

**PROPOSED CONCEPT PLAN -
RACING AND COMMUNITY DEVELOPMENT ACT OF 2020**

BACKGROUND

- The Maryland racing industry has been an important part of the state's history, cultural fabric and economy since Colonial times. The Maryland Jockey Club, which was founded in 1743, is the oldest sporting association in the country.
- Studies have shown that the economic impact of the state's horse industries exceed \$1 billion and employ over 20,000 people in a wide variety of interdependent businesses and enterprises.
- Annually, the Preakness Stakes® is one of the largest events in the state, with an estimated impact of \$50 million/year, and brings irreplaceable national and international attention to the city and the state.
- The state's primary racing venues – Pimlico in Baltimore City and Laurel Park in Anne Arundel County – which are almost a century old in parts – are in dire need of modernization. And, the infrastructure which serves those racing facilities (particularly, Pimlico) is also almost a century old and in dire need of improvements and upgrades. All in all, in order to preserve and enhance the Preakness Stakes® and Maryland's important horse racing industries, those venues need to be modernized.
- The proposed "Racing and Community Development Act of 2020" seeks to: (1) maintain the historic Preakness Stakes® in Baltimore City at Pimlico Race Course; (2) provide a long term platform for the sustainability of year-round racing at Laurel Park; (3) modernize the racing venues and infrastructure to accomplish those purposes; and (4) ensure that the communities surrounding the racing facilities benefit from their redevelopment.

THE PLAN

- **Summary**
 - Ensures the continuity of the Preakness Stakes® at Pimlico.
 - Establishes Pimlico as the "Major Events Venue" and provides for community, civic and recreational uses of the facilities and state-of-the-art Clubhouse/Community Events Center; provides for development parcels and thoughtfully planned development bridging various communities of interest.
 - Establishes Laurel Park as the year-round racing, training and stabling center for the thoroughbred racing industry and includes a new state-of-the-art Clubhouse, Backstretch, Tracks and Training Facilities.
 - Authorizes the Maryland Stadium Authority to lead the financing and development of the facilities.
 - Funds the projects with a combination of existing racing industry funds, local government contributions, and ongoing/extended state support.
 - Ensures the long-term stewardship and oversight of the racing facilities for the betterment of the state's racing industry.
- **Pimlico**
 - A \$200 million capital project resulting in the creation of future development parcels, a modest Clubhouse & Community Center, ball fields or other park-like amenities, and a new racing surface.
 - Preakness Stakes® committed to be run at Pimlico.
 - Real property transferred to a City of Baltimore entity in perpetuity.
 - MJC to use and operate the facilities for the Preakness events – no year-round horse training.

- MJC will rely on, and pay for, temporary event seating for major race days.
 - City Entity to use the property the remainder of the year.
- **Laurel Park**
 - A \$175 million capital overhaul resulting in new barns/stables, addition of a new synthetic racing surface, and a right-sized Clubhouse.
 - Year-round racing and training – flexible for mid-sized racing events.
 - Consolidation of jobs and housing at Laurel Park.
 - Focus on equine health, safety and research.
 - New racing facilities to be overseen by a public-private entity.
- **Funding**
 - When Maryland’s casino program was launched, and later expanded, the General Assembly recognized the substantial competitive impact such new gaming would have on the racing industry.
 - Further, many viewed casino gaming as a way to enhance and preserve racing.
 - The General Assembly already allocates a portion of the proceeds from slots to racing purses and for racing capital facilities.
 - Capital expenditures for the 2020 Plan will be largely funded by bonds issued by the Maryland Stadium Authority.
 - Bonds Issued – \$348 million + RFRA Cash Balance – \$27 million
 - Annual Debt Service Payments – \$17 million
 - Existing RFRA \$8.5m *extended beyond 2032
 - Horsemen contribution \$5.0m *no sunset on these funds
 - City Infrastructure contribution \$3.5m *portion extended past 2032
- **Role of the Maryland Stadium Authority**
 - Procurement, design and construction of the facilities at both Pimlico and Laurel Park
 - Will create a transition plan and timeline – includes review of interim plans for daily racing and training (options include a combination of – Pimlico, Bowie and/or Timonium)
 - Transition and construction timeline is likely a multi-year plan
 - MSA will work with the various parties on final facility design and cost estimates
 - At project completion, will turn the facilities over to local entities

THE LEGISLATION

- Will identify the projects and funding sources.
- Will repeal portions of the existing law related to the thoroughbred RFRA program.
- Will provide for long term oversight and control of the properties.
- Will ensure the Preakness Stakes® is run at Pimlico and the Maryland Million is run at Laurel Park.
- If enacted, provides strong support for Maryland’s efforts to attract the Breeders Cup.

***Supporters:** City of Baltimore, Anne Arundel County, Maryland Jockey Club, Maryland Thoroughbred Horsemen’s Association, Maryland Horse Breeders Association, LifeBridge Health, Greater Baltimore Committee, Siena Farms*

***For more information:** MJC (Mike Johansen, Eric Bryant, Joe Bryce, John Favazza, Brad Rifkin, JR Reith); MTHA (Bob Enten); MHBA (Tim Perry, Justin Ross); LifeBridge Health (Martha Nathanson, PJ Hogan, Delora Ifekauche); Siena Farms (Bruce Bereano); Greater Baltimore Committee (Sean Malone)*