



MEMORANDUM

Date: May 30, 2017

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

From: C.H. Huckelberry
County Administrator 

Re: **Update on Rillito Park Improvements**

Attached is a May 25, 2017 memorandum from the Natural Resources, Parks and Recreation Director regarding Rillito Park improvements. The memorandum outlines the use of the first capital contribution by outside parties to Rillito Park. This contribution is being exclusively dedicated to making usable, salvaged stalls for horseracing purposes. These stalls were salvaged at the County's expense and we expected them to be reused. Unfortunately, the nonprofit foundation did not have sufficient funds to do so and had to rely on this capital contribution from a benefactor.

Staff will continue to monitor progress associated with Rillito Park improvements and their wise use to improve the facilities for public access, safety and enjoyment.

CHH/anc

Attachment

c: Jan Leshar, Chief Deputy County Administrator
Carmine DeBonis, Jr., Deputy County Administrator for Public Works
Chris Cawein, Director, Natural Resources, Parks and Recreation
Diane Frisch, Director, Attractions and Tourism



MEMORANDUM

To: CH Huckelberry, County Administrator

Date: May 25, 2017

From: Chris Cawein, Director

A handwritten signature in blue ink, appearing to read "Chris Cawein", is written over the printed name "Chris Cawein, Director".

Subject: Update on Rillito Park Improvements

Based on a recent communication from the Clerk of the Board, it was determined that the Board of Supervisors at their January 17, 2017 meeting had requested an update on the status of improvements to Rillito Park before final 2018 budget adoption.

As you may recall, the BOS approved Amendment 2 (attached) to the original agreement between Rillito Racing, Inc. and the Pima County Department of Attractions and Tourism at that January 17 meeting. This amendment extended horse racing through 2021, but contained a stipulation that private investment of \$1 million dollars would occur over a 5-year period at the Rillito Park facility. Additionally, the Amendment contained a listing of potential improvements to the racing facilities at Rillito Park that would be prioritized by agreement between the Operator and County by July 1, 2017.

This memorandum presents a brief status report of the activities related to the agreed-upon \$1 million in improvements that formed a portion of the requirements under the contract.

Amendment 2 to the Contract required an initial Year 1 (2017) "in kind" investment of \$100,000 that was to be used to reassemble the barns at the facility and provide associated utilities. This barn reconstruction activity was agreed upon between the Operator and the County as the initial priority project for the racing complex at Rillito Park. Contractual requirements of the Operator included a stipulation to submit drawings by a licensed architect for these barn improvements. Those initial drawings, prepared by Repp + Mclain, were submitted to the County Project Management Office as required. Additionally, recently Pima County NRPR was made aware that private funding, in the amount of \$100,000, was recently awarded from the Bert W. Martin Foundation. These funds, which should be received in the next week or two, were agreed to be submitted, at the request of that benefactor, to the Pima County Parklands Foundation for the sole purpose of completing the required barn reassembly task at Rillito Park. Pima County NRPR will be working with the Parklands Foundation and the Pima County Project Management Office to provide the appropriate level of "oversight" of barn reconstruction as required under Amendment 2.

Therefore, the Year 1 financial obligations for funding in kind improvements to the racing facilities at Rillito Park appear to have been met. The use of the Parklands Foundation as the fiduciary agent for the

funds as desired by benefactors of the Operator, coupled with County oversight of the construction component, should ensure the required \$100,000 in Year 1 site improvement monies are appropriately spent on the agreed-upon improvements.

The list of possible future improvements to the Rillito Racetrack complex, including barn reassembly, attached to Amendment 2 totaled an estimated \$2.2 million, although the Amendment only required an investment of an additional \$900,000 spread out over four years between 2018 through 2021. Many of the improvements deemed necessary by the County were determined based on inspections conducted by the Pima County Facilities Management Department (FM) and their A&E consultants at the site over five years ago. Additionally, these projects were not aligned with the list of desired site improvements received from the Operator representatives. Therefore, the determination was made that the prioritization scheme for executing the \$900,000 in improvements during years 2 thru 5 needed to be agreed upon between representatives of the Operator and Pima County.

Discussions with FM suggested that the County prioritization scheme and estimated costs for recommended Rillito Park Racetrack Complex improvements, which was originally defined in their 2011 and 2012 inspections and report, should be updated to reflect current facility conditions in order to ensure that the most appropriate improvements are completed utilizing the investment dollars available. Therefore, it was deemed appropriate that the prioritization scheme for site racing complex improvements in Years 2 thru 5 be deferred until such time as an updated inspection of the facility occurs. FM proposed to lead a re-examination of the facility when facility renewal funds become available at the beginning of FY 2018.

Once those updated inspections are completed and cost estimates are prepared, the list of necessary and appropriate improvements to the site will be examined in the context of the contractual obligations for capital infusion for 2018, 2019, 2020, and 2021. At that time, the prioritization plan for site improvements will be formally developed, negotiated between the County and appropriate representatives of the Operator, and the improvements executed in accordance with that plan.

Please let me know if questions arise.

Attachment

C: Carmine DeBonis, Deputy County Administrator
Nanette Slusser, Assistant County Administrator
Lisa Josker, Director, Facility Management
Dianne Frisch, Director, Attractions and Tourism
Robert Padilla, Deputy Director, NRPR

<p>PIMA COUNTY DEPARTMENT OF: ATTRACTIONS & TOURISM</p> <p>PROJECT: Agreement for the Non-exclusive Operation of Rillito Racetrack</p> <p>PARTIES: Rillito Racing, Inc., an Arizona non-profit corporation</p> <p>CONTRACT NO.: CT ED 140000 00000 00000537</p> <p>TERM: 07-01-2014 to 06-30-2021</p>	<table border="1"> <tr> <td colspan="2" style="text-align: center;">CONTRACT</td> </tr> <tr> <td>NO.</td> <td><u>CT-ED-14-537</u></td> </tr> <tr> <td>AMENDMENT NO.</td> <td><u>02</u></td> </tr> <tr> <td colspan="2"> This number must appear on all invoices, correspondence and documents pertaining to this contract. </td> </tr> </table>	CONTRACT		NO.	<u>CT-ED-14-537</u>	AMENDMENT NO.	<u>02</u>	This number must appear on all invoices, correspondence and documents pertaining to this contract.	
CONTRACT									
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AMENDMENT NO.	<u>02</u>								
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ORIGINAL CONTRACT TERM: 07-01-2014 to 06-30-2015	ORIGINAL CONTRACT AMOUNT: \$14,000.00 *
TERMINATION DATE THIS AMENDMENT: 06-30-2021	AMOUNT PRIOR AMENDMENT: \$28,000.00
	AMOUNT THIS AMENDMENT: \$956,000.00 *
	TOTAL CONTRACT AMOUNT: \$998,000.00

**based on eight live race days; does not include per person amount*

**AMENDMENT TWO
TO THE AGREEMENT FOR THE NON-EXCLUSIVE OPERATION OF
RILLITO RACETRACK**

WHEREAS on July 1, 2014 a non-exclusive Operation and Management Agreement of Rillito Racetrack ("Agreement") was made and entered into between PIMA COUNTY, a body politic of the State of Arizona (hereinafter referred to as "County"); and Rillito Racing, Inc., an Arizona non-profit corporation (hereinafter referred to as "Operator"); and

WHEREAS on June 30, 2015 the Agreement expired; and,

WHEREAS on January 19, 2016, the Pima County Board of Supervisors unanimously voted to extend the term of the Agreement to June 30, 2017; and,

WHEREAS, the parties desire to extend the term of the Agreement for an additional four (4) years to June 30, 2021 to provide for additional racing seasons at Rillito Park and to provide for the investment by the Operator of additional sums of money for improvements at Rillito Park.

Now, therefore, the Parties agree as follows:

CHANGE SECTION 3—Term and Renewal

FROM:

"3. **Term and Renewal.** The term of this Agreement is from July 1, 2014 to June 30, 2017. Any extension of this Agreement must be approved by County's Board of Supervisors in conformity with any renewal process or policy that the Pima County Board of Supervisors may determine prior to the expiration of this Agreement."

TO:

- "3. **Term and Renewal.** The term of this Agreement is from July 1, 2014 to June 30, 2021. Any extension of this Agreement must be approved by County's Board of Supervisors in conformity with any renewal process or policy that the Pima County Board of Supervisors may determine prior to the expiration of this Agreement."

ADD NEW LANGUAGE AT THE END OF SECTION 8 TO READ AS FOLLOWS:

Add

- 8.4. **Live Race Scheduling.** Operator will coordinate the scheduling of Fair Racing and Commercial Racing with County's Department of Natural Resources Parks and Recreation under the master Rillito Regional Park event schedule. Consideration will be given to all Rillito Regional Park stakeholders during the annual master calendar development.

Notwithstanding any other provision of this Agreement, Operator is limited to no more than sixteen (16) live racing days per year unless the Board of Supervisors, in its sole discretion, approves of a greater number of live racing days for that year in advance of the racing season.

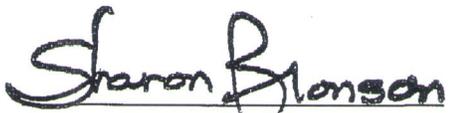
ADD SUB-SECTION 14.6—Plans and Construction to the end of SECTION 14—Repairs and Maintenance

- "14.6. **Plans and Construction.** The operator intends to invest One Million Dollars (\$1,000,000.00) over Five (5) years in improvements to the racing facilities at Rillito Regional Park. The first year improvements include the reconstruction of the dismantled barns and associated utilities (water and electricity) which are budgeted at One Hundred Thousand Dollars (\$100,000.00) and will be retained from the Year One allocation. The Operator will submit drawings by a licensed architect for these improvements, and County will not withhold appropriate permits if the drawings meet all standards. The Operator may reassemble the barns and install associated utilities with oversight by County. On or before July 1, 2017, Operator and County will agree to prioritize the list of improvements described in **Exhibit C** (the "Improvements"), which County will review in accordance with section 16.2 of this Agreement. Operator will irrevocably provide to County the sum of Nine Hundred Thousand Dollars (\$900,000.00) in cash over five (5) years in the following increments; Year 1 in kind funding in the amount of One Hundred Thousand Dollars (\$100,000.00) to be used by Operator to reassemble barns; Years 2 through 4, Two Hundred Thousand Dollars (\$200,000.00) each year, and in year 5, Three Hundred Thousand Dollars (\$300,000.00). Operator will make required annual contributions by October 1st of each year. Failure by Operator to deposit required funds with County by October 1st of each year will be a material breach of this Agreement for which County may immediately exercise its right under Section 22 to terminate the Agreement without providing Operator written notice and the opportunity to cure the breach as provided in that Section.

County will deposit these funds in a Special Revenue Account to be used by County for the construction of the Improvements. County will construct the Improvements using contractors that County has approved for work in compliance with the requirements of Title 34 of A.R.S., and County staff will supervise said construction. All disbursements from the Special Revenue Account will be made by County and shall be used solely for the Improvements prioritized by Operator and County. If the funding in the Special Revenue Account is insufficient for the construction of all of the Improvements, County may, at County's sole discretion, reduce the scope of the Improvements to be constructed."

All other provisions of the Agreement, not specifically changed by this Amendment, shall remain in effect and be binding upon County and Operator.

PIMA COUNTY



Sharon Bronson, Chair
Pima County Board of Supervisors

JAN 17 2017

Date

ATTEST:



Julie Castaneda, Clerk of the Board

JAN 17 2017

Date

APPROVED AS TO FORM:

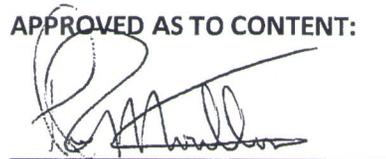


Tobin Rosen, Deputy County Attorney
Civil Division

1/18/17

Date

APPROVED AS TO CONTENT:



Tom Moulton, Director
Attractions & Tourism

1/18/17

Date

Rillito Racing Inc.



Frank B. DeFazio, Secretary

Jan 19, 2017
Date

Exhibit C

(3 pages)

Rillito Park (Racetrack Complex) - Improvements and Renovations

Rillito Racetrack Complex Projects	Estimated Project Cost	RPF / Repp Mclain	P.C. Priority	Priority 1 Costs	Comments
Barns					
<i>Relocate horse washing stations</i>	10,000	x			
<i>Reconstruct 56 horse stalls</i>	84,000	x			
Clubhouse					
Clubhouse Roof Renovation	93,000		1	93,000	
Clubhouse Kitchen Counter Upgrades to Stainless Steel	20,000				Remodel Clubhouse Kitchen
Clubhouse Kitchen Hood upgrade	20,000				Remodel Clubhouse Kitchen
Clubhouse Kitchen Floor Replacement	15,000				Remodel Clubhouse Kitchen
<i>Remodel Clubhouse Kitchen</i>	66,382	x			
ADA Elevator (Lift) to Access Clubhouse/Grandstand	117,000				
<i>Add elevator to facade of Clubhouse</i>	48,000	x			
Install ramp between Clubhouse and Grandstand	6,000				
Strengthen wall at southwest corner of 2-story Clubhouse	5,000		1	5,000	
Renovate Clubhouse seating for ADA & Code Compliance	130,000				
Raise ceiling mounted TV stands at Clubhouse	1,300				
Remediate clearance issues at Concession Area 7 & 8	8,600				
Provide secondary means of egress at Concession Areas 6, 7 & 8 and Betting Counter 3	2,800		1	2,800	
Update food-service finishes at north end of Concession Area 8	2,800				
Add mini-splits to lower office areas	4,500				
<i>Convert Clubhouse coolers to HVAC</i>	72,000	x			
<i>Add ADA bathroom to Clubhouse</i>	12,000	x			
Grandstand					
Strengthen masonry mezzanine enclosure walls	80,000		1	80,000	
Strengthen sloping Grandstand support beam	7,000		1	7,000	
Strengthen mezzanine support beam	7,000		1	7,000	
Replace countertops at Concession Area 1	7,000				
Install ADA-compliant work surfaces at Concession, Betting and Offices	9,000				

Rillito Park (Racetrack Complex) - Improvements and Renovations

Rillito Racetrack Complex Projects	Estimated Project Cost	RPF / Repp Mclain	P.C. Priority	Priority 1 Costs	Comments
Correct headroom issues at Concession Areas 2&3	5,300				
Remediate doorway clearances at Office 1,2&3	200				
Remediate floor surfaces at Betting Counter and Betting Office 1,2 & 3	600				
Remediate level changes Lower Grandstand Floor	20,500		1*	21,100	
Correct flue at grandstand building	1,400				
Correct outside air connection for furnace	2,100				
Correct Emergency & exit lighting at Grandstand	22,000		1	22,000	
Replace all stairs	124,000				
Replace all handrails	25,000				
Renovate seating for ADA & Code compliance	19,000				
Renovate & upgrade Mens & Womens Restroom on ground floor for ADA Compliance	40,000		1	40,000	
Restore Stewards box atop of Grandstand	88,949	x			
Add additional box seating to Grandstand	70,000	x			
Relocate Clubhouse coolers to Grandstand	12,250	x			
Restore Glass Panels to ends of Grandstand	70,000	x			
General Facility					
Install Standpipes at all stairways	30,000				
Replace non-compliant doors	39,000				
Remove restroom accessories and mount at correct height	1,200				
Correct ventilation at Jockey building	11,300				
Remove & replace wiring, panel boards and receptacles in Grandstand & Clubhouse as needed	100,000		1	100,000	
Replace plumbing fixtures at Grandstand*	124,000				
Refurbish beer lines in all bars	12,500	x			
Miscellaneous repairs to facility allowance	40,000	x			
Clean and repaint facility	165,000	x			
Additional ADA improvements allowance	40,000	x			
Update bathrooms throughout	40,000	x			
Overhead, coordination, and general conditions	125,337	x			
Jockey Building Potable Water Repiping	5,000		1	5,000	
Sales Tax	50,592	x			

Rillito Park (Racetrack Complex) - Improvements and Renovations

	Estimated Project Cost	RPF / Repp McInain	P.C. Priority	Priority 1 Costs	Comments
Rillito Racetrack Complex Projects					
Outside Track Viewing and Overflow Area by Clubhouse and around Grandstand - Patch, Crack Seal and Seal Coat Asphalt	50,000		1*	28,900	
Portable ADA Path to Cross Track (2)	18,000				
Rillito Park Grandstand & Clubhouse Access Asphalt Path Improvements	30,000				
	\$ 2,211,610			\$ 411,800	
<i>italicized items preferred by RPF</i>					
*combined ground surface leveling items totalling \$50,000					

BERT W. MARTIN FOUNDATION

May 11, 2017

Pima County Parklands Foundation
c/o Pima County Natural Resources, Parks and Recreation
Attn: Mr. Michael Hellon
3500 West River Road
Tucson, AZ 85741

Dear Mr. Hellon:

The Bert W. Martin Foundation is pleased to inform you that it has approved a grant to the Pima County Parklands Foundation in the amount of \$100,000 ("the Grant"). This grant is made to the Pima County Parklands Foundation which will manage the Rillito barns construction project. By accepting the Grant, your organization agrees to use it solely for purposes described in Section 501 (c)(3) of the Internal Revenue Code. If your organization fails to use any portion of the Grant for the Rillito barns construction project, you agree to return such portion to the Bert W. Martin Foundation, unless we determine otherwise.

Also, we will require a written report detailing the use of the grant on or before December 31 of this year. Please mail six (6) copies of the report to the following address before December 31:

**The Bert W. Martin Foundation
Attn: Ms. Dana Sutherland, Director
205 De Anza Blvd. #126
San Mateo, CA 94402**

To accept these terms, please arrange for the execution of the enclosed copy of this letter by an individual authorized to represent your organization and return the signed copy to us. Once we receive the signed copy of this letter, we will send you our check in the amount of the Grant. A self-addressed envelope is enclosed for returning the signed acceptance copy of this letter.

Finally, please note that future grant requests that do not satisfy the following two requirements will be rejected without review: (1) the Board will only review grant requests that have been presented in writing on or before January 31 of the year of the grant, and (2) six (6) copies of all grant requests must be sent to the Foundation on or before January 31 of the year of the grant to the following address:

940 S. ORANGE AVE • SUITE 101
ORLANDO, FLORIDA 32806

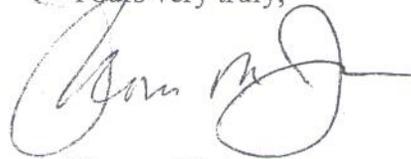
TELEPHONE: 407.872.7066
FAX: 407.650.9984

The Bert W. Martin Foundation
Attn: Ms. Dana Sutherland, Director
205 De Anza Blvd. #126
San Mateo, CA 94402

Again, any grant request that does not satisfy these requirements will be rejected.

Thank you for your interest in the Bert W. Martin Foundation.

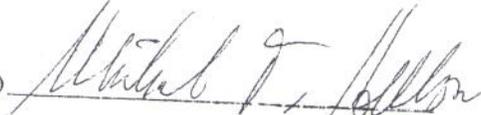
Yours very truly,



Thomas M. James
Secretary of the Foundation

TMJ:tlw
Enclosure

APPROVED



DATE

5-16-2017