



Everything New Orleans

# Horsemen still hopeful for New Orleans Fair Grounds' future despite woes

By Katherine Terrell, NOLA.com | The Times-Picayune

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The reports of horse racing's death have been greatly exaggerated.

Two weeks ago, a crowd of more than 30,000 showed up at Oaklawn Park in Hot Springs, Ark., in the rain to watch Hoppertunity win the Rebel Stakes, a Kentucky Derby prep race.

Purses at Oaklawn have been bumped up twice this year because of the track's success, while South Florida's Gulfstream Park has broken records for total handle (amount wagered) and on-track handle for three straight seasons.

In closer proximity, Evangeline Downs in Opelousas announced the creation of the \$300,000 Turf Sprint, and Vinton's Delta Downs reported a 12.5 percent spike in 2012-13 in all-sources handle (live and off-track betting) from the previous year. In November during the \$1 million Delta Downs Jackpot Stakes, wagering was up 16 percent from the same event in 2012.

And in spite of poor attendance by patrons in December because of bad weather nationwide, which caused U.S. handle to drop 10.5 percent from 2012, total wagering on horse racing was up .06 percent for 2013, according to The Blood-Horse, a prominent racing magazine.

In many areas, the Sport of Kings is alive and well.

At the New Orleans Fair Grounds, however, the picture isn't so rosy.

Four years ago, when reigning Horse of the Year Rachel Alexandra made her 4-year-old debut in New Orleans, more than 12,000 people packed the Fair Grounds to capacity.

But overall handle and attendance has since sharply declined.

Wagering for the 2012-13 Fair Grounds season was down 8.25 percent from the previous year. Fair Grounds president Tim Bryant said at the Feb. 17 meeting of the Louisiana State

Racing Commission that overall handle this meet was down about 13 percent, and live wagering fell about 15 percent.

Fair Grounds loyalists can't quite figure out what's going on.

"I stood alone in the paddock and no one was there," Fair Grounds leading owner Maggi Moss said of her visit to the track earlier this month. "I looked around and said, 'Where did all the great people go?'"

As more horsemen have voiced their discontent with the current state of affairs at the Churchill Downs Inc.-owned Fair Grounds, Moss and others have started to wonder about the fate of the 142-year-old institution.

"If people at Fair Grounds think it matters, they better take a really hard look at Calder and Hollywood Park, because that's what Fair Grounds is going to turn into," she said.

Calder Racetrack, a Churchill Downs Inc. property in Miami Gardens, Fla., is struggling to survive in the wake of head-to-head competition with neighboring Gulfstream Park, which expanded its racing dates this season. Gulfstream, which has invested money into its facilities, also has boosted its purses and routinely attracts top competition.

Revenue at Calder was down 44 percent in 2013 because of increased competition and simulcast issues. From Dec. 6-8, the first time the two tracks went head-to-head, Gulfstream's wagering was six times higher than that of Calder.

Like the Fair Grounds, voters approved slot machines and video poker at Calder. Gaming initially was intended to subsidize purses and help keep struggling racetracks afloat. Now horsemen wonder if it has risen above the racing product in the eyes of CDI, whose earnings for 2013 showed that gaming revenue had surpassed its racing revenue for the first time.

"I look at Calder Race Track, which is going through the exact same business model that we're going through, except they're a few years ahead of us," said 10-time leading Fair Grounds trainer Tom Amoss, whose colt Rise Up won the \$1 million Delta Downs Jackpot. "And that's our future. We're going to be the next Calder. That's a disaster. ..."

"Calder was once a significant meet. Now it's, for lack of a better word, a dump. That's the future of the Fair Grounds if we stay on the same track."

Hollywood Park in Inglewood, Calif., was home to the stars -- on the track and in the grandstand. It was where acclaimed horses such as Zenyatta, Seabiscuit, Citation, Seattle Slew and Affirmed thrilled spectators that included Academy Award winners Elizabeth Taylor and Jimmy Stewart, along with the NBA's Wilt Chamberlain among other notables.

But the 75-year-old track was shut down in December, eight years after Churchill Downs Inc. sold it to real estate developer Bay Meadows Land Co. for \$257.5 million, almost twice its

purchase price of \$140 million in 1999. Hollywood Park will be demolished and turned into a residential and retail development, while its casino will be maintained and renovated.

"The closure of Hollywood Park should be a lesson once and for all that Thoroughbred racetracks should not be owned by publicly traded companies, whose prime directive is to maximize shareholder profit," Daily Racing Form columnist Jay Hovdey told Los Angeles' LA Weekly in 2013. "Churchill Downs Inc. certainly fulfilled its mission in that regard when it sold the property to a land-development company. ... Now the ultimate cost of that transaction is being paid by the California Thoroughbred community."

In addition to the Fair Grounds, Churchill Downs Inc. owns Arlington Park in Arlington Heights, Ill., and its crown jewel, Churchill Downs Racetrack in Louisville, Ky., which hosts the Kentucky Derby.

**Fair Grounds Off Track: Overview of the issues** | Video Sports reporter Rachel Whittaker captures on video details of the Fair Grounds such as the turf course and a decrease in horse racing profits as part of NOLA.com | The Times-Picayune's 'Off Track' series this week.

## **A HIGHER PRIORITY?**

When slot machines first were installed at the Fair Grounds in 2007, trainer Bret Calhoun saw them as a necessary evil to help keep the industry afloat. Now he has doubts.

"I never thought it was the cure-all or the fix, I thought it was a temporary band-aid," he said. "I thought what we should have been doing was using the slot revenue to build our product back up to get it back to where it was when fans would come out, better horses, fuller fields (horses in races), it would increase the live handle and the simulcast.

"A lot of places have just kind of rested on their laurels and taken that money and gone through it and really not used it to improve our product."

Calhoun said nationwide he's seen slots take a higher priority over the more expensive task of hosting a proper race meet.

"I think it's pretty obvious that the slots generate a lot more income with a lot less expense than the horse racing does," he said. "From a business standpoint, these corporations, the slots are much more profitable, let's face it. They've kind of cared less and less about racing, and that's been pretty much across the country.

"I've raced in several places that have slots and several places that don't, and it's not just Churchill Downs per se. A lot of corporations that have slots, they care less and less about horse racing."

Churchill Downs Inc., in a statement to NOLA.com | The Times-Picayune, said that isn't so.

"We are not sure who you are hearing that from, but from our perspective that certainly isn't the case," the company said. "The Fair Grounds facility is widely recognized as a premier facility in the country. ... We often hear what a great place we have from guests and groups that use our facilities for special events."

When the Fair Grounds announced its second purse decrease in February, it pointed to declining handle as the problem. At the same time, gaming revenue was up from its 600 slot machines.

According to research by the Louisiana Horsemen's Benevolent & Protective Association, Inc., CDI has realized annual pre-tax profits of more than \$25 million from its operations in Louisiana.

By Louisiana law, the Fair Grounds must hold an 80-day race meet in order to have its slot machine license.

Added Stanley Seeling, president of the LHBPA: "I question sometimes that they're not trying to lessen the quality of racing here on purpose so that at some point they can say racing is dying, we want to run less days.

"They're the ones killing it because they're the operator."

## **FAIR GROUNDS AFFINITY**

Despite their frustrations, local trainers would like to be able to stay at the Fair Grounds.

How could they not want to, trainer Neil Howard asked, as he counted some of the track's benefits on his fingers.

A large crowd gathers to watch Rachel Alexandra enter the paddock at the New Orleans Fair Grounds on Saturday, March 13, 2010. Chris Granger, NOLA.com | The Times-Picayune

"The roster is as good as anywhere in the country," he said. "If people really stopped and looked at the pedigrees of some of the horses that run here, you'd see that. That's why you hope things would get better business-wise."

But for trainers, whose decisions are often dictated by the owners they are able to attract and retain, the answer is not always as simple as a love for the track.

Trainer Steve Asmussen doesn't have a list of demands. He wants one simple thing: "I want people's (CDI's) effort. That's it."

And despite Amoss and Calhoun's success and perennial reign near the top of the trainer's standings, the future of the Fair Grounds appears muddled.

"I love coming back to New Orleans every winter to my hometown to where my family is, where my mom and dad are," said Amoss, a New Orleans native who has been working at the Fair

Grounds since he was in high school. "After this year, putting an emphasis on the Fair Grounds as we've done for the past 25-plus years is going to be a very difficult decision to me and a very hard decision to sell to my clients."

At one point during the 2013-14 Fair Grounds season, Calhoun thought about packing up and leaving for another track. He's stabled more horses at Oaklawn Park this meet than ever. Despite his apprehension, Calhoun is willing to give the Fair Grounds another shot.

"Obviously I'm very concerned," he said. "I've owned a house here for several years. I've been coming here forever. I've been very committed to this being my winter destination.

"Earlier in this meet, I had serious, serious reservations about coming back. ... But this is where I want my winter base to be and hope I can continue for it to be. My owners dictate a lot of what I do, but right now I'm pretty much committed to coming back next winter and hope that there are some positive changes made."

## **THE FUTURE**

Local trainer Keith Desormeaux said it's gotten easy to point the finger at CDI. But nobody seems to have an answer for the Fair Grounds' woes, he said.

"I think it's consensus there's definitely some animosity (between horsemen and Churchill officials)," he said. "But nobody would say it's consensus we know what to do about it. With that being said, I can see as well as anybody dwindling crowds and an emphasis on slots and not racing."

Rep. Patrick Connick, R-Marrero, has two potential solutions.

He has drafted bills in the current Legislative session with the intention of forcing CDI's hand. House Bills Nos. 808 and 848 would require the company to dedicate a portion of the Fair Grounds' slot machine revenue for capital improvements at the track and give the Louisiana Racing Commission the power to hold Churchill Downs Inc. accountable if conditions don't improve.

"We can't let this racetrack die," Connick said. "Don't take the money from the slots and run with it. Give a little back into the infrastructure."

Eight years ago, Churchill Downs Inc. CEO Bob Evans said slot machines were not the long-term answer for horse racing. In an interview with The Times-Picayune published Nov. 22, 2006, Evans said the industry couldn't survive if its sole focus was on gaming.

"Do I think slots are the end-all for the horse racing business? Absolutely not," Evans said. "In the end, if horse racing can't attract a growing fan base and do so profitably, then its problems will continue until some point in time when, you know, 100 years from now, there is no horse racing I suppose."

Asmussen said CDI has since shifted its stance.

"Everything they had was because of horse racing," Asmussen said. "Maybe they should just change their name to Churchill Downs Gaming Company. Because that's what they are. ...

"Until they prove otherwise, I believe CDI's intentions are to suppress racing until they bleed it out to a point that they can eliminate it."

As for the future of the Fair Grounds? That's up for debate as well.

"We cannot predict the future, but we are optimistic," Churchill Downs Inc. said. "As a publicly traded company on NASDAQ, we cannot make forward-looking statements. As we have always done, we will continue to make prudent decisions ..."

"We are encouraged that some horsemen understand the need for change and appreciate their willingness to move the industry forward."

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