

EXPLORING CALIFORNIA FAIR

HORSE RACING



PRESERVING A HERITAGE,
BUILDING FOR THE FUTURE

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ECONOMIC IMPACT

Horse racing and Fairs share a particularly special partnership. The oldest racetrack in America, located at the Alameda County Fair in Pleasanton, was built in 1958. When gambling on horse racing was officially legalized in 1933, the stated purpose of the law was for the “encouragement of agriculture and breeding of horses.”

In 2007, \$15.4 billion was wagered on horse races in the United States. Racing generates an annual direct economic impact in California of approximately \$1.4 billion. In addition, it is estimated that racing’s indirect and induced economic impact is more than \$1 billion annually. The total effect on California’s gross domestic product is \$2.46 billion.

Over 21,800 Californians are employed directly by the racing industry. Another 26,000 jobs are generated as a result of horse racing in this state, providing for a total employment impact of 48,000 jobs.

On the tax front, racing generates some \$300 million in federal revenue, \$64 million in tax state revenue and \$12 million in local tax revenue.

**In 2007, \$15.4 Billion
was Wagered on
Horse Racing.**

The breeding, training and racing of racehorses preserves more than 154,000 acres of agricultural land in California.

License fees paid by California’s horse racing industry allow the Fairs in this state to be self-supporting, without local and state taxpayers subsidies.

In California, 82,200 horses are involved in racing in some context and more than 48,000 Californians are employed as a result of horse racing.



RACING'S IMPACT ON FAIRS

Racing is an important industry in California from both an economic and historic point of view.

Currently, nine Fairs conduct live racing on their property and 24 Fairs operate a Satellite Wagering Facility (SWF). Satellite Wagering Facilities are places of business that allow patrons to wager on live horse racing from across the country via satellite signals broadcast on television monitors and wagering terminals.

In 1933, the California Horse Racing Act legalized pari-mutuel betting and established a special account for continuous state funding of Fairs from a portion of receipts.

Revenue from horse racing license fees is deposited into the Fairs and Exposition Fund (F&E Fund), which supplements the income of Fairs throughout California. Current law guarantees the F&E Fund will receive \$40 million annually generated by license fees. Industry principals are working on a legislative solution to ensure that full

contributions are made to the fund each year.

Today, the Fair network receives approximately \$30 million annually from this special fund. This money is spread amongst the Fair network to help offset operating costs and infrastructure needs. The amount each Fair receives is based on their annual operating budget.

Due to the F&E Fund, Fairs do not receive general fund money. The license fee placed on wagers at horse races provides vital supplemental funding for Fairs.

In 2008, the eight Fairs in Northern California with horse racing meets had 85 days of racing attended by 322,300 patrons. The total amount wagered during those 85 days of racing was \$189 million.

The 24 Fair Satellite Wagering Facilities in California had a combined attendance of 1.7 million in 2008. Those patrons wagered more than \$475 million on simulcast races.

Horse Racing License Fee Revenue Benefits the Following:

- | | |
|--|--------------------------|
| 1. The Fair and Exposition Fund | Center for Equine Health |
| 2. Satellite Wagering Account | (U.C. Davis) |
| 3. California Animal Health and Food Safety Laboratory and | 4. General Fund |

SATELLITE WAGERING FACILITIES (SWF)

All live racing facilities in California, both private tracks and racing Fairs, offer year-round satellite wagering. In addition, 18 other Fairs have satellite facilities that offer wagering on simulcast races from all over the country.

Authorized by SB 1499 (Maddy) in 1984 and expanded by SB 14 (Maddy) of 1987, satellite wagering was the first major expansion of racing in California since 1933. Since then, full card wagering on out-of-state races has been authorized at these facilities.

Satellite wagering, in general, has been successful and provided the Fairs with additional revenue. License fees from satellite wagering are deposited in the Satellite Wagering Account (SWA) for the benefit of Fairs.

In 2008, the San Mateo County Event Center, in collaboration with CARF, CDFA F&E and CCA renovated, upgraded and converted Oak Hall and Cypress Hall into a state-of-the-art Satellite Wagering Facility.



The NOS Events Center Satellite Wagering Facility located at the National Orange Show in San Bernardino, California.

*** A Satellite Wagering Facility, also known as an off-track wagering facility, broadcasts year-round horse races and takes bets on races at facilities distant from a live race track. A wager at a Satellite Facility is the same as a wager made at the live track.**

*** California has 24 Satellite Wagering Facilities located on Fairgrounds.**

*** More than \$530 million was wagered at Fair Satellite Wagering Facilities in 2008.**



VISITING A SWF

STEP 1 BUY A PROGRAM

The first thing you'll need is a PROGRAM. They only cost a couple dollars and you can buy them where you bought your admission. The PROGRAM has all the information needed to bet the horses.

STEP 2 GET A VOUCHER

Cash can still be used when wagering with a teller, but the VOUCHER is easier, increases your options and speeds up the betting process. A VOUCHER is a paper receipt that becomes your wagering money when at a Satellite Wagering Facility. You can purchase a voucher from a teller or from a VOUCHER MACHINE, following the simple on-screen instructions.

STEP 3 SELECT A TYPE OF WAGER

There are all sorts of ways you can wager – but on your first or second visit you should keep things simple by wagering either to WIN, PLACE or SHOW.

WIN – Your horse must finish 1st.

PLACE – Your horse can finish 1st or 2nd.

SHOW – Your horse can finish 1st, 2nd or 3rd.

You typically get the best return on your wager if you bet to WIN and the lowest when you bet to SHOW because your chances of winning a SHOW bet are greater.

STEP 4 PICK A HORSE

Choosing a winner can be as simple as picking a name or as complex as learning to read the Daily Racing Form and developing your own strategies and preferences.

STEP 5 TWO WAYS TO WAGER

You can bet with a TELLER or a SELF SERVICE MACHINE. Ask for the facility manager and let them know it's your first time at the facility. They will happily walk you through the steps of how to place a wager using both methods. The front of your PROGRAM will also have more information on how to place a wager.

STEP 6 CASHING YOUR WINNING TICKET

Hold your ticket until the results of the race have been declared OFFICIAL. If your wagering is successful, take your ticket to any window to redeem it for cash, or place it in a SELF SERVICE MACHINE to add the balance to your VOUCHER.

For more information on wagering and picking winning horses, visit the National Thoroughbred Racing Association (NTRA) "University" at:

www.ntra.com/ntrau_index.aspx

MENU OF BETS

WIN (\$2 MINIMUM)

When you wager to WIN, you're betting that your horse finishes first and you collect only if your horse wins.

PLACE (\$2 MINIMUM)

PLACE, in racing jargon, means to finish second. If you wager to PLACE, you collect if your horse finishes first or second

SHOW (\$2 MINIMUM)

The SHOW horse in a race is the horse that finishes third. You collect if your horse is any of the first three across the finish line. The SHOW payoff is almost always lower than the WIN or PLACE payoff, but the wager is the least risky.

DAILY DOUBLE (\$2 MIN.)

The DAILY DOUBLE involved picking the winner of two consecutive races (usually the first and second race). More than one horse can be selected in each race, increasing the cost of the bet.

QUINELLA (\$2 MIN.)

The QUINELLA is a wager in which you pick the first two finishing horses in a race. In order to have a winning ticket, the two horses may finish either first and second or second and first.

EXACTA (\$1 MINIMUM)

In an EXACTA, you are wagering that two horses in a single race finish first and second in the EXACT order you select.

TRIFECTA (\$1 MINIMUM)

The TRIFECTA is a wager in which you select the first three finishers of a race in exact order. You can select more than three horses, increasing the cost of the bet.

PICK 3 (\$1 MINIMUM)

The PICK 3 is a wager on three races consecutive races in which you must select the winner of all three races.

PICK 6 (\$1 MINIMUM)

The PICK 6 is a wager that challenges you to pick the winner in six consecutive races. The PICK 6 is a very difficult bet to win, but the payoff can often exceed \$100,000.

In an EXACTA or TRIFECTA you can "BOX" your selections, allowing you horses to finish in any order. Ask your teller for details!



CALIFORNIA AUTHORITY OF RACING FAIRS (CARF)

INTRODUCTION

The California Authority of Racing Fairs (CARF) is a joint powers authority established by California Law (Government Code Section 9500 et seq.).

CARF was established for conducting business activities, for and with member Fair associations, in pari-mutuel wagering programs and related activities. CARF is managed by an Executive Director, employed by a Board of Directors, to provide professional services consistent with the joint powers agreement and bylaws. A staff is hired and directed by the Executive Director to fulfill the continuing functions of the organization.

MISSION STATEMENT (ADOPTED 1993)

The mission of CARF is to serve the best interests of its members by providing a unified voice of advocacy and representation and asserting a leadership role in the horse racing industry. To accomplish this mission we will continue to perform support services, seek new revenue opportunities and conduct related business activities.

WE, the members of CARF believe that:

- Horse Racing and Fairs have Historical Significance to the American Culture
- Horse Racing is an Entertainment Product
- The Horse Racing Industry has a Positive Economic Impact on California
- Our Product Must Be Improved

- California Fairs have a Significant Financial Interest in Horse Racing
- All Traditional Funding Sources are at Risk
- Change is Inevitable and a Positive Response to Change is Critical to our Success.
- Legalized Gaming is an Acceptable Activity to Fairs
- We Must be Committed to the Furtherance of Live Racing in California
- CARF Must Provide Leadership to the Horse Racing Industry
- Unity is Necessary to Achieve Common Goals

CARF LEGISLATION

1887 – SB 14 creates Satellite Wagering Network.

1994 – North/South exchange of racing signals.

1999 – Out-of-State races imported into California.

2008 – Fairs may operate a Satellite Wagering Facility off their Fairgrounds.

2009 (Pending) – Increase Satellite commissions from 2% to 3% & create new revenue stream to improve racing facilities at Fairs.

CARF

PRIMARY RESPONSIBILITIES OF CARF

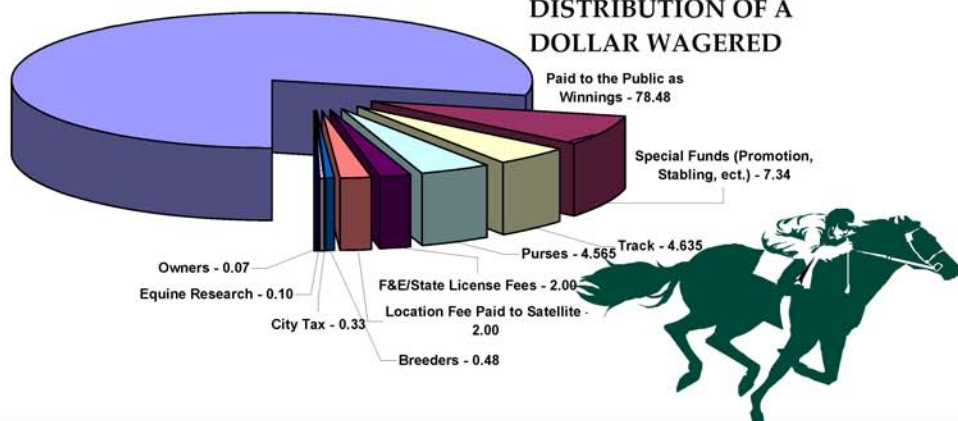
- Advocates for its Members on Issues Related to Pari-Mutuel Wagering
- Maintains a Formal Organization Structure to Exchange Information, Make Decisions and Develop Policy
- Represent Members with State Agencies, Regulatory Bodies, Industry Organizations and Interest Groups
- Provides Representation for Members with Satellite Wagering Organizations and Statewide Labor Contracts
- Coordinate Horse Racing and Satellite Wagering Business Activities
- Helps Members Know and Meet Regulatory Requirements
- Administers Contracts and Purchasing Authority for Members
- Provide Technical, Professional and Legal Support to Members and Other Agencies
- Maintains Legislative Advocacy Program
- Creates and Supports Business Opportunities for Member Fairs

CARF, working with CDFA, has been active in the design and development of all three twenty-four Satellite Wagering Facilities presently operating at California Fairs.

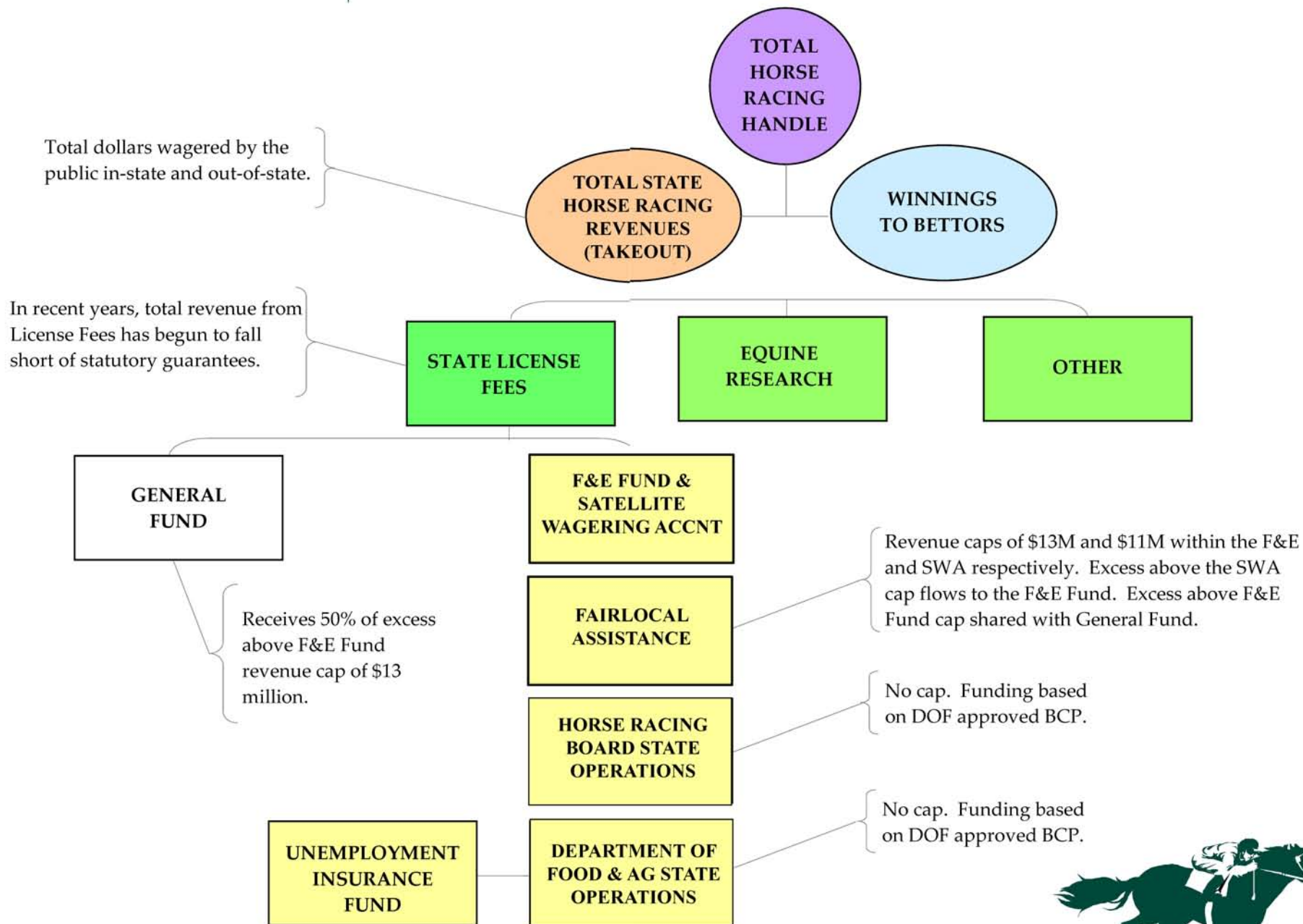
The CARF team has extensive working relationships working relationships with contractors, designers and specialized vendors necessary for the successful implementations of this unique activity.

This experienced team of Fair organizations, with a proven record of success in developing Satellite Wagering Facilities, is ready to assist any Fair in the design, construction, licensing and operation of a facility on or off its Fairgrounds.

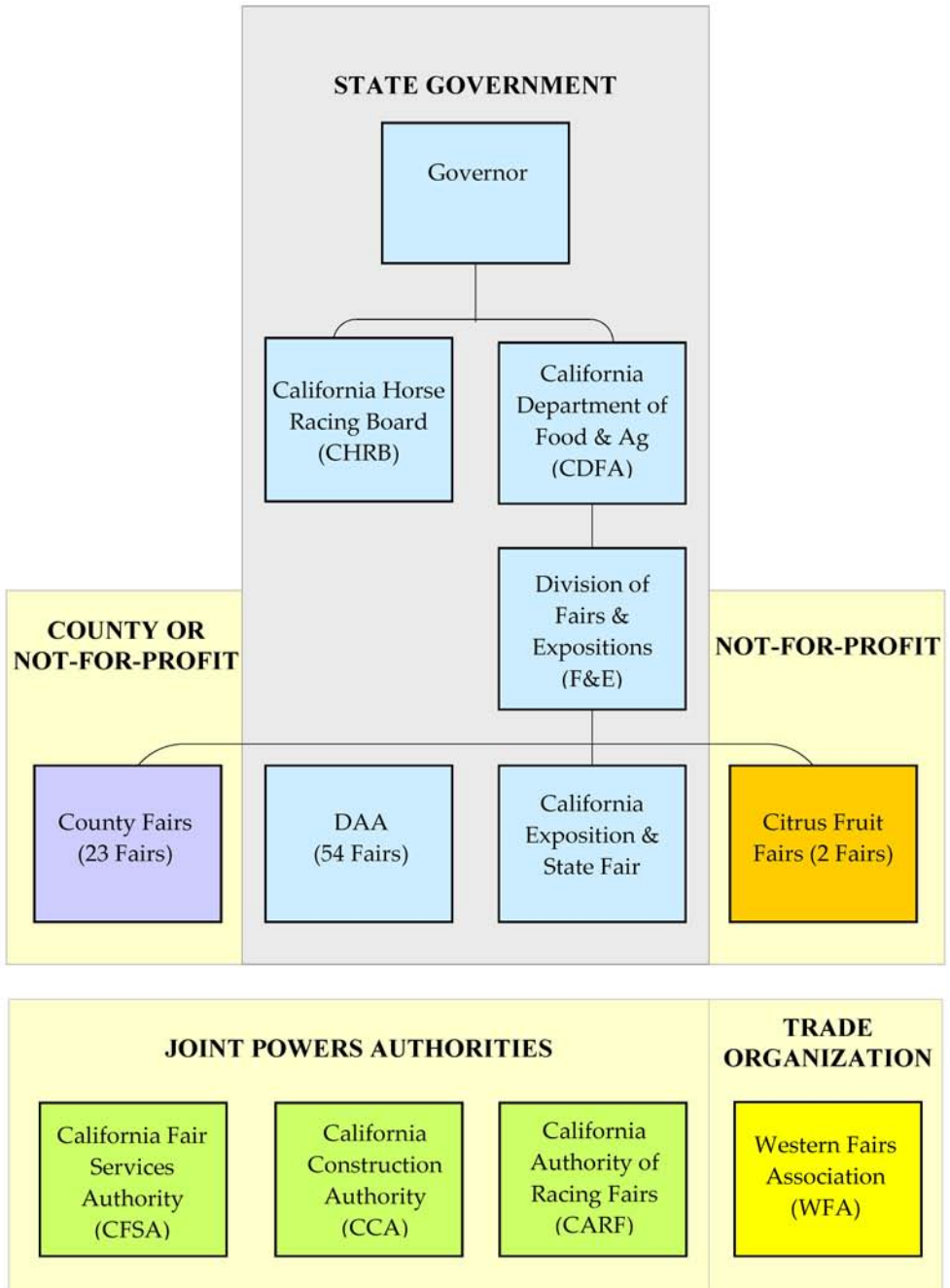
DISTRIBUTION OF A DOLLAR WAGERED



FLOW CHART OF DISTRIBUTIONS



ORGANIZATIONAL RELATIONSHIPS



DIRECTORY

CALIFORNIA AUTHORITY OF RACING FAIRS (CARF)

1776 Tribute Road, Suite 205
Sacramento, California 95815
(916) 927-7223

www.calfairs.com

Executive Director – Christopher Korby – korby@calfairs.net

Larry Swartzlander – larry@calfairs.net

Heather Haviland – heather@calfairs.net

Margot Wilson – margot@calfairs.net



CARF BOARD OF DIRECTORS

John Alkire (Chairman) – jalkire@fresnofair.com

Dan Jacobs (Vice Chair) – dan@avfair.com

Rick Pickering (WFA Liaison) – rick@alamedacountyfair.com

Kelly Baldwin (At-Large) – kelly@montereycountyfair.com

Norb Bartosik (At-Large) – nbartosik@calexpo.com

Vince Agnifili (At-Large) – vince@socalfair.com

CALIFORNIA HORSE RACING BOARD

1010 Hurley Way, Suite 300
Sacramento, CA 95825
(916) 263-6000

www.chrb.ca.gov

Executive Director – Kirk Breed – kebreed@chrb.ca.gov

Assistant Executive Director – Bon Smith – bons@chrb.ca.gov



DIRECTORY

NORTH

ALAMEDA COUNTY FAIR

4501 Pleasanton Ave.
Pleasanton, CA 94566
(925) 426-7600
CEO – Rick Pickering
Satellite Manager – Jeanne Wasserman

BIG FRESNO FAIR

1121 S. Chance Ave.
Fresno, CA 93702
(559) 650-3247
CEO – John Alkire
Satellite Manager – Dan White

CALIFORNIA STATE FAIR

1600 Exposition Blvd.
Sacramento, CA 95815
(916) 263-3000
CEO – Norb Bartosik
Satellite Manager – David Elliott

KERN COUNTY FAIR

1142 South "P" Street
Bakersfield, CA 93307
(661) 833-4900
CEO – Bill Blair
Satellite Manager – Dian Tootle

MONTEREY COUNTY FAIR

2004 Fairground Road
Monterey, CA 93940
(831) 372-5863
CEO – Kelly Baldwin
Satellite Manager – Sarah Cummings

REDWOOD ACRES FAIR

3750 Harris Street
Eureka, CA 95503
(707) 445-3037
CEO – Larry Ford
Satellite Manager – Larry Ford

SAN JOAQUIN FAIR

1658 S. Airport Way
Stockton, CA 95206
(209) 466-5041
CEO – Debbie Cook
Satellite Manager – Debbie Cook

SAN MATEO COUNTY FAIR

2495 S. Delaware Street
San Mateo, CA 94403
(650) 574-3247
CEO – Chris Carpenter
Satellite Manager – Jim Fetter

SANTA CLARA COUNTY FAIR

344 Tully Road
San Jose, CA 95111
(408) 494-3247
CEO – Arthur Troyer
Satellite Manager – Tony Tramantano

SHASTA DISTRICT FAIR

1890 Briggs Street
Anderson, CA 96007
(530) 378-6789
CEO – Chris Workman
Satellite Manager – Lloyd Santos

SOLANO COUNTY FAIR

900 Fairgrounds Drive
Vallejo, CA 94589
(707) 551-2000
CEO – Michael Paluszak
Satellite Manager – Rene Edens

SONOMA COUNTY FAIR

1350 Bennett Valley Road
Santa Rosa, CA 95404
(707) 545-4200
CEO – Tawny Tesconi
Satellite Manager – Claudia Christy

STANISLAUS COUNTY FAIR

900 North Broadway
Turlock, CA 95380
(209) 668-0410
CEO – Anthony Leo
Satellite Manager – Terry Mann

TULARE COUNTY FAIR

215 Martin Luther King Jr. Ave.
Tulare, CA 93274
(559) 686-4707
CEO – Geoff Hinds
Satellite Manager – Heione Tautuaa

DIRECTORY

SOUTH

ANTELOPE VALLEY FAIR

2551 W. Avenue H
Lancaster, CA 95354
(661) 948-6060
CEO – Dan Jacobs
Satellite Managers – Susie Merkle

NATIONAL ORANGE SHOW

689 South "E" Street
San Bernardino, CA 92408
(909) 888-6788
CEO – Dan Jimenez
Satellite Manager – Larry Jacobsen

RIVERSIDE COUNTY FAIR

82-503 Hwy 111
Indio, CA 92201
(800) 811-FAIR
CEO – Daryl Shippy
Satellite Manager – Olivia Perez

SAN BERNARDINO COUNTY FAIR

14800 Seventh Street
Victorville, CA 92395
(760) 951-2200
CEO – Ken Alstott
Satellite Manager – Debi Hartzler

SAN DIEGO COUNTY FAIR

2260 Jimmy Durante Blvd.
Del Mar, CA 92014
(858) 755-1161
CEO – Tim Fennell
Satellite Manager – George Bradvica

SANTA BARBARA COUNTY FAIR

937 Thornburg Street
Santa Maria, CA 93458
(805) 925-8824
CEO – Dennis Pearson
Satellite Manager – Bob Willoughby

SANTA BARBARA FAIR & EXPO

3400 Calle Real
Santa Barbara, CA 93105
(805) 687-0766
CEO – Scott Grieve
Satellite Manager – Bill Connolly

SOUTHERN CALIFORNIA FAIR

18700 Lake Perris Drive
Perris, CA 92571
(951) 657-4221
CEO – Vince Agnifili
Satellite Manager – Cindy Caruso

VENTURA COUNTY FAIR

10 West Harbor Blvd.
Ventura, CA 93001
(805) 648-3376
CEO – Barbara Boester-Quaid
Satellite Manager – Linda Jenkins

RESOURCES:

California State Senate Republican Caucus,
"Briefing Report: The Sport of Kings – Horse
Racing in California," 2007, Contact: Richard
Paul

California Horse Racing Information
Management Systems (CHRIMS) Handle &
Attendance Reports

2008 Jockey Club Fact Book

CA Department of Food & Agriculture
Divisions of Fairs & Expositions F&E Fund
Charts & Fair Map

Beginners Guide to Wagering at the Harness
Races Produced by Capitol Racing

National Thoroughbred Racing Association
(NTRA)

Pocket Primer of Satellite TV Horse Racing
Produced by Southern Off Track Wagering Inc.
and California Authority of Racing Fairs



CALIFORNIA FAIRS



- Fair Site
- + Fairs with Live Racing
- Satellite Wagering Facility
- Special Event Centers
- OES Mobilization Sites



College of
Creative Arts
& Design

