

## TOC, TVG, California Tracks Announce Purse Supplements

*Advance deposit wagering rose sharply in the state in 2020.*

By Byron King

Thoroughbred Owners of California, Del Mar, The Stronach Group's 1/ST Racing, and TVG announced Jan. 13 a program that will bolster California Thoroughbred purses by up to \$15 million in 2021-22.

The parties believed that working toward additional sponsorship and purse enhancements would help support the state's racing industry, a release issued from TVG and TOC said. This program comes following a shutdown of racing initially with the onset of the COVID-19 pandemic, and health and safety restrictions that have prevented on-track attendance from fans since racing resumed.

During COVID-19, the bulk of handle has been generated by advance deposit wagering, of which TVG has close to 85% market share in California, TOC president and CEO Greg Avioli said in a telephone interview. He noted that California ADW handle rose from \$600 million in 2019 to more than \$1 billion in 2020.

According to Avioli, TOC notified ADWs last fall of its desire to reach agreements it deemed more equitable to purses under the current business climate. ADW companies such as WatchandWager and Game Play Network agreed to alter hub fees, and others such as NYRA Bets, 1/ST Racing's Xpressbet, and TVG reached a commercial business resolution also favorable to purses, Avioli said.

"We couldn't reach an agreement with TwinSpires so earlier this week we filed for arbitration," he added.

Bettors wishing to bet on California racing via TwinSpires, an ADW owned by Churchill Downs Incorporated, will not be affected while awaiting the conclusion of the arbitration, Avioli said.

"California racing has always been very important to TVG, and we are committed to continuing our support of the racing industry here, especially given the challenging circumstances the industry faced in 2020," TVG CEO Kip Levin said in the release. "We feel the right strategy is to partner with the stakeholders to further strengthen what has always been a premier racing circuit in the United States."

In anticipation of the program, Santa Anita Park recently announced a 10% across the board purse increase for its 2020-21 winter/spring meet. With a daily purse average of \$533,000, its purses are now competitive with the top circuits in the U.S. despite not receiving any casino gaming revenues or government subsidies.

With the support of these purse enhancements, Del Mar is projected to increase average daily purse levels at its summer meeting to more than \$600,000, Del Mar indicated in the release.

"When you really analyze this, this is one of those genuine win-wins. Purses day in and day out—in California they do—turn into higher field size, which leads to more wagering for the ADWs, the racetrack, and the horsemen. It's a virtuous cycle," Avioli said.