

Keeneland Expansion Project

Founded by Horsemen

Since opening in October 1936, Keeneland has been unique in the Thoroughbred industry. Only at Keeneland are world-class racing and industry-leading sales united under one mission-driven entity. Today, Keeneland continues to be guided by its original mission, taking a leadership role in the industry to improve safety, promote integrity and strengthen the sport of racing.

A Global Leader in the Thoroughbred Industry

Keeneland is the world's largest and most prominent Thoroughbred auction house and hosts world-class racing twice annually during its boutique Spring and Fall meetings. Owners, trainers, riders and fans from all over the world travel to Lexington each year to participate at Keeneland.

Its April and October race meets offer 40 graded stakes races worth over \$10 million and include 10 Breeders' Cup "Win-and-You're-In" events. Its thoroughbred auctions include 4 different sales in January, April, September, and November each year which generate over \$500 million in total sales and include over 50 countries being represented by buyers and sellers.

A Commitment to Reinvestment

Keeneland's mission to perpetuate the sport of racing continues more than eight decades after its founding, as profits from Keeneland racing and sales are returned to the industry and community through initiatives such as:

- **Racing purses** - Over the past 7 years, nearly \$40 million has been contributed by Keeneland sales above what is required per horsemen agreements to fund one of the richest purse structures in North America.
- **Global market development** - Keeneland is committed to the growth of the Thoroughbred industry and the buying bench at its auctions and actively travels to numerous foreign countries and invests hundreds of thousands of dollars annually to expand the marketplace.
- **Industry initiatives** - Keeneland proudly supports safety initiatives and equine organizations and is an advocate for Thoroughbred aftercare to improve the health of the industry. In the past 5 years, Keeneland has contributed nearly \$1.5 million to the Thoroughbred Aftercare Alliance alone.
- **Fan development** - Keeneland is committed to the growth of the industry's fans and future participants. Each race meet creates racing fans of all ages, exemplified

by the 10,000 members of the Keeneland Kids Club which exceeds. Enthusiastic crowds underscore Keeneland's commitment to fan development.

- **Local community** - Proudly serving as a leader in Central Kentucky, Keeneland is committed to the community. This community activism began with Keeneland founders and continues to this day. Keeneland has donated millions to local charities, as well as to health and educational programs. Intended as a gathering place for the local community, Keeneland hosts hundreds of charitable and private events annually.

Project Description, Location, and Timetable

Keeneland is planning to invest in a significant expansion of their facilities in Lexington, Kentucky so that they may better meet demand for premium experience access at the track and continue to drive increased visitorship to Lexington. As currently contemplated, the Keeneland Expansion Project ("Project") is anticipated to cost approximately \$92.6 million and will include the development of a new Paddock Chalet Building with premium guest experience offerings, the relocation of Keeneland's back-of-house operations, grandstand upgrades near the finish line, and the development of a dedicated visitor's center to receive guests at the property but away from the main racing areas.

The Project plans include a brand-new Paddock Chalet Building with over 100,000 square feet of space and capacity to host up to 1,657 additional guests each day in premium areas with dining options, bars, event spaces, and rooftop access. With a fully seated capacity of 936, the Paddock Chalet building will offer a truly elevated experience across several different areas within the building. Each area will have various different features and levels of service, allowing many more patrons to enjoy a premium experience at the track while also creating additional opportunity for Keeneland to host lifetime celebrations and other entertainment events.

In order to make room for this amenity, which will also serve as a main entrance to the racetrack and overlooking the paddock, Keeneland will be required to relocate its existing space utilized for racetrack operations to a new Operations Building, which will be strategically located adjacent to both the existing sales pavilion and the new Paddock Chalet Building. The addition of a 42,000 square foot Operations Building will free up critical space for visitors to enjoy the track, both at the site of the new Paddock Chalet Building and within the trackside grandstands.

Keeneland's Project plans also include several construction projects to improve the experience for those race fans sitting trackside. The seating within the grandstand and nearest the finish lines should, by most standards, be "premium seating" similar to seats on the 50-yard line at a football game or center-court at a basketball game. There are not

sufficient amenities in these areas to adequately serve patrons. To help, Keeneland plans to cut an opening in the exterior wall outside of the third-floor dining area to provide enhanced food and beverage service to these areas.

Each year, Keeneland welcomes visitors to its race meets and sales. Keeneland hosts a race meet in October and April each year as well as four horse sales throughout each year. It is important to Keeneland's mission that it continues to welcome new visitors to its grounds, both during and outside these 61 days of organized activity, and that it has a quality experience to offer them while they are on the property. Keeneland does not currently have a location dedicated to visitors; however, it plans to work with professionals and other industry participants on phases to develop a state-of-the-art visitor experience, including interactive opportunities for visitors to learn more about the horse and our sport. Within the next three years, Keeneland plans to begin this iterative process by starting with the renovation of Keeneland's pony barn. This 5,400 square foot Visitor's Center will be located away from the main track along Keeneland Blvd. to receive visitors, buses, and include amenities to improve their time spent on the property.

At an estimated total development cost of \$92.6 million, the Project represents a serious undertaking and investment in the future of the track and the tourism industry of the Commonwealth. Hoping to break ground in early 2024, the projected construction schedule should allow usage of the new and improved amenities in time for the Spring meet in 2026.