



MEMORANDUM

Date: March 9, 2016

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

From: C.H. Huckelberry
County Administrator 

Re: **Rillito Race Track**

I appreciate the effort of District 1 to inform the rest of the Board of Supervisors about horseracing in the region. It would be beneficial to the Board to receive all of the facts regarding this subject.

As stated in my January 22, 2016 memorandum, the Pima County Fair Horse Racing Commission (PHRC)—not the operator of the Rillito facility—must make a request to the Arizona Department of Racing (ADOR) if it desires to hold a County Fair Horse Racing Meet. The PHRC did not do so. There were informal discussions about holding a meet in fall 2015. The operator, Rillito Racing, Inc., was not able to secure any fall dates; therefore, the PHRC never formally requested Fair Race Meet days to ADOR during Calendar Year 2015.

There are only two commercial racetracks permitted and sanctioned by ADOR to hold County Fair Horse Racing in Arizona: Turf Paradise and Rillito Park Racetrack. ADOR allows any county to negotiate these meets with their preferred racetrack. The Cochise County Fair Commission negotiated directly with the Rillito operator (Rillito Racing, Inc.) for these days. There is no provision forbidding this type of arrangement in Pima County's current contract with the operator, nor does the local Fair Horse Race Commission need to approve this arrangement. Additionally, the State of Arizona specifically requires that sanctioned racetracks allow this use. I am not sure it would be legal to deny this use. Our Economic Development and Tourism Department, which is responsible for managing the contract for Rillito Racetrack, shared that this type of activity is very common due to the lack of horses available for racing in Arizona. These meets draw from a broader geographic region, allowing owners and jockeys more opportunities to compete.

Additionally, no funds from the Cochise County Fair Meets came from the operator or any Pima County sources. The \$7,200 reportedly earned by the Cochise Fair Horse Racing Commission comes from the ADOR portion of wagering revenue. Several years ago, ADOR ceased providing assistance funds (Betterment Funds) for racing, which were used to offset capital improvements at the tracks. However, ADOR does allocate a small percentage of wagering revenues to County's that hold Fair Horse Racing meets. Fair Horse Race Meets are not beneficial in Pima County, since the current contract with the

The Honorable Chair and Members, Pima County Board of Supervisors
Re: **Rillito Race Track**
March 9, 2016
Page 2

Rillito operator requires reimbursement of a larger percentage of revenues than would be provided from Fair Horse Racing meets. While there is some benefit to holding a Pima County Fair Horse Racing Meet, as seen in the Cochise County results, the benefit is minimal.

The "Pima County Horseman" association referenced in the March 4 response has no legal standing with Pima County, the PHRC, or Rillito Racing. The Pima County Horseman is not registered with the Arizona Corporate Commission (ACC). The name is similar to the track's previous operator, the "Pima County Horsemen's Association," which is registered as a nonprofit organization with the ACC and does not list any association with the "Pima County Horseman" under Corporate File Number: 05187634 (Attachment 1). Ms. Patricia White is listed as the organization's agent.

The PHRC meets irregularly. The Commission continues to experience challenges reaching a quorum. Mr. Forrest Metz, the current Chair, works with the Pima County Economic Development and Tourism Department to schedule meetings. Meetings are held at the Chair's discretion. Historically, the PHRC has met before and after each of the race meets. Agendas and meeting minutes are posted on the Clerk of the Board's website at

<http://webcms.pima.gov/cms/One.aspx?portalId=169&pageId=158506>

As required by Procurement and authorized by A.R.S. § 11-933, Pima County may seek operators for its public park facilities and tracks all Request for Proposals (RFP) packets. It is common to provide packets to interested parties and not receive corresponding proposals. My January 22 memorandum included the three packets that were requested during the RFP process.

The PHRC has been run informally for many years. The topic of Fair Horse Race Meets had no meeting agenda, and no formal vote was taken. However, there are occasional discussions by the group regarding meeting frequency and the interest in holding a Fair Horse Racing meet. If the current operator is able to reach agreement with Pima County Natural Resources, Parks and Recreation and the local soccer clubs regarding a fall race meet, that item will come to the PHRC for discussion and recommendation only if the intent is to hold a Fair Horse Race Meet. Otherwise, extension of commercial racing dates is not under the purview of the PHRC. In either case, both items ultimately are submitted to the Board of Supervisors for approval.

Pima County continues to provide oversight for the ongoing race operations and requires an annual independent audit of the race season. Any funds derived from wagering, as is the case in the "\$200,000 annual remuneration" mentioned by Ms. DiFillipo, are strictly controlled by the ADOR and must be accounted for in audits by both the State of Arizona

The Honorable Chair and Members, Pima County Board of Supervisors
Re: **Rillito Race Track**
March 9, 2016
Page 3

through ADOR and Pima County. Rillito Racing, Inc., a wholly-owned subsidiary of the Rillito Foundation, is a 501(c)(3) organization, relying on significant ongoing donations to allow continued operations.

Staff will continue to support the Commission as necessary. However, as a Board-appointed body of volunteers, meetings are held at their discretion; and agendas are directed by the Chair with input from staff, not the other way around.

It has recently come to my attention, that Ms. DiFillipo has formed her own racing foundation that includes several former and current members of the PHRC on her board. (see Attachment 2, ACC Entity Detail Report). The Foundation appears to be a competitor to the County's current operator. Since the issue of horseracing was addressed by the Board of Supervisors on February 2, 2016 with the approval of a two-year lease extension, the continued interest in this topic appears to be of a personal nature.

A violation of Pima County Administrative Procedure 3-28, County Employee-Conflict of Interest, may exist in the case of Ms. DiFillipo. I would suggest that Ms. DiFillipo complete the appropriate conflict of interest documentation. Further, it would be appropriate for Ms. DiFillipo to disclose whether she is receiving income reportable to the Internal Revenue Service for her position as Executive Director of the El Moro Foundation (Attachment 3, "About Us," at <http://www.elmorofoundation.org>). Pima County Personnel Policy 8-111 requires that permission for outside employment be granted in writing by the Appointing Authority, and such permission must be renewed annually by calendar year.

CHH/mjk

Attachments

- c: Thomas Weaver, Chief Civil Deputy County Attorney
- John Bernal, Deputy County Administrator for Public Works
- Tom Burke, Deputy County Administrator for Administration
- Nanette Slusser, Assistant County Administrator for Public Works Policy
- Chris Cawein, Director, Natural Resources, Parks and Recreation
- Tom Moulton, Director, Economic Development and Tourism

ATTACHMENT 1

Search Date and Time:
3/9/2016 9:15:57 AM

File Number:
05187634

Corporation Name:
PIMA COUNTY HORSEMENS' ASSOCIATION, INC.

- Annual Report Email Reminders
- eFile Annual Report
- Print Annual Report Form

[Collapse](#) | [Expand](#)

Corporate Inquiry 

File Number

05187634

Corporation Name

PIMA COUNTY HORSEMENS' ASSOCIATION,
INC.

Standing

[Check Corporate Status](#)

Domestic Address 

5455 N. San Joaquin
TUCSON, AZ 85741

Statutory Agent Information 

Agent Name: PATRICIA A WHITE

Agent Mailing/Physical Address:

5455 N SAN JOAQUIN
TUCSON, AZ 85741

Agent Status: APPOINTED 08/09/2004

Agent Last Updated: 09/13/2004

Additional Entity Information 

Entity Type: NON-PROFIT

Business Type: HORSERACING

Incorporation Date: 2/11/1988

Corporation Life Period: PERPETUAL

Domicile: ARIZONA

County: PIMA

Approval Date: 2/12/1988

Original Publish Date: 2/26/1988

Officer Information 

Name	PATRICIA A WHITE
Title	PRESIDENT
Address	5455 N SAN JOAQUIN TUCSON, AZ 85741
Date of Taking Office	07/01/1995
Last Updated	02/02/2016

Name	PATRICIA A WHITE
Title	SECRETARY
Address	5455 N SAN JOAQUIN TUCSON, AZ 85741
Date of Taking Office	07/01/1995
Last Updated	02/02/2016

Name	PATRICIA A WHITE
Title	TREASURER
Address	5455 N SAN JOAQUIN TUCSON, AZ 85741
Date of Taking Office	07/01/1995
Last Updated	02/02/2016

Name	PATRICIA K SHIRLEY
Title	VICE-PRESIDENT
Address	3225 N EL BURRITO TUCSON, AZ 85705
Date of Taking Office	01/01/2003
Last Updated	02/02/2016

Director Information 

Name	PATRICIA K SHIRLEY
Title	DIRECTOR
Address	3225 N EL BURRITO TUCSON, AZ 85705
Date of Taking Office	01/01/2003
Last Updated	02/02/2016

Name	PATRICIA A WHITE
Title	DIRECTOR
Address	5455 N SAN JOAQUIN TUCSON, AZ 85741
Date of Taking Office	07/01/1995
Last Updated	02/02/2016

Annual Reports 

ATTACHMENT 2

ARIZONA CORPORATION COMMISSION CORPORATIONS DIVISION
WEBSITE ENTITY DETAIL • <http://ecorp.azcc.gov/>

Corporate Inquiry				
File Number	Corporation Name			
20062973	EL MORO FOUNDATION, INC.			
Domestic Address				
12410 E CAMINO DEL GARANON TUCSON, AZ 85747				
Statutory Agent Information				
Agent Name: GERONIMO RAMIREZ JR				
Agent Mailing/Physical Address: 12410 E CAMINO DEL GARANON TUCSON, AZ 85747				
Agent Status: APPOINTED 05/15/2015				
Agent Last Updated: 05/21/2015				
Additional Entity Information				
Entity Type: NON-PROFIT		Buiness Type:		
Incorporation Date: 5/15/2015		Corporation Life Period: PERPETUAL		
Domicile: ARIZONA		County: PIMA		
Approval Date: 5/21/2015		Original Publish Date:		
Director Information				
Name	Title	Address	Date Taking Office	Last Updated
GERONIMO RAMIREZ	DIRECTOR	12410 E CAMINO DEL GARANON TUCSON, AZ 85747	05/15/2015	05/21/2015
GABRIEL RAMIREZ	DIRECTOR	12410 E CAMINO DEL GARANON TUCSON, AZ 85747	05/15/2015	05/21/2015
RAMON BAZURTO	DIRECTOR	12410 E CAMINO DEL GARANON TUCSON, AZ 85747	05/15/2015	05/21/2015

ARIZONA CORPORATION COMMISSION CORPORATIONS DIVISION
WEBSITE ENTITY DETAIL • <http://ecorp.azcc.gov/>

Annual Reports						
Next Annual Report Due: 05/15/2016						
File Year	File Month	Date Received	Reason Returned	Date Returned	Extention	
0	0					

Scanned Documents		
Document Number	Description	Date Received
05064151	ARTICLES	05/15/2015

Comments
Comments POTENTIAL NAME CONFLICT: 20062973,N19787571

ATTACHMENT 3

EL MORO FOUNDATION, INC.



- HOME
- FEATURED RACES
- RACE SCHEDULE & ADMINISTRATION FORMS
- BREAKING NEWS!
- ABOUT US / CONTACT US
- DONATE

ABOUT US

El Moro Foundation, Inc. is an Arizona Non-Profit Corporation dedicated to preserving and advancing the history of the El Moro de Cumpas cultural legacy.

DIRECTORS / STAFF

Dr. Geronimo Ramirez, Jr.
President

Gabriel Ramirez
Vice President

Ramon Bazurto
Secretary/Treasurer:

Dr. JoAnn di Filippo, PhD
Executive Director

CONTACT US

Name *

Email *

Check here to receive email updates

Subject *

Message *

Submit

WANT TO VOLUNTEER?

Interested in volunteering at the El Moro Festival? Opportunities are available at all three county race tracks. No experience necessary. Fill out the CONTACT form and we'll get back with you!

- Graham County Race Track - Eafford, AZ
Race dates: April 23-24, 2016
- Santa Cruz Race Track - Sonoma, AZ
Race dates: May 7-8, 2016

EL MORO FOUNDATION, INC.
5175 W. Ajo Way, PO Box A004
Tucson AZ 85738