

## Coping with Northern California's Changing Racing Landscape

One of the consequences arising from joint “ownership” of Bay Meadows and Golden Gate Fields was that the highs and lows of seasonal purse generation could be balanced across the entire year. Through the use of excellent purse projections promulgated by TOC’s financial consultant, Wilson Shirley, and the tracks’ Bernie Thurman, purse revenues were shifted in an effort to create a uniform purse schedule in Northern California. When ownership of the tracks was separated in 2004, maintaining a uniform schedule once again became problematic, ever more so given the shorter race meetings and the flip-flopping of traditional race dates.

For example, consider the 2006 Golden Gate Fields meets. Its Fall race dates, traditionally those of Bay Meadows following the San Mateo Fair, are the “weakest” in terms of purse generation. Accordingly, it was deemed necessary to carry forward sizeable underpayments accumulated at the Spring meets as a means of offsetting the Fall’s significantly reduced purse revenues.

This process was made even more difficult this year because Golden Gate’s 2005 Fall/Winter meeting was overpaid by some \$260,000. As a result, so far in 2006 Golden Gate and the horsemen have had not only to make up for this deficit, but also to create an underpayment of approximately \$450,000 to be carried forward into the Fall if purses are to remain in a balanced state. To achieve this goal, Golden Gate proposed again utilizing its 2005 Spring meet purse schedule. Unfortunately, that meant that some of the purses, primarily at the lower claiming levels, would be reduced from those offered at its 2005 Golden Gate Fall/Winter Meeting.

No horseman likes to see purses “cut,” not one! However, crafting a purse schedule is a complicated undertaking, requiring a shifting and balancing of monies so as to create a program that properly rewards owners’ sizeable investment, yet establishes an overall marketable racing product that appeals to bettors, here and around the country, if not the world. Make no mistake, it is not an easy task, and it is one certain to invite criticism from those not involved in the process.

For far too many years, Thoroughbred racing in Northern California has been allowed to falter and slip from its once prominent place in American racing. With at least one of the tracks that played an important part in the North’s rich racing history and tradition slated for development, time is growing short within which to reinforce and strengthen the North’s future. Change – as uncomfortable as it may be – is needed if we are to ensure a vibrant future for Thoroughbred racing in Northern California. This year, that process began with reestablishing the North as a circuit on which all levels of horses and stables were welcomed and accommodated.

Unfortunately, these efforts as well as the entire financial



picture were not communicated well to horsemen in the North, and thus the changing purse schedule caused much dismay. Further complicating the situation was the mistaken perception that these purse changes resulted from an effort to enrich the stakes program. Specifically, some felt that the purse for the San Francisco Breeders’ Cup Mile was increased too much, to \$400,000. However, few realized that Golden Gate’s overall stakes schedule had actually been reduced for 2006, and that the Mile’s purse included \$100,000 of Breeders Cup money not deducted from our purse account.

As the centerpiece of Golden Gate’s effort to reestablish a special event day of racing in the North, it sought TOC’s permission to use a greater portion of its reduced stakes budget to raise the Grade 2 race’s purse \$50,000 above the Grade 3 \$250,000 El Camino Real Derby offered by Bay Meadows. At the time these decisions must be made, no one knows whether the effort will prove successful or not, but only that they are intended to strengthen the overall racing program in the North, rather than weaken it.

While some may disagree with Golden Gate’s decision to seek more fan attention by marketing around a stakes schedule that includes a few marquee races, it does represent an effort to develop the kind of long-term, quality racing program in the North that will encourage continued investment and participation by Thoroughbred owners throughout the State. Admittedly, there are some unpopular trade-offs in this plan, but the goal is extremely important to all of us, and must come at a cost to all of us.

In the end, whether larger stakes will attract better horses, draw more public attention, and/or produce growth in the region is a controversial question that can only be answered by giving it a fair chance. Making up for a decade of reduced marketing efforts by racetracks in Northern California will not occur overnight, or even within one year. But if no effort is made at all, we can rest assured that the situation will never improve, and racing in the North will be lost forever.