



MEMORANDUM

Date: January 7, 2019

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

From: C.H. Huckelberry
County Administrator 

Re: **Rillito Horse Racing Funding**

Attached is a letter, which I provided the Board with a copy, to the Arizona Department of Gaming that oversees horseracing activities in Arizona. In essence, certain statutory impediments are now penalizing our offer of limited horse racing at Rillito. Over the last 15 years there have been approximately 12 days of horse racing, combined with either commercial days or County Fair horse racing days. These activities have been successful from the perspective of maintaining this historic and cultural activity in Pima County, as well as the ongoing collaboration with the University of Arizona's Race Track Industry Program. Unfortunately, State law never envisioned these public benefits of horse racing at Rillito and in fact penalizes Rillito.

Currently, there appears to be an effort to monopolize off-track betting (OTB) opportunities through the simulcasting of racing at other tracks. There are 5 OTB sites in Pima County; excluding one that has closed because it was located at Golden Pin Lanes recently acquired by the County. Recently a rule that prevented the larger horse racing facility in Arizona, Turf Paradise, from intruding on the Rillito market, expired. Further complicating this fact is that for a horse racing facility to enjoy a portion of OTB revenues, the facility has to run horseracing 140 days a year. Over the last 15 years Rillito has averaged 12 days of racing, which is consistent with retaining this historic, cultural and educational activity at Rillito. Racing 140 days is not consistent with the vision of Rillito as also being a regional public park that now has 11 soccer fields of which 9 are lighted; and has the largest number of lawn fields of any park presently in the region. Only the new Kino Sports Complex will have more when the South addition to the facility has been completed.

The County is required to consent to the opening of new OTB sites and we believe, to consent to any lease or permit extension of the sites. We will indicate the County will withhold any future approval of any new OTB sites and the extension of any licenses for existing sites, until the present inequitable hearing of OTB proceeds is corrected. If not corrected, even limited historic and cultural horseracing at Rillito will be threatened.

CHH/lab

c: Jan Leshar, Chief Deputy County Administrator
Diane Frisch, Director, Attractions and Tourism
Nicole Fyffe, Executive Assistant to County Administrator



COUNTY ADMINISTRATOR'S OFFICE

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C.H. HUCKELBERRY
County Administrator

January 2, 2019

James Ashley, Interim Director
Rudy Casillas, Deputy Director & Racing Division Director
Greg Stiles, Racing Enforcement & Operations Manager
Arizona Department of Gaming
1110 W. Washington St, Suite 450
Phoenix, Arizona 85007

Re: **Sustaining Horse Racing at the Historic Rillito Racetrack**

Dear Messrs. Ashley, Casillas and Stiles:

Organized and regulated quarter horse racing began in Pima County, at Rillito Park 75 years ago. J. Rukin Jelks and M. H. Haskell built the track, initially called Rillito Downs Racetrack, in 1943 on the Jelks' farm, and formed the Quarter Horse Racing Association in 1945. Because of its historical significance, the National Parks Service added the Rillito Racetrack to the National Register of Historic Places in 1986. In 2012, the boundaries of this designation were expanded.

The County has owned Rillito since 1971 and owns the adjacent Historic Jelks Stud Farm. The racetrack is located in the County's Rillito Regional Park, adjacent to the Rillito River, in the heart of the Tucson metropolitan area. The regional park is a multipurpose facility that has the largest number of fields dedicated to soccer, lacrosse and rugby in the County and City of Tucson. The regional public park has grown up around the racetrack and the Rillito racetrack is considered an essential component of the park. In addition to providing both historic and cultural benefits, live horse racing at Rillito is of educational significance.

The University of Arizona's Race Track Industry Program was established in 1973 and has gained worldwide recognition for its curriculum, as well as its annual symposium on racing attended by delegates from across the globe. Program graduates include two Kentucky Derby winning trainers and best-known American Thoroughbred trainers, including Bob Baffert. Mr. Baffert grew up in Nogales, Arizona, and credits his first thoroughbred victory at Rillito in

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1979 as the turning point in his career. The County's race track operator currently works with the University offering internships specializing in the business and animal husbandry aspects of horse racing. Students are able to learn firsthand by participating in the operations at Rillito. In 2016, Rillito Park Racetrack began broadcasting its races for the first time in the track's history, with much assistance from students of the Race Track Industry Program.

Horse racing at Rillito Racetrack has not been without controversy. In fact, in 1986, the voters of Pima County passed an initiative that preserved Rillito as a horse racing facility for the next 20 years. However, horse racing at Rillito has been sporadic over time. Over the last 15 years, horse racing has only occurred at Rillito an average of 12 days per year.

Today, horse racing at Rillito is viewed as a community event based on both history and culture where County Fair horse racing and limited commercial horse racing occurs at the facility. The upcoming 2019 season includes 12 days of live racing at Rillito, during 6 weekends in February and March. During the balance of the year, and even during racing season, the park provides a number of public recreation and youth sport activities.

The County, not desiring to operate horse racing events, leases the horse racing facilities at Rillito (track, grandstands and clubhouse) to a nonprofit entity for a limited period to conduct racing events. In drafting a limited term and scope lease with a nonprofit, the County believed this would be the best way to sustain horse racing for the future.

We have followed the deliberations of the Arizona Racing Commission with some interest and were extremely disappointed at the reversal of a previous position that would have assisted Rillito in sustaining horseracing at this historic racetrack. The reversal of the position appeared to set the stage for Turf Paradise to develop a monopoly for off-track betting in Arizona, something that we believe is not beneficial to the State of Arizona and certainly not beneficial for sustaining horse racing at Rillito.

The County cares little about off-track betting parlors, simulcast signals, expiring dome rules and minimum live day race standards. We do care about seeing funds that would flow to Pima County horse racing at Rillito continue, unimpeded and not reduced. Interrupting the flow of these funds or even reducing these would threaten the limited horse racing now offered at Rillito Racetrack.

We request the Commission take action to ensure the flow of horse racing funds continue to Rillito for horse racing. We also request that the last action of the Commission be modified to ensure such occurs and to ensure steps that are apparently being taken to secure a monopoly by Turf Paradise over off-track betting parlors, be reversed. Pima County will actively pursue and support any legislation that would accomplish these goals.

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I would like your thoughts on this as soon as possible so that I can provide the appropriate direction to our County lobbyist concerning this matter.

Please note, this request is being made directly by Pima County, not the nonprofit that operates horse racing on our behalf.

Sincerely,



C.H. Huckelberry
County Administrator

CHH/anc

c: The Honorable Chairman and Members, Pima County Board of Supervisors
Jan Leshar, Chief Deputy County Administrator
Carmine DeBonis, Deputy County Administrator for Public Works
Chris Cawein, Director, Natural Resources Parks and Recreation
Diane Frisch, Director, Attractions and Tourism
Nicole Fyffe, Executive Assistant to the County Administrator
Jaye Wells, President and CEO, Rillito Park Foundation
Ronnie Reyna, Chairman, Fair Horse Racing Commission