

February 25, 2020

Mike and Josh Pons, Co-Owners of Country Life and Merryland Farms

Testimony in Favor of:

Senate Bill 987, Racing and Community Development Act of 2020

House Bill 1056, Racing and Community Development Act of 2020

As longtime Maryland horse owners and breeders, and owners of two Maryland farms, the Pons Family's supports: Senate Bill 987 and House Bill 1056, the Racing and Community Development Act of 2020. Passage of this bill would be a huge win for Pimlico and the Park Heights community, for Baltimore City and Maryland, for Laurel Park and the City of Laurel, and for the three counties on which Laurel Park is located. But it's also a big win for the Preakness, Maryland's largest sporting event annually, as well as for Laurel Park, and for the entire Maryland's horse breeding and racing industry.

New facilities at Pimlico and Laurel Park will transform Maryland into a national power, attracting more business and investment into our state. In terms of attendance, pari-mutuel handle and profitability, there is significant room for growth in the Preakness Festival and for racing at Laurel Park as well. Look to the Kentucky Derby as your model. Every capital improvement at Churchill Downs results in significant growth in attendance, handle and profit.

Preakness and Pimlico are words known around the world. Since 1873, Preakness has been one of the biggest days on the Sporting Calendar. It is Maryland's Super Bowl. Last year, Pimlico's third division grandstand was closed, displacing 10,000 fans. Despite this inconvenience, bettors wagered more than \$100M nationwide on the Preakness. We need facilities commensurate with a G-I event. Passage of the Racing and Community Development Act of 2020 will grant the Maryland Stadium Authority the responsibility of building first-rate facilities at both Pimlico and Laurel Park.

Maryland Racing and Breeding industry has a 10-year plan, signed by the Stronach Group, Maryland Thoroughbreds Horsemen's Association and the Maryland Horse Breeders Association. This agreement, the only one of its kind nationwide, has provided "peace in the valley" and fostered cooperation among groups with historically different opinions. As a result, our industry has crafted a plan, which has been spending our Video Lottery Terminal revenues wisely. We have been invested more money into health care for our backstretch workers and horsemen, as well as making significant racetrack improvements, and increasing the size of our purses and breeders' funds. Approval of this legislation will also extend our plan for another decade, and it's dove-tailing with the timeline of the new construction.

Four generations of the Pons Family have been breeding, raising, racing, and managing Thoroughbred horses for more than a century, with nine decades being in Maryland. We love Maryland, and enjoy living, working and raising our families here. Our Country Life Farm is the state's oldest Thoroughbred farm, founded in 1933. Winners of the Kentucky Derby, Preakness, and Belmont, racing's Triple Crown, have been conceived here. We also foaled Cigar, winner of 16-in-a-row, earner of nearly \$10M, and two-time Horse of the Year. Many superior racehorses, stallions and mares began their careers here.

Currently, we are boarding, training, and managing more than 150 horses – all of which require: farm workers, veterinarians, blacksmiths, equine dentists, feed men, hay and straw suppliers, handy/repair men, van drivers, accountants, attorneys, marketing/advertising coordinators, sales people, bloodstock agents, business consultants, pedigree experts, among many others. Horses are labor-intensive, cash intensive, and mentally intensive. Country Life's pay top dollar for the best local hay and straw, as well as for the assistance from nearby farmers in fertilizing, reseeding and managing our pastures.

Currently, we have 25 employees, many of them have families, who live in Maryland. Over the past decade, we have invested millions into farm improvements in fencing, barns, buildings roadways and pastures. We have also purchased new stallions and mares, as well as racehorses. With new facilities at Pimlico and Laurel Park, we are poised for additional growth. Maryland is once again, attracting some of the top horse owners, breeders and fans. We are the envy of the East Coast.

The Maryland horse industry will host a job fair at Pimlico and Laurel Park for anyone who wants a job in the horse business, working with horses, from the farms and training centers to the racetrack.

Country Life's business is growing. Our clients love their horses, frequently traveling to Maryland to see them and participate in our races and sales. They visit our farms, enjoying the crab cakes and live-style of the Free-State. They are diverse group, ranging from a few very wealthy patrons, to a much larger core of middle-class investors. Most are from the East Coast, but a significant portion are from literally from nearly every state in the continental U.S. Our clients love Maryland and visit here frequently.

My grandfather, Adolphe Pone, chose Maryland in 1930's over several nearby states, because of our wonderful horse heritage, quality of life and our infra-structure of highways and railroads. At that time, Pimlico, Laurel, Havre de Grace, and Bowie provided quality near year-round racing. Adolphe had found a farm near Bel Air in Harford County, with a beautiful house, ample acreage and sturdy barns, ready to move-in. For years, he had conducted business with top local horse farms like Sagamore and Belair Stud, and he enjoyed considerable good fortune racing and selling horses here. Our roads and railways made his New York commute only about four hours away. Maryland was also home to many smaller Thoroughbred horse farms, which needed quality young stallions, like the ones standing at Country Life Farm, to upgrade their mares. **Maryland has always been a wonderful place to raise a family. Hence, we too, chose to live, work and raise our families here as well.**

For more than 400 years, Maryland has been breeding and racing horses. Kentucky was just prairie when George Washington attended horse races on the streets of Annapolis. Maryland is home to a more than 100,000 horses, the most horses per square-mile (10.5 horses/square mile) in the nation. We offer a smorgasbord of equine events: the Maryland Hunt Cup, began in 1894, is one of the oldest and most challenging steeplechase races, the Greenspring, Elkridge-Harford, Marlborough, Potomac, and Howard County fox-hunting clubs, among the best nationwide, and this fall for the first time, the Maryland Five-Star at Fair Hill race course, in Cecil County, will attract some of the world's best-eventing horses, riders, and fans, who will spend several days here competing. Currently, Fair Hill is undergoing significant improvements, under the direction of the Maryland Stadium Authority, building a brand-new clubhouse, turf course, show rings, and steeplechase course, making it a world-class facility.

Maryland has always been a leader in the horse industry, often with the assistance of the Maryland General Assembly. 1. During the 1950's, Bowie racetrack pioneered winter racing, providing for a year-round circuit for our horses, trainers, owners and fans. 2. In 1951, Laurel hosted the first annual international horse race, inviting the top horses, trainers and owners from all over the globe. 3. In 1961, the Maryland Legislature approved the nation's first state-bred breeders' incentive program. 4. Since 1986, Maryland has conducted the Jim McKay's Maryland Million, the first race-day restricted exclusively to either state-sired or state-bred horses in the nation; now copied in 28 racing states. 5. In 2020, pending successful legislation would approve the construction of new racing facilities at both Pimlico and Laurel, being

financed primarily by redirecting current industry funds to pay for the capital improvement bonds, which has never been done before in the U.S.

The Maryland horse industry's economic impact is larger than the Ravens, Orioles or Terps. Unlike baseball, we have real-life farms, covering more than 705,000 acres, where we raise horses. Our economic impact is more than \$2.1 Billion/year. The horse business is a worldwide industry. All totaled, the value of all the horses, farms, farm improvements, farm and equipment, etc. makes the horse business the seventh largest business in the world. In addition, a recent economic impact study placed a multiplier of five on every dollar spent in the Maryland horse industry. So, if Country Life Farm spent \$4,000,000 in 2019, then our impact was \$20,000,000.

Laurel Park, too, will undergo a complete transformation – all new barns, dormitories, grandstand and clubhouse. It will become Maryland's mega-track, consolidating most of the training and racing at one site. Laurel Park will have a new train station, which should become a popular destination stop, midway between Baltimore and Washington D.C. Laurel plans to install a polytrack, which combined with the outstanding dirt and turf courses, it will be the only racetrack in America offering all three surfaces. The new improvements will attract new owners, trainers and breeders to Maryland, creating new business opportunities for our long-standing farms and horsemen, as well as encouraging investment in new farms here.

The Racing and Community Development Act of 2020 is an incredible opportunity, which can't be missed. Imagine a new Pimlico, which is home to not only the Preakness, but to the Baltimore-area residents, it's a multi-use facility. Dream of a mega-track at Laurel Park, where all the horses, barns, dormitories, track kitchen and recreational facilities, with a new clubhouse and a polytrack, located at one place. We ask for your support to pass this legislation. The stars are in proper alignment, vote YES in favor of this transformative plan for Maryland.

Sincerely yours,

Mike Pons, Co-Owner, of Country Life and Merryland Farms