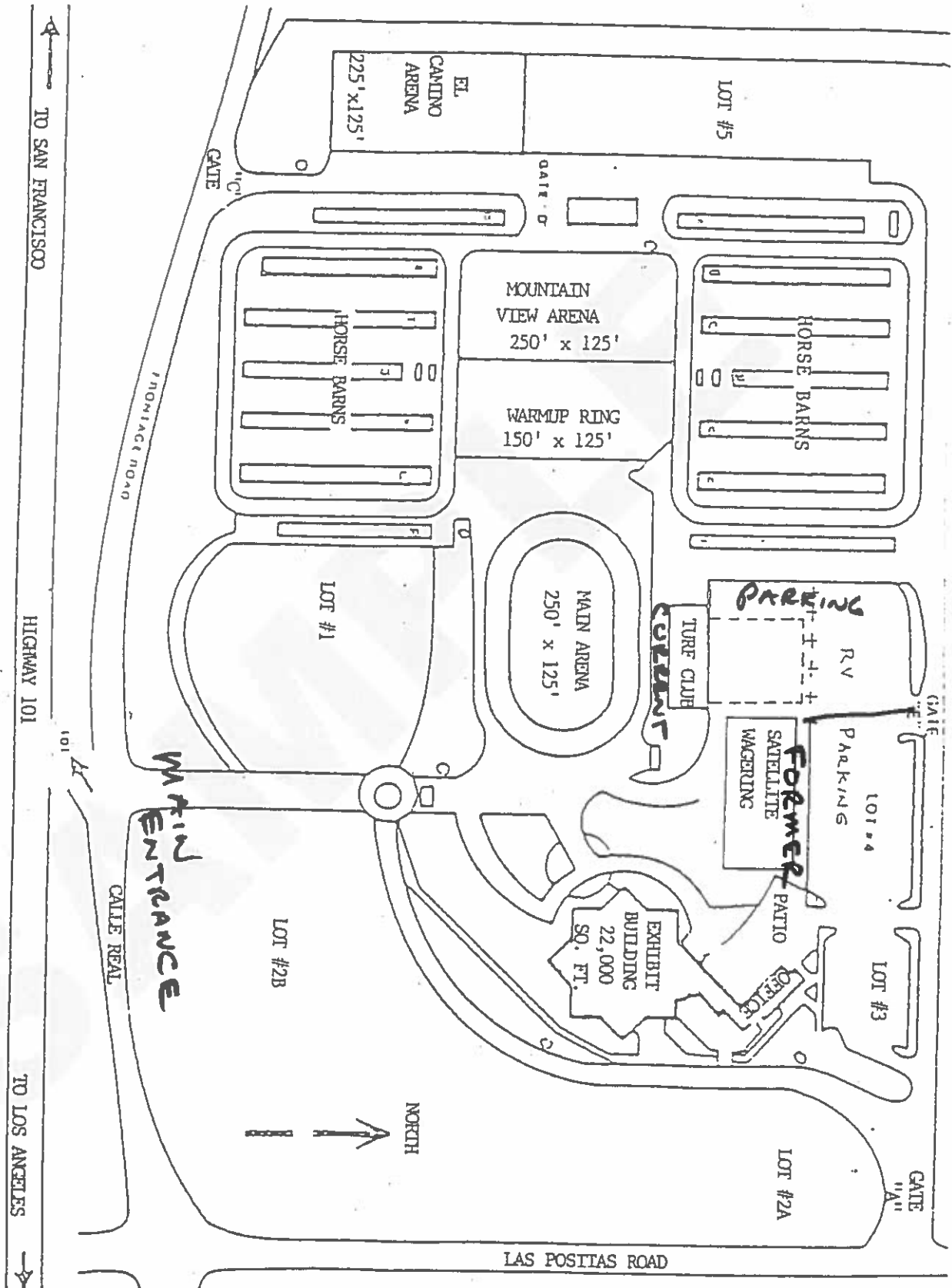


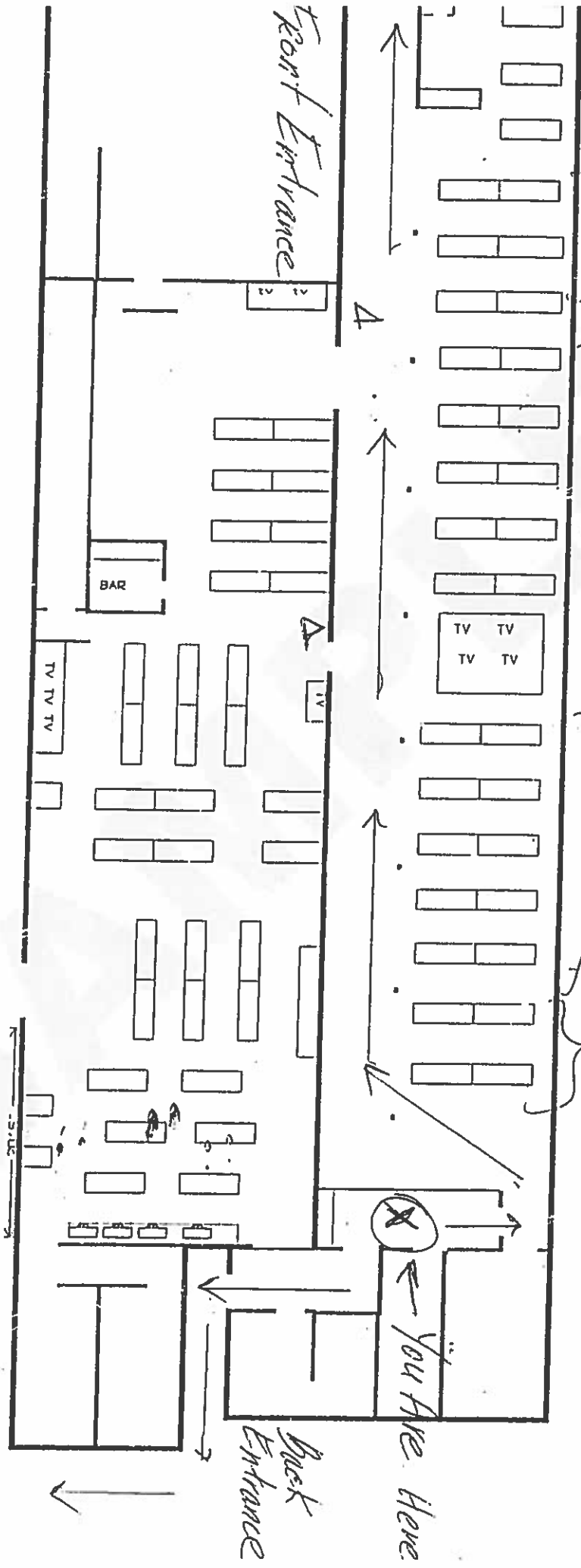
EARL WARREN SHOWGROUNDS

P.O. Box 3006

Santa Barbara, CA 93130-3006

(805) 607-0066





patio tables here

(10) new tables

(10) new tables

patio tables here

Follow the red arrows to exit in case of FIRE
 A = Fire extinguishers

Santa Barbara's
Satellite Wagering

Join The Fun
& Excitement At

EARL'S PLACE

In The
Earl Warren Showgrounds



SEE BACK SIDE FOR
SATELLITE SCHEDULE OF EVENTS

SATELLITE WAGERING FACILITY RECOMMENDATIONS

Earl Warren Showgrounds-Santa Barbara

EXTERIOR SIGNAGE

Freeway Showgrounds signage should include or have attached signs for the Watch and Wager facility. The Calle Real marquee should have its light bulbs and timer checked regularly and there is an opportunity to promote timely events on the dedicated space for the SWF. An electric sign at Calle Real would provide great informational and promotional opportunities. The Los Positas marquee should use its background light capabilities. There is opportunity to further promote the SWF on unused marquee lines. Exterior building signage accurately identifying the SWF should be mounted or painted on the facing towards the designated parking lot. Directional signage to the SWF parking lot is needed. Consider changing the "Earl's Place" name or insure signage correlates the SWF with Earls.

EXTERIOR APPEARANCE OF SWF

Signage should be posted in the parking area indicating the Watch and Wager facility entrance. Parking lights should be checked weekly for bulb replacement. Signage should be posted on the Fairgrounds from the main entrance leading to the SWF. Lights along pathways from the main lot should be at least used during night racing events. Entrance signage should at least include hours of operations and admission charges. A monitor visible to the outside entrance could provide information from the facilities character generator and get use as a race monitor for patrons sitting outside. Flowerbeds built up against the building leak and need repair or removal. A bike rack would be helpful. Exterior exposed wood needs treatment. Designated SWF parking should be marked as such. Provide an awning or cover with seating over the exterior lobby area for waiting customers.

FACILITY ENTRY AREA (INTERIOR)

Check the wobbly bolt lock at the entrance door. The Admissions area should be equipped with a lockable money drawer and a hold up switch. Consider a telephone at the admission/security area. Audio/video controls may be more efficient in this area than the office location. Equip the security area for effective use by security personnel. A video camera to the general admissions area with display to the security desk would help with total area observation. The three desks used by admissions, security and racing material sales could consolidate or move in closer allowing additional facility seats. Use a designated corkboard for general information, including daily press releases from tracks. Use character-generated video feeds for general information and promotion of upcoming events. Consider fulltime facility operated Racing Form, Program and tout sheet sales. How to bet teaching materials should be clearly displayed to the public. Merchandise display should position along the entry path.

INTERIOR PUBLIC AREAS

Room layout

The building is small and could use additional seating without compromising pedestrian traffic. Removing the beverage bar would help. Consider removing the four-station mutuel line and relocating next to the existing two-station line (by restrooms). Additional storage and seating could be gained in the mutuel area including reserved booths. If attendance can justify, move back to the Earl Warren building.

Restrooms

Both rooms should be remodeled to accommodate facility size. Plumbing needs immediate work. Toilet flushes are poor. Non-rust stall dividers should be used. Counter space should be provided for sinks. Visible signage directing traffic towards restrooms from the patio would be helpful. Audio or video feeds inside the restrooms would help the entertainment experience. Ventilation screens need additional

Earl's Place

SATELLITE SCHEDULE OF EVENTS

AUGUST

| Sun | Mon | Tue | Wed | Thu | Fri | Sat |
|------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| | | | | | | Earl's Pl. Opens 12:15pm 9:55am - Woodbine 10:10am - Breeders Crown 1:15pm - Santa Rosa 1:15pm - Hastings 2:00pm - Del Mar 5:40 - 7:05pm - Capote Closing Day 5:30 - 6:30pm - Los Alamitos No Australia Racing |
| 2 Earl's Pl. Opens 12:15pm 9:55am - Woodbine 1:15pm - Santa Rosa 1:15pm - Hastings 2:00pm - Del Mar | 3 Earl's Pl. Opens 12:15pm 9:55am - Woodbine 1:15pm - Santa Rosa 2:00pm - Del Mar | 4 DARK | 5 Earl's Pl. Opens 12:15pm 1:15pm - Santa Rosa 2:00pm - Del Mar 3:15pm - Woodbine | 6 Earl's Pl. Opens 12:15pm 9:55am - Woodbine 1:15pm - Santa Rosa 2:00pm - Del Mar 6:15 / 7:15pm - Los Alamitos 7:30pm - Australia | 7 Earl's Pl. Opens 12:15pm 9:55am - Woodbine 1:15pm - Santa Rosa 1:15pm - Hastings 4:00pm - Del Mar 5:30 - 6:30pm - Los Alamitos 6:30pm - Hastings 7:30pm - Australia | 8 Earl's Pl. Opens 12:15pm 9:55am - Woodbine 1:15pm - Santa Rosa 1:15pm - Hastings 2:00pm - Del Mar 5:30 - 6:30pm - Los Alamitos 7:30pm - Australia |
| 9 Earl's Pl. Opens 12:15pm 9:55am - Woodbine 1:15pm - Santa Rosa 1:15pm - Hastings 2:00pm - Del Mar | 10 Earl's Pl. Opens 12:15pm 1:15pm - Santa Rosa 2:00pm - Del Mar | 11 DARK | 12 Earl's Pl. Opens 12:15pm 1:15pm - San Mateo 2:00pm - Del Mar 3:35pm - Woodbine | 13 Earl's Pl. Opens 12:15pm 9:55am - Woodbine 1:15pm - San Mateo 2:00pm - Del Mar 2:55pm - Ferndale 6:15 / 7:15pm - Los Alamitos 7:30pm - Australia | 14 Earl's Pl. Opens 3:00pm 9:55am - Woodbine 3:55pm - Ferndale 4:00pm - Del Mar 6:15 / 7:15pm - Los Alamitos 6:30pm - Hastings 6:45pm - San Mateo 7:30pm - Australia | 15 Earl's Pl. Opens 11:30pm 9:55am - Woodbine 12:30pm - Del Mar 12:45pm - San Mateo 1:15pm - Hastings 2:55pm - Ferndale 5:30 - 6:30pm - Los Alamitos 7:30pm - Australia |
| 16 Earl's Pl. Opens 12:15pm 9:55am - Woodbine 1:15pm - San Mateo 1:15pm - Hastings 2:00pm - Del Mar 3:55pm - Ferndale | 17 Earl's Pl. Opens 12:15pm 1:15pm - San Mateo 2:00pm - Del Mar 2:55pm - Ferndale | 18 DARK | 19 Earl's Pl. Opens 12:15pm 1:15pm - San Mateo 2:00pm - Del Mar 2:55pm - Ferndale 3:35pm - Woodbine | 20 Earl's Pl. Opens 12:15pm 9:55am - Woodbine 1:15pm - San Mateo 2:00pm - Del Mar 2:55pm - Ferndale 6:15 / 7:15pm - Los Alamitos 7:30pm - Australia | 21 Earl's Pl. Opens 2:30pm 9:55am - Woodbine 3:30pm - Del Mar 3:55pm - Ferndale 6:15 / 7:15pm - Los Alamitos 6:30pm - Hastings 6:45pm - San Mateo 7:30pm - Australia | 22 Earl's Pl. Opens 12:15pm 9:55am - Woodbine 1:15pm - San Mateo 1:15pm - Hastings 2:00pm - Del Mar 3:55pm - Ferndale 5:30 - 6:30pm - Los Alamitos 7:30pm - Australia |
| 23 Earl's Pl. Opens 12:15pm 9:55am - Woodbine 1:15pm - San Mateo 1:15pm - Hastings 2:00pm - Del Mar 3:55pm - Ferndale | 24 Earl's Pl. Opens 12:15pm 1:15pm - San Mateo 2:00pm - Del Mar | 25 DARK | 26 Earl's Pl. Opens 12:00 noon 1:00pm - Sacramento 2:00pm - Del Mar 3:35pm - Woodbine | 27 Earl's Pl. Opens 12:00 noon 9:55am - Woodbine 1:00pm - Sacramento 2:00pm - Del Mar 6:15 / 7:15pm - Los Alamitos 7:30pm - Australia | 28 Earl's Pl. Opens 1:00pm 9:55am - Woodbine 2:00pm - Sacramento 3:30pm - Del Mar 6:15 / 7:15pm - Los Alamitos 6:30pm - Hastings 7:30pm - Australia | 29 Earl's Pl. Opens 12:00 noon 9:55am - Woodbine 1:00pm - Sacramento 1:15pm - Hastings 2:00pm - Del Mar 5:30 - 6:30pm - Los Alamitos 7:30pm - Australia |
| 30 12:00 open 1:00 PM STATE FAIR 2:00 PM DEL MAR | 31 12:00 open 1:00 PM STATE FAIR 2:00 PM DEL MAR | NOTES: 1. <u>Los Alamitos</u> has live quarter horse racing, 1st time listed indicates simulcast, 2nd time listed indicates live race. 2. <u>Hat Giveaway</u> August 15th Del Mar's Pacific Classic 3. Earl's Place open's one hour prior to California post times. 4. Woodbine shown after Earl's Place opens. 5. Post times subject to change. | | | | |

EMERGENCY POLICY

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I. PURPOSE

The purpose of this Emergency Procedure Manual is to anticipate the possible types of emergencies/disasters that could occur, and to assign responsibilities to effectively manage and coordinate resources to deal with emergency/disaster situations.

This plan is designed to establish an emergency control group which will be organized, trained and equipped to respond to various types of emergencies that may arise. At such time, city and county emergency equipment may be diverted to priority locations such as hospitals and schools, thereby leaving the fairgrounds to handle its own problems.

Through defined authority, organization and pre-arranged assessment and response teams, the combined physical and material resources of the fair will be utilized. In addition, this plan provides the basis for orderly evacuation and effective utilization of manpower and equipment so as to minimize loss of life and/or damaged property.

II. POLICY STATEMENT

A. EMERGENCY PROCEDURE MANUAL

This Emergency Procedure Manual was developed to anticipate possible emergencies and disasters which may occur and to assign responsibilities to provide emergency preparedness to personnel working on and around the _____ Fairgrounds. The manual provides systematic response procedures to numerous emergency situations that may arise on the _____ Fairgrounds, and shall be reviewed by fair staff, local fire and police departments on an annual basis. Sections of this manual shall be revised periodically. Revisions shall replace existing sections of all manuals in use.

All regular full-time employees, as well as seasonal department heads, are required to read this manual. Copies of the manual shall be made available to the _____ Fire Department and Police Department, as well as the operators of the carnival and the First Aid facility.

B. GENERAL PUBLIC SAFETY

In the interest of assuring maximum safety for the patrons and workers at the _____ Fair, this statement is issued for the purpose of defining the elements of the Public Safety Program and respective responsibilities. It is the desire of the _____ Fair and participants in the Public Safety Program and that utmost effort be extended in a coordinated and informed manner to respond to emergencies and incidents which may impact the safety of the public and workers on the fairgrounds.

The Public Safety Element is divided into four categories: Police Department, Fire Department, Medical (First Aid) Department, and Security Department. Each of these departments has a designated coordinator who is responsible for carrying forth all aspects of the Public Safety program, under the direction of the General Manager and of the _____ Fair.

C. POLICE DEPARTMENT

The _____ Fair has contracted with the _____ Police Department to provide uniformed officers to patrol the fairgrounds to assure compliance with all laws of _____ (city name), SANTA BARBARA (county name), and State of California. These services include the investigation of crimes, compilation of reports and maintaining law and order. Back-up assistance is provided by private security hired by the _____ Fair.

**California Authority of Racing Fairs
Agency Income Statement
December 31, 2008**

| | 2006 Year End Actual | 2007 Year End Actual | 2008 YTD Actual | 2008 Annual Budget | 2008 Budget Variance | 2008 % Budget | 2009 Approved Budget |
|---------------------------------------------------------|----------------------------|----------------------------|-----------------------|--------------------------|----------------------------|------------------|----------------------------|
| Revenue: | | | | | | | |
| Other Revenue | 9,233 | 13,560 | 1,148 | 500 | 648 | 230% | 500 |
| Interest Income | 48,441 | 92,352 | 96,705 | 50,000 | 46,705 | 193% | 40,000 |
| Member Dues | 261,477 | 257,268 | 282,520 | 257,276 | 25,244 | 110% | 282,520 |
| CARF South Programs Admin Fee | 39,146 | 34,731 | 29,295 | 34,425 | (5,130) | 85% | 30,375 |
| CARF Projects Admin Fee | 126,364 | 158,277 | 175,639 | 195,000 | (19,361) | 90% | 215,000 |
| CARF Live Racing Admin Fee | 132,433 | 155,333 | 148,506 | 143,958 | 4,548 | 103% | 139,528 |
| CARF @ Leased Facility Revenue | 0 | 0 | 0 | 0 | 0 | 0% | 0 |
| Total Revenue | 617,094 | 711,520 | 733,813 | 681,159 | 52,654 | 108% | 707,923 |
| Expenses: | | | | | | | |
| Salaries | 204,210 | 207,576 | 245,914 | 286,912 | 40,998 | 86% | 298,428 |
| Employee Benefits | 21,363 | 16,639 | 26,810 | 30,000 | 3,190 | 89% | 30,000 |
| Post Retirement Benefits | 27,118 | 31,122 | 31,614 | 35,000 | 3,386 | 90% | 93,193 |
| Payroll Taxes | 11,471 | 9,960 | 12,509 | 13,500 | 992 | 93% | 13,500 |
| Accounting Costs | 16,965 | 16,270 | 16,337 | 16,250 | (87) | 101% | 16,250 |
| Advertising Expense | 800 | 0 | 0 | 0 | 0 | 0% | 0 |
| Audit Services | 4,815 | 5,875 | 6,188 | 5,875 | (313) | 105% | 6,188 |
| Automobile Expense | 0 | 3,788 | 3,236 | 3,000 | (236) | 108% | 4,000 |
| Contracted Services | 1,198 | 2,214 | 659 | 3,000 | 2,341 | 22% | 3,000 |
| Depreciation | 16,682 | 13,195 | 13,729 | 13,000 | (729) | 106% | 13,500 |
| Dues & Subscriptions | 30,475 | 29,509 | 14,388 | 31,000 | 16,612 | 46% | 15,000 |
| Insurance Expense | 37,763 | 38,824 | 40,542 | 38,151 | (2,391) | 106% | 41,000 |
| Legal Expenses | 6,620 | 5,575 | 1,740 | 10,000 | 8,260 | 17% | 10,000 |
| Legislative Expenses | 49,888 | 56,089 | 54,869 | 60,000 | 5,131 | 91% | 60,000 |
| Meetings Expense | 6,861 | 3,420 | 3,758 | 6,000 | 2,242 | 63% | 5,000 |
| Misc. Bank Fees | 29 | 404 | 204 | 1,000 | 796 | 20% | 1,000 |
| Office Supplies | 17,074 | 15,953 | 19,576 | 15,000 | (4,576) | 131% | 18,000 |
| Postage & Shipping | 3,570 | 4,168 | 4,343 | 4,000 | (343) | 109% | 5,000 |
| Rent (Tribute Road) | 35,777 | 35,770 | 39,413 | 35,770 | (3,643) | 110% | 38,419 |
| Repairs & Maintenance | 370 | 359 | 0 | 1,000 | 1,000 | 0% | 1,000 |
| Telephone Expense | 10,660 | 10,921 | 8,132 | 11,000 | 2,868 | 74% | 11,000 |
| Training | 0 | 0 | 0 | 2,500 | 2,500 | 0% | 2,500 |
| Travel Expense | 24,886 | 27,308 | 23,216 | 27,500 | 4,284 | 84% | 27,500 |
| Total Expenses | 528,593 | 534,936 | 567,174 | 649,458 | 82,284 | 87% | 713,477 |
| Agency Income (Loss) | 88,500 | 176,584 | 166,639 | 31,701 | 134,938 | | (5,555) |
| Southern Program Income (Loss) | 14,398 | 16,026 | 9,592 | 2,475 | (13,148) | | 6,925 |
| Total Balance Sheet Net Income (Loss) | 102,899 | 192,610 | 176,231 | 34,176 | 121,790 | | 1,370 |
| Total Restricted Reserves CARF @ Leased Facility | 0 | 0 | 0 | 0 | 0 | | 0 |

**California Authority of Racing Fairs
Southern Region Income Statement
December 31, 2008**

| | 2006 | 2007 | 2008 | 2008 | 2008 | 2008 | 2009 |
|--------------------------------|-----------------|-----------------|---------------|---------------|-----------------|-----------------|-----------------|
| | Year End | Year End | YTD | Annual | Budget | % Budget | Approved |
| | Actual | Actual | Actual | Budget | Variance | | Budget |
| Program Revenue: | | | | | | | |
| Program Sales | 493,939 | 463,076 | 397,688 | 459,000 | (61,312) | 87% | 405,000 |
| Other Revenue | 0 | 0 | 0 | 0 | 0 | 0% | 0 |
| Royalties/Fees Due Host | (440,394) | (411,359) | (358,703) | (417,000) | 58,297 | 86% | (365,000) |
| Total Revenue | 53,545 | 51,718 | 38,985 | 42,000 | (3,015) | 2 | 40,000 |
| Expenses: | | | | | | | |
| Legal Expenses | 0 | 0 | 0 | 2,500 | 2,500 | 0% | 1,000 |
| Meetings Expense | 0 | 539 | 98 | 1,000 | 902 | 10% | 1,000 |
| Misc Exp.(Storage) | 0 | 0 | 0 | 1,000 | 1,000 | 0% | 500 |
| Postage & Shipping | 0 | 0 | 0 | 100 | 100 | 0% | 100 |
| Telephone Expense | 0 | 0 | 0 | 500 | 500 | 0% | 100 |
| Travel Expense | 0 | 422 | 0 | 0 | 0 | 0% | 0 |
| Total Expenses | 0 | 961 | 98 | 5,100 | 5,002 | 2% | 2,700 |
| Operating Income (Loss) | 53,545 | 50,757 | 38,887 | 36,900 | (8,018) | 105% | 37,300 |
| CARF Admin Fee | 39,146 | 34,731 | 29,295 | 34,425 | 5,130 | 85% | 30,375 |
| Rebate | | | | | | | |
| Income (Loss) | 14,398 | 16,026 | 9,592 | 2,475 | (13,148) | 388% | 6,925 |

**California Authority of Racing Fairs
Project Management Income Statement
December 31, 2008**

| | 2006 | 2007 | 2008 | 2008 | 2008 | 2008 | 2009 |
|-----------------------|-----------------|-----------------|----------------|----------------|-----------------|-----------------|-----------------|
| | Year End | Year End | YTD | Annual | Budget | % Budget | Approved |
| | Actual | Actual | Actual | Budget | Variance | | Budget |
| Revenue: | | | | | | | |
| CARF Admin Fee | 126,419 | 158,277 | 175,639 | 195,000 | (19,361) | 90% | 215,000 |
| Project Management | 76,158 | 79,648 | 67,608 | 78,522 | (10,914) | 86% | 78,666 |
| Total Revenue | 202,578 | 237,925 | 243,247 | 273,522 | (30,275) | 89% | 293,666 |
| Expenses: | | | | | | | |
| Salaries Expense | 56,190 | 58,942 | 49,043 | 54,172 | 5,129 | 91% | 56,341 |
| Employee Benefits | 6,595 | 7,510 | 6,150 | 8,000 | 1,850 | 77% | 8,000 |
| Payroll Taxes | 3,065 | 3,060 | 2,204 | 3,000 | 796 | 73% | 2,500 |
| Accounting Costs | 6,780 | 6,500 | 6,500 | 6,500 | (0) | 100% | 6,500 |
| Audit Services | 1,870 | 2,350 | 2,475 | 2,350 | (125) | 105% | 2,475 |
| Automobile Expense | 0 | 0 | 0 | 1,000 | 1,000 | 0% | 1,000 |
| Contracted Services | 0 | 0 | 0 | 1,000 | 1,000 | 0% | 0 |
| Telephone Expense | 1,015 | 647 | 678 | 1,500 | 822 | 45% | 1,000 |
| Travel Expense | 144 | 85 | 0 | 500 | 500 | 0% | 250 |
| Misc. Storage | 555 | 555 | 558 | 500 | (58) | 112% | 600 |
| Total Expenses | 76,214 | 79,648 | 67,608 | 78,522 | 10,914 | 86% | 78,666 |
| CARF Admin Fee | 126,364 | 158,277 | 175,639 | 195,000 | 19,361 | 90% | 215,000 |

**California Authority of Racing Fairs
Live Racing Income Statement
December 31, 2008**

| | 2006 | 2007 | 2008 | 2008 | 2008 | 2008 | 2009 |
|--------------------------------------|------------------|------------------|------------------|------------------|-----------------|-----------------|------------------|
| | Year End | Year End | YTD | Annual | Budget | % Budget | Approved |
| | Actual | Actual | Actual | Budget | Variance | | Budget |
| Revenues: | | | | | | | |
| Change Fund Admin Fee | 42,690 | 53,293 | 46,470 | 40,000 | 6,470 | 116% | 30,000 |
| Racing Fairs Admin Fee | 67,743 | 80,040 | 80,036 | 81,958 | (1,922) | 98% | 87,527 |
| Supplemental Purses Admin Fee | 22,000 | 22,000 | 22,000 | 22,000 | 0 | 100% | 22,000 |
| NCOTWINC Reimbursement | 29,000 | 29,000 | 29,000 | 29,000 | 0 | 100% | 29,000 |
| Racing Fairs Reimbursement | 959,886 | 1,120,049 | 1,072,889 | 1,059,773 | 13,116 | 101% | 1,167,029 |
| Advertising Revenue | 3,425 | 4,827 | 5,010 | 4,000 | 1,010 | 125% | 4,000 |
| Total | 1,124,744 | 1,309,208 | 1,255,405 | 1,236,731 | 18,674 | 102% | 1,339,556 |
| Expenses: | | | | | | | |
| Salaries | 137,045 | 138,623 | 201,995 | 120,448 | (81,547) | 168% | 229,015 |
| Employee Benefits | 32,501 | 35,050 | 40,485 | 35,000 | (5,485) | 116% | 44,376 |
| Payroll Taxes | 9,178 | 23,536 | 10,824 | 10,500 | (324) | 103% | 13,500 |
| Accounting Costs | 44,070 | 42,250 | 42,250 | 42,250 | 0 | 100% | 42,250 |
| Audit Services | 12,155 | 15,275 | 16,088 | 15,275 | (813) | 105% | 16,088 |
| Automobile Expense | 811 | 4,065 | 742 | 3,000 | 2,258 | 25% | 4,500 |
| Dues & Subscriptions, NTRA | 28,125 | 28,125 | 13,596 | 30,000 | 16,404 | 45% | 15,000 |
| Legal Expenses | 9,232 | 23,520 | 2,101 | 6,000 | 3,899 | 35% | 6,000 |
| Meetings Expense | 3,429 | 3,643 | 1,803 | 5,000 | 3,197 | 36% | 5,000 |
| Misc. Exp (Harness,Storage,Bank fee) | 0 | 80,000 | 0 | 0 | 0 | 0% | 0 |
| Telephone Expense | 932 | 582 | 1,773 | 1,000 | (773) | 177% | 1,500 |
| Travel Expense | 28,650 | 48,187 | 55,224 | 35,000 | (20,224) | 158% | 40,000 |
| Sub-Totals | 306,128 | 442,855 | 386,881 | 303,473 | (83,408) | 127% | 417,229 |
| Racing Support Services: | | | | | | | |
| Announcer | 33,513 | 24,870 | 26,000 | 30,000 | 4,000 | 87% | 30,000 |
| Condition Bk/Program Cover | 19,540 | 15,237 | 27,509 | 23,000 | (4,509) | 120% | 27,000 |
| Racing Operations Support | 73,176 | 74,441 | 101,776 | 78,000 | (23,776) | 130% | 92,000 |
| TC02 Testing | 50,341 | 56,200 | 60,010 | 72,000 | 11,990 | 83% | 72,000 |
| Marketing | 2,095 | 3,432 | 3,025 | 20,000 | 16,975 | 15% | 20,000 |
| Network Management | 2,748 | 4,817 | 3,105 | 5,000 | 1,895 | 62% | 5,000 |
| Paymaster | 8,860 | 5,160 | 10,825 | 10,000 | (825) | 108% | 10,000 |
| Program Production | 169,347 | 196,134 | 191,389 | 205,000 | 13,611 | 93% | 205,000 |
| Racing Office System | 60,889 | 56,097 | 55,840 | 60,000 | 4,160 | 93% | 60,000 |
| Recruitment | 13,257 | 16,385 | 17,970 | 15,000 | (2,970) | 120% | 15,000 |
| Jumbo Screen | 151,025 | 137,700 | 137,700 | 175,000 | 37,300 | 79% | 153,000 |
| Supplies | 17,968 | 15,316 | 15,478 | 9,500 | (5,978) | 163% | 7,000 |
| Tattooing | 16,724 | 21,741 | 17,057 | 16,800 | (257) | 102% | 16,800 |
| Timing/Clocker | 29,472 | 26,010 | 21,851 | 30,000 | 8,149 | 73% | 30,000 |
| Transportation | 3,350 | 4,660 | 2,900 | 5,000 | 2,100 | 58% | 5,000 |
| TV Production/Simulcast | 33,879 | 52,822 | 27,582 | 35,000 | 7,418 | 79% | 35,000 |
| Sub-Totals | 686,183 | 711,020 | 720,018 | 789,300 | 69,282 | 91% | 782,800 |
| Total Expenses | 992,311 | 1,153,876 | 1,106,899 | 1,092,773 | (14,126) | 101% | 1,200,029 |
| CARF Admin Fee | 132,433 | 155,333 | 148,506 | 143,958 | (4,548) | 103% | 139,528 |
| Net Income(Unbilled Expenses) | 0 | 0 | 0 | 0 | 0 | 0% | 0 |

**California Authority of Racing Fairs
CARF @ Leased Facility
December 31, 2008**

| | 2006 | 2007 | 2008 | 2008 | 2008 | 2008 | 2009 |
|------------------------------------------|-----------------|-----------------|---------------|---------------|-----------------|-----------------|-----------------|
| | Year End | Year End | YTD | Annual | Budget | % Budget | Proposed |
| | Actual | Actual | Actual | Budget | Variance | | Budget |
| Revenues: | | | | | | | |
| Leased Facility Racing Revenue | 0 | 0 | 0 | 0 | 0 | 0% | 0 |
| Leased Facility Racing Reimbursement | 0 | 0 | 0 | 0 | 0 | 0% | 0 |
| Total | 0 | 0 | 0 | 0 | 0 | 0% | 0 |
| Expenses: | | | | | | | |
| Salaries | 0 | 0 | 0 | 0 | 0 | 0% | 0 |
| Employee Benefits | 0 | 0 | 0 | 0 | 0 | 0% | 0 |
| Payroll Taxes | 0 | 0 | 0 | 0 | 0 | 0% | 0 |
| Accounting Costs | 0 | 0 | 0 | 0 | 0 | 0% | 0 |
| Audit Services | 0 | 0 | 0 | 0 | 0 | 0% | 0 |
| Automobile Expense | 0 | 0 | 0 | 0 | 0 | 0% | 0 |
| Depreciation | 0 | 0 | 0 | 0 | 0 | 0% | 0 |
| Dues & Subscriptions | 0 | 0 | 0 | 0 | 0 | 0% | 0 |
| Insurance Expense | 0 | 0 | 0 | 0 | 0 | 0% | 0 |
| Legal Expenses | 0 | 0 | 0 | 0 | 0 | 0% | 0 |
| Meetings Expense | 0 | 0 | 0 | 0 | 0 | 0% | 0 |
| Telephone Expense | 0 | 0 | 0 | 0 | 0 | 0% | 0 |
| Travel Expense | 0 | 0 | 0 | 0 | 0 | 0% | 0 |
| Sub-Totals | 0 | 0 | 0 | 0 | 0 | 0% | 0 |
| Racing Support Services: | | | | | | | |
| Announcer | 0 | 0 | 0 | 0 | 0 | 0% | 0 |
| Condition Bk/Program Cover | 0 | 0 | 0 | 0 | 0 | 0% | 0 |
| Courier Service (Pgm Distribution) | 0 | 0 | 0 | 0 | 0 | 0% | 0 |
| Racing Operations Support | 0 | 0 | 0 | 0 | 0 | 0% | 0 |
| TC02 Testing | 0 | 0 | 0 | 0 | 0 | 0% | 0 |
| Marketing | 0 | 0 | 0 | 0 | 0 | 0% | 0 |
| Network Management | 0 | 0 | 0 | 0 | 0 | 0% | 0 |
| Paymaster | 0 | 0 | 0 | 0 | 0 | 0% | 0 |
| Program Production | 0 | 0 | 0 | 0 | 0 | 0% | 0 |
| Racing Office System | 0 | 0 | 0 | 0 | 0 | 0% | 0 |
| Recruitment | 0 | 0 | 0 | 0 | 0 | 0% | 0 |
| Jumbo Screen | 0 | 0 | 0 | 0 | 0 | 0% | 0 |
| Supplies | 0 | 0 | 0 | 0 | 0 | 0% | 0 |
| Tattooing | 0 | 0 | 0 | 0 | 0 | 0% | 0 |
| Timing/Clocker | 0 | 0 | 0 | 0 | 0 | 0% | 0 |
| Transportation | 0 | 0 | 0 | 0 | 0 | 0% | 0 |
| TV Production/Simulcast | 0 | 0 | 0 | 0 | 0 | 0% | 0 |
| Sub-Totals | 0 | 0 | 0 | 0 | 0 | 0% | 0 |
| Total Expenses | 0 | 0 | 0 | 0 | 0 | 0% | 0 |
| CARF @ Leased Facility Net Income | 0 | 0 | 0 | 0 | 0 | 0% | 0 |

CALIFORNIA AUTHORITY OF RACING FAIRS
BALANCE SHEET
December 31, 2008

ASSETS

| | CURRENT YTD | PRIOR YTD |
|------------------------------------------|--------------------|-------------------|
| | 12/31/08 | 12/31/07 |
| Current Assets | | |
| CASH - LAIF & INVESTMENTS | 3,979,551 | 4,489,803 |
| CASH - OPERATING | 306,070 | 296,683 |
| MARKETABLE SECURITIES | 4,101,892 | 3,889,193 |
| A/R - DUES | 21,040 | 17,534 |
| A/R - PRINTING | 363,957 | 282,484 |
| A/R - RACING FAIRS | 408,709 | 427,608 |
| A/R - F&E SUPPLEMENTAL PURSE/OTHER A/R | 307,605 | 2,398,644 |
| PREPAIDS/DEPOSITS | 53,062 | 61,518 |
| Total Current Assets | 9,541,885 | 11,863,468 |
| Fixed Assets | | |
| AUTOMOBILE | 12,628 | 19,517 |
| FURNITURE & EQUIPMENT | 3,739 | 1,800 |
| COMPUTER HARDWARE/SOFTWARE | 10,977 | 9,982 |
| TRACK EQUIPMENT | 89,100 | 147,010 |
| Total Fixed Assets (Net of Depr.) | 116,444 | 178,309 |
| TOTAL ASSETS | 9,658,330 | 12,041,776 |

LIABILITIES & NET ASSETS

| | | |
|-------------------------------------------|------------------|-------------------|
| Current Liabilities | | |
| A/P & WITHHOLDINGS | 608,512 | 2,098,972 |
| A/P - PROGRAM ROYALTIES TO HOST | 53,812 | 118,599 |
| RACING DISTRIBUTIONS | 258,762 | 555,585 |
| PURSE FUNDS | 1,634,791 | 1,595,703 |
| TRACK SAFETY/MAINT. | 357,234 | 166,818 |
| INFOTEXT UPGRADE | 155,774 | 149,536 |
| MISC PROJECT FUNDS | 0 | 598 |
| LOU-1 - TIMING/TRACK SURFACE/AREA ENHANC | 0 | 125,852 |
| LOU-2 - SPECIAL EVENT CENTERS | 0 | 981 |
| LOU-3 - SATELLITE SURVEY/TURF STUDY | 0 | 86,181 |
| EQUIPMENT REPLACEMENT FUND | 759,450 | 33,472 |
| LOU-5 - SYMPOSIUM | 4,248 | 8,098 |
| FACILITY IMPROVEMENTS & UPGRADES | 755,603 | 1,224,735 |
| CAPITAL IMPROVEMENT FUND | 136,717 | 930,884 |
| Total Current Liabilities | 4,724,901 | 7,096,013 |
| Non-Current Liabilities | | |
| CHRIMS FUNDS | 87,827 | 83,924 |
| CHANGE FUND | 1,014,000 | 1,014,000 |
| FAIRS - EQUIP REPLACEMENT FUNDS | 2,097,834 | 2,232,393 |
| Total Non-Current Liabilities | 3,199,661 | 3,330,316 |
| TOTAL LIABILITIES | 7,924,562 | 10,426,330 |
| Net Assets | | |
| FUND EQUITY | 1,542,687 | 1,350,077 |
| F&E Net Assets | 14,850 | 72,760 |
| RETIREMENT CONTINGENCY | 0 | 0 |
| NET INCOME/LOSS | 176,231 | 192,610 |
| Total Net Assets | 1,733,768 | 1,615,447 |
| TOTAL LIABILITIES & NET ASSETS | 9,658,330 | 12,041,776 |

Meeting Handouts

CALIFORNIA HORSE RACING BOARD
1010 HURLEY WAY, SUITE 300
SACRAMENTO, CA 95825
(916) 263-6000
FAX (916) 263-6042



December 24, 2008

Mr. Ivan Axlerod, President
Sacramento Harness Association
2850 Ocean Park Boulevard, Suite 300
Santa Monica, CA 90405

Dear Mr. Axlerod:

SUBJECT: Motion by the California Horse Racing Board Concerning the Sacramento Harness Association

Please be advised the California Horse Racing Board has adopted the following motion at the December 15, 2008, Board Meeting:

The Sacramento Harness Association is ordered to make statutorily mandated payments as provided by the Business and Professions Code for a licensed harness racing Association.

Should you have any questions regarding this motion, please contact Robert B. Miller, Counsel to the California Horse Racing Board, at (916) 263-6011.

Your attention to this matter is appreciated.

Sincerely,

A handwritten signature in black ink, appearing to read "Kirk E. Breed".

Kirk E. Breed
Executive Director