

MISSION STATEMENT

TO PROMOTE AND FOSTER THE PUBLIC CONFIDENCE IN THE PARI-MUTUEL INDUSTRY, PROTECT THE WELFARE OF THE PARTICIPANTS THROUGH FAIR, CONSISTENT, PROACTIVE ENFORCEMENT OF APPROPRIATE POLICIES, STATUTES AND COLORADO RACING COMMISSION RULES

Visit us at our website at www.revenue.state.co.us/racing_dir/home.asp

FUNCTIONS OF THE DIVISION OF RACING EVENTS

The Division of Racing Events is statutorily mandated to regulate the greyhound and horse racing industries in Colorado. The Division is responsible for ensuring honesty and integrity in racing and racing-related activities, such as simulcasting, and for protecting the citizens of the state from corrupt practices. In order to fulfill its mission and its obligations to the people of the state, the Division performs the following functions:

Enforcement: Various types of investigations are performed by staff members engaged in enforcement. This is to ensure that proper action is taken for violations of rules or the Racing Statute. Additionally, Division staff are responsible for kennel, stable and off-track wagering facility inspections. As needed, staff performing enforcement-related duties prepare and defend adoption of new or amended rule proposals before the Commission and implement policies and procedures to support them. They assist the Division's veterinary group in the enforcement of its policies and procedures, such as state and federal laws requiring vaccinations and the presentation of current health certificates for racing animals coming into Colorado.

Licensing, racing operations and animal welfare: The Division licenses all racing participants, oversees operations at racetrack and simulcast sites and ensures the safety and welfare of animals racing in Colorado. It is also responsible for maintaining up-to-date rules, policies and procedures to carry out its regulatory roles. All staff members are charged with the responsibility for ensuring honesty and integrity in racing as well as protecting the health and safety of greyhounds and horses racing in the state. Several approaches are used to achieve this goal, consisting of multiple inspections of animals, a human and animal drug testing program and an injury tracking system. A comprehensive drug-testing program, which is overseen by animal welfare specialists, is used to monitor drug administration in racing animals.

Financial oversight: In order to determine compliance with statutory requirements, the financial services staff members conduct audits and calculate pari-mutuel taxes due and paid, minimum purse amounts, payments to and proposed distribution amounts from the Horse Breeders' and Owners' Awards and Supplemental Purse Fund, payments to the Colorado State University School of Veterinary Medicine for equine research, uncashed ticket monies, pre-meet tests, price tests and revenue audits. They review all racing association financial statements and make observations and recommendations to the Commission regarding acceptability of each fiscal report. The Division also maintains statistical information regarding all pari-mutuel wagering in Colorado. It continues to ensure totalisator compliance by means of regular performance audits.

On behalf of the 103-year-old National Greyhound Association (official registry for racing Greyhounds in North America) and its 2,500 members nationally (including many in Colorado), we respectfully ask you to OPPOSE Senate Bill 174.

We concur with the Colorado kennel owners and breeders in their conclusion that, should this bill pass, it very likely will spell the death of live Greyhound racing in Colorado. This would be an absolute tragedy.

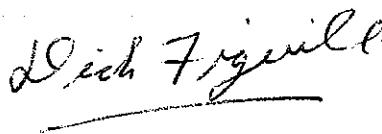
Passage of the bill will mean (in addition to the death of an industry), a decline in Colorado jobs, local and state tax revenues, agriculture-related revenue from in-state Greyhound farms and racing kennels, and elimination of a sport/business that's had a wonderful history in Colorado's entertainment landscape dating back to 1949.

This is clearly a case of the tail wagging the dog—literally. Simulcasting and OTB wagering were permitted initially in Colorado many years ago as a supplement to live-racing. Instead, telecast races from out-of-state are on the verge of becoming the only Greyhound-racing program left in Colorado. What a shame that would be!

Please stand in opposition to SB 174.

Thank you.

Sincerely,



Gary Guccione
Exec. Dir.
National Greyhound Assn.
PO Box 543
Abilene, KS 67410



Phone (785) 263-4660 • P.O. Box 543 • Abilene, Kansas 67410

DICK FIGURILLI

NGA Board of Directors

16201 Hwy. 7

303-452-3636

Brighton, Colorado 80602

I am here today to speak against S.B. 174

The current rules in Colorado law protect the 200 greyhound owners, farmers and Colorado citizens who provide greyhound racers to tracks for live racing.

If this bill is passed it will discriminate against us and put us out of business. When BLB Investments did not renew their state contract for the fall meet of 2008, they put out of work, roughly 150 workers at Mile High Track and Off Track Betting facilities.

Twelve kennels had to go out of business, or race in another state. Twelve trainers, 12 assistants trainers, 24 kennel helpers, 80 farmers, 80 farm helpers, many greyhound owners, 80 feed suppliers, 5 meat suppliers, at least 20 veterinarians, some 20 greyhound supply stores, and many others lost business through the chain reaction effect.

As you can see many people have already lost their jobs, and Colorado has lost a valuable portion of its entertainment business.

The law states that there can be simulcast racing **ONLY** if there is live racing. Simulcast racing **without** live racing **is a bad bill!**

The current laws were put in place for a reason - to protect the greyhound racing people. I applaud the efforts of the horse racing people, but not at the expense of the greyhound industry. Any greyhound dollars wagered should benefit the greyhound people of Colorado, its owners, our state's general fund, and the greyhound racing track, NOT horse racing.

The greyhound people were told that the Mile High Track closed because it lost \$700,000 during the winter meet of 2007-2008. The reasons were varied and inconsistent. Example: Heating costs have been greatly exaggerated. Ranging from \$20,000 to \$80,000 per month.

The greyhound people believe the **REAL** reason is **CASH FUNDING**. Cash funding is when the track pays the Division of Racing \$133,000 up front - a month before betting dollars are counted. This upside down system is what closed Cloverleaf. John Manning, the last General Manager for Cloverleaf, fought for reductions and changes, but was unsuccessful and Cloverleaf was sold to a neighboring hospital for 26 million dollars.

We were told that Mile High could and would be a seasonal track, anywhere from a 4,5,6, month season.. Now those plans seem to have changed due to the shaky, unstable financial situation of BLB, a company owned by Kerzner International. A Bahama based company seeking casino operations.

They purchased the Lincoln Rhode Island Track and Casino - then borrowed over 570 million dollars to increase their business. They promptly became upside-down and are now in default of the loan. Rhode Island allows them to exist so they don't lose the big cash "cow". What is more interesting, Rhode Island collects their portion every day just in case BLB shuts down.

If that happens, what happens to the bankrupt owners', properties in Colorado? Rhode Island can only own and operate in Rhode Island.

Not a rosy picture for what is left of racing in Colorado. Rumors were that the track was for sale, but those were only wishes that probably will not come true.

We urge you, the Agricultural Committee, to amend the bill, or kill the bill, BUT NEVER take away live racing in Colorado. Do the right thing. Respect the current racing laws and support the racing citizens of Colorado, not foreign entities and a company based in Rhode Island that is not financially sound.

Thank you very much.

They point to the closing of Cloverleaf Kennel Club, which called off the dogs at the end of 2006. The Loveland track went under after 51 year of live racing.

After Cloverleaf closed, Mile High agreed to pick up its race dates in 2007, running through the winter. The schedule was a boon for kennel operators but apparently proved costly for the track.

Mile High general manager Bruce Seymore said the track lost \$700,000 in 2007 after being profitable in 2006. Among the primary expenses was the estimated \$25,000 to \$40,000 per month cost to heat the track.

Unwilling to run through the winter of 2008-09, Mile High vacated its November, December, January and February dates. Kennel operators, facing four months without racing, hoped to find a compromise.

What ensued gives new meaning to the phrase "dead heat."

BLB has reported heating costs from \$20,000 to 30,000, to 40,000 Dollars a month. Now they say \$80,000 a month. Say what?

ONLY Colorado has this Cash Fund System. It would be illegal Anywhere Else.

Events, a regulatory body that operates under the Department of Revenue.

In 2007, it cost about \$2 million to "cash fund" the division, according to Morgan.

Morgan tried to seek tax relief for kennel owners and track operators during the 2008 legislative session, but little progress was made, setting up a disaster scenario heading into the summer racing season.

"This double taxation thing is a real culprit," Bryan said. "We've gone in and tried to change it. (Morgan) thinks there's a good shot at getting it changed next year."

By then, of course, it could be too late.

Ultior motive

As Morgan suggested in his letter to the state racing commission, there is a belief among kennel owners that BLB is determined to see live racing come to an end in Colorado — at the expense of taxpayers, track employees and kennel owners.

It would save money on track maintenance, spare BLB from having to work with kennel operators and raise the possibility of a "racino" featuring simulcast racing and slot machines or video lottery terminals.

Slots or video gaming would have to be approved through a state ballot initiative. Voters rejected a similar plan promoted by previous track owners, Wembley Colorado, in 2003.

"I know their motivation. It's called slots," said one kennel owner, who requested anonymity for fear of retaliation by BLB. "They had it all ready to go for this (legislative) session."

Though the dogs will be gone Saturday, BLB still will simulcast horse racing at Mile High while running its summer schedule at Arapahoe Park.

Blanch, meanwhile, will be getting her dogs acclimated to the Florida heat and Morris will be trying to keep her adoption agency afloat in rural Adams County.

Colorado's dog days of summer — not to mention spring, fall and winter — might never be the same.

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Some of the blame falls on the legislature. Since 2002, the dog-racing industry has felt "double taxed." Not only does the state receive 4.5 cents on every dollar wagered on live and simulcast racing, but the industry also must finance the Division of Racing

Rocky Mt.
News - June
2008

7-9-08

Live Greyhound racing will be back next year

By Riste Capps

The rumor about town that live Greyhound racing in Commerce City has ended forever was dispelled last Thursday by Bruce Seymore, director of racing operations for Mile High Racing & Entertainment.

Seymore quoted Mark Twain, saying, "The reports of our death have been greatly exaggerated!"

It is a fact that live Greyhound racing is over for this season. However, according to Seymore, the company has already put in for their 2009-2010 racing dates.

He explained, in 2006, Cloverleaf was closed and that racing schedule was brought to Commerce City. The plan was to hold year-round Greyhound racing here.

In 2007, this venue went into the dumper to the tune of a \$700,000. Winter racing cost \$80,000 a month to heat just the outdoor track and more for snow removal, building utilities and other winter expenses.

Seymore said they wanted to keep live racing going through September, offering kennel owners \$86 per point. But the "dog people took exception wanting 12 months or nothing".

On June 28, the kennel agreements expired and live racing ended for the season. "I'm not able to understand them not wanting to race until September," he said. "We made a business decision and they made a business decision."

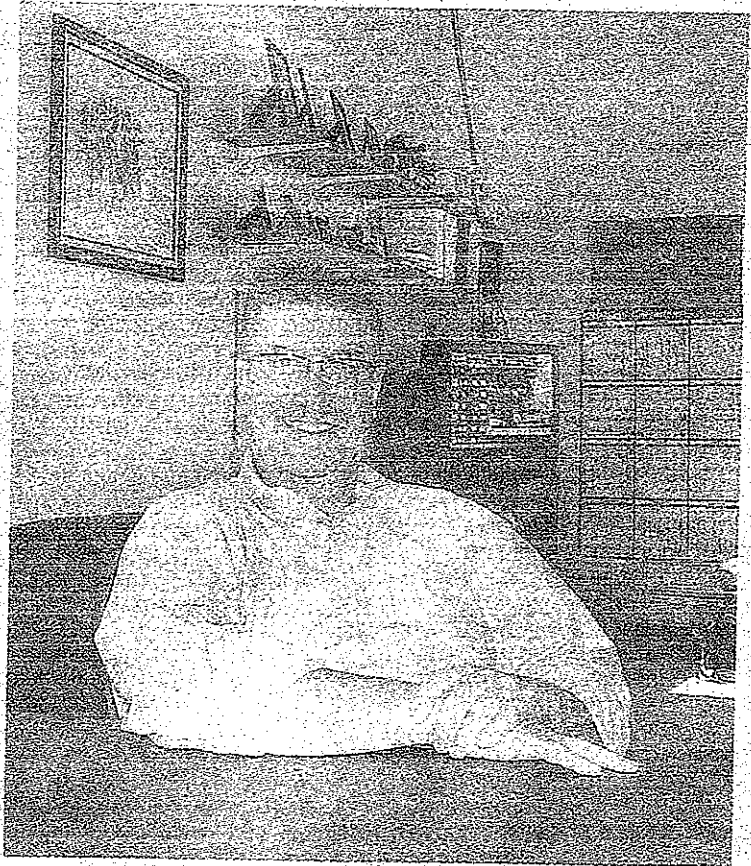
The traditional April to September live racing season will start next year. "We are going back to a proven scenario that has been profitable," Seymore said,

Why, after so many years, has this now become an issue?

Seymore remarked, "Fifty years of no change!"

For years, the park has gotten their dogs through the Colorado Greyhound Kennel Association. This year, Seymore said they plan to negotiated with individual kennel owners - everyone will get to apply. They are also in the process of developing a live racing circuit in other states - Texas, Arizona, maybe Florida, for kennels that want to race in the off season.

Even though there is no live



On the question of whether live Greyhound racing has ended forever, Bruce Seymore, director of operations for Mile High Racing & Entertainment, quoted Mark Twain, "The reports of our death have been greatly exaggerated!" (Photo by Riste Capps)

Greyhound racing this summer, there is still activity at the park. Because Mile High Racing & Entertainment owns the Arapahoe horse racing track, satellite wagering is available and horse races are simulcast from 15 different tracks in the country. The bar and food concessions are open during race time, Wednesdays thru Sundays, 10:30 a.m. to 10 p.m.

The Colorado Crush corporate offices are at the park and the Crush train on their field during the week.

The Events Center is booked for a number of private parties and events including the Commerce City Business & Professional Association's planned barbecue cook-off in August.

As for the idea of turning the park into a casino, Seymore said, in 2009, it hasn't fit into their business plan.

The dog track, as locals call it, is owned and operated by Mile High Racing and Entertainment, - a BLB Investors Enterprise. It is a full service events and entertainment company offering horse and greyhound racing throughout Colorado, as well as facilities for corporate meetings, weddings and holiday celebrations. BLB says they are a progressive partnership among three leisure and gaming operators, developers and managers - Kerzner International Limited, Starwood Capital Group and The Waterford Group.

In 2005, BLB acquired Wembley's Colorado operations. Mile High facilities currently include greyhound tracks in Colorado Springs and Pueblo and a horseracing track in Arapahoe County. Together, the company says, these facilities generate \$6 million annually in revenues for the state.

ALABAMA

Birmingham Race Course
Exit 31 off I-459
Birmingham, AL 35210

Mobile Greyhound Park
7101 Old Pascagoula Road
Theodore, AL 36590

Victoryland
8680 County Road 40
Shorter, AL 36075

ARIZONA

Phoenix Greyhound Park
3801 East Washington Street
Phoenix, AZ 85034

Tucson Greyhound Park
2601 South 3rd Avenue
Tucson, AZ 85713

ARKANSAS

Southland Greyhound Park
1550 North Ingram Boulevard
West Memphis, AR 72301

COLORADO

Cloverleaf Kennel Club
2527 NW Frontage Road
Loveland, CO 80538

Mile High Racing & Entertainment
6200 Dahlia Street
Commerce City, CO 80022

FLORIDA

Daytona Beach Kennel Club, Inc.
2201 International Speedway Boulevard
Daytona Beach, FL 32114

Derby Lane
10490 Gandy Boulevard
St. Petersburg, FL 33702

Ebro Greyhound Park
8558 Dog Track Road
Ebro, FL 32437

Flagler Greyhound Park
401 North West 38th Court
Miami, FL 33126

Jacksonville Kennel Club, Inc.
1440 North McDuff Avenue
Jacksonville, FL 32254

Mardi Gras Racetrack & Gaming Center
841 North Federal Highway
Haitland Beach, FL 33009

Melbourne Greyhound Park
1100 North Wickham Road
Melbourne, FL 32935

Naples-Ft. Myers Greyhound Track
10601 Bonita Beach Road Southwest
Bonita Springs, FL 34135

Orange Park Kennel Club
455 Park Avenue
Orange Park, FL 32073

Palm Beach Kennel Club
1111 North Congress Avenue
West Palm Beach, FL 33409

Pensacola Greyhound Track
951 Dogtrack Road
Pensacola, FL 42506

Sanford-Orlando Kennel Club, Inc.
301 Dog Track Road
Longwood, FL 32750

Sarasota Kennel Club
5400 Bradenton Road
Sarasota, FL 34234

St. Johns Greyhound Park
6322 Race Track Road
Jacksonville, FL 32259

Tampa Greyhound Track
8300 Northbraska Avenue
Tampa, FL 33604

IDWA

Bluffs Run Greyhound Park
2701 23rd Avenue
Council Bluffs, IA 51501

Dubuque Greyhound Park & Casino
1855 Greyhound Park Drive
Dubuque, IA 52201

KANSAS

Wichita Greyhound Park
1500 East 7th Street
Valley Center, KS 67147

The Woodlands
9700 Leavenworth Road
Kansas City, KS 66109

MASSACHUSETTS

Raynham-Taunton Greyhound Park
1958 Broadway
Raynham, MA 02767

Wonderland Greyhound Park
190 V.F.W. Parkway
Revere, MA 02151

NEW HAMPSHIRE

Hinsdale Greyhound Park
Route 119
Hinsdale, NH 03451

Seabrook Greyhound Park
Route 107, New Zealand Road
Seabrook, NH 03874

RHODE ISLAND

Lincoln Park
1600 Louisquisset Pike
Lincoln, RI 02865

TEXAS

Corpus Christi Greyhound Race Track
5302 Leopard Street
Corpus Christi, TX 78408

Gulf Greyhound Park
1000 FM 2004
LaMarque, TX 77568

Valley Race Park
2601 South Ed Carey Drive
Harlingen, TX 78552

WEST VIRGINIA

Tri-State Racetrack & Gaming Center
1 Greyhound Drive
Cross Lanes, WV 25313

Wheeling Downs Racetrack and Gaming Center
1 South Stone Street
Wheeling Island
Wheeling, WV 26003

WISCONSIN

Dairyland Greyhound Park
1-94 at Highway 158
Kenosha, WI 53144

CONTACTS

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37 Tracks Active
17 Handle under
\$115,000 AVE.

AGTOA Member Tracks

Fourteen greyhound tracks have closed across the county since 1990

1. Multnomah, Oregon - purchased by a horse corporation which stopped dog racing. It is now one of the centers for tote machines used at horse tracks.

2. Black Canyon, Arizona

3. Yuma, Arizona

4. Apache, Arizona

Arizona was like Colorado with 60 day meets at various tracks around the state. But Arizona has now made Phoenix the center track which is open year round with over 30 Off Track Betting facilities. This greatly supplements the racing in Arizona.

5. Pueblo, Colorado - purchased by BLB and ran their meets at Mile High Track

6. Rocky Mountain @ Colorado Springs - purchased by BLB and made into an OTB, now closed

7. Interstate - sold and meet was moved to Mile High Track

8. Cloverleaf - cash funding closed this track.

9. Mile High - BLB chose to close this track because of financial problems. Now open as a horse OTB

10. & 11. Geneva Lakes, Wisconsin

Two tracks closed in this area because of too many tracks in close proximity.

12. Bridgeport, Connecticut - built in an unsafe area with poor road access

13. Woodlands, Kansas - After a vote of the people this track won the right to become a "racino", but the family ownership chose to close the track until the legislature changes the profit sharing tables. This is being worked on at the present time.

14. Wichita, Kansas - lost a vote to become a casino by 200 votes. May ask for a re-vote next year. The owner bought a casino in Las Vegas for 750 million dollars.

Efforts by the owners of the Twin River slot-machine facility in Lincoln to expand their gambling operations in Colorado are stalled, falling victim to the political climate out West and financial problems in Rhode Island, according to observers in the Rocky Mountain state.

Meanwhile, the owners' efforts to build a full-scale casino in Massachusetts in conjunction with the Mashpee Wampanoag tribe are moving slowly as a federal regulatory review remains in its early stages.

BLB Investments LLC, which in 2005 bought Lincoln Park in Rhode Island and gambling venues in Colorado for \$464 million from Wembley PLC, will halt racing June 28 at Mile High Greyhound Park, located in the Denver suburb of Commerce City, according to a spokesman for the Colorado Division of Racing Events.

BLB is owned jointly by Kerzner International Ltd., the Waterford Group and Starwood Capital Group.

BLB also has dropped efforts to get an initiative on the November election ballot in Colorado seeking voter approval to install video-lottery terminals at Mile High and four other racing venues it owns in the western state.

"They just stopped," said Gary Bryan, president of the Colorado Greyhound Kennel Association. "They're telling us it was because of the financial situation out there," meaning in New England.

The developments come as BLB tries to find a way out of a financial box at the former Lincoln Park — renamed Twin River — where it has \$577 million in outstanding loans tied to the slot parlor's operation.

In recent meetings with Rhode Island elected leaders, BLB offered the state at least \$500 million up front in return for slicing by more than half the percentage of money the state gets from the slot parlor.

The offer is part of Twin River's plan to solve its own "dire" financial crisis. Twin River has missed loan payments to its bank and is in danger of falling into bankruptcy.

"The situation is dire. We are standing on the edge of a precipice," Twin River spokeswoman Patti Doyle told The Journal last week.

A delegation from Twin River, meeting with House Speaker William J. Murphy last week, offered the money if the state would reduce its cut of revenue from the facility's 4,751 video-lottery terminals from 61.08 percent to 25 percent.

Under intense pressure to close the state's own funding gap, estimated at \$425 million, Rhode Island elected leaders have so far demurred.

Gambling is the third-biggest source of state revenue, behind income and sales taxes.

Based on revenue figures from May, Twin River may generate \$416.6 million in income from the terminals, yielding \$254.5 million for the

Dog days for BLB More difficulties for Twin River owners

state in the fiscal year beginning July 1, according to an estimate provided last week to The Journal by the Rhode Island Lottery. Previous state estimates anticipated \$261.4 million from Twin River.

In Massachusetts, members of Governor Patrick's administration met last week with tribal representatives to discuss issues arising from the Wampanoags' plans to build a full-scale casino in Middleboro.

Patrick's office referred questions about the Wampanoags' casino effort to Kofi Jones, a spokeswoman in the governor's Office of Housing and Economic Development.

"We continue to have open conversations with the tribe as they move forward with their land [in] trust applications," Jones said. "I would say it is premature to discuss any [gambling] compact negotiations between the tribe and the Commonwealth of Massachusetts because we simply haven't reached that point."

But there have been no recent conversations between BLB and Commerce City officials, said Paul Natale, the city's mayor. The BLB employee who served as liaison to the city council no longer works for the company. Last year, BLB added racing dates to Mile High after it closed the Cloverleaf Kennel Club in Loveland, Colo.

BLB representatives met at the beginning of this year with Commerce City officials to discuss a plan to bring casino-style gambling to Mile High and the community on Denver's northeastern edge, Natale confirmed.

BLB executives declined to comment for this article.

Natale and city officials hadn't even settled their position concerning BLB's planned ballot initiative before the company stopped its campaign.

"As long as we had some way to recoup our costs, I don't think we would have been against it," Natale said in a phone interview this week.

He said officials in the city of 45,000 would welcome a plan to replace Mile High with some other development.

"The racetrack has the biggest piece of land in our center city," Natale said. "It's just gorgeous."

The Colorado Gaming Association represents casinos in the historic mining towns of Black Hawk, Central City and Cripple Creek, south and west of Denver.

The association's executive director, Lois Rice, said she isn't sure the casinos and the tracks share much in common.

"I tend to think that the people who participate in the greyhound racing events are different from the ones who come to the casinos," she said. Just the same, she said her group isn't going to help the tracks get video slots or other gambling, since the casinos are having their own problems, knocked back by a soft economy and a hard smoking ban.

"Our revenues have been down 10 to 12 percent for the first [part] of 2008," she said. "This is really the worst downturn in the history of gaming.

"It's difficult to get people to drive outside the metropolitan area for limited stakes."

The association is banking on its own ballot initiative to help reverse the slide. It's backing an initiative that, if it gets onto a November ballot, could raise betting limits from \$5 to \$100 at the mining-town casinos and two Indian-run sites in state's southwestern corner. While state revenue from casino gambling now goes toward historic preservation in Colorado, revenue raised from the higher limit would be funneled to the state's community colleges.

As for BLB's discontinued ballot initiative, Rice said: "We would have taken the same position that we took in 2003. We oppose any expansion of gaming to the Front Range and outside the three historic towns."

Wembley spent millions of dollars in 2003 promoting a ballot initiative to allow Colorado's racetracks to operate video-lottery terminals, but voters slapped it down.

Two years later, Wembley sold its tracks in Commerce City, Pueblo, Colorado Springs and a horse track in Aurora to BLB.

"BLB, when they came in here, never intended to race greyhounds," said Bryan, of the greyhound association. "They were going to use the dogs until they could get a casino.

"These people have shot themselves in the foot every step they've taken out here."

Kerzner International, headed by Sol Kerzner, is a Bahamas-based casino and resort operator, with properties including the Atlantis resorts in Dubai and on Paradise Island in the Bahamas. The company also helped develop the Mohegan Sun casino in Connecticut and continues to receive income from it, but has no ownership role in it.

Waterford Group is run by brothers Len and Mark Wolman. It owns or manages 22 hotels in seven states, mostly in Connecticut. Waterford built and manages the Connecticut Convention Center in Hartford.

Last month, Waterford bought a 50-percent stake in a Sheraton hotel at Bradley International Airport in Windsor Locks, Conn., a year after pouring \$33 million into renovations at a Hilton hotel in Hartford.

Amendment ideas to Senate Bill 174

1. Keep live racing in Colorado.
2. Put greyhound monies into escrow until a live meet is conducted within 3 years or less.
3. Eliminate the Division Director and staff and replace them with a Horse Coordinator and Compliance Officer. Include a seasonal staff with inspectors and state track officials.
4. Discontinue cash funding. All revenues should be based on dollars wagered, just like the rest of the gaming industry in Colorado.
5. Have at least one Division of Racing Commission member with some knowledge of the greyhound industry.