

JAMES R. MORGAN, Special Counsel

HUMBOLDT COUNTY FAIR ASSOCIATION

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April 12, 2025

Sent via email to:
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Scott Chaney
Executive Director
California Horse Racing Board
1010 Hurley Way, Suite 300
Sacramento, CA 93825

Re: Humboldt County Fair Racing Dates Application for August 13-September 2, 2025

Dear Scott and CHRHB Board Members:

The Humboldt County Fair Association (HCFA) is privileged to apply for race dates of August 13, 2025, through September 2, 2025. During its 129 years of operation it has traditionally held its race meet in the latter half of August and this year shall be no exception.

It is understood that TOC Leadership and its legal team are aggressively lobbying against our application. Apparently, the south feels that already receiving 49 weeks a year of commissions generated from wagers placed in the north is somehow not enough. North-generated commissions have never gone to the south in the past during this late August time period and there is no justification in precluding HCFA from having a third week of racing just so the south can receive a windfall from money wagered in the north.

To allay any concerns about the viability of our meet during the requested dates, please consider the following:

1. HCFA Three Week Race Meet Shall be Sponsored by Bernal Park Racing, LLC.

The financial obligations for the entire three (3) week meet shall be sponsored by **Bernal Park Racing, LLC**, an entity funded by George Schmidt and John Harris, two stalwart supporters of racing and breeding in California for decades. They recognize the value of maintaining the goodwill and fan base of horse racing fans *in the north* who have been otherwise disenfranchised by the pause in racing in the region. Their aspirations include ongoing negotiations with the County of Alameda to lease the Grandstand, Stable Area and parking

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to re-establish the opportunity for live racing at the existing fair venues. Their support shall be with lobbying for horses, including their own, to participate in the live HCFA three-week meet, and additional financial assistance including the following:

a. Procurement of a Bond in Advance of the Meet to Guarantee Purses

Bernal Park Racing, LLC, shall procure the necessary bond (estimated at \$1,000,000) to guarantee purses in advance of the proposed three-week meet. This is the contribution necessary to ensure a financially successful meet.

It is noteworthy that in 2024 HCFA had three weeks without overlap for the first time in recent history. As a result, it had its best meet ever. The underpayment of purses was \$353,000 which replenished the overpayment from other CARF sponsored meets. It is anticipated that with this confirmed sponsorship in place the HCFA can offer a higher level of purses and additional added money events to lure barns from California and the northwest to participate in our 2025 race meet. Purse sponsorship is a luxury our meet has not previously enjoyed and ensures HCFA a great chance at success.

b. Assistance with Maximizing ADW Exposure

The principals of **Bernal Park Racing, LLC** will assist in establishing ADW contracts for the product being offered by the HCFA. To promote racing throughout the state the HCFA always broadcasts Del Mar Races on its Jumbotron and throughout the facility. In contrast, owners from the north attending the Del Mar meet have indicated it is difficult to find any monitor carrying the racing product from the north.

c. Addressing all Funding and Equipment Needs for a Race Meet

In the past, HCFA has been reliant upon CARF to provide funding for expenses and equipment necessary to conduct a race meet. **Bernal Park Racing, LLC** as part of their sponsorship shall make sure HCFA has the equipment and funding needed to conduct a three-week race meet.

d. Assistance with Attracting Horses and TOC Adversity

Keeping the horse before the cart, HCFA cannot obtain firm commitments for participation in their meet until the dates and license are approved. It is perceived that the current leadership of the TOC no longer represents the best interests of owners, trainers and

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breeders from the north part of the state, including the interests of prominent breeders George Schmidt and Harris Farms located in the North. The TOC legal team is already lobbying to discourage adoption of the HCFA race dates. **Bernal Park Racing, LLC** has pledged to use their goodwill in the industry to attract horses to the HCFA and to assist in addressing the aggressive tactics of TOC to shut down this 129-year tradition.

2. The Importance of a Three-week Meet

HCFA needs a three-week race meet to attract enough horses to run an exciting race card each Saturday, Sunday and Labor Day. It is a long commute for horses training in California. A three-week meet ensures every horse has an opportunity to run twice, while a two-week meet does not.

Recognizing the challenges of coordinating a successful race meet HCFA leadership have reached out pro-actively and cooperatively to Oregon horsemen and racing venues. It was negotiated that the three-weeks requested by HCFA shall be strategically placed between race meets at Tillamook and Grants Pass without overlap. This is forged regional alliance to create a stable circuit that will be inclusive of lower lever California horses as well.

Overlooked in the divisive rhetoric from TOC and the south are the significant contributions of those who have participated in HCFA's historic live race meet. The breeder of California Chrome raced his first racehorse at the HCF. The owner of 2013 two year old filly champion She's a Tiger, Allen Aldrich, has spent decades supporting the HCF. The owner of Owen Almighty, a Derby contender, ran his first California races at Humboldt. Don Alberto, a co-owner of Derby favorite Journalism, bred the winner of the Humboldt County Marathon last year trained by Doug O'Neill who applauded the HCFA racing experience.

The county supervisors supported a \$1,000,000 retrofit of the grandstand following a recent earthquake. The barns have been modernized with new roofs and hardware. The track has been widened, safety rails upgraded and investments have been made by the community to perpetuate this tradition. The town of Ferndale has fewer than 1,500 residents. The attraction of the region's only live race meet brings in racing enthusiasts from far and wide and more importantly generates an estimated \$7,000,000 in non-fair revenue for accommodations, meals and shops.

It is not, as has been suggested, a commissions grab, but rather the perpetuation of a 129-year cultural tradition and event like no other in this region.

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3. Access to Sustainable Generated Commissions from Wagers in the North

In 2024 the HCFA three-week race meet generated approximately \$1,000,000 in commissions. Although payments from CARF have not been fully forthcoming, that is an amount necessary to continue to maintain the facility, pay for the Grandstand retrofit, and sustain this live racing tradition.

There is no basis for TOC and Del Mar to deny HCFA access to a third week generating both incentives for horses to participate and sustaining commissions for our fairgrounds belonging to Humboldt County.

4. Horse Population

Ferndale has always been a favorite destination for 15 to 25 California based trainers whose stock typically cannot compete with the out-of-state imports that populate the Southern California race cards. The HCFA has already obtained commitments from at least 15 trainers eager to return to HCF when race dates are granted. With the help from the principals of **Bernal Park Racing, LLC** we anticipate support from horses headquartered in Southern California.

It is curious that attracting horses into the state for Oregon is viewed as a negative. Southern California meets offer rewards of \$5,000 to out-of-state horses, not bred in California, with out-of-state trainers to compete at their meet at Del Mar. The presence of those horses makes it more difficult for California bred horses, particularly those displaced from Northern California to be successful at Del Mar.

In contrast, most of the Oregon horses are Cal Breds, not Kentucky Breds or Oregon Breds. Their crossing the border to participate in the HCFA meet means breeders' awards can be earned for the beleaguered owners, trainers and breeders of California horses that return from Oregon. The Northern California horsemen have fallen upon hard times, every little bit of Cal Bred awards helps.

On behalf of the HCFA, we have the financial support, we have the purses, we have the facility, we have the interest in horsemen to participate and we have a 129-year history of running exciting live horse race meet in a region of California that whole heartedly supports its live horse racing events.

It would be unfair and inequitable to shut HCFA down just so the south can harvest a 50th week of commissions generated from wagering in the north. Those wagers are built upon the foundation of goodwill generated from decades of live horse racing from Fresno to the Oregon Border on tracks like Bay Meadows, Golden Gate Fields, Solano County, Stockton, Sacramento, Santa Rosa, Pleasanton and Fresno. We can race and we want to race.

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I regret that I will not be in the country during the next CHRB Board Meeting. Although our Board President, Andy Titus, Racing Committee Chair, Greg Gomes, CEO Moira Kenny and I will be available to answer any and all questions you may have in advance of the next CHRB meeting. We respect your opinion and trust the right decisions shall be made regarding the HCFA request for three weeks of dates. We look forward to CHRB approval for the perpetuation of our cherished and community supported racing venue that has a long history of sustaining a segment of the California horseracing and breeding industry that cannot successfully compete with the out of state bred imports racing at Del Mar.

Respectfully submitted,



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JRM:pt

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