MEMORANDUM

Date: March 9, 2016

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

From: C.H. Huckleberry
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
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


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 prevue 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 renumeration” mentioned by Ms. DiFilippo, are strictly controlled by the ADOR and must be accounted for in audits by both the State of Arizona
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
Search Date and Time:  
3/9/2016 9:15:57 AM

File Number:  
05187634

Corporation Name:  
PIMA COUNTY HORSEMEN'S ASSOCIATION, INC.

Corporate Inquiry

File Number  
05187634

Corporation Name  
PIMA COUNTY HORSEMEN'S ASSOCIATION, INC.

Standing  
Check Corporate Status

Domestic Address

5455 N. San Joaquin  
TUCSON, AZ 85741

Statutory Agent Information

Agent Name: PATRICIA A WHITE

http://ecorp.azcc.gov/Details/Corp?Corpid=50205187634
Agent Mailing/Physical Address:
5455 N SAN JOAQUIN
TUCSON, AZ 85741

Agent Status: APPOINTED 08/09/2004
Agent Last Updated: 09/13/2004

Entity Type: NON-PROFILE
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

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
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Director Information

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Corporate Inquiry

File Number: 20062973
Corporation Name: 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
Incorporation Date: 5/15/2015
Domicile: ARIZONA
Approval Date: 5/21/2015

Business Type: PERPETUAL
County: PIMA

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

### Annual Reports

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### Comments

Comments

POTENTIAL NAME CONFLICT: 20062973,N19787571
EL MORO FOUNDATION, INC.

ABOUT US

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

DIRECTORS / STAFF

Dr. Geromimo Ramirez, Jr.
President

Gabriel Ramirez
Vice President

Ramon Bazurto
Secretary/Treasurer

Dr. JoAnn di Filippo, PhD
Executive Director

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 - Safford, AZ
  Race dates: April 23-24, 2016

- Santa Cruz Race Track - Coolidge, AZ
  Race dates: May 7-8, 2016

CONTACT US

Name: 

Email: 

Check box to receive email updates

Subject: 

Message: 

Submit

EL MORO FOUNDATION, INC.
5175 W. Ajo Way. PO Box 1004
Tucson, AZ 85735