

Predictably Unpredictable

Okay, honestly now, how many of us foresaw the imminent sale of Hollywood Park in January of 2005?

I, for one, did not. Nor did most of my colleagues in California Thoroughbred racing. Shame on us! But, I've always found that the ability to learn from one's past experiences – and mistakes – is a valued, if not essential, personal skill; one we all admire and aspire to.

What is it TOC learned from our experiences this the past year? We learned two very important lessons... again. First, to always expect the unexpected. Why? Because doing so improves our analytical and strategic thinking skills, and better prepares the organization to plan for and respond to the challenges that face California racing today.

Second, we learned that the pace of change and the presentation of industry challenges are accelerating far faster than anyone candidly expected.

Those realizations have not been lost on this organization. In fact, they have increased – if that was possible – the motivation of its directors to implement a strategic plan for the improvement of California Thoroughbred racing. No longer does this Board intend for owners to have to choose between options others have identified and/or foisted upon us. Instead, it is moving – with increasing speed – ahead toward a future that could look significantly different than it does now.

At the top of the list of strategic priorities established by the TOC board is identifying and assessing which racing venues will offer California Thoroughbred owners their best opportunity to compete for the highest average daily purses offered by any racing jurisdiction in the United States, as we do today. Determining this issue requires more than simply agreeing upon which track is currently located in the most desirable market, but upon such additional concerns as the ability to couple our racing product with other entertainment and gaming options.

- Is it better to renovate an existing facility and push for growth in a mature racing market or to try to partner with California Native American interests in developing a state-of-the-art, 21st century racing venue where racing is combined with gaming activities?
- Three years from now, assuming renovation of an existing racing facility leads to increased purse revenues of, say, 25% or even 50%, where will that place California's average daily purses relative to states such as New York, Florida, Pennsylvania, and Louisiana; all being racing jurisdictions having or about to have slots or video lottery terminals? Fifth?

These are just two of many complicated questions the TOC Board is trying to identify and answer. Due diligence requires that it thoroughly examine each and every option, before reaching any conclusions. Consequently, these questions go, as of yet, unanswered.

Another top strategic priority is expanding the distribution of California racing signals through existing and new advanced deposit wagering vehicles including, possibly, a non-profit ADW provider controlled by owners/horsemen. Why? Because this Board feels that conveying owners' rights to third-party ADW providers – as have some of our track partners – is not in our long-term best interests, and has only served to unnecessarily embolden these providers, and to have limited the distribution of signals and the revenues returned to tracks and horsemen.

Dramatic changes for this industry lay ahead. When exactly they will begin to take place is anyone's guess. But, if 2005 taught us anything, it should have taught us to expect those changes to occur sooner – much sooner – rather than later!



Drew J. Couto

A stylized, handwritten signature in black ink, appearing to read 'Drew J. Couto'.