



BOARD OF SUPERVISORS AGENDA ITEM REPORT

Requested Board Meeting Date: November 6, 2018

Title: County Fair Horse Racing Meet 2019

Introduction/Background:

The Arizona Department of Racing (ADOR) allows local County Fair Horse Racing Commissions throughout the State of Arizona to hold racing meet days at their local horse race track to earn revenue from the racing to fund their operational and other costs. This revenue does not come from actual racing meet revenues, as it comes from a portion of the funds ADOR collects as racing taxes. If actual racing does not take place in the jurisdiction, the commission may hold County Fair Horse Racing Meets at other operating horse racetracks with in the State of Arizona.

Discussion:

The Pima County Fair Horse Racing Commission (PCFHRC) is asking the Board of Supervisors to allow up to six (6) County Fair Racing Days that will be presented to ADOR for final approval at the ADOR November 8th, 2018 Commission meeting. Prior to Rillito Racing holding the non-exclusive operating agreement with Pima County (CT 14*537) to conduct live horse racing meets, four (4) County Fair racing days took place annually at Rillito Racetrack. If approved, ADOR will rebate back a portion of the taxes collected by this agency to the PCFHRC. An operating agreement between the PCFHRC and Rillito Racing Inc. must also be included as part of the ADOR permit approval to hold County Fair Horse racing days.

Conclusion:

The Pima County Fair Horse Racing Commission will be able to conduct County Fair Horse racing days at the Rillito Race Track during the "Spring Race Meet" or other Arizona race tracks if racing is not conducted at Rillito Race Track in 2018 or a portion of the approved days if Rillito Race Track cannot conduct all of the dates.

Recommendation:

Staff recommends approving up to six days of County Fair Racing at Rillito Race Track in 2019. The PCFHRC has requested Saturday, February 09, 2019, Sunday, February 10, 2019, Saturday, February 16, 2019, and Saturday, February 23, 2019 be approved subject to final ADOR approval.

Fiscal Impact:

Revenue generated will benefit the Pima County Fair Horse Racing Commission to continue to operate.

Board of Supervisor District:

- 1
- 2
- 3
- 4
- 5
- All

Department: Attractions & Tourism

Telephone: 520-724-7355

Contact: Diane Frisch

Telephone: 520-724-7353

Department Director Signature/Date:

David E. Pissot 10/19/18

Deputy County Administrator Signature/Date:

Kevin 10/19/2018

County Administrator Signature/Date:

C. R. Durberry 10/25/18

Arizona Department of Racing
664th Arizona Racing Commission Meeting
October 11, 2018, 10 AM

A. CALL TO ORDER

Roll Call - Rory S. Goreé , David Heiple, Tom Lawless, Jay C. McClintock- All members present

B. EXECUTIVE SESSION-

HEARING BEFORE THE COMMISSION

Simms v Arizona Racing Commission, et al., Case No. LC 2016-000505 Ronald A. Simms Appeal to the Maricopa County Superior Court of the Arizona Racing Commission's Order to Reject Gaming Director's Ruling to Grant a Racing License to Ronald A. Simms, Case No. 14A-020-RAC. The Commission motioned to go into Executive Session.

C. NEW BUSINESS

1. Discussion regarding-

- a. **Off-Track Betting Contracts- GREG STILES-** OTB landscape is changing. In 2013-2016 a total of eighteen (18) horseracing, OTBs were approved. As of 2018, ten (10) of those are either out of business or no longer selling tickets. OTB license does not guarantee success for anyone. It is all in how you treat your customers; it's called a free market, this is how it should be continued. As a Commission, you have an option of choosing a path of what you think should be best. The Commission recognizes these contracts were signed by both parties, assumable willingly, and eventually they will expire as all contracts do. Both the bar owner and the committee can choose whether to continue doing business together or separate. Therefore, that would be our advice. **APPROVED**
- b. **Rescission of 140 Day Race Requirement- (ARS§5-112 (C) (D) and (E) GREG STILES-** Last month there was a lively discussion on this and was put on the Agenda. We have three (3) commercial horse racetrack committees, all create jobs, create tax revenues and create tourism for their cities. This issue was brought up last month in regards to the Dome expiring in January 2019, and the end of the obligation for any Committee to pay for the right to broadcast horse signals in any town.

Jaye Wells from Rillito has been up here several times, bringing to your attention the disadvantage that Rillito has trying to build purse money for their meet. He has referenced ARS§ 5-111-12 which requires Rillito to run 140 days of live racing in order to have more than 20 dark days of simulcast. (Now dark days are those days that the racetrack can operate, take in signals and their OTBs can take in signals, from Santa Anita, Ghost Train or wherever.) They build purses for the meet.

ITEM 3. APPROVAL of Rillito Park Race Track 2019 Race dates-

- a. February 9, 10, 16, 17, 23, 24 and March 2, 3, 9, 10, 16 and 17.
- b. March 23 & 24 as designated "rain out days" in event of rain cancellation

Moderator- Commissioner Goray-Yes; Commissioner Lawless- Yes; Commissioner Heiple- Yes; Commissioner McClintock-Yes; **MOTION CARRIES**

ITEMS 4-5-6 – NOT RILLITO RELATED

D. INFORMATION REPORTS

1. Safety Reports- Greg Stiles
2. Budget Report -Director Casillas
3. Permittee reports- **NOT TO EXCEED 3 MINUTES**
 - a. American Greyhound Racing- working on opening their OTB, at Brookside in Surprise
 - b. Arizona Downs- construction continues, having issues with Monarch
 - c. County Fairs- no response
- d. **Rillito-**
Chairman- Jaye do you have the Monarch signal?

Jaye Wells- Yes we do. At least we have in the past.

Jaye Wells- Just to add two cents to that. You know this is a classic case of the difference between free trade and fair trade, and you guys are the ones that need to make free trade fair trade. That's your power, that's your authority, that's our trust in you to come in and basically shepherd the industry. This situation I find it incredulous that this whole situation could come up and do think we are at a tipping point and we have a chance to really take Arizona Racing over the top, get on the downhill side and make this industry grow if we all work together. You've all heard me say over and over again that this is a classic case in point where your authority, your power and basically our trust in you guys to guide the industry needs to be weighed in on this thing. What's happening to the Arizona Downs I can empathize 100%.

JW- Having said that a couple things, thank you first of all for the votes today, thank you for our dates. This is the first time we have had approvals from the County, the Commission etc. so we are ready to get our campaign on sponsorships, campaign sales, etc. we're raring to go, it should be fun. I do want to share something else with you, I think last time I talked to you I shared we have 7 kids going thru the University of Arizona to the Breeder's Cup to serve as official interns, we are very honored with that. The Jockey Club has reached out to us and they are trying to find a relationship, they have taken out a new attitude of helping support smaller tracks, we certainly think Rillito deserves their attention; and we are proud that they have come to us first and we are excited about that.

Diane Frisch

From: TIM KELLY [REDACTED]
Sent: Thursday, October 18, 2018 9:41 AM
To: Diane Frisch; Jaye Wells
Subject: Application for 2019 Pima County Fair Horse Racing dates

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10/18/2018

Pima County Board of Supervisors:

The Pima County Fair Horse Racing Commission held its latest meeting on October 17, 2018.

The commissioners have selected the following dates for their 2019 county fair meet and request your approval.

- 1) Saturday February 09, 2019
- 2) Sunday February 10, 2019
- 3) Saturday February 16, 2019
- 4) Saturday February 23, 2019

Sincerely,

Tim Kelly

Commissioner-District #3

Secretary-Treasurer

Pima County Fair Horse Racing Commission