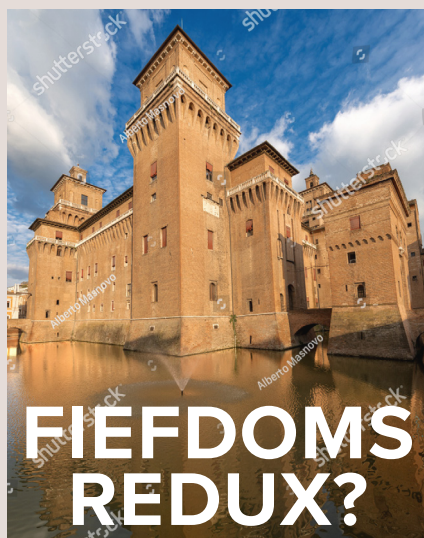


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I'm reminded of racing's counterproductive fiefdoms by a 2008 writing in these pages of the late Arnold Kirkpatrick, my much-revered colleague and friend. Back then, it seemed to him, there were way too many fiefs in the way of industry-wide accomplishments.

To Arthur Hancock's suggestion that our problems were caused by a lack of leadership, Arnold was "unalterably convinced that our problem is not a lack of leadership but too much leadership." He counted 183 separate organizations in Thoroughbred racing alone, each with their own agendas and jealousies. "With 183 rudders all pointed in different directions, we have two possible outcomes – at best, we'll be dead in the water; at worst, we'll be breaking apart on the rocks."

In 2024, can it be said, without irony, that this is the best of times, and the worst of times?

In North America, and California in particular, an historic sport and industry contraction is well underway, by every possible indicator – led by the declining foal crop. One might think there has been a corresponding contraction in the list of racing's organizations; somehow, I doubt that's true. Nevertheless, in the "Golden State," once a perennial leader of American racing, we have lost a critical mass of tracks since 2008: Bay Meadows, Hollywood Park, fair racing at Vallejo, San Mateo, Stockton, Pomona, and Golden Gate Fields this year.

Is it simply a coincidence that this all happened while one racing operator – the Stronach Group – increasingly dominated and controlled the sport in California, as no track owner ever before was permitted to do?

Arnold's word "fiefdom" ... comes back to mind, but now from a different perspective. In European feudal times, as we learned in school, the fief was a landed estate given by a lord to a vassal in return for the vassal's service to the lord. There are a great many California owners, trainers, breeders, jockeys, vendors, fans, and even regulators, who have been wondering how the vassals ever turned the tables.

In a *Los Angeles Times* interview published on April 5, Aidan Butler, the CEO of 1/ST Racing and Gaming, the Stronach operator, used the term "imbeciles" to describe those who would question the company's intentions, and perhaps its motives, in sending what was widely perceived as a blatantly threatening letter to the California Horse Racing Board.

Instead, he termed the letter "transparent." And then stated, "if nothing else, people have been forewarned." Seconds before, he had claimed that the amount of money Stronach had invested in Santa Anita proved its good intentions. This is the same executive who months earlier had suddenly announced, giving stakeholders notice of only hours, that Golden Gate Fields would be closed within weeks, before changing his mind under pressure from the rest of the industry.

Confused?

Stronach's track management may be described many ways; truthfully "transparent" is certainly not one of them, despite constant assertions to the contrary. As a private family company, even in a regulated industry, its leaders can claim whatever they want with impunity. After all, the exceptionally valuable real estate on which most (all?) of their track holdings reside appears to make them immune from audit or inspection: they rarely, if ever, are reluctant to tell their racing fraternity vassals that it's their way or no way. The damage resulting from that attitude is staggering.

Edward J. DeBartolo, Sr., was a predecessor billionaire owner of multiple American tracks. Perhaps, however, because of his ownership of great and successful team sports franchises, among other interests such as construction, retail, and shopping center development, not to mention education and philanthropy, he knew what he didn't know. He realized he always needed teammates. He delighted in saying to his fellow track owners that managing race tracks was by far the most difficult of all his enterprises, due

to the elaborate interdependent structure of racing, and its nearly infinite number of critical component interests, each with different expertise. More complicated than any of his other pursuits, he said! To succeed in racing challenged him to learn, and his success resided in hiring, consulting with, and relying on people who knew more than he did. As it did in all his businesses.

Even to the most oblivious, it can't have been hidden to the Stronach leadership that entering the heavily-regulated California racing market in the late 1990s would present serious challenges, at least as enormous as the opportunities. Acquiring the two glorious racing properties of Santa Anita and Golden Gate (with a relatively short leasehold at a third, Bay Meadows) had to have been exciting. To someone with the DeBartolo outlook on interdependent management, rather than the inverse, it could have been invigorating and boundlessly successful.

That the opposite has resulted is an enormous tragedy for the sport worldwide, not just in California. After all, the State of California's economy (as measured by its own Gross State Product) is among the top five in the world, outranking even the United Kingdom's. How could this happen?

Had Stronach leadership begun, at the outset, consulting and cooperating in good faith with its California partners (including regulators, legislators, and local communities, not to mention fellow racing organizations, the owners, trainers, breeders, and other tracks), learning from them as teammates rather than dictating to them, California racing would look far different now than it does. Its imperious and constantly changing management leadership compounded perennial problems and threats, not to mention complicating the industry's politics and standing in California sports. Obvious failures to understand California markets and invest in sophisticated communications and marketing also have been apparent, despite continual assertions to the contrary.

Is there still hope for California racing? Yes ... but if and only if honest humility suddenly appears from Stronach leaders, and immediate, sincere engagement occurs with all the rest of the interdependent entities upon whose lives and success the racing industry depends. **T**