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THE COMMONWEALTH OF MASSACHUSETTS
MASSACHUSETTS GAMING COMMISSION
RACING DIVISION - PUBLIC MEETING

COMMISSIONERS

Gayle Cameron

Bruce W. Stebbins

Enrique Zuniga

RE: License Application

October 12, 2016 10:00 a.m.

PLAINVILLE COUNCIL ON AGING

9 School Street

Plainville, Massachusetts 02762

P R O C E E D I N G S

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3 COMMISSIONER CAMERON: Good morning,
4 everyone. Today is Wednesday,
5 October 12, 2016. This is a public hearing
6 before the Massachusetts Gaming Commission.
7 I am Commissioner Gayle Cameron, and I am
8 joined by Commissioner Bruce Stebbins and
9 Commissioner Enrique Zuniga. We are all
10 representing the Commission here today.

11 This hearing is being convened
12 pursuant to Massachusetts General Law
13 Chapter 128A, Section 3. We are here today
14 to accept public comment on the racing
15 license application submitted by Plainville
16 Gaming and Redevelopment for harness horse
17 racing to be held at the Plainridge Park
18 Casino.

19 Before we begin, the Commission
20 would like to thank all of you for being
21 here today at this public hearing. And it
22 is critically important that you, the
23 public, be part of the process to ensure
24 that the Commission achieves the best

1 possible results.

2 The purpose of this public hearing
3 is to offer any interested person or group
4 an opportunity to comment on the racing
5 license application. This is not a
6 question-and-answer period or a debate.

7 Once we begin, anyone who wishes to
8 comment may raise their hand and be
9 recognized by the Commission. They may
10 then proceed to offer their comment. The
11 Commission requests that all speakers
12 identify themselves prior to commenting,
13 and please be sure to keep your voice up.
14 This hearing is being recorded.

15 With that, we will now open up the
16 floor for comment. I know Mr. O'Toole has
17 signed up to speak so we'll hear from
18 Mr. O'Toole first.

19 MR. O'TOOLE: Thank you,
20 Commissioner. As a party to the
21 application, I represent Plainville Park
22 Casino, the racing side of the operation.
23 My pleasure to be here today before the
24 three of you.

1 This is atypical of racing
2 applications, it seems like. The first one
3 that we had before the Commission that was
4 newly formed was a pretty big event, it was
5 packed and brings us down to just me and
6 Alex. We've gone through this many times
7 before. We've had meetings where they were
8 multinight meetings that went on for hours
9 and hours and hours. They were very
10 controversial. Similar to the gaming
11 application that you guys dealt with not
12 too long ago, or are dealing with on an
13 ongoing basis.

14 Under General Law 128, Section 3,
15 they're seven specific criteria for
16 granting the issuance of the racing
17 license. We fully think that Plainville
18 Park Casino fits and meets every one of
19 those criteria. The financial ability of
20 the applicant, maximizing state revenues,
21 safe facility, maintaining the facility,
22 the economic interest of the investors, as
23 well as the suitability of the facility for
24 the race stakes that we applied for.

1 As you know, Penn National is the
2 largest operator of regional casinos, as
3 well as casinos that are affiliated with
4 the racetracks. This past year one of the
5 racetracks in the family was sold to the
6 Stronach Group, the Rosecroft Raceway in
7 Maryland, so we're down --

8 COMMISSIONER CAMERON: Could you
9 raise your voice, we have a little
10 background noise? Thank you.

11 MR. O'TOOLE: So we're down one
12 racetrack in the family, but I think
13 there's still 12 racing facilities in the
14 Penn family. That's a great resource for
15 me, as the director of racing. And I have
16 a great corporate partner in
17 Chris McErlean, who watches over all the
18 racetracks.

19 So whenever there's an issue that
20 is, you know, something that we can't
21 handle, I always have him to lean on for
22 advice or equipment, or different points of
23 view for other situations that they may
24 have been in. And I've used that resource

1 from time to time.

2 So with that being said, for
3 Plainridge, in particular, this year,
4 again, I reported last year that we had
5 many track records set in 2015. We've had
6 17 track records set this year in 10
7 different categories. Due, in part, to the
8 condition of the racetrack, but also
9 because of the -- a little bit high-caliber
10 stock that's been racing at the facility,
11 due to the increased purses that we've been
12 offering.

13 One shining star, and the highlight
14 of the season is the stakes program, which
15 is underway right now and the fields are
16 full. They're setting -- those horses are
17 setting records. I think, next week we'll
18 have a horse competing that will be one of
19 the favorites for next year's Hambletonian
20 again, from the same connections of
21 Royalties for Life. His name is Muscles
22 Jared, and he's been doing very well
23 throughout the country, and he has an
24 opening. I think he's going to participate

1 in the program next week to be able -- for
2 the final two weeks from next Monday. Same
3 connections, same local trainer, George
4 Ducharme, from Norfolk. So there's a lot
5 of horses that -- as a matter of fact, they
6 set a track record the other day for
7 two-year-old trotters, so that program is
8 doing very well.

9 The numbers in that program speak
10 for themselves. They've pretty much
11 doubled the amount of foals, and the
12 breeders are forward-thinking. You know,
13 it's three, four years of planning, and
14 they were very forward-thinking and took
15 some chances, you know and -- when it
16 looked like the gaming license was going to
17 be granted in the state, and they took some
18 chances. And those chances, now we're
19 seeing those pay off. And the numbers --
20 for this year, there's a lot of interest in
21 breeding for this year, so I think the
22 numbers will be up again. That's one of
23 the highlights, is the breeding program and
24 how that's taken off.

1 Our simulcast menu is still what it
2 always has been. We offer a lot of tracks
3 with simulcasting. Revenues have been --
4 they've been up and now steady, because
5 we're now comparing year over year since
6 the Plainridge Park Casino opened and
7 brought in a few more customers. So we're
8 holding steady at the numbers on the
9 increase that we've seen -- that we saw
10 last year.

11 The live racing has some challenges.
12 You know, I'll admit that we have some
13 challenges still in the box on the four-day
14 weeks. We did very well on the three-day
15 weeks. Our handle was up. Right now, we
16 are averaging -- last year through 86 days,
17 we've done 86 days of racing. The last
18 year, through 86 days of racing we averaged
19 -- although, last year total, for the
20 season last year we did -- we averaged
21 \$132,000 per card, wagered on our card.
22 This year, through 86 days, it's \$30,000
23 more, \$163,000 average per card.

24 So while our average is up, when we

1 do go the four-day weeks, we do see smaller
2 fields, smaller cards, eight-race cards and
3 not 10-, 11-race cards. Eight-race cards,
4 smaller fields, and the handle does dwindle
5 a little bit. So that's the biggest
6 challenge right now for the live racing is
7 the -- fill in the cards. Even with the --
8 even with the increased purses, there's a
9 little bit of a struggle with the horsemen.
10 They don't want to see too many outside
11 horses coming in. You know, the locals
12 want to try to protect themselves, but,
13 yet, they don't have the stock -- they
14 haven't built up the stock yet to protect
15 themselves. So we do have to take -- you
16 know, when we open the box and there's five
17 entries for a particular class and we take
18 a couple of -- three outside entries to
19 fill that class, we always give preference
20 to the locals, but, you know, we have to
21 take that influx in order to fill the card.
22 So that's the biggest challenge that we
23 have going on right now with live racing.

24 For 2017, we'd like to do -- start

1 some type of signature race, some type -- a
2 few stake races and a signature race to
3 bring in a big -- you know, one day of
4 high-powered horses, where I'll be sending
5 Paul Verrett, my race secretary, to the
6 race secretaries' meetings this winter to
7 try and find a slot where we can find a
8 race that would fit nicely and get some
9 national attention. We did that
10 previously. Labor Day was the day that we
11 used. We did that previously with that --
12 with signature racing. We'd like to try to
13 get back some type of excitement that that
14 brought to the facility.

15 We're also, in a couple of weeks
16 we'll be before the Commission. I think
17 Chris McErlean's going to come up, as well
18 as, maybe, some representatives from eBet.
19 We have them on the -- we'll try to have
20 them on the agenda for the final approval
21 for licensing of eBet, and role out a
22 mobile app for mobile wagering. They're
23 the experts on that so we'll let them tell
24 you about that in a couple of weeks. And

1 that would before -- we'd like to get that
2 started, maybe, before the end of the year,
3 but definitely in 2017.

4 And we just -- you know, we're
5 continuing improvements at the facility.
6 As you know, we've revamped the paddock,
7 we've put a video board in. That's been a
8 big hit. We're still in the process of
9 dressing out the infield around the video
10 board. That was a pretty big project, and
11 we dug up the infield pretty good again.
12 And right now, we're tackling
13 energy-efficient lighting in the barns and
14 the paddock so -- and we'll be tackling a
15 few other projects and putting in for
16 capitol improvements to pay for those.

17 That's pretty much it for what we've
18 been doing and where we stack up for our
19 obligations under the statute. And if you
20 have any questions, I'd be more than happy
21 to address them.

22 COMMISSIONER CAMERON: Mr. O'Toole,
23 you mentioned the breeding program. So you
24 do see this year as being extra funds so

1 more breeders will take advantage, knowing
2 how well the program's going, or the racing
3 is going, rather, plenty of races to run?

4 MR. O'TOOLE: So this year --
5 usually, there's a lag with something like
6 this because -- because the breeders have
7 to breed so far out, but they took chances,
8 you know, hoping what would come came. And
9 now, with the -- with the funds now, people
10 are seeing, you know, the races -- even
11 though they are fairly competitive for a
12 program that could be in its -- you could
13 call that it's in its infancy, even though
14 that it's in existence, the funds weren't
15 there for a breeder to be real serious
16 about investing in this thing. Now, they
17 are. And so, now, I know there's been a
18 lot of interest in bringing mares to
19 Massachusetts to follow so the horses are
20 eligible for this program.

21 This is a really good program, at
22 least I feel it is because it produces very
23 high-quality stock, because they're -- in
24 this program, the breeders can take

1 advantage of the best stallions in the
2 country to breed to, and so that's why it
3 produces -- the program is producing
4 Hambletonian winners and other stake --
5 high-stake winners in other states.

6 COMMISSIONER CAMERON: Thank you
7 very much. Any other questions for
8 Mr. O'Toole?

9 COMMISSIONER STEBBINS: Just a quick
10 one, Steve. You talked about creating a
11 signature event. What type of support or
12 assistance do you get get from Chris or the
13 folks at corporate, when you're thinking
14 about that type of activity?

15 MR. O'TOOLE: So there's four
16 harness tracks in the Penn family, and
17 those race secretaries, as well, will be
18 going to the meetings this winter. The
19 support from those particular tracks, it's
20 really a support system from all the race
21 secretaries, they all have to work
22 together. And my race secretary and the
23 race secretary and the race secretary at
24 Bangor, Fred Nichols, they work very

1 closely together. When we're short, Paul's
2 calling up to Fred to see if there's
3 anything available. Could you get ahold of
4 this horseman and see if they want to race
5 this horse, if they're not tied up in
6 their -- and we try to help Fred out as
7 well. Problem is, it's a big distance
8 between Bangor and -- but many of our
9 horsemen are in between. Not too many of
10 them are north of Bangor. Most of the
11 horsemen are in between so we can share
12 that resource.

13 On the bigger stage, it needs to be
14 worked out amongst all the harness tracks.
15 So that, a signature race, such as the
16 Graduate Series, which is a race for
17 four-year-old pacers and trotters, but the
18 pacers is the more -- more popular event.
19 It goes to different tracks and we can
20 maybe get with those races. So they have
21 to work together on that.

22 COMMISSIONER CAMERON: Any other
23 questions?

24 COMMISSIONER ZUNIGA: I have a

1 couple. You mentioned the challenge of
2 filling out cards on four-day weeks. This
3 next year is a 125-day application. Tell
4 me a little bit -- tell us a little bit
5 about that challenge and the intersection
6 of the breeders' long-lead item of putting
7 for later, and perhaps a little bit more --
8 educate us a little bit more about the
9 following year, in which we now have-- will
10 have the discretion of -- or not the
11 restriction of those 125 days. What can
12 you tell us to that end?

13 MR. O'TOOLE: So it's going to be a
14 challenge next year. And, as I said, it's
15 a little bit of a struggle because we're
16 trying to, you know, race all the horses
17 and all the people that have raced with us
18 over the course of the years. However,
19 when the boxes are full, if we take those
20 outside horses, then that becomes a little
21 bit of a double-edged sword.

22 I think, maybe next year, with the
23 influx of money this year, that the stables
24 will have repowered, retooled, and gone out

1 and gotten some stock so that won't be as
2 much of a conflict going forward,
3 hopefully.

4 There has been an influx, a good
5 influx of money this year for that to
6 happen, so we're hoping that over the
7 course of the winter, the downtime, the
8 locals will have beefed up their stables a
9 little bit and we won't have -- we're going
10 to have to use outside horses than horses
11 that haven't participated here. When we
12 open the box and there's five horses
13 entered for a race that we need seven or
14 eight horses to fill, we're going to use
15 those outside horses. But, as I said, we
16 always give preference to the local horses.
17 It's going to be a challenge, but,
18 hopefully, the purse structure last year
19 and this year, will help beef up the
20 numbers.

21 COMMISSIONER ZUNIGA: Thank you.

22 COMMISSIONER CAMERON: Any other
23 questions for Mr. O'Toole? Is there anyone
24 else here that would like to speak with

1 regard to this racing application? All
2 right. So it's now 10:15. Why don't we
3 suspend this hearing, give opportunity to
4 those. We will reconvene at 10:30 and see
5 if there's anyone that would like to speak
6 at that time. Thank you all.

7
8 (A recess was taken)

9
10 COMMISSIONER CAMERON: It's now
11 10:30. We will reconvene this hearing. Is
12 there anyone else here that would like to
13 speak with regard to this application?
14 Okay, we will end the hearing at this time.
15 Thank you all, and we'll consider all these
16 comments, of course, as we always do,
17 before we make a decision on the license.
18 Thank you. Thank you everybody.

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20 (Proceeding concluded at 10:30 a.m.)
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SPEAKERS:
Penn National Gaming
Steve O'Toole, General Manager, Racing

C E R T I F I C A T E

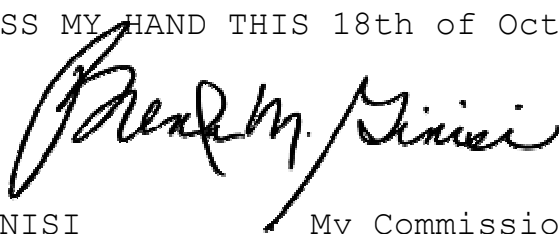
I, Brenda M. Ginisi, Court Reporter, do hereby certify that the foregoing is a true and accurate transcript from the record of the proceedings.

I, Brenda M. Ginisi, further certify that the foregoing is in compliance with the Administrative Office of the Trial Court Directive of Transcript Format.

I, Brenda M. Ginisi, further certify that I neither am counsel for, related to, nor employed by any of the parties to the action in which this hearing was taken and further that I am not financially nor otherwise interested in the outcome of this action.

Proceedings recorded by verbatim means, and transcript produced from computer.

WITNESS MY HAND THIS 18th of October 2016.



BRENDA M. GINISI
Notary Public

My Commission expires:
June 18, 2021