

DRAFT
Pima County Fair Horse Racing Commission
Minutes
July 14, 2015

In attendance:

Commissioner

Present:

- Ramon Bazarro
- Bill Matthews
- Forrest Metz
- Geronimo Ramirez, Jr.
- John K. Goodman

County Liaison

- Tom Moulton
- Mike Holmes

Guests: Jay Wells
Russel True
Frank DeFazio
Joe Barr
Martina Gonzales

I. Welcoming and Introductions

Chair welcomed and thanked all of the commissioners attending.

II. Approval of Past Minutes

Motion was made by Mr. Ramirez and second by Mr. Bazarro. Motion passed

III. Overview of the 2015 Racing Season by Rillito Racing Inc.

Jaye Wells was asked to give an overview of the 2015 season. Jaye gave an overview of the Rillito Foundation for its four years of existence. Foundation operates the Jelks Farm and has raised over \$600,000 since its inception.

Jaye was very happy about the 2015 season, Brought in Mike Weiss to run the operations, Contracted with Churchill downs to broadcast racing and realized a new off-track betting revenue source. Event had much more marketing than previous years. El Charro ran the food and beverage operations and did a wonderful job.

Very proud of the partnership with the UA Racing program. Jaye gave an overview of attendance during the year showing a heavy concentration of folks from Mexico and paid attendance was up from last year. Wagering was up from last year as well as food and beverage more than doubled.

Jaye talked about what Rillito Racing did right

- 1) Racing Surface was improved for safety to horses and jockeys
- 2) Partnering with University of Arizona Racing program
 - Students very active during the racing meet
 - Added two news classes specific to Rillito participation
- 3) Partnering with El Charro Restaurants
 - Per Cap from \$5 to \$10 per person
- 4) Adding simulcast wagering to property
 - Betting was allowed on 12 other tracks
- 5) Added Dark Day simulcast wagering on most weekends after live racing meet schedule

Top Five Negative Impacts

- 1) Holding live race meet during UA Basketball season did not work
- 2) Unplanned improvements
 - Added tables and chairs
 - Repaired facility to get it ready
- 3) Got a late start with contract and ADOR Permitting
- 4) Personnel controls not in place (Larger labor costs than needed)
- 5) Limited parking at facility

Relocation of Barns was discussed. Pima County informed Rillito Racing, that there was no additional funds to relocate the barns that are scheduled to be demolished or taken down. All capital projects were higher than estimates.

Jaye stated to save Rillito facility all parties must work together with Rillito to remain a multi-use facility and went over the barns relocation plans with all of the barns being on the east side.

Tentative schedule for racing to begin on Jan 23, and go into a future fall racing schedule in October for 4-6 days. He is currently working with Turf Paradise and the horse owner to get their input. Early indications that all parties are excited about discussing adding racing

into the fall.

Jaye Wells praised Chandler Warden for his support and the Martin Foundation.

Chandler Warden addressed the Commission and mentioned he was very happy to gift \$600,000 to continue racing for the benefit of the community. Chandler Warden Foundation has contributed to assist the community over the years in the amount of \$10 - \$12 million dollars.

His gift to help Rillito through the Martin Foundation helps the community and plans on continuing his support as long as racing continues.

All of these negative issues are being address to ensure they are positives for 2016 season.

IV. Status of 2016 Racing Season

Chair Metz ask Jaye and Tom Moulton to address the commission on a recent proposal sent by the Foundation to operate the facility in 2016 and beyond. Mr. Huckelberry has asked for additional information but did give ED&T permission to move forward on the negotiation of a new multi-year agreement.

A discussion was held regarding the relocation of the stables. Commissioners expressed their concerns the old stables were torn down without additional funds to either relocate or build new additional barns. Rillito Foundation expressed the further need to have an extended new agreement to fund the relocation and development of new barns.

V. Discussion and possible action on the State of Arizona Alcohol License of Rillito Racetrack.

Discussion on the current license is held by the PCHRC. PCHRC indicated they would not object to placing their license in an inactive status or even sell it and not object to Pima County moving forward on a government license as long as the proceeds go back to continuing assisting the operation of horse racing at Rillito. Tom Moulton mentioned if the government license moves forward there would either be no commission charged or any commission received during the racing meet would go back to the Rillito Foundation. He indicated NRPR is working towards the same process. Chair Metz indicated he would like those funds to go to horse meet purses. Pima County representative indicated where the specific funds go would be part of the negotiation package but it would remain in Rillito. Commissioner Matthews would like the funds to go to the Arizona Horseman to keep the funds locally. If the liquor license were to be sold, Chair Metz would like to donate those proceeds to Rillito Racetrack.

Since the government license may not be ready in time for the 2016 season, the commission elected to delay any action on their license until such time the government license is in place. Bill Matthews made a motion and Ramon seconded it, to keep license inactive until such time a government license in place.

No call to the Public took place.

Respectfully Submitted,

Tom Moulton