



North Dakota Racing Commission



500 North 9th St, Bismarck

<http://racingcommission.nd.gov>

March 2016

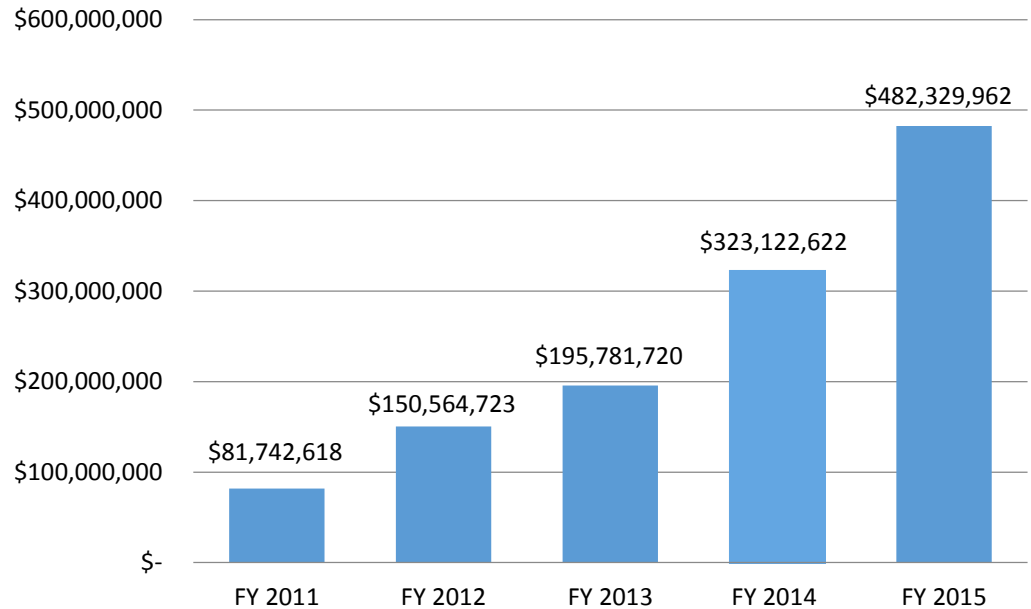
(701) 328-4633

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Commission Operations Fully Funded by Revenues

Over the last five years the North Dakota Racing Commission has gone from having only one licensed Account Deposit Wagering (ADW) company to a current total of ten. During that time our handle (the amount wagered and taxed by North Dakota) has increased dramatically due to the Commission's work to support ADW development of domestic and international markets.

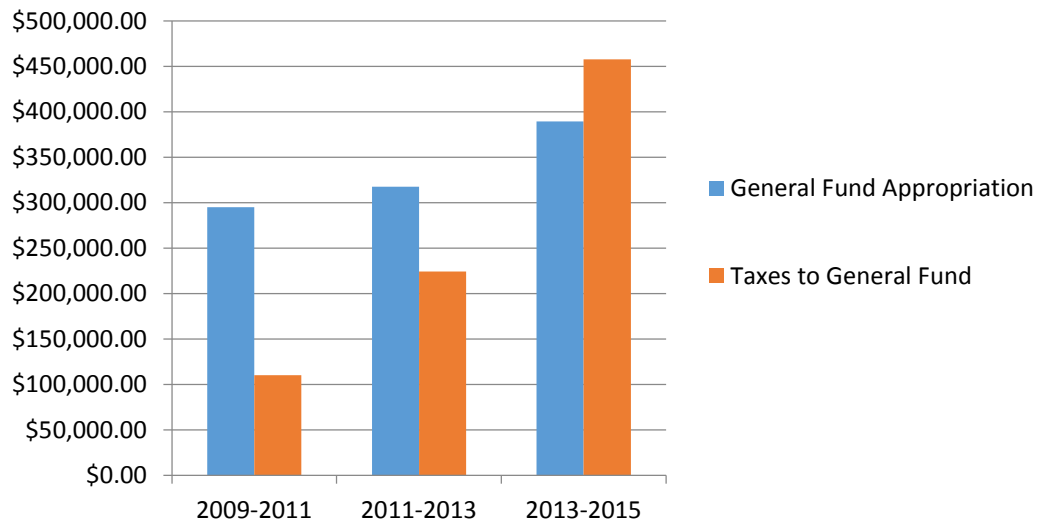
ADW Handle by Fiscal Year



Due to the significant increase in wagering activity, the Racing Commission is now fully self-funded.

The Commission returned \$457,561 to the General Fund in the 2013-2015 biennium or \$68,317 over its general fund appropriation for the biennium. Assuming wagering activities remain at current or increased levels for the next biennium, the Commission anticipates again making General Fund contributions in excess of its appropriation.

General Fund Appropriation and Revenue



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Securing the Future of Racing in Fargo

Racing was cancelled in Fargo for 2015 due to uncertainty regarding the future of the track. Unlike the entity that operates racing at the track (Horse Race ND), the entity who owns the track parcel had been unable to pay their TIF debt or property tax payments totaling approximately \$140,000 per year (total TIF debt of approx. \$1.2 million). Horse Race ND was unable to take on the entirety of this additional financial obligation at that time. Therefore, without significant financial change, it was likely that the track would be foreclosed in 2017.

Prior to the decision on the race dates, the Commission took a number of steps to support resolution of the debt including funding the development of a financial plan by a track finance expert and the creation of an Advisory Committee of prominent Fargo community members. Following the information and recommendations developed as a result, the Commission and Horse Race ND met with representatives of the City of Fargo in an unsuccessful attempt to negotiate a potential reduction in the total TIF debt. The Commission and Horse Race ND also put forward legislation (HB 1090) that would have directed tax dollars collected by the Commission to TIF debt payment. This legislation was also unsuccessful.

Despite revocation of the race dates, the Commission and Horse Race ND have been working tirelessly to develop a business plan to save the track. As recommended by the Advisory Committee, Horse Race ND has taken over full control of the Horse Park in an effort to streamline operations and present a unified front in dealings with business partners and the City. Through these efforts Horse Race ND has also identified a new business partner, further developed its revenue generation, and worked to reengage with the City through a business plan key to solving the debt problem.

At this time Horse Race ND has formally entered into the foregoing business plan with their new partner Lien Games Racing, LLC. TIF and property taxes on the Horse Park are now being made as they come due. These partners have already begun moving forward with joint efforts to develop further revenue that will support the long term payment of liabilities and the growth of the Horse Park.

Having presented a long-term business plan to the Commission, Horse Race ND has been awarded six days (three weekends) in 2016, all of which were fully funded at the February meeting. The Commission is excited to see the Horse Park on track to host racing for many years to come and hopes members of the legislature will join us at the track to welcome back this important part of North Dakota's heritage to the Fargo region.

2016 NORTH DAKOTA RACE DATES

CHIPPEWA DOWNS

Hwy 5 West, Belcourt

Outdoor Recreation Development Association

www.chippewadowns.org

Doug DeMontigny, Chairman

sethdem@utma.com (701) 871-0880

2016 Race Meet Dates (8 Race Days)

June 11 & 12 Saturday and Sunday

June 18 & 19 Saturday and Sunday

June 25 & 26 Saturday and Sunday

July 2 & 3 Saturday and Sunday

NORTH DAKOTA HORSE PARK

5180 19th Ave. N, Fargo

Horse Race North Dakota

www.hrnd.org

Mike Schmitz, Manager

mikes@hrnd.org (701) 527-7868

2016 Race Meet Dates (6 Race Days)

July 16 & 17 Saturday and Sunday

July 23 & 24 Saturday and Sunday

July 30 & 31 Saturday and Sunday

ND Racing Commission

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