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# MEMORANDUM

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Date: January 11, 2017

To: The Honorable Chair and Members  
Pima County Board of Supervisors

From: C.H. Huckelberry  
County Administrator *CHH*

Re: **Four-year Lease Extension with Rillito Racing, Inc.**

At the December 13, 2016 Board of Supervisors meeting, the Board continued consideration of the four-year lease extension for the operation of County fair horseracing at the Rillito Racetrack until the meeting of January 17, 2017.

The Board requested that an additional meeting be held with stakeholders, and that meeting was held December 22, 2016. A more comprehensive overall report of the various aspects associated with Rillito Park and its use as a multipurpose public recreational facility is attached to this memorandum.

I believe a number of issues should be considered in the Board's deliberation regarding extension of the lease. As you know, at the January 3, 2017 meeting, the Board approved up to six County fair horseracing dates. Consideration should be given to the following:

- Presently, there are no County funds – planned or programmed – to construct any additional or expanded operations at Rillito, either for new fields for soccer or new lighting of fields. Recently, minor funding was allocated to playground equipment to further Rillito's multipurpose park use for recreational purposes.
- There is no County funding allocated to build any substitute horseracing facility for Rillito, nor has there been any consensus on a location where such a facility could be constructed. The original plan to transfer horseracing was rejected by the Pima County Fair Commission.
- The existing grandstand and clubhouse facilities are functionally obsolete. They do not foster other recreational uses i.e., a recreation center, and there is little flexibility for any other public use of the grandstands other than horseracing. Eventually, these facilities will have to be removed or rebuilt to better serve multiple uses. There is a recent proposal by the Heirloom Farmer's Market to utilize the clubhouse facilities to expand their business operations. Additional information on their proposal is in the attached report. Diversification of uses at this facility will allow an ongoing benefit both to the market users and the County in the form of additional revenues. Such should be pursued if terms can be reached that are agreeable to both parties.
- The lease extension is for a four-year term and does not in itself allow for any additional horseracing. No additional race days beyond 16 (or the racing period January 1 to April

5) other than County fair horseracing and commercial horseracing, is allowed unless and until it has been determined that allowing additional horseracing days will not adversely impact other public recreational uses or public uses, including soccer, community events and other similar activities.

- The horseracing period between January 1 and April 5 needs to be better defined to allow for improved planning for completing public park uses.
- The funds referenced in the lease extension document are not public funds; they are a private donation.
- Rillito Park has been and always will be a multipurpose public recreation and public use park.

In reviewing the existing lease and second amendment to the lease, it should be made clear Rillito Park is a public facility; and those who occupy it, such as Rillito Racing, Inc. or any other user with a lease or sublease, do not have any ownership interest in the property or its improvements. It should also be clear the goal of the County is to maximize public use and utility of this important public recreation and community property. The past disagreements between the various users need to be eliminated, or at the very least, minimized.

For this reason, I will be recommending that if the Board chooses to approve the proposed four-year lease extension with Rillito Racing, Inc., additional amendments are made to the lease to clarify that while the race period is from January 1 to April 5, the actual number of permitted race days during this period is no more than 16, unless specifically authorized by the Board through a formal Board vote.

In addition, our Natural Resources, Parks and Recreation (NRPR) staff do a good job of creating a master use calendar for Rillito Park where the various interests may participate in requesting specific uses during specific periods. Such is intended to minimize conflicting use dates and to ensure all of the users who desire to use a property are in communication with one another. Hence, I would request the Board also amend the second amendment to the lease by adding language requiring specific consultation and coordination with NRPR staff in selecting race days for the master schedule maintained by NRPR and that required consultations occur between soccer users, event organizers and any ongoing sub-leasees, such as the farmer's market regarding the selected days for horseracing; and, the days selected must minimize the impact to other potential park users.

CHH/anc  
Attachment

c: Jan Leshar, Deputy County Administrator for Community and Health Services  
Carmin DeBonis, Jr., Interim Deputy County Administrator for Public Works  
Nanette Slusser, Assistant County Administrator for Public Works  
Chris Cawein, Director, Natural Resources, Parks and Recreation  
Tom Moulton, Director, Attractions and Tourism