

Kentucky Derby

CHURCHILL DOWNS HISTORY



The first clubhouse at Churchill Downs.

Kentucky and Louisville's early racing history...

Horse racing in Kentucky is rich in history, dating back to 1789 when the first race course was laid out in Lexington. However, it was almost 100 years later, in 1875, that Churchill Downs officially opened and began its tradition as "Home of the Kentucky Derby."

In 1787, The Commons, a park-like block near Lexington's Race Street was used by horsemen for racing. By 1789, complaints by "safety minded" citizens led to the formal development of a race meet at The Commons. The men who organized this race meet, including Kentucky Statesman Henry Clay, also formed the Commonwealth's first Jockey Club. The organization later was named the Kentucky Jockey Club in 1809.

Racing in Louisville dates back to 1783 when local sources reported that races were held on Market Street in the downtown area. To alleviate the problems associated with racing on the busy city thoroughfare, a course was developed at the now abandoned Shippingport Island in 1805. Racing was conducted on the island in the Ohio River at what was called the Elm Tree Gardens.

By 1827, a new track, known as the Hope Distillery Course, was laid out on what is presently Main and 16th Streets. Racing was also held on a number of private tracks located on farms throughout the local area. One of the more prominent of these was Peter Funk's Beargrass Track which was located in an area now bordered by Hurstbourne Lane and Taylorsville Road.

The Oakland Race Course was opened in the fall of 1833 and brought racing back to a formal site with the track, complete with clubhouse, located at what is now Seventh and Magnolia Streets in "Old Louisville." This was followed in 1858 by the opening of the Woodlawn Course on the Louisville and Lexington railroad lines just outside of today's St. Matthews, east of Louisville. The site closed in 1870, but the Woodlawn Vase, the track's premier trophy, has been used in the presentation to the winner of the Preakness Stakes at Pimlico since 1917.

Harness racing was also a significant part of Louisville's early racing history with a number of tracks in existence. One of the most prominent was Greenland, a racecourse for trotters was built just east of Churchill Downs in 1868.

The founding...

The demise of these tracks did not sway the enthusiasm of 26-year-old Col. M. Lewis Clark, who while traveling in England and France in 1872-1873, devised the idea of a Louisville Jockey Club for conducting race meets. While abroad, Clark toured and visited with a number of prominent racing leaders, including England's Admiral Rous and France's Vicompte Darn, vice president of the French Jockey Club.

Upon his return from Europe, Clark began development of his racetrack which would serve to showcase the Kentucky breeding industry. The track would eventually become known as "Churchill Downs." The first reference of the name Churchill Downs came in an 1883 Kentucky Derby article reported by the former *Louisville Commercial*.

"The crowd in the grand stand sent out a volume of voice, and the crowd in the field took it up and carried it from boundary to boundary of Churchill Downs."

The track was incorporated as Churchill Downs in 1937.

The first public notice of establishment of the track was reported in the May 27, 1874, edition of the *Courier-Journal*. The notice was met with some objections because another track had already been proposed by the Falls City Racing Association for a site near the river just east of downtown Louisville. Clark and a group of prominent Louisville gentlemen met at the Galt House on June 18, 1874, to prepare articles of incorporation with the actual filing for the Louisville Jockey Club and Driving Park Association taking place on June 20.

To fund the construction of the track, Clark raised \$32,000 by selling 320 membership subscriptions to the track at \$100 each. Eighty acres of land, approximately three miles south of downtown were leased from Clark's uncles, John and Henry Churchill. A clubhouse, grandstand, porter's lodge and six stables were all eventually constructed on the site for the opening of the track.

For his inaugural race meet, Clark designed his three major stakes races, the Kentucky Derby, Kentucky Oaks and Clark Handicap, after the three premier races in England, the Epsom Derby, Epsom Oaks and St. Leger Stakes, respectively. These events have each been held continuously at Churchill since their debut in 1875. However, in 1953, the Clark was moved from the spring to the fall meet. The Falls City was also offered during the inaugural meet and after four interruptions, the race continues to be held.

The track formally opened May 17, 1875, with four races scheduled. The winner of the first race was Bonaventure, however the winner of the day's featured race, the Kentucky Derby, was a 3-year-old chestnut colt, Aristides. Owned by H.P. McGrath, Aristides was trained by and ridden by two African-Americans, Ansel Williamson and Oliver Lewis, respectively. The Kentucky Derby has been held each year since 1875 and stands as the oldest, continuously held sporting event in the United States.

Financial crisis and development...

Despite the success of the first Kentucky Derby, the track was not financially successful and on Nov. 24, 1894, the New Louisville Jockey Club was incorporated. William F. Schulte was appointed president and Clark was retained as presiding judge for the track.

Under Schulte, a new grandstand was constructed during fall 1894 - spring 1895 on the opposite side of the track for a reported cost of \$100,000. The grandstand was complemented by two spires constructed atop the roof. The Twin Spires, a simple architectural element, would become the symbol of Churchill Downs and the Kentucky Derby.

However, financial problems continued to plague the racetrack, and finally on Oct. 1, 1902, a group headed by Louisville Mayor Charles Grainger (1901-1905), Charlie Price and Matt J. Winn agreed to take over the operation. The takeover was done by amending the track's articles of incorporation with no transfer in



Derby Day brought a full parking lot for the 1919 renewal.

the form of a deed. Grainger was named president, Price racing secretary and Winn vice president.

Under this administration, the track finally showed its first profit in 1903, 28 years after its founding. As the Kentucky Derby grew in popularity so did the racetrack. In 1907, the owners of Churchill Downs, who were officials of the New Louisville Jockey Club, joined with nearby Douglas Park to form the Louisville Racing Association. The purpose of the new Association was to establish race dates and policies for racing in the City. This relationship led to the formation of the Kentucky Jockey Club in February 1919 as a holding company for Churchill and three other tracks in the State: Latonia in the north, Lexington in the bluegrass region, and Douglas Park and Churchill Downs in Louisville.

Under the powerful Kentucky Jockey Club, the track's domain grew for the next 10 years (1919-1929). During this time the company acquired possession of the newly built Fairmount Park in East St. Louis, Ill. in 1925 and also constructed Lincoln Fields in Crete, Ill., in 1926.

American Turf Association/Churchill Downs reign...

With five tracks under its control, the Kentucky Jockey Club began the process of dissolving the organization in December 1927 for the purpose of reorganizing as a separate holding corporation under the laws of the State of Delaware. According to a *Louisville Times* article dated Dec. 29, 1927 . . .

“incorporated under the laws of Delaware, provides for a capitalization of \$6,000,000, an increase of \$2,600,000 over the present capitalization.”

The process was finalized on Jan. 16, 1928, with the American Turf Association serving as the new holding company for Churchill Downs, Douglas Park, Lexington, and Latonia in Kentucky and Fairmount Park, Lincoln Fields and Washington Park in Illinois. Washington Park was purchased by the association during this period.



The 1922 grandstand with its Twin Spires including the adjoining clubhouse.

The Fairmount Park track was sold in 1929, and in 1935, the association began to dramatically trim its holdings with the sale of Washington Park, the closing and eventual sale of Lexington, and the end of racing at Douglas Park. The reduction left the association with three tracks: Churchill Downs, Latonia and Lincoln Fields. Due to economic reasons Churchill Downs and Latonia formed a separate operating corporation titled, Churchill Downs-Latonia Incorporated on January 28, 1937. Lincoln Fields was operated by Lincoln Fields Jockey Club Inc., but all three tracks were still owned by the parent corporation, American Turf Association.

On Jan. 13, 1942, officials of Churchill Downs-Latonia Inc. sold the Latonia track and abandoned racing at the site. Later that year on April 24, the Churchill Downs-Latonia Incorporated's name was officially changed to Churchill Downs Incorporated. The American Turf Association continued its affiliation with Churchill Downs, but sold its last out-of-state holding, Lincoln Fields, in March 1947.

The corporate direction of Churchill Downs became a key topic in November 1948. Backed by track President Matt Winn (1938-49) and other board members, a committee was created to study the feasibility of the creation of a foundation to purchase Churchill and operate the track as a nonprofit entity with its earnings donated to the University of Louisville School of Medicine.

The proposal was founded upon the experience of the Churchill Downs Foundation, a charitable organization led by J. Graham Brown. Each fall, several days of racing were held for charitable purposes. During a 10-year period 1940-50s, the foundation donated approximately \$1.5 million to charity.

The proposal was considered up until the death of Winn on Oct. 6, 1949. Following the naming of William Veeneman as chairman and chief executive officer of both Churchill Downs and the American Turf Association on Oct. 10, and the selection of Bill Corum as track president, the proposal was permanently shelved Dec. 30, 1949.

The end of the once mighty American Turf Association came April 3, 1950 as stockholders voted to dissolve the association. Shareholders of the association exchanged their shares on a one for one basis for Churchill Downs Incorporated stock.



The Clubhouse Gardens for the 1956 Kentucky Derby.

Enter the 1950's and '60's...

Under the direction of Corum, a former *New York Times* and *New York Journal-American* sports columnist, Churchill Downs and the famed Kentucky Derby continued to grow and modernize:

- the first national telecast of the Kentucky Derby aired May 3, 1952
- the first barns constructed of concrete firewalls were built in 1952
- more seating boxes were added to the second floor of the grandstand and clubhouse in 1953 with 400 additional third-floor boxes in the clubhouse;
- film patrol was installed in 1954 to provide replays to the racing officials; and
- in 1955 a \$300,000 automatic sprinkler system was installed in the entire grandstand and clubhouse.



The 100th Kentucky Derby in 1974 was attended by England's Princess Margaret (at microphone).

Following Corum's death in December 1958, Wathen Knebelkamp was selected as his successor on March 3, 1959. Under his direction an aggressive building and renovation program was initiated. During Knebelkamp's tenure improvements rose from \$128,000 in 1959 to \$1.02 million in 1966. Renovations ranged from the installation of 1,000 seats on the north end of the grandstand (and construction of a museum in 1960) to the addition of the fourth and fifth floors of the Skye Terrace "Millionaire's Row" in 1965-66.

The success of the track continued under Knebelkamp, but Churchill's eighth president was faced with speculation that the track was a prime target for a hostile takeover. In January 1960, a proposal was made to have the City of Louisville issue revenue bonds to purchase Churchill Downs. However, the proposal, which was made in an effort to secure the Derby and prevent outside ownership of the track, was turned down by aldermen. In December 1963, the Kentucky Racing Commission set forth a proposal to establish a new organization to purchase Churchill and Lexington's Keeneland Race Course and to modernize both tracks through revenue bonds.

Finally, in March 1969, as a counter to a stock takeover attempt by National Industries, a group of Churchill board members, headed by John Galbreath, Warner L. Jones Jr. and Arthur "Bull" Hancock formed what was called the "Derby Protection Group." They successfully outbid National Industries for control of the Company, moving the stock from \$22 a share to \$35.



Construction of the paddock was completed for the 1986 Fall Meet.

Growth and development...

Lynn Stone became Churchill Downs' ninth president in December 1969, replacing the retiring Knebelkamp. Stone had first come to Churchill in 1961 as resident manager, and was appointed vice president and general manager in 1966.

Under Stone's leadership, Churchill Downs celebrated a number of milestones: the 100th Kentucky Derby in 1974, which drew a record crowd of 163,628; the addition of the Skye Terrace's sixth floor in 1977 at a cost of \$1.8 million; the computerization of the pari-mutuel system in 1982; and the development of a \$7 million Kentucky Derby museum. But most importantly, Stone headed the efforts which stopped two separate takeover attempts in 1984 – the first by Brownell Combs II of Spendthrift Farm and the second by Irwin L. Jacobs. In August of that year, Stone resigned following huge financial losses resulting from two years of failed summer racing.

Stone was replaced by acting president Thomas H. Meeker, a former general counsel to Churchill Downs while with the law firm of Wyatt, Tarrant and Combs. On Sept. 28, 1984, Meeker was named permanently to the position.

At age 40, Meeker was the youngest Churchill Downs president since Meriwether Lewis Clark organized the track at age 29. Meeker immediately began a five-year, \$25 million renovation renaissance, headed by the following projects:

- \$2.5 million in core renovations (1984);
- \$3.2 million addition of the Matt Winn Turf Course (1985);
- \$2.5 million for paddock construction (1986);
- \$5 million in clubhouse improvements (1987);
- \$3.7 million in Skye Terrace updates (1988); and
- \$1.2 million in barn area improvements.

These renovations helped lead to a resurgence of the track, and were instrumental in attracting the Breeders' Cup to Churchill Downs. Churchill has hosted the event a record six times, and holds five of the top six attendance records.

In 1994, the Churchill Downs Management Company opened Hoosier Park at Anderson, Indiana's first pari-mutuel track. This would prove to be the first in a long line of properties purchased

by Churchill Downs Incorporated, as the company staged an unparalleled period of growth beginning in 1998. On April 21, 1998, Churchill Downs Incorporated finalized the purchase of Ellis Park racetrack in Henderson, Ky., and later purchased Calder Race Course in Miami on April 26, 1999. On Sept. 10 of that same year, Churchill Downs Incorporated acquired Hollywood Park in Inglewood, Calif. Another significant purchase came on Sept. 8, 2000, as Churchill Downs Incorporated completed a merger with Chicago's Arlington International Racecourse (now Arlington Park), which involved an exchange of stock with Arlington owner Richard Duchossois.

Churchill Downs in the 21st century...

On Sept. 14, 1999, Alex Waldrop was named the 11th president of Churchill Downs, allowing Meeker to devote his total attention to Churchill Downs Incorporated as president and CEO. Waldrop was succeeded by current president Steve Sexton on Dec. 10, 2002.

Churchill Downs Incorporated's expansion continued in September 2004 as Fair Grounds Race Course in New Orleans and its affiliated OTB locations were purchased out of bankruptcy for \$47 million. In 2005, Hollywood Park was sold to Bay Meadows Land Company for \$257.5 million, and Ellis Park was sold to businessman Ron Geary in September of 2006. On March 30, 2007, CDI completed the sale of Hoosier Park to Centaur Inc. Currently, Churchill Downs Incorporated owns racetracks and simulcast-wagering operations in Kentucky, Illinois, Florida and Louisiana and has an interest in various racing service companies. With the acquisition of Fair Grounds Race Course and its Louisiana operations, Churchill Downs added alternative gaming to its entertainment options. On Sept. 21 2007, Fair Grounds became the first CDI racetrack to offer slot-machine gaming.

Churchill Downs racetrack remains the flagship operation of Churchill Downs Incorporated, and recently underwent what is considered the most ambitious and comprehensive renovations in the history of the track. In July 2002, Churchill Downs began Phase I of a \$121 million renovation. The Phase I project provided 64 luxury suites and spacious meeting areas built atop the track's existing grandstand, with huge balconies providing stunning views of the Twin Spires. Phase I was completed for the opening of the 2003 Fall Meet. Phase II began in July 2003 with the demolition of an 800-foot expanse of the clubhouse, leveled to make way for new construction. The \$95 million Phase II project took nearly two years to complete and included an expanded Turf Club, 15 luxury suites, new group sales areas, premium outdoor third-floor boxes, indoor box seats, new millionaire's row areas, a new media center and television production compound, new dining and entertainment areas, a new grand entrance at Gate 17 leading to the track's integrated simulcast wagering areas, a new central kitchen, and satellite kitchen facilities. The construction provided an additional 404,000 square feet and increased the permanent seating capacity to approximately 52,000.

Robert L. Evans joined Churchill Downs Incorporated as its current president and CEO in August 2006. A business strategist, entrepreneur and Thoroughbred breeder by trade, Evans is exploring growth opportunities for the Company and the horse racing industry through technology initiatives such as alternative gaming and account wagering, and international distribution channels while maintaining the Company's long-standing commitment to quality racing.