

1 COMMONWEALTH OF MASSACHUSETTS  
2 MASSACHUSETTS GAMING COMMISSION

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5 RACING DIVISION HEARING  
6 SUFFOLK DOWNS HORSE RACING LICENSE APPLICATION  
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11 COMMISSIONERS:

12 Gayle Cameron

13 Bruce W. Stebbins

14 Enrique Zuniga  
15

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17  
18 October 17, 2017 10:00-10:30 a.m.

19 MASSACHUSETTS GAMING COMMISSION

20 101 Federal Street, 12th Floor

21 Boston, Massachusetts  
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## PROCEEDINGS

1  
2                   COMMISSIONER CAMERON: Good  
3 morning. Today is Tuesday, October 17th,  
4 2017. This is the public hearing before the  
5 Massachusetts Gaming Commission. I am  
6 Commissioner Gayle Cameron, representing the  
7 Commission. I'm joined by Commissioners  
8 Stebbins and Zuniga.

9                   This hearing is being convened  
10 pursuant to Massachusetts General Law  
11 Chapter 128A, Section 3. We are here today  
12 to accept the public comment on the racing  
13 license application submitted by Sterling  
14 Suffolk Racecourse for the horse racing to be  
15 held at Suffolk Downs.

16                   Before we begin, the Commission  
17 would like to thank you all for being here  
18 today. This is a public hearing, and it's  
19 critically important that you, the public, be  
20 part of the process to ensure that the  
21 Commission achieves the best possible  
22 results.

23                   The purpose of this public hearing  
24 is to offer any interested person or group an

1 opportunity to comment on the racing license  
2 application. This is not a question and  
3 answer period a debate. Once we begin, we  
4 will take comments in the order of the signup  
5 list. When your name is called, you may  
6 proceed to the podium and offer your comment.

7 The Commission requests that all --  
8 We don't have a podium but we'll be fine  
9 without it. The Commission requests that all  
10 speakers identify themselves prior to  
11 commenting, and please be sure to keep your  
12 voices up as this hearing is being recorded.

13 With that, we will now open up the  
14 floor for comment. We always start with the  
15 licensee, so Mr. Tuttle.

16 MR. TUTTLE: Thank you,  
17 Commissioner Cameron, Commissioner Zuniga,  
18 and Commissioner Stebbins. Chip Tuttle from  
19 Salem, Massachusetts, the chief operating  
20 officer of Sterling Suffolk Racecourse.  
21 Thanks for your time and consideration today  
22 as you review and consider our application  
23 for racing dates in 2018.

24 As you're aware, our company,

1 Sterling Suffolk, sold the Suffolk Downs  
2 property to developer HYM in May of this  
3 year. We have an agreement to lease back the  
4 portions of the property we need for racing  
5 and simulcasting, both for this year and for  
6 next year. I believe you have a copy of the  
7 licensee as part of our application. If not,  
8 we'll be happy to provide one. The lease has  
9 been extended through next year, allowing us  
10 to move toward with the application.

11 We held four festival weekends of  
12 racing this year and distributed almost  
13 3.5 million in purses from the Race Horse  
14 Development Fund. Over those weekends, with  
15 the additional purse funding from the  
16 Massachusetts Thoroughbred Breeders  
17 Association, and their races that were staged  
18 at Suffolk Downs, we averaged almost a half  
19 million dollars a day in purse distribution  
20 for those days.

21 Attendance and handle for those  
22 weekends continue to be solid. The average  
23 attendance was 6,400 per day. Average  
24 wagering handle was 871,000 per day.

1                   We have asked you to approve six  
2                   days for next year, similar to what we  
3                   planned for this year, prior to adding an  
4                   additional weekend at the request of the  
5                   horsemen. We want to thank you again for  
6                   your flexibility in considering that request  
7                   and granting that request and the additional  
8                   purse funds from the Race Horse Development  
9                   Fund that were needed for that.

10                   Over the last three years, we've  
11                   been able to strike a good balance with the  
12                   New England HBPA so that it's members had the  
13                   opportunity to compete for purses at our  
14                   venue and that our contribution to purses is  
15                   used to help to offset racing expenses. We  
16                   look forward to continuing this in 2018. We  
17                   don't have our fully executed purse agreement  
18                   for 2018, but we don't anticipate we're going  
19                   to have any problems. That usually doesn't  
20                   come until December or so, and as soon as  
21                   that's done, we will pass that along, a copy  
22                   of that along to you as well. And I'm happy  
23                   to answer any questions that you have about  
24                   this year or about our plans moving forward.

1                   COMMISSIONER CAMERON: The site did  
2 apply -- It's our understanding, Suffolk  
3 Downs is one of the locations being  
4 considered by Amazon. Would that in any way  
5 affect this, to the best of your knowledge?

6                   MR. TUTTLE: I don't think it  
7 would. You know, there is a provision in the  
8 lease that would allow the landlord to cancel  
9 the lease. It's either 60 or 90 days.  
10 Even -- You know, I think Massachusetts is  
11 one of five or six states.

12                   COMMISSIONER CAMERON: Yes.

13                   MR. TUTTLE: And Suffolk Downs is  
14 one of five or six locations in five or six  
15 states.

16                   COMMISSIONER CAMERON: Right.

17                   MR. TUTTLE: Even if Suffolk Downs  
18 were to be part of an Amazon campus, we feel  
19 like we have enough time to reach the  
20 statutory requirements for next year.

21                   COMMISSIONER CAMERON: Okay. Thank  
22 you. Any other questions?

23                   MR. TUTTLE: Sure.

24                   COMMISSIONER ZUNIGA: Yes. Chip,

1           can you tell us a little bit broadly, now  
2           it's the second year -- this would be the  
3           third year.  It's the second year of this  
4           festival.

5                       MR. TUTTLE:  This is the third year  
6           that we're in now.  Next year would be the  
7           fourth.

8                       COMMISSIONER ZUNIGA:  The fourth.  
9           So now we've got a little bit of experience  
10          with this model, which is not ideal, as we  
11          all recognize, but could you tell us about  
12          how those purses have sort of ended up in  
13          terms of are they broadly distributed to  
14          local horsemen?  Are they concentrated in a  
15          group of people just because that's the  
16          nature of the people who travel who are able  
17          to come?  And I know there's been some  
18          variability as to who's able to.  Sometimes  
19          they show up like last time more than you  
20          expected and you make efforts to accommodate.  
21          What can you tell us in that whole realm?

22                      MR. TUTTLE:  We have and will  
23          provide a full breakdown of who won purse  
24          money at the meet for this year, and you'll

1 be able to, and we can certainly help with  
2 that, identify sort of who would be  
3 considered local versus from out of town.

4 In 2015 and '16, we were able to  
5 specifically card races for horses that had  
6 started at Suffolk Downs in 2013 and 2014.  
7 As time has worn on and fewer of those horses  
8 are still active and in training, we looked  
9 for other ways to try to live up to this  
10 spirit of the Race Horse Development Fund so  
11 that local horsemen would be able to compete  
12 for part of the purse, a good portion of the  
13 purses.

14 Part of that is the level of the  
15 purses themselves. Most of the races are 20,  
16 25, 30, 35 thousand dollar purses, not big  
17 enough to attract, you know, the best most  
18 competitive national stables, right. You  
19 know, Bob Baffert, the trainer of American  
20 Pharoah, is not shipping horses in from  
21 California to compete at that level. If we  
22 were to run for a million dollars a day that  
23 might be different, right.

24 But part of it is the level of



1 purses. Part of it is the condition of the  
2 races. This year, toward the end of the  
3 meeting, in an effort to help ensure that  
4 people who had supported the racing program  
5 at Suffolk Downs 2011, '12, '13, '14, were  
6 able to compete for the purse money, we  
7 actually gave a preference to trainers who  
8 had started at Suffolk Downs in 2013 and  
9 2014.

10 So if you were to enter your horse  
11 and, you know, some of the races  
12 oversubscribe, and you were to enter your  
13 horse and I were to enter mine and I had  
14 started at Suffolk Downs in 2013 and you  
15 hadn't, I would get a preference in that race  
16 over you.

17 So that said, it's becoming more  
18 and more difficult to make sure the money  
19 goes to local horsemen as there are fewer  
20 local horsemen. Some have not continued in  
21 business. Some have gone to other  
22 jurisdictions and done very well and don't  
23 feel the need necessarily to come back. Some  
24 very much enjoy the homecoming and come back

1           for the weekends of racing, people from West  
2           Virginia, from Maryland, from the Finger  
3           Lakes.

4                        So, you know, we do write the  
5           condition book and try to card the races in a  
6           way that gives people who supported our  
7           racing program in the past the opportunity to  
8           earn purse money.

9                        COMMISSIONER ZUNIGA: I think  
10          that's very evident with the current model  
11          and the purse structure. As you say, I  
12          suppose some horses are ageing out, right,  
13          that competed.

14                       MR. TUTTLE: Yeah.

15                       COMMISSIONER ZUNIGA: And you go to  
16          the trainers, and the trainers are also  
17          thinning out because they find work elsewhere  
18          and less traveling.

19                       MR. TUTTLE: Trainers and owners.

20                       COMMISSIONER ZUNIGA: Owners, okay.

21                       MR. TUTTLE: And I would say it's  
22          not a secret anymore that, you know, we're  
23          very proud of the way we maintain the  
24          racetrack and our safety record. In fact, I

1 think it's one of the great accomplishments  
2 that we've had, hand in hand with the  
3 Commission, over the last several years is  
4 our safety and welfare standards.

5 The purse levels, you know, being  
6 as they're not at the level of Saratoga or  
7 Keeneland, but they are generous. So we  
8 found that as we've done this year over year,  
9 more and more horsemen from around the East  
10 Coast have figured out that, you know, maybe  
11 we'll take a shot and ship up there to  
12 Suffolk Downs and see how that goes.

13 I was actually very concerned  
14 before this season started that due to the  
15 horse -- the sort of the national and horse  
16 shortage, the decline of the foal population,  
17 the decline of the number of horses in  
18 training, we may have a hard time filling the  
19 races this year, but between the purse levels  
20 and the incentives whereby we pretty much  
21 cover people's shipping costs and things like  
22 that, we actually started to see entries this  
23 year from people we've never seen before.

24 So I think we have to give that a

1 little due consideration as we figure out  
2 what next year's racing program is going to  
3 look like.

4 COMMISSIONER ZUNIGA: What about  
5 the owner or trainer who is not out and still  
6 is still here but has no ability to train  
7 regularly and probably missing out, is that a  
8 one-off type of scenario, or is that -- is  
9 there anything anybody can do to try to  
10 incentivize or promote that owner?

11 MR. TUTTLE: So there are a  
12 percentage of people who -- horsemen and  
13 horsewomen who, when we were running our  
14 meet -- and, you know, it depends on how far  
15 back you go. I mean, in the '90s, we ran 150  
16 days, Rockingham ran 100 days, and local  
17 horseman had racing 250 days they could stay  
18 right here and train at both places. You  
19 know, it was -- they had a year-round  
20 circuit, which was very beneficial to them.

21 During 2009 through 2014, you know,  
22 we raced 80 days, and I think we reduced that  
23 toward the end, but our barn area was open  
24 from April to November, and so that allowed

1 full-time trainers and horsemen to spend six  
2 months here, seven months here, and then go  
3 down to Florida or Maryland or wherever for  
4 the winter, and it allowed a lot of part-time  
5 trainers and people who worked part-time.  
6 They generally worked when we were open.

7 So they were able to get a few  
8 horses here, you know, in Maryland, in  
9 Pennsylvania, bring them up here, train them,  
10 lay them up for the winter, but train them at  
11 our facility again. The lack of a year-round  
12 training facility or the lack of a six- to  
13 eight-month training facility, I think, is  
14 the thing that has impacted that group the  
15 most, and without, you know, an actual  
16 facility where they can stable and train the  
17 horses, I don't see that changing. You know,  
18 and whatever happens after we're no longer  
19 able to continue racing, you know, for that  
20 segment to be satisfied, they're going to  
21 need some sort of training and stabling  
22 facility.

23 COMMISSIONER ZUNIGA: Thank you.

24 COMMISSIONER CAMERON: Any other

1 questions for Mr. Tuttle?

2 COMMISSIONER STEBBINS: You and  
3 Commissioner Zuniga covered two of them. I  
4 guess my only question, and you touched on  
5 it, Chip, was the safety of the building, the  
6 safety of the grounds. Obviously, they're  
7 kind of evaluated every year before you start  
8 racing, but any big concerns about the  
9 condition of the property? It was utilized  
10 less over the last few years and obviously an  
11 older facility.

12 MR. TUTTLE: The condition of the  
13 barns, the ones we use, is very good. I  
14 don't want to imply that we treat the horses  
15 better than the humans, but you know, we do  
16 pay attention to that a great deal and  
17 continue to invest in making sure that that's  
18 as safe and hospitable as possible for when  
19 people ship in.

20 The condition of the track itself  
21 has never been better. I mean, the racetrack  
22 surface continues to be very safe, very even.  
23 You know, with a consultant and working with  
24 Dr. Lightbown, we have checked every year for

1 consistency and safety. It passes with  
2 flying colors. The turf course, because of  
3 the limited usage, it's one of the reasons  
4 the racing program has been so successful is  
5 because when we only use the turf course  
6 eight days a year and it's spaced out a month  
7 at a time, the condition of the turf course  
8 is pristine compared to turf courses where  
9 they're being raced on every day.

10 So those parts of the facility, we  
11 do try very hard to maintain the property.  
12 And, you know, even part of our lease  
13 responsibility with HYM is that we're  
14 continuing to maintain the property until  
15 we're no longer operating on the property.

16 So that just leaves the building.  
17 And the building has some issues that go with  
18 being a building that was built in 1935 and  
19 that we haven't been able to spend a lot of  
20 money on in the last several years.

21 So we have mothballed sections of  
22 the building. We passed every inspection.  
23 We're able to make sure all the elevators and  
24 escalators are a safe means of egress and

1 access for the people and things like that,  
2 but overall the building itself has seen  
3 better days. We are confident we can  
4 maintain the building and keep the building  
5 up to a level that will allow us to host  
6 people safely and, you know, in a way that's  
7 appropriate with doing business next year.

8 COMMISSIONER STEBBINS: Okay.

9 COMMISSIONER ZUNIGA: I was  
10 reminded from a prior remark just today, but  
11 in the past, you've mentioned that the  
12 commitment from Suffolk Downs or the  
13 expectation was that you would run, you know,  
14 the years that you've run and up to 2018. Is  
15 there anything beyond that that you could  
16 tell us at this point, anything beyond this  
17 current application?

18 MR. TUTTLE: I don't see us being  
19 able to continue beyond 2017, but I think  
20 that is based on the premise that the  
21 developer and the property owner is able to  
22 make progress toward permitting, planning and  
23 permitting, and developers are always  
24 confident in their ability to make that



1 progress. Should that not be the case, we  
2 wouldn't preclude not operating beyond 2018,  
3 but that's not going to be our decision.

4 And then as stated in the past, you  
5 know, we look forward to working with the  
6 Commission during the legislative process.  
7 We know that the Commission's bill is under  
8 consideration which would allow the  
9 Commission to issue various types of  
10 licenses: racing, simulcast, simulcast only.  
11 We'd like to continue to operate in some  
12 fashion as a simulcast-only facility and look  
13 forward to continuing that conversation with  
14 you over the next six to nine months when I  
15 think that, you know, we'll all have a  
16 clearer picture of what the future looks  
17 like.

18 But we certainly -- we believe that  
19 there's a robust simulcast market still in  
20 the Boston area and that it benefits the  
21 Commonwealth to continue that business. It  
22 certainly would benefit our employees and  
23 workforce to be able to continue to work in  
24 some capacity, whether that's on the Suffolk

1 Downs property as part of the new development  
2 or nearby. We haven't reached a firm  
3 conclusion, but we'd like to continue to  
4 operate, and we think there are good public  
5 policy reasons for that. And if the horsemen  
6 are successful in their effort to get a  
7 facility going somewhere else in the  
8 Commonwealth, we certainly don't think our  
9 continued operation is mutually inconsistent.  
10 In fact, we think it could benefit with a  
11 contribution to purses, you know, that we  
12 could benefit a racing facility elsewhere in  
13 the Commonwealth should one get built.

14 COMMISSIONER ZUNIGA: Get off the  
15 ground, yeah.

16 MR. TUTTLE: Yeah.

17 COMMISSIONER ZUNIGA: Thank you.

18 COMMISSIONER CAMERON: Any other  
19 questions for Mr. Tuttle? Thank you.

20 MR. TUTTLE: Thank you.

21 COMMISSIONER CAMERON: Do we have  
22 any other testimony to take today from anyone  
23 here? No. Okay. So why don't we do this.  
24 Let's at least wait until 10:30. I will

1 suspend the meeting now, and we'll open it up  
2 again at 10:30 and give anyone who may have  
3 wanted to make a comment time to arrive if  
4 that be the case. Okay. So we're now  
5 suspended. Thanks.

6 (Recess taken at 10:21 a.m.)

7 COMMISSIONER CAMERON: Okay. It's  
8 now 10:30. And we'll reconvene this public  
9 meeting. And I'm looking, and I don't see  
10 any new faces that would care to testify. So  
11 at this time, we will officially close the  
12 meeting. Thank you everybody.

13  
14 (Whereupon the hearing was adjourned at  
15 10:30 a.m.)  
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SPEAKERS

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GUEST SPEAKERS:

SUFFOLK DOWNS:

Chip Tuttle, Chief Operating Officer

C E R T I F I C A T E  
COMMONWEALTH OF MASSACHUSETTS

I, Amie D. Rumbo, a Shorthand Court Reporter, do hereby certify that the foregoing Pages 1-21 to be a true, complete, and accurate transcript of the proceedings held at the time and place hereinbefore set forth, to the best of my knowledge, skill, and ability.

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

WITNESS MY HAND this 18th day of October, 2017.

*Amie D. Rumbo*



Amie D. Rumbo

Notary Public

My Commission Expires:

10/23/2020