

**Ontario
Racing
Commission**

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January 26, 2010

Notice to the Industry

Application for 2010 Race Date Amendment Windsor Raceway

The Ontario Racing Commission is circulating this application for an amendment to the 2010 approved race date schedule and will receive comments on the application from interested industry participants before making its decision on the application.

Racetracks make application to the Ontario Racing Commission in the fall of each year for their live and simulcast dates. Amendments to their annual approved schedule of dates and post times are made by application to the Executive Director. A post time change of more than 30 minutes must be approved by the Commission.

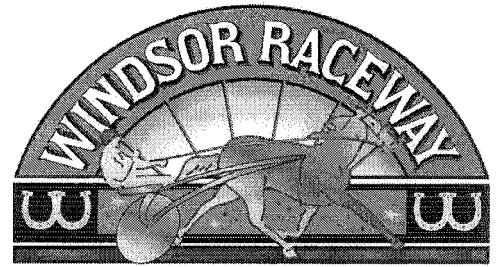
An application to change their approved schedule has been received as follows:

Windsor	Delete
	Saturday, February 6, 13, 20 and 27 Sunday, May 23
	Add
	Friday , October 8, 15, 22 and 29 Wednesday, April 28
	Change
	Post Times on Sundays, February 7, 14, 21 and 28 to 6:00 p.m.

Copy of the application and business case to support the change is attached.

Input, comments or concerns **must be received by noon on January 29** to be considered and can be forwarded to the Ontario Racing Commission as follows:

Jacinth Chang Alloy
Executive Secretary
Facsimile: (416) 213-7827
E-Mail: jacinth.changalloy@ontarioracingcommission.ca



Sent Via E-Mail To:

Ontario Racing Commission
Suite 400 – 10 Carlson Court
Toronto, Ontario M9W 6L2

January 21, 2010

Attn: Rob McKinney
Deputy Director

Dear Mr. McKinney,

**Re: APPLICATION TO AMEND 2010 RACE DATE CALENDAR FOR
THE WINDSOR RACEWAY**

In accordance with Policy Directive 3-2007 Windsor Raceway Inc. ("WRI") hereby submits for the approval of the Ontario Racing Commission ("ORC") an application to amend, as set out in Exhibit "A" hereto, its approved race date calendar for 2010.

OVERVIEW:

On December 16, 2010 the Deputy Director issued Ruling Number Com Gen 004/2009 whereby a panel of Commissioners declined to approve a change in the 2010 Windsor Raceway schedule to allow running of "doubleheaders" on Sundays in 2010. In its Ruling, the panel suggested "doubleheaders may very well be an excellent innovation for Windsor Raceway, or, for that matter, other tracks as well".

Since issuance of Ruling Number Com Gen 004/2009 WRI has met with the Ontario Harness Horse Association ("OHHA") and discussed a proposed amended 2010 Race Date schedule that would allow for extended cards on some Sunday's in the first half of 2010.

The consultations among OHHA and WRI have been premised on moving Saturday race dates in February to October. It was the proposal of OHHA, which WRI accepts, that the additional dates in October be run on Friday to harmonize with the Hiawatha Horse Park calendar. With Saturday dates in February moved to October, this should result in more available horse supply to allow for running of extended cards on Sunday in February to test the innovation of extended cards.

WRI has also consulted with OHHA about moving the Sunday, May 23, 2010 race date to Wednesday, April 28, 2010 to allow for better harmonization of racing calendars, including the calendars of Windsor and Dresden.

WRI continues to believe 111 race days is an excessive and unsustainable level of live racing at Windsor Raceway. However, WRI is prevented in 2010 from applying for an appropriate number of race days due to Policy Directive No. 6-2009 entitled "*Moratorium on Race Date Reductions*".

Although Policy Directive No. 6-2009 imposes a moratorium on race date reductions it allows applications for a change in scheduling where a business case as prescribed by Policy Directive 3-2007 supporting change is provided. Without prejudice to objections WRI reserves the right to advance with respect to Policy Directive No. 6-2009, set out hereinafter please find the Business Case to substantiate the schedule change proposed in Exhibit "A".

BUSINESS CASE TO SUBSTANTIATE SCHEDULE CHANGE IN 2010:

The 2010 calendar of 111 race days attached as Exhibit "A" includes the following changes from the current mandated 2010 calendar:

- i) the transfer of the four (4) Saturday cards in February to four (4) Friday cards in October; and
- ii) the transfer of Sunday, May 23, 2010 to Wednesday, April 28, 2010.

The rationale for the improved Windsor Raceway schedule in 2010 is i) to defer Saturday cards in February where there is ample horse racing product and a resulting low demand for Windsor Raceway product to later in the year and to thereby allow extended cards to be tested on Sundays in February; and ii) to transfer a day from May to April to better harmonize the Windsor and Dresden schedules and to take into account that many summer tracks are operating by this time thereby better harmonizing racing opportunities with available horse supply.

Policy Directive No. 3-2007 Indicators Confirming Changes to Schedule of Days in 2010

The business rationale for the schedule in Exhibit "A" complies and is supported by the guidelines in Policy Directive No. 3-2007. The grounds for the schedule change can be summarized as follows:

- Transferring current Saturday dates in February to Friday cards in October will allow exploration of extended meets on Sundays when there is demand for Windsor Raceway product.
- Transfer of a date in May to April better aligns the Windsor calendar with when summer tracks are not yet operating and takes into account horse supply issues.
- The change to explore extended meets on Sunday in February strives to improve customer satisfaction by increasing supply of Windsor Raceway product on a day when it is sought by the pari-mutuel wagering public.

Indicator #1 - Customer Satisfaction and Demand for Product

Pari-mutuel handle wagered on Windsor Raceway product is poor on Saturdays due to the higher quality of racing product available from other tracks in Ontario and throughout North America.

Pari-mutuel Handle Rational for Transfer of Saturday Dates:

The revised 2010 calendar seeks to move Saturdays in February to Fridays in October. Racing on Saturdays not supported by the local wagering public or by our export markets. This is evident by the data presented in the following table.

AVERAGE HANDLE (ontrack and export)		
	Saturday	Other Race Days
February	115,738	303,000

Saturdays represent the lowest wagering of any race day for WRI. This is due to the level of saturation of horse racing product on Saturday. The Windsor Raceway Saturday racing product in February is not in demand by our export partners as illustrated in the following schedule.

AVERAGE HANDLE PER DASH (Export Only)			
	Saturday	Sunday	All Days Other than Saturday and Sunday
January 2009	\$8,994	\$42,256.99	\$20,776
February 2009	\$10,623	\$33,576	\$21,134.49
November 2008	\$9,757	\$24,200	\$18,258

WRI pays 100% of the satellite cost for exporting races. The share of export revenue received by WRI from Saturdays does not even cover the satellite costs for Saturdays. Running Saturdays negatively impacts the financial condition of WRI and is also a waste of limited purse funds.

To try to maximize pari-mutuel handle that can be generated from the limited Windsor Raceway Purse Pool, the 2010 calendar seeks to transfer Saturday racing opportunities to later in the year so extended cards can be explored on Sunday's when Windsor Raceway horse racing product generates relatively more interest.

AVERAGE HANDLE PER DASH (Ontrack and Export)			
	Saturday	Sunday	All Days Other Than Saturday and Sunday
February 2009	\$12,860	\$36,849	\$23,108

Indicator #2 - Racing Opportunities and Available Horse Supply

Move of May 23, 2010 to April to Avoid May Horse Supply Issues

The Windsor Raceway 2009 schedule reduced the amount of race days in May to avoid the situation that occurred in 2008 resulting in cancellation and rescheduling due to a lack of horse supply and entries. Even with the reduction to 5 days in May, WRI found itself faced with inadequate horse supply and short fields. The information presented below identifies the number of full fields for each day during the month of May.

Date	Full Fields
May 3	3
May 10	1
May 17	3
May 24	3
May 31	1

May horse supply challenges result from the fact that other Ontario race tracks (Dresden, Sarnia and Woodstock) and Hazel Park in Michigan commence or are racing in May thereby providing racing opportunities to local horsemen that outstrips the available horse supply. The above data demonstrates it would be most efficient from a horse supply perspective to move the May 23, 2010 date to Wednesday, April 28, 2010.

Conditions for Extended Meet Sundays

WRI will publish enough conditions and will expect to run 18 dashes on the extended meet Sunday cards in February. Since race days are not being eliminated but are instead being transferred, the effects of the 2010 Windsor Raceway calendar attached as Exhibit "A" should be racing opportunity neutral for horsepeople.

WRI remains concerned there is not a sufficient level of horse supply prepared to enter at current Purse Structure levels to support 111 race days at Windsor. The assistance and cooperation of the ORC and Ontario horsepeople is essential to the 2010 Windsor Raceway racing program.

Indicator #3 - Purse Levels

It is known throughout the industry that Windsor Raceway Purse levels are the lowest in Ontario. The OLG operated *Slots at Racetracks* program at Windsor Raceway continues to be one of the poorest performing in Ontario and it will not support the same number of racing opportunities and purses in 2010 as conducted in earlier years.

The ORC mandated WRI race 111 days in 2007 and set this as the standard for future race dates unless a business case could substantiate a change. When the ORC set this standard in July 2007 the daily Win per machine generated by slots at the Windsor Raceway was \$181.00. The Win per Machine for 2009 was \$149.00. The drop in slot revenues from July 2007 to August 2009 represents a reduction of \$32.00 per machine per day, an equivalent of \$873,600 less in available purse revenue or lost purses equal to that which would be paid over approximately 19 race days.

A reduction in race dates would have allowed WRI to increase purses per day and close part of the gap with daily purse levels throughout Ontario. Increased purse levels are an important longer term driver to spurring investment in new horse stock in the Windsor/Essex region. Without higher purses horsepeople will not continue to invest and create jobs in the Windsor/Essex Region. The ORC is perpetuating a vicious cycle by imposing the moratorium prescribed in Policy Directive No. 6-2009.

Indicator #4 - Motivation to Engage in the Conduct of Live Racing

Notwithstanding challenges noted herein WRI remains committed to racing in Windsor and the strategic plans and directions it has set out since 2007.

The biggest threat to the level of live racing at Windsor Raceway continues to be the uncertainty created by the Strategic Review Report prepared by the Horse Racing Industry Review Panel chaired by Professor Sadinsky and the need for the Provincial Gaming Strategy to be finalized. Unfortunately a time frame for resolution of these two critical issues remains in flux.

Indicator #5 - Harmonization of Date Schedule with Other Ontario Racetracks

The 2010 calendar in Exhibit "A" takes into account the following harmonization issues:

- Saturdays are an extremely crowded market for horse racing product and Ontario tracks such as Flamboro, Kawartha and Woodbine compete for handle. The Woodbine product is the Ontario product the pari-mutuel wagering public wants Saturday evening.
- Local horsepeople propose Friday cards in October to take into account that Hiawatha Horse Park runs on Saturday in October and WRI accepts this.
- Race days in May conflict with other race tracks already operating or starting their race seasons. Western Fair is running through to June, Dresden, Clinton, Woodstock, Sarnia and Hazel Park open in May along with other summer Ontario race track operations.

Indicator # 6 - Financial Condition of the Racetrack Association to Deliver

WRI is implementing a further reorganization of its financial affairs in 2009/2010 to survive the difficult economic times being faced by businesses in Windsor and Essex County. Although still clouding the future of WRI, the 2010 calendar at Exhibit "A" is better than the current calendar mandated by the ORC race date reduction moratorium.

Other Factors to Support This Race Date Calendar Change

This Exhibit "A" calendar has been arrived at after consultations between WRI and OHHA.

Conclusion

The proposed 2010 calendar attached as Exhibit "A" takes into account the interests of all stakeholders and best serves the public interest having regard to ORC Policy Directive No. 6-2009 imposing a race day reduction moratorium for 2010. We look forward to confirmation that the calendar attached as Exhibit "A" is approved.

Yours very truly,
Windsor Raceway Inc.

By: 
Christopher R. Kruba

Live Harness**WINDSOR RACEWAY****POST TIMES***Sunday Extended Card Post Time at 6:00 pm**All Other Post Times 7:00 pm*

January 2010						
S	M	T	W	T	F	S
						2
3		5	6			9
10		12	13			16
17		19	20			23
24		26	27			30
31						
Total January						18

February 2010						
S	M	T	W	T	F	S
		2	3			
7*		9	10			
14*		16	17			
21*		23	24			
28*						
Total February						12

March 2010						
S	M	T	W	T	F	S
		2	3			
7		9	10			
14		16	17			
21		23	24			
28		30	31			
Total March						14

April 2010						
S	M	T	W	T	F	S
4		6	7			
11		13	14			
18		20	21			
25		27	28			
Total April						12

May 2010						
S	M	T	W	T	F	S
		2				
		9				
		16				
Total May						3

June 2010						
S	M	T	W	T	F	S
Total June						0

July 2010						
S	M	T	W	T	F	S
Total July						0

August 2010						
S	M	T	W	T	F	S
Total August						0

September 2010						
S	M	T	W	T	F	S
Total September						3

26 28 29

October 2010						
S	M	T	W	T	F	S
3		5	6		8	
10		12	13		15	
17		19	20		22	
24		26	27		29	
31						
Total October						17

November 2010						
S	M	T	W	T	F	S
		2	3			6
7		9	10			13
14		16	17			20
21		23	24			27
28		30				
Total November						17

December 2010						
S	M	T	W	T	F	S
					3	4
5		7			10	11
12		14			17	18
19		21				
26		28			31	
Total December						15

* Denotes Extended Sunday Card

Total Race Days Applied for

111