

Greenfield horse owner Don Eash is pulled out of the barn by "Shane," one of many Standardbred horses in his stables.



# HORSE POWER

## Industry Seeks to Boost In-State Impact

By Matt Ottinger



Upgrading the track at Indiana Grand was a top priority for Centaur Gaming once it took over operations in 2013.

Indiana's affinity for horse racing is hardly a recent development. Hoosier author Lew Wallace (included in this edition on Page 70) even featured the sport in his best-selling late 1800s novel, *Ben-Hur: A Tale of the Christ*, which was set in Biblical times.

The economics of horse racing, however, have shifted in the last few years. Board members of the Indiana Horse Racing Commission (IHRC) voted in October 2015 to remove the long-time executive director. The IHRC plans to focus more on marketing the industry going forward, in an effort to expand the in-state economic impact. In fact, the Legislature passed a law in 2015 making industry promotion a part of the IHRC director's job and added \$400,000 to its annual marketing budget.

The benefit to the agriculture industry alone is noteworthy. A 2013 Purdue University report (based on a 2009 study) tallied an annual

state impact at over \$1 billion, generating \$69 million in state and local tax revenues. The report also estimated the industry provides the equivalent of 1,240 full-time jobs in the state.

Hoosier Park (located in Anderson) owner/operator Centaur Gaming now owns both of Indiana's "racino" horse tracks after acquiring Shelbyville-based Indiana Grand Racing and Casino in 2013. It is parlaying that control to benefit Hoosier horse owners – and ultimately provide jobs. Incentive programs are now in place to enhance purse winnings and other awards for Indiana-bred and Indiana-sired horses.

"So many times, somebody from Kentucky comes in, races their horse and takes it back," explains Centaur Chairman and CEO Rod Ratcliff. "If you run the economics of that, there's not a lot in it for the state of Indiana. But if that horse is out there on a farm in Plainfield, (the owner is) buying feed, straw, hay, tack and going to the local stores – that's real economic development."

### One breed, one track

Since taking over Indiana Grand, Centaur has made facility enhancement a priority. Among the many improvements have been constructing five new barns, adding a Jumbotron screen and new tote board at the track, and overhauling its aesthetics.

"Indiana Grand's track equipment is becoming state of the art," says Centaur President and COO Jim Brown, noting the necessity of the updates. "Some of the equipment (that was there before) isn't even being serviced anymore."

Another major development was the implementation of the One Breed, One Track program, which allows each facility to cater to specific types of racing. Hoosier Park now solely features Standardbred horses (harness racing), while Indiana Grand caters to Thoroughbreds and Quarter Horses.

"When we acquired Indiana Grand, we stripped both tracks down to their bases and rebuilt them so we have two of the highest quality racing surfaces in the country," Brown reports. "It also allowed harness horses to race on the track that was designed for them, and

Thoroughbreds to race on the track designed for them. That's helped our business both from the live standpoint and for wagering across the country."

Centaur asserts that owning both tracks and making decisions with the horse men in mind helps lay the groundwork for a thriving industry in the state. Eash Racing Stables owner Don Eash, who has over 100 Standardbred horses on 130 acres in Greenfield, concurs.

"I think it's a big plus," affirms Eash, who began in Goshen and has been in the business for nearly 20 years. "(The tracks) are definitely promoting horse racing and are in it for the racing just as much as the casino end of it. The horse men work with the tracks because we all have common goals – to stay in business and make the business grow. In some states, the casino is the cash cow and just puts up with the horse men because they have to in order to have their casino."

Ratcliff elaborates, noting such collaboration within the industry is a unique point of pride for Hoosiers.

"In this state, (owners of) the Thoroughbreds, Standardbreds, Quarter Horses and track owners all come together," he relays. "We probably meet on an average of once every two months in some fashion or another. We all work together to make our next moves pull the industry forward."

### Not so 'standard'

When it comes to breeds, Indiana is excelling as a hotbed for Standardbreds.

"The quality of horses, especially the Standardbreds, have come a long way in the 20 years I've been involved," Ratcliff surmises. "People can make a good life for themselves by owning a Standardbred farm today in the state of Indiana; that's come a long way."

He goes on to call Indiana's Standardbred program "probably the best in the United States."

Depending on the metrics used, Maryland and Pennsylvania are also highly regarded, but Ratcliff asserts Indiana's tracks, pari-mutuel betting and environment for owners set it above the rest.

Furthermore, when contrasted with other states in middle America, Indiana remains a furlong ahead.

"Ohio is ticking up a little, but (racing in) Illinois essentially doesn't exist, and Michigan's basically gone. We are the shining star in the Midwest for racing," Ratcliff states.

"The climate for owning Standardbreds in Indiana is definitely favorable," Eash agrees. "The program is set up right where you can get started at an entry level and you have a shot at making money and making a business out of it. There's also plenty of room to grow."

Brown adds, "At this year's Breeders

Crown races held in Toronto (in October 2015), Indiana-sired horses won three out of the 12 races," evidence that the state's budding reputation is well earned.

Hoosier Park will host the 2017 Breeders Crown – a major development considering the series is considered the Standardbred equivalent of the Breeders Cup for Thoroughbreds.

### Going off track

Casinos aren't the only mechanisms to offer horse racing excitement. Centaur features off-track betting (OTB) Winner's Circle sites in downtown Indianapolis, Shelbyville and New Haven – and an off-track operation



Purdue's Dr. Laurent L. Couëttil (far right) talks with students while Crystal Hagan, large animal medicine technician, works with a horse on the equine treadmill.

in Clarksville. However, Brown estimates 25% of off-track wagering is now conducted through the Internet on sites like TwinSpires (owned by Churchill Downs), so making off-track sites attractive destinations is imperative.

"We built a new business model, which wasn't betting on races and getting a hamburger," Brown says. "It was an integrated entertainment experience of a brewpub with good food and the experience of horse racing in a more upscale, fun environment suited to the location. Our Winner's Circle (in downtown Indianapolis) has a different feel than the one in New Haven, which is different than the one in Indiana Grand. It has to make couples and groups want to come to the facility.

"It's a different look than the old OTBs we used to see in movies that had the black and white checkered floors and the cages on the windows, and guys sitting in the corner smoking cigars."

### Adjusting the saddle

When asked about the challenges facing the industry, Ratcliff bluntly answers, "Drugs." He expects Indiana, though, to remain a leader in regulation and integrity.

"The problem is there's not a unified drug policy," he posits. "There are horses that can race in Ohio, but not in Indiana. There are horses that can race in Indiana, but not, say, in Florida. A unified drug policy would help the industry out tremendously. It would make it fairer and easier to grow versus the way it is today, but I think there is some headway being made on that front and Congress is trying to address it. Hopefully the states that are all involved in it will get together and solve the issue."

Brown adds the diversity of entertainment options is also a critical consideration. That's why Centaur has found creative ways to encourage

patronage, like concerts with notable headliners and promotions that get concessions and betting programs in the hands of customers.

"Another challenge is the horse racing industry nationally has been on the decline," Brown adds. "These aren't the 1940s with Seabiscuit and baseball, boxing and horse racing as the top spectator sports in the U.S. And from a gambling perspective, it's the age of instant gratification; there's innumerable casinos and all sorts of things on the Internet. So a mainstay in the economics of horse racing is getting people to wager on your horse races. That impact then goes out to all 92 counties in Indiana, which leads to other investment."

### 'Place your vets!'

Purdue not only gauges the economics of horse racing; the university's College of Veterinary Medicine has plans to impact it with the school's new Centaur Equine Diagnostic and Surgical Center in Shelbyville (near Indiana Grand). The facility will provide specialty medical and surgical services, support equine research and educate future specialists.

The land was purchased by the Purdue

Continued on page 88

## Horse Power

Continued from page 85

Research Foundation with \$2.3 million in support from Shelby County and the city of Shelbyville. (Centaur Gaming also pledged \$3.1 million for naming rights.)

The pursuit of such a facility began in 2007 when Willie Reed, dean of Purdue's veterinary school, began talks with industry professionals.

"They told me about the needs in the Shelby County area and the difficulties in transporting injured and sick animals all the way to West Lafayette or to an equine hospital in Kentucky," he recalls. "They said it would be great if we had a satellite hospital or some type of a facility between the two racetracks."

He anticipates the center will conduct research, particularly relating to performance.

"Our faculty will be able to do research there that they can't do

here on campus because we don't have easy access to a racetrack or equine subjects for some of the studies," Reed elaborates. "The principle goal of the project is to provide clinical diagnostic service to the equine industry, whether racing horses or pleasure horses. It extends our outreach or engagement mission of the college, and secondarily we'll be able to train future equine surgeons, which is something we'll do later on."

The facility is expected to be completed in November, and its mission could potentially expand in the future.

"There are other related activities we'd like to do, like expanding the hospital to be a full-service hospital and perhaps adding rehabilitation medicine," Reed adds. "I'm told that's something we really need in Indiana, so we hope we can do that someday."

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**RESOURCES:** Jim Brown and Rod Ratcliff, Centaur Gaming, at [www.centaurgaming.net](http://www.centaurgaming.net) | Don Eash, Eash Racing Stables | Willie Reed, Purdue University, at [www.vet.purdue.edu](http://www.vet.purdue.edu)