

Massachusetts Gaming Commission
Thoroughbred Racing Meeting Application
September 30, 2022

**Great Meadowbrook Farm
Hardwick, Massachusetts**



On Behalf of:
Commonwealth Equine and Agricultural Center, LLC

Attorney Patrick Hanley
Butters Brazilian LLP
699 Boylston Street, 12th Floor
Boston, MA 02116
Phone: 617-367-2600
Email: hanley@butterbrazilian.com

Great Meadowbrook Farm



September 30, 2022

Cathy Judd-Stein, Chair
Massachusetts Gaming Commission
101 Federal Street, 12th Floor
Boston, MA 02110

Dear Chair Judd-Stein and Honorable Commissioners:

We are proud to submit this application to construct and operate the first new thoroughbred racetrack in Massachusetts in decades at Great Meadowbrook Farm in Hardwick.

The Great Meadowbrook Farm project intentionally integrates breeding, training, farming, and thoroughbred care with a racing element. The Applicant's concept is not to create a gaming facility or racino, but rather to create an agritourism destination in which racing is an important, but not dominant, ingredient.

Hardwick's proud agricultural legacy is found everywhere in the town, from the Hardwick Fair to the Hardwick Co-Op to its farms and artisans. As a right to farm community, this belief in the beauty of the land and animals is tightly sewn into the fabric of the community. Twenty years ago, Great Meadowbrook Farm was the site of the Over the Walls Horse Trials, a premier series of trials that served as a qualifier for the Eventing World Cup Finals and Olympics. When we heard Great Meadowbrook Farm was available, we had to get involved to save this land, its heritage, and keep this active farm vibrant.

Our proposal is developed by horse and agricultural enthusiasts. The proposal is focused on preserving this beautiful open space of 360 acres for future generations and includes thoroughbred breeding and off the track thoroughbred retirement programs, training and racing facilities for thoroughbreds, an agricultural program for local students, with festival racing no more than 20 days per year with onsite wagering only on festival days.

Additionally, it is the intent of the applicant to create a farm-to-table restaurant in Hardwick to showcase local produce of the community.

Focusing on the racing program, Great Meadowbrook Farm is a unique place that presents the opportunity to start racing in Fall 2023. It is flat, safe, and as ready for racing as we could imagine. Since 2019, there has been no live thoroughbred racing in Massachusetts. There has not been a new thoroughbred racing facility developed in the Commonwealth in decades. In Hardwick, we intend to plant a flag for thoroughbred racing and return this great sport to Massachusetts in a rural environment within 45 minutes of both Worcester and Springfield that perfectly complements it. Furthermore, the track will strictly enforce anti-doping and anti-slaughter rules, and adhere to the new safety guidelines outlined by the Horse Integrity and Safety Authority (HISA).

We anticipate investing \$20 million to design and construct the project. We have assembled a best-in-class development team led by Richard T. Fields that includes David M. Schwarz Architects for

architecture, VHB for engineering, and Walsh Brothers for construction services. Racing veteran Louis Raffetto will oversee the development of the racetrack and operation of the racing program. Each represents the best-in-class for a project of this type at this location.

As described in 2016 University of Massachusetts Study by Henry Renski, John R. Mullin, and Jonathan G. Cooper, which we include with our application, a multi-use horse park – a racetrack for thoroughbred horses with an equestrian center and a thoroughbred horse retirement farm – like the one we envision, can be a significant economic catalyst for investment and job creation throughout the Commonwealth. These jobs and economic activity in rural areas will have the added benefit of preserving open spaces and local food production.

We are in the process of developing a Host Community Agreement (“HCA”) with the Town of Hardwick that we expect will address safety of horses, residents, patrons, and employees, and key issues like traffic and parking. We are actively working with the Town and the Agricultural Lands Preservation Committee to secure all necessary approvals.

Our detailed plans are outlined in our application. We look forward to working with each of you and your staff to answer your questions. For additional information, please contact our attorney Patrick Hanley at 617-367-2600 or hanley@buttersbrazilian.com.

Again, we are excited to apply for a license to race thoroughbreds at Great Meadowbrook Farm and look forward to the rebirth of thoroughbred breeding, training and racing in the Commonwealth of Massachusetts.

On behalf of Commonwealth Equine and Agricultural Center LLC,



John A. Stefanini, Chair
Racing Oversight Board

CC: Town of Hardwick Select Board
Hardwick Town Administrator Nicole Parker
New England Horse Benevolent and Protective Association, Inc.
Massachusetts Thoroughbred Breeders Association
Attorney Patrick Hanley



Division of Racing

**APPLICATION FOR LICENSE TO
HOLD OR CONDUCT A NEW RACING MEETING**

NAME OF APPLICANT: **Commonwealth Equine and Agricultural Center LLC (“CEAC”)**

TO HOLD OR CONDUCT A RACING MEETING AT: **An approximately 359.5-acre parcel
located at 228 Barre Road, Hardwick, Massachusetts 01082**

DATE SUBMITTED: **September 30, 2022**

Pursuant to the provisions of G.L. c. 128A and 128C the Applicant hereby applies for license to hold or conduct the following type of racing meeting:

 X thoroughbred standardbred.

APPLICATION FEE AND SURETY REQUIRED:

Please enclose a certified check or bank draft payable to the Massachusetts Gaming Commission in the sum of \$300 in accordance with G.L. c. 128A, § 4.

Application submitted electronically. \$300 cashier’s check sent by secure delivery service.

Please enclose a surety bond issued by a surety qualified to do business in the Commonwealth of Massachusetts and approved by the Commission in the amount of \$125,000 which is conditioned upon the payment of all sums which may become payable to the Commission under G.L. c. 128A in accordance with G.L. c. 128A, § 3(o).

CEAC is in the process of applying for either a surety bond or a bank letter of credit in the amount of \$125,000 and will provide the same when obtained to the Commission prior to licensure subject to the Commission’s approval and as provided by law.

SECTION 1: BACKGROUND INFORMATION

1.1. Applicant's name:

Commonwealth Equine and Agricultural Center LLC

1.2. Applicant is (check one):

☐ An individual

☐ A limited partnership (LP)

☐ An unincorporated association

☐ A general partnership

☐ A trust

☐ A corporation

☒ A limited liability company (LLC)

☐ Other (specify: _____)

1.3. Name and contact information (including email) for the individual who will serve as the primary contact for the Applicant:

Attorney Patrick Hanley
Butters Brazilian LLP
699 Boylston Street, 12th Floor
Boston, MA 02116
617-367-2600
hanley@butterusbrazilian.com

1.4. Trade name or d/b/a (if applicable):

Great Meadowbrook Farm

1.5. Address of principal office:

C/O Butters Brazilian LLP, 699 Boylston St, 12th Floor, Boston, MA 02116

1.6. Mailing address (if different):

Same

1.7. Location of the proposed racetrack (include address if available):

**An approximately 359.5-acre parcel located at 228 Barre Road, Hardwick,
Massachusetts 01037**

1.8. County in which proposed racetrack is located: **Worcester County**

1.9. Contact Information for Applicant's lead attorney:

Attorney Patrick Hanley
Butters Brazilian LLP
699 Boylston Street, 12th Floor
Boston, MA 02116
617-367-2600
hanley@butterusbrazilian.com

Board of Bar Overseers number: **658225**

1.10. Is Applicant incorporated, organized, or otherwise in Massachusetts?

Yes.

If the answer to this question is yes, please attach as **Exhibit 1.10** certified copies of all organizational documents filed with the Secretary of the Commonwealth or otherwise.

If the answer to this question is no, submit as **Exhibit 1.10** a statement providing the state of incorporation or organization, the entity's qualification to do business in Massachusetts, and the name and address of the registered agent for service of process in Massachusetts.

If Applicant is an individual, skip this question.

In completing sections 2 through 5, please consider the following. As described in G.L. c. 128A, § 3(i), in reviewing this application, the Commission will take into consideration, in addition to any other appropriate and pertinent factors, the following: the financial ability of an applicant to operate a racetrack; the maximization of state revenues; the suitability of racing facilities for operation at the time of the year for which racing dates are assigned; the circumstance that large groups of spectators require safe and convenient facilities; the interest of members of the public in racing competition honestly managed and of good quality; the necessity of having and maintaining proper physical facilities for racing meetings and the necessity of according fair treatment to the economic interest and investments of those who in good faith have provided and maintain such facilities.

SECTION 2: PROJECT SUMMARY AND FINANCING

- 2.1.** Please attach as **Exhibit 2.1** a complete description of the proposed premises and facilities, including any accompanying amenities and/or attractions. Please also attach any renderings or photographs depicting the area and/or vision for the proposed project.

2.2. Submit as **Exhibit 2.2** as much of the following information related to the proposal as is available.

- (a) Grandstand:
 - (1) Seating capacity, including box seats, reserved seats, general admission, and total seating capacity.
 - (2) Will the Grandstand be enclosed?
 - (3) Will the Grandstand be heated?
 - (4) Will any portion of Grandstand be air conditioned?
 - (5) Type of construction of Grandstand.
 - (6) Ground area covered by the Grandstand.
- (b) Club House
 - (1) Seating capacity, including box seats, reserved seats, general admission, and total seating capacity.
 - (2) Will the Club House be enclosed?
 - (3) Will the Club House be heated?
 - (4) Will any portion of the Club House be air conditioned?
 - (5) Type of construction of Club House
 - (6) Ground area covered by the Club House
- (c) Bleachers
 - (1) Seating Capacity
 - (2) Type of construction of Bleachers
 - (3) Ground area covered by the Bleachers
- (d) Parking Space:
 - (1) Area
 - (2) Automobile capacity
 - (3) Will parking area be lighted?
 - (4) Is parking area treated? And if so how?
 - (5) Is parking area numbered?
 - (6) Is charge made for parking? And if so how much?
 - (7) Are the parking area and walkways cleared of snow and ice?
- (e) Number of pari-mutuel ticket windows/kiosks anticipated and approximate locations.
- (f) Description of anticipated restrooms for patrons of in Grandstand, Club House and/or other locations.
- (g) Description of anticipated system of sewerage disposal. If not connected to public sewer, give details of system used.
- (h) Description of anticipated number of outlets for fresh, pure drinking water for patrons in grandstand, clubhouse and/or other locations.

Please note: the Commission may condition any license award on Applicant completely and satisfactorily answering this question.

2.3. Submit as **Exhibit 2.3** as much of the following information as is available:

- (a) Size of track
- (b) Number of chutes
- (c) Number of stables
- (d) Number of stalls
- (e) Number of tack rooms
- (f) Number of tack rooms heated
- (g) Number of shower baths in stable area
- (h) Toilet facilities in stable area
- (i) Fire protection in stable area including, number of sprinklers, number of fire alarm boxes, and other fire protective measures in stable area
- (j) Recreation room
- (k) Track kitchen, including seating capacity
- (l) Size of jockey or driver's room and equipment available including number of shower baths, toilets, hot-boxes, etc.
- (m) List of other accommodations, facilities or services in stable area.

Please note: the Commission may condition any license award on Applicant completely and satisfactorily answering this question.

2.4. List any other planned accommodations, amenities, facilities, or services to be offered. You may attach your response as **Exhibit 2.4** if more space is required.

See **Exhibits 2.1 and 2.2.**

2.5. Submit as **Exhibit 2.5** a proposed construction timeline, and the name of Applicant's general contractor, if known.

2.6. Submit as **Exhibit 2.6** any traffic studies performed for the proposed project.

2.7. Submit as **Exhibit 2.7** a statement of the total capital investment anticipated for the project, including the method used to calculate the figure, as well as any supporting documentation, analysis, or studies.

2.8. Describe and attach as **Exhibit 2.8** the financing structure and plan for the proposed project including identifying all sources of capital. Include current capital commitments as well as plan and timing for meeting future capital needs.

- 2.9. Submit as **Exhibit 2.9** a detailed budget of the total project cost. Identify separately construction costs (e.g.- labor, materials), design costs, legal and professional fees, consulting fees and all other development costs.
- 2.10. Submit as **Exhibit 2.10** any feasibility, viability, economic impact, or economic development studies performed relating to the proposed project.

SECTION 3: SCHEDULE OF PROPOSED RACES

- 3.1. Is this application for a license to hold or conduct a racing meeting in calendar year 2023? (check one)

Yes.

If no, in what calendar year does the Applicant propose to hold or conduct racing meetings?

Not applicable.

Additionally, if no, submit as **Exhibit 3.1** a detailed explanation of the Applicant's anticipated timeline for completing the infrastructure needed for the commencement of live racing, including but not limited to an explanation of how the Applicant has arrived at the various dates on the timeline.

- 3.2. Pursuant to G.L. c. 128A, §§ 2(4)-(5) and 3, an application must state "the days on which it is intended to hold or conduct" a racing meeting, and "[t]he hours of each day between which it is intended to hold or conduct" racing.

Submit as **Exhibit 3.2** a statement of the date or dates on which Applicant intends to conduct a racing meeting or racing meetings, and the hours of each such day during which Applicant intends to hold races. (Please note that a future licensee may file supplementary materials or amendments for new or additional license dates in accordance with G.L. c. 128A, § 2.)

SECTION 4: NON-COMMISSION APPROVALS

- 4.1. Has Applicant obtained all necessary approvals in accordance with G.L. c. 128A, § 13A?

No.

Submit as **Exhibit 4.1** documentation of the Applicant's approvals.

- 4.2. If Applicant has not obtained all approvals required under G.L. c. 128A, § 13A, please explain the present circumstances including but not limited to when the Applicant expects

to obtain such approvals prior to award of any license and whether the required votes are scheduled.

The applicant has begun the process to seek approval. The Applicant has scheduled a hearing pursuant to G.L. c. 128A, § 13A, with the Board of Selectmen on October 3, 2022, and expects a decision on October 4, 2022.

- 4.3.** Has Applicant ever been denied approval for the proposed project under G.L. c. 128A, § 13A?

No.

If yes, submit as **Exhibit 4.3** an explanation of the circumstances of the denial.

- 4.4.** Have there been any votes taken concerning the proposed project by any governmental entity or the voters of any governmental entity, including but not limited to the host and surrounding/nearby communities in which the proposed project is to be located?

No.

If yes, submit as **Exhibit 4.4** a description of the circumstances surrounding the votes taken and their outcome.

- 4.5.** Has horse racing been approved by vote in the county in which Applicant proposes to hold or conduct racing meetings, in accordance with G.L. c. 128A, § 14?

Yes.

Submit as **Exhibit 4.5** documentation of such county vote and an averment that said vote has not been rescinded.

See Exhibit 4.5.

- 4.6.** If horse racing has not been approved in accordance with G.L. c. 128A, § 14, please explain the present circumstances including but not limited to when the Applicant expects to obtain such approvals prior to award of any license and whether the required vote is scheduled.

Not Applicable.

- 4.7.** Submit as **Exhibit 4.7** a schedule of any other state or Federal environmental, land use, hospitality-related, or other permits, licenses, or approvals required for the Applicant to construct and operate its facility. For each, please also describe the approval's relevance to Applicant's facility; documentation of any such approvals that have already been

obtained; and, for any such approvals that have not yet been obtained, the Applicant's progress towards and plans for acquiring them, including a detailed timeline.

See Exhibit 4.7.

Please note: the Commission may impose a license condition requiring that the Applicant acquire all needed approvals outlined in Section 4.7.

SECTION 5: QUALIFIERS AND SUITABILITY

In evaluating this application, the Commission will consider whether the Applicants are persons likely to conduct racing in accordance with approved practices and in a manner consistent with the public safety, health, morals, and welfare. See Bay State Harness Horse Racing & Breeding Ass'n, Inc. v. State Racing Comm'n, 342 Mass. 694, 699–700 (1961). Further, in accordance with G.L. c. 128A, § 3(i), the Commission must consider “the interest of members of the public in racing competition honestly managed” With these principles in mind, please respond to the following questions.

5.1. For purposes of completing this section, the term “Qualifier” shall mean the following, respectively:

- (1) Each officer of the Applicant;
- (2) Each director of the Applicant;
- (3) Any person owning more than 10% of the Applicant, or a holding, intermediary or subsidiary company of such Applicant;
- (4) Any person who has the ability to control the activities of the Applicant; and
- (5) In the judgment of the Division of Licensing after consultation with the Investigations and Enforcement Bureau (“Bureau”), any person with significant and substantial responsibility for the Applicant's business under the jurisdiction of the Commission or having the power to exercise significant influence over decisions concerning the Applicant's operations in the Commonwealth.
- (6) The Division of Licensing, after consultation with the Bureau, may, at its discretion, require other persons that have a business association of any kind with the Applicant to be subject to the qualification requirements as a qualifier. These persons include, but are not limited to, an affiliate or holding, intermediary or subsidiary company of the Applicant.

The Applicant may seek a waiver for any person on the above list who lacks the ability to control.

5.2. Submit as **Exhibit 5.2** a list of all of Applicant's Qualifiers.

5.3. If Applicant is a corporation, submit as **Exhibit 5.3** a statement showing:

- (a) Class(es) of stock issued or to be issued;

- (b) Par value;
- (c) Votes per share;
- (d) Number of shares of each class authorized;
- (e) Number of shares of each class issued;
- (f) Number of shares of each class subscribed; and
- (g) Total number of shares of each class and the percentage of shares owned by the largest 10 shareholders.

- 5.4. If Applicant is an LLC or other organized entity that does not issue stock, submit as **Exhibit 5.4** a schedule of ownership listing all members/managers and percentage of entity held. List beneficial owners, even if beneficial owners are not Qualifiers.
- 5.5. If business entity is a partnership or other organized entity, submit as **Exhibit 5.5** a schedule listing the partners or others holding an interest and the percentage of the entity held. List beneficial owners, even if beneficial owners are not Qualifiers.
- 5.6. Submit as **Exhibit 5.6** the following information for each of the Applicant's Qualifiers.
- (a) For each individual Qualifier, provide the name place of birth, date of birth and legal residence of the Qualifier.
 - (b) For each entity Qualifier, provide the name and the details required for entity applicants by Questions 5.4-5.6.
- 5.7. Please submit as **Exhibit 5.7** a document that identifies any existing racetrack or gaming facility which the Applicant and/or any of its Qualifiers presently owns, operates, or has, or had, a financial or other interest. Additionally, please indicate whether any of the Applicant's Qualifiers are presently qualifiers (or the equivalent) at any other racetrack or gaming facility.
- 5.8. Has Applicant or any of its Qualifiers ever had a financial or other interest in a racetrack?

Yes. See response contained in Exhibit 5.7

- 5.9. Has Applicant or any of its Qualifiers ever had a racing license or gaming license revoked or suspended?

No.

If the answer to this question is yes, submit as **Exhibit 5.9** a thorough explanation of the circumstances of the revocation or suspension.

- 5.10. Has Applicant or any of its Qualifiers ever had an application for a racing license or gaming license that was denied?

Yes.

If the answer to this question is yes, submit as **Exhibit 5.10** a thorough explanation of the circumstances of the denial.

- 5.11.** Has the Applicant or any of its Qualifiers ever had an application for a racing license or gaming license that was withdrawn?

Yes.

If the answer to this question is yes, submit as **Exhibit 5.11** a thorough explanation of the circumstances of the withdrawal.

- 5.12.** Has Applicant or any of its Qualifiers ever conducted or participated in any racing meeting or pari-mutuel wagering in a location where such racing or wagering was not authorized by law?

No.

If the answer to this question is yes, submit as **Exhibit 5.12** a thorough explanation of the circumstances of the unauthorized racing or wagering.

- 5.13.** Have voluntary proceedings in bankruptcy been instituted by, or have involuntary proceedings in bankruptcy ever been brought against the Applicant or any of its Qualifiers?

The Applicant provides a supplemental response to this question under separate cover.

If the answer to this question is yes, submit as **Exhibit 5.13** a list describing the name of the person or entity filing for bankruptcy, the type of petition filed in bankruptcy, the date of the filing, the court in which bankruptcy was filed and the date of final discharge, or if ongoing, indicate the expected date of final discharge.

- 5.14.** Are there outstanding any unsatisfied judgments or decrees against, or tax delinquencies to the Commonwealth of Massachusetts or its political subdivisions, by the Applicant or any of its Qualifiers?

No. Neither the Applicant nor its qualifiers have any unsatisfied judgments or decrees or tax delinquencies, with the Commonwealth of Massachusetts or its political subdivisions.

If the answer to this question is yes, submit as **Exhibit 5.14** a list describing, for judgments or decrees, the type of the judgment, the court or other body entering the judgment, the date of the judgment, the person against whom the judgment is entered, the amount of the judgment and the reason why the judgment is unsatisfied; and for tax

delinquencies, all delinquencies, the reason for such delinquencies, and when each delinquency will be cured.

- 5.15.** Has Applicant or any of its Qualifiers ever been accused of, charged with, or settled any matter relating to harassment or discrimination, or are there any restraining orders against Applicant or any of its Qualifiers?

No.

If the answer to this question is yes, submit as **Exhibit 5.15** a list of all accusations, charges, and settlements including the date of each incident and a thorough explanation of the circumstances.

- 5.16.** Submit as **Exhibit 5.16** all of the following that are available:

- (a) A copy of Applicant's employee handbook
- (b) A copy of all of Applicant's policies and procedures regarding internal controls including but not limited to those policies that deal with the handling and protection of money, the placing of wagers both in person and via account deposits, security and surveillance, and method of accounting. Alternatively, a plan for establishing such internal controls.
- (c) A copy of Applicant's audit committee and compliance committee charters as well as a list of the audit and compliance committee members and their relationship to the Applicant.
- (d) Any other policies that demonstrate the Applicant's proficiency in general industry standards for business and financial practices, procedures, and controls.

Please note: the Commission may condition any license award on Applicant supplying complete and satisfactory information relative to its internal controls and associated practices.

- 5.17.** Submit as **Exhibit 5.17** the following documents: a copy of the Applicant's most recent audited financial statements, most recent audited or unaudited quarterly financial statement, and an audited profit and loss statement for the Applicant's most recent fiscal year. Please include a description of any interest held by Applicant or any of its Qualifiers in any concessionaire. In the event that the Applicant does not have the requested document, please attach a statement explaining why not.

Please note: the Commission may condition any license award on Applicant supplying complete and satisfactory financial statements.

- 5.18.** Submit as **Exhibit 5.18** a list of which, if any of the Applicant's Qualifiers will be involved in funding the proposed project. For each such Qualifier, explain the amount and form of funding the Qualifier intends to provide for the project, and documentation supporting the Qualifier's capacity to provide that funding.

- 5.19. Submit as **Exhibit 5.19** copies of all policies of insurance carried by Applicant as well as a statement setting forth all other types of insurance carried, or anticipated to be carried, for the protection of employees and patrons.

Please note: the Commission may impose a license condition requiring Applicant to obtain satisfactory worker's compensation insurance, public liability insurance, jockey insurance, and driver's insurance.

- 5.20. Applicant may submit as **Exhibit 5.20** a statement explaining any other information relevant to its capacity to hold or conduct honestly managed racing meetings.

Please note: if awarded a license the licensee will be required to maintain its suitability on an ongoing basis.

- 5.21. Applicant may submit as **Exhibit 5.21** a statement explaining any other information relevant to "the financial ability of an Applicant to operate a racetrack" and "the necessity of according fair treatment to the economic interest and investments of those who in good faith have provided and maintain such facilities."

Please note: if awarded a license, the licensee's continued ability to demonstrate the financial ability to successfully operate a racetrack will be part of the Commission's ongoing suitability review.

SECTION 6: PUBLIC INTEREST

In evaluating this application, the Commission will consider "the interest of members of the public in racing competition honestly managed and of good quality." G.L. c. 128A, § 3(i).

- 6.1. Submit as **Exhibit 6.1** a statement setting forth the reasons why the Applicant believes that its proposal will be beneficial to the public at large, the Commonwealth, the Applicant, and racing stakeholders.
- 6.2. Submit as **Exhibit 6.2** a copy of all executed agreements with representative horsemen's organizations. If the Applicant has not yet executed any such agreement, explain Applicant's plans for executing such.

Please note: an executed 'purse agreement' will be required in advance of the commencement of any racing operations.

- 6.3. Submit as **Exhibit 6.3** the following information, as well as any supporting documentation, analysis, or studies:
- (a) Projected purses to be paid for the first three years of operation;
 - (b) Projected handle for the first three years of operation;

- (c) Projected tax revenue and other revenues to be paid to the Commonwealth in the first three years of operation;
- (d) Projected pari-mutuel revenue to be generated and paid to the Commonwealth in the first three years of operation;
- (e) Projected attendance for the first three years of operation; and
- (f) Projections of how many individuals Applicant will employ in the first three years of operation.

Please note: the Commission may impose a license condition requiring Applicant to submit satisfactory updated projections.

- 6.4. Submit as **Exhibit 6.4** a statement describing any support or opposition to the proposed project expressed by the governing body or other government officials of the host and surrounding/nearby communities, including evidence of support or opposition, if in writing.
- 6.5. Submit as **Exhibit 6.5** a description of the Applicant's plan to attract and employ a diverse workforce (minority, women, veteran) in both the construction and operational phases of the proposal. Similarly, please describe the Applicant's plan to make use of minority, women, and veteran's business enterprises as vendors in the construction and operational phases.
- 6.6. Submit as **Exhibit 6.6** a statement describing the Applicant's plans for ensuring labor harmony during the construction and operational phases of the project including whether the Applicant plans to enter into any Project Labor Agreements or agreements governing labor harmony in the project's permanent job positions. If the Applicant does not intend to enter into any such agreements, please explain.
- 6.7. Submit as **Exhibit 6.7** a statement describing all promises, rewards, or inducements made by the Applicant to third parties concerning the proposed project, including but not limited to promises, rewards, or inducements made to the governing body or other government officials of the host and surrounding/nearby communities, made to local organizations or community groups, and any mitigation agreements, formal or informal.

SECTION 7: FACILITIES AND EQUIPMENT

In evaluating this application, the Commission “must consider the circumstance that large groups of spectators require safe and convenient facilities;” and “the necessity of having and maintaining proper physical facilities for racing meetings.” G.L. c. 128A, § 3(i).

- 7.1. How does Applicant control the real property on which the racetrack is proposed to be located (check all that apply):

_____ Fee Simple Ownership
 _____ Lease

_____ Easement
X Other Interest – **Executed Purchase and Sale Agreement**

Submit as **Exhibit 7.1** documentation of all Applicant's fee simple, leasehold, easement, or other interests in the real property on which the racetrack and facilities are proposed to be located.

If Applicant does not control the real property on which the racetrack is intended to be located by fee simple ownership, include the name and address of the fee simple owner or lessor of the real property. If the fee simple owner or lessor is a corporation, LLC, partnership or other business entity, also include a list of the officers, directors, managers, members or other persons with an interest in the fee simple owner or lessor.

- 7.2.** Does Applicant need to acquire any additional real property interests for the purposes of establishing or operating Applicant's proposed facility?

Yes.

If the answer to this question is yes, submit as **Exhibit 7.2** a statement explaining the interests still to be acquired, their relevance to Applicant's proposed project, and the Applicant's progress towards and plans for acquiring them.

Please note: the Commission may impose a license condition requiring that the Applicant acquire all needed real property interests.

- 7.3.** Are the premises on which the horse racing meeting is to be held owned by the Commonwealth or any political subdivision thereof?

No.

- 7.4.** Submit as **Exhibit 7.4** the exact property description, by metes and bounds, including the number of acres in premises, and a plot plan showing the entire proposed premises.

Please note: the Commission may impose a license condition requiring that the Applicant provide complete and satisfactory information in response to this question.

- 7.5.** Submit as **Exhibit 7.5** as much information as is available about equipment planned to be used at the proposed facility and premises, including: the trade name of the equipment; the date of purchase or the date of present contract or lease and expiration date of said contract; or an explanation as to how Applicant will procure any equipment not yet procured:

(a) Pari-Mutuel Equipment;

- (b) Starting Gate;
- (c) Photo Finish Camera;
- (d) Film Patrol;
- (e) Timing Devices;
- (f) Inter-communication system;
- (g) Public Address System;
- (h) Closed Circuit Television System; (i) Horse Shoe Board; and (j) Scales.

Please note: the Commission may impose a license condition requiring that the Applicant provide complete and satisfactory information on equipment to be used at the proposed facility and premises.

- 7.6.** Does the Applicant anticipate leasing or renting any part of the proposed premises to a third-party vendor, or allowing an entity other than the licensee to operate any parts of the proposed premises (i.e.- restaurants, entertainment, etc.)? **No.**

If yes, please submit as **Exhibit 7.6** a list describing all such agreements.

Please note: the Commission may impose a license condition requiring that the Applicant provide complete and satisfactory information relative to this issue.

- 7.7.** Submit as **Exhibit 7.7** as much information as is available relative to security measures which will be employed for the protection of patrons, employees, occupational licensees, and horses, and the control of traffic within the premises and on roads leading to and from the said premises.

This statement should include but not be confined to:

- (a) Number of uniformed police officers projected to be on duty each day inside the track;
- (b) Whether such police officers will be regular police officers or special officers;
- (c) Number of uniformed police officers detailed to traffic within the premises and on roads leading to and from the premises before, during and after racing hours;
- (d) Number of plain clothes officers or detectives assigned within the track proper;
- (e) System to be used for the detection and suppression of illegal gambling within the premises; (f) Name of person who will be in charge of security within the track proper;
- (g) Name of person who will have supervision of traffic control within the premises of the Applicant and will act as liaison between the Applicant and local police authorities in the control of traffic outside of the premises of the Applicant;
- (h) Name of police authority that has been consulted in setting up security measures within the track and the control of traffic within and outside of the premises of the Applicant.
- (i) A detailed statement of measures which will be employed in the policing of the stable area. This statement should include but not be confined to:
- (j) Is stable area enclosed? If so, describe:
 - (1) Method of enclosure;

- (2) Number of gates to enclosure, where located and method of control;
- (3) System of passes to be issued to persons employed in stable area;
- (4) Method to be followed in allowing persons in and out of stable area;
- (5) Number of uniformed police officers to be assigned to the stable area indicating the number in daytime hours and nights;
- (6) Number of plain clothes officers or detectives to be assigned to the stable area, days and nights; and
- (7) Name of person who will oversee policing in the stable area.

7.8. Submit as **Exhibit 7.8** the Applicant's plans to ensure the welfare of horses on site and their after care.

SECTION 8: WAGERING AND SIMULCASTING

8.1. Does Applicant intend to offer account deposit wagering?

Yes.

If the answer is yes, submit as **Exhibit 8.1** a general proposal for account deposit wagering, including any service providers Applicant intends to use for the Applicant's account wagering operations.

Please note: the Commission may condition any license award on Applicant providing a complete and satisfactory proposal for account deposit wagering in accordance with 205 CMR 6.20.

8.2. In accordance with G.L. c. 128C, § 5, "no racing meeting licensee shall simulcast live races in *any racing season unless the racing meeting licensee is licensed to and actually conducts at least 900 live races over the course of not less than 100 calendar days during that racing season with no fewer than 7 races completed on any of those 100 calendar days.*" Further, G.L. c. 128C, § 9, which goes into effect on August 10, 2023, states that "[n]otwithstanding sections 1 to 8, inclusive, or any other general or special law to the contrary...a running horse racing meeting licensee shall conduct not less than 20 live racing days at a thoroughbred horse racing track, provided, the commission may waive this requirement as necessary and appropriate to ensure the financial ability of the licensee to develop and operate a track."

Does Applicant intend to simulcast?

Yes.

8.3. Does the Applicant anticipate meeting the statutory minimum number of live races and race days in order to simulcast?

The response to this question does not lend itself well to a yes or no response. The applicant requests that the Commission designate the days during development as "dark

days” and/or “dark season” for the purposes of simulcasting through August 10, 2022. The applicant seeks a waiver of 18 days once G.L. c. 128A, § 9, goes into effect, because it supersedes by its terms the provisions of G.L. c. 128A, §§ 1-8. The statutory minimum number of race days is subject to the discretion of the Commission to modify the number of race days required to simulcast through the designation of dark days, and upon the effective date of G.L. c. 128A, § 9, the Commission “may waive [the requirement of 20 live race days] as necessary and appropriate to ensure the financial ability of the licensee to develop and operate a track.”

Section 2 of Chapter 128C authorizes the Commission to permit simulcasting without requiring the licensee to meet any numerical racing threshold if the “Commission determines that a licensee cannot conduct a full schedule of live racing performances due to weather conditions, race track conditions, strikes, work stoppages, sickness or quarantine not within the control of the licensee” (Emphasis added). Any new racing meeting licensee will need time to build a race track. Simulcasting with advance deposit wagering may be set up quickly through the availability of mobile applications. Permitting simulcasting as soon as a licensee is able can increase the financial viability of the project, allow the licensee to begin generating revenue, enable the licensee to create more jobs, create tax revenue, and generate buzz for Great Meadowbrook Farm. Most importantly, the Commission has the authority to permit simulcasting pursuant to G.L. c. 128C, § 2, while a racetrack is being developed by a qualified licensee.

Further, G.L. c. 128C, § 2, authorizes the Commission to permit simulcasting if certain conditions, including racetrack conditions, do not permit live racing. In 2020, the Commission authorized Plainridge Park to simulcast even though the licensee held fewer than 100 days of live racing because of the COVID-19 pandemic. Likewise, the racetrack at the Hardwick facility will need to be built, and thus racetrack conditions will impede a full live racing schedule, such that the Commission may authorize simulcasting without a full schedule of live racing.

There is broad recognition that due to the lack of thoroughbred racing in Massachusetts in recent years, there is an insufficient number of horses to race as they did at the peak of thoroughbred racing. Thus, a more modest number of race days that increase over years is viable. In recognition of the lack of thoroughbred horses, Great Meadowbrook Farm will have on-site breeding program to contribute to the replenishment of thoroughbred racehorses in Massachusetts. We will work with the Massachusetts Thoroughbred Breeders’ Association and its members to expand the thoroughbred population across the Commonwealth.

As New England Horsemen’s Benevolence and Protective Association (“NEHBPA”) Executive Director Paul Umbrello wrote to the Commission in its comments on the new racing meeting application, Subsection 8.2 “needs further discussion[.]” Mr. Umbrello elaborated:

For [the NEHBPA,] we want to race as many days as we can but we also know that to start any meet initially will be a challenge for us to even race 20 days It will take time, solid purse structures and a great venue to attract enough horses for any meet never mind 100 days. Again, the assumption is this pertains to the Standard Breds.

We suggest that as long as a Purse Agreement has been signed by the NEHBPA and Racing Licensee agreeing to the number of race days and purse structure then there should be no restriction on race days and races pertaining to this application.

CEAC has executed purse and recognition agreements with the NEHBPA, and a separate letter confirming the NEHBPA's support for this application.

The Applicant intends to redevelop thoroughbred racing as quickly and responsibly as possible, while prioritizing safety.

Please note: the Commission may condition any license award on Applicant providing additional, satisfactory information on proposed simulcast imports and exports in accordance with G.L. c. 128C.

Notice of Supplemental Response

The Applicant provides notice that it is also providing supplemental information that addresses one or more components of the application that may be ambiguous and/or require further discussion with the Commission, or to provide privileged, preliminary, or otherwise incomplete information. The Applicant asks that the Commission treat supplemental information as confidential and subject to applicable exemptions to the public records law.

SECTION 9: GENERAL CONDITIONS, ATTESTATION, AND SIGNATURES

Applicant understands and agrees that approval of a race meeting by the Commission does not establish the Commission as the insurer or guarantor of the safety or physical condition of the association's facilities or purse of any race.

By submitting this application, Applicant agrees to indemnify, save, and hold harmless the Commission and its staff, in their professional and personal capacities, from any and all liability arising from either unsafe conditions at the Applicant's premises, or any default in the payment of purses.

Applicant agrees to comply with all federal, state, or local laws, rules, regulations or ordinances, now in effect or hereafter adopted applicable to Applicant's activities allowed under a license granted by the Commission.

Applicant shall maintain, in an approved depository, those amounts deducted from the pari-mutuel handle for distribution for the purposes specified in G.L. c. 128A, 128C, and Commission rules.

Applicant and its managing officers shall be jointly and severally responsible to ensure that the amounts retained from the pari-mutuel handle are distributed according to G.L. c. 128A, 128C, and Commission regulations.

Applicant and its managing officers shall ensure that all purse monies, disbursements, and appropriate nomination race monies are available to make timely distribution in accordance with G.L. c. 128A, and Commission regulations.

Applicant agrees that if a license is granted, it will become the duty of Applicant, as long as the license shall remain in effect, to file with the Massachusetts Gaming Commission such reports as may be required by G.L. c. 128A and 128C now in effect or as hereafter amended and such rules and regulations as it has adopted or may hereafter adopt, and to make such payments as may be required by law, and for failure so to do, the licensee shall incur the penalties set forth in G.L. c. 128A and 128C, or in such rules and regulations as said Massachusetts Gaming Commission has adopted or may hereafter adopt.

Applicant agrees that any construction on the premises covered by this application shall be subject to the inspection by employees of the Commission, and to that end further agrees that the Commission, its agents, representatives or employees, shall have access to the same during construction, and further agrees to so construct in strict accordance with such plans and specifications as may hereafter be approved by the Commission and to pay for the cost and expense incurred for the study and approval of the plans and specifications and inspection of the construction by the Massachusetts Gaming Commission. Applicant further agrees that all buildings erected or to be erected on the premises here involved may be inspected by the Massachusetts Gaming Commission and their duly authorized agents, representatives, or employees at any time, with or without prior notice to Applicant.

Applicant agrees that all exhibits, statements, plans reports, papers, etc. submitted with the application are made a part hereof and are incorporated into this application as if set forth herein in full. Further, the applicant agrees that it shall have an affirmative obligation to abide by every statement made in this application to the Commission should it be awarded a license.

Applicant states under penalty of perjury that the answers provided in this application are true and correct to the best of its knowledge and understanding. Applicant agrees that any license which may hereafter be granted is predicated upon statements and answers herein contained and that if the Commission determines that any information provided herein is false or misleading said license may be revoked.

Commonwealth Equine and Agricultural Center LLC
Application for 2023 Racing Meeting License

Exhibit 1.10 -- Certified copies of all organizational documents filed with the Secretary of the Commonwealth or otherwise.

**The Secretary of the Commonwealth offers certified copies of certain documents, only.
Those applicable to the Applicant's entity are:**

- **Certification of good standing**
- **Certification of legal existence**

Copies are enclosed. Original documents to be sent by secure delivery.

Also enclosed is a digitally date/timestamped copy of the Certificate of Organization dated August 26, 2022

Commonwealth Equine and Agricultural Center LLC
Application for 2023 Racing Meeting License

Exhibit 2.1 -- A complete description of the proposed premises and facilities, including any accompanying amenities and/or attractions. Also attach any renderings or photographs depicting the area and/or vision for the proposed project.

- Stables, paddocks, and equestrian center
- Breeding, training, and racing facilities for thoroughbreds
- Hayfields and vegetable gardens
- Farm to table restaurant with changing seasonal menu of local products on adjacent property

See **Exhibit 2.1**

Commonwealth Equine and Agricultural Center LLC

Application for 2023 Racing Meeting License

Exhibit 2.2

Many of the agricultural and equine features are already built. The plan is to permit and build a 1-mile turf racetrack that will be ready for live thoroughbred racing on September 9-10, 2023. The current concept is to build upon the existing agricultural and equine features to develop an agritourism destination that includes a farm-to-table restaurant, temporary racing facilities with accompanying in-person wagering for live racing on race days, and mobile and online wagering for simulcasting year-round. The Applicant's vision for the facility is consistent with agricultural protection requirements, because much of the land on which the project will be developed, including the racetrack, is subject to APR.

The distinctive natural features of the site will be maintained and enhanced during and between festivals; the beautiful vistas, historic stone walls and meadows will become an integral part of the event and make the festivals a unique Massachusetts tradition.

The festival grounds will take place on Hardwick's Upper Church Street right-of way. This historic stretch of road is one of Massachusetts most picturesque landscapes, defined by towering trees, centuries old stone walls, and stunning vistas across meadows to the distant hills.

Facilities used to host festival days will be designed like a movie set — they will be brought on site for the event weekend and then quickly disassembled such that the land remains largely undisturbed.

While temporary, the facilities will be designed specifically for the festival races —custom tents or structures in colorful patterns will house wagering, themed bars with locally sourced beers and spirits, and shaded areas for seating.

The Applicant has taken design cues from some of the world's most notable festival racing venues, including Saratoga and Kentucky Downs: families will be able to watch the horses with their jockeys get saddled and prepare for their races in a fenced paddock adjacent to the track; the winner's circle will be designed so that patrons can experience the horses and riders close up and personal; the bucolic atmosphere on the apron and festival grounds will encourage families to spend time on site during festival days.

High quality food concessions will largely be provided by mobile food trucks that will serve locally produced and prepared foods —produce, dairy, cheese, meats, fish, and fruits. The trucks will park on the existing Upper Church Street right of way and become an integral part of the festival atmosphere.

The number values below are estimates. The Applicant seeks the opportunity to meet with the Commission to review these responses in greater detail.

a. Grandstand:

- (1) Seating capacity, including box seats, reserved seats, general admission, and total seating capacity.

Up to 2,000 people within grandstands in bleacher-style seating.

Up to 3,000 people within apron and festival grounds. The Applicant anticipates up to 5,000 spectators per race day.

- (2) Will the Grandstand be enclosed? **No.**
(3) Will the Grandstand be heated? **No.**
(4) Will any portion of Grandstand be air conditioned? **No.**

No; however, depending on the weather conditions, portable wooden enclosures may be equipped with portable air conditioners.

- (5) Type of construction of Grandstand.

Portable aluminum bleachers.

- (6) Ground area covered by the Grandstand.

Approximately 35,000 square feet.

b. Club House

The Applicant does not plan to build a clubhouse. It intends to use portable wooden enclosures to provide amenity for spectators.

- (1) Seating capacity, including box seats, reserved seats, general admission, and total seating capacity.

See responses under 2.2(a).

- (2) Will the Club House be enclosed?

No, but coverage will be provided within portable wooden enclosures.

- (3) Will the Club House be heated? **No.**
(4) Will any portion of the Club House be air conditioned? **No.**

No; however, depending on the weather conditions, portable wooden enclosures may be equipped with portable air conditioners.

(5) Type of construction of Club House

The Applicant plans to use portable wooden enclosures and provide food service using food trucks and off-site catering.

(6) Ground area covered by the Club House: **Not applicable.**

c. Bleachers

See responses under 2.2(a).

(1) Seating Capacity

(2) Type of construction of Bleachers

(3) Ground area covered by the Bleachers

d. Parking Space:

1,000 parking spaces will be located on adjacent property. Additional parking will be available by shuttle bus.

(1) Area:

Up to 1,000 spaces/325,000 GSF.

(2) Automobile capacity

Up to 1,000 in surface grass lot adjacent to grandstand area, and an additional up to 1,000 parking spaces provided in off-site/remote parking area(s).

(3) Will parking area be lighted? **No.**

(4) Is parking area treated? And if so, how? **Not treated.**

(5) Is parking area numbered? **No.**

(6) Is charge made for parking? And if so how much?

There will be no charge for self-parking.

(7) Are the parking area and walkways cleared of snow and ice?

Racing is not anticipated to be held during months of snow and ice.

e. Number of pari-mutuel ticket windows/kiosks anticipated and approximate locations.

The Applicant plans to install 30-60 temporary kiosks to place bets on live race days.

- f. Description of anticipated restrooms for patrons of in Grandstand, Club House and/or other locations.

The Applicant will provide restrooms facilities consistent with other exhibitions and festivals and as required by local building codes based on anticipated crowds for live racing.

- g. Description of anticipated system of sewerage disposal. If not connected to public sewer, give details of system used.

This is an agricultural property with existing septic systems that can support the portable horse barns that will be brought in for festival racing. All other necessary facilities on festival days, such as food and beverage, will have restrooms with waste disposal systems.

- h. Description of anticipated number of outlets for fresh, pure drinking water for patrons in grandstand, clubhouse and/or other locations.

The Applicant will provide drinking water for permanent facilities as required by building codes from existing well(s). The Applicant will provide water for temporary facilities for festival racing days.

Commonwealth Equine and Agricultural Center LLC
Application for 2023 Racing Meeting License

Exhibit 2.3

- (a) Size of track: **1-mile oval. The track will generally be 80' with a movable inside rail.**
- (b) Number of chutes: **No chutes.**
- (c) Number of stables: **The number of stables will vary according to the topography of the facility and appropriate placement of portable stables.**
- (d) Number of stalls: **The Applicant estimates 300 stalls.**
- (e) Number of tack rooms: **Unknown at this time.**
- (f) Number of tack rooms heated: **Unknown at this time.**
- (g) Number of shower baths in stable area: **2 Shower Rooms (1 ladies, 1 men).**
- (h) Toilet facilities in stable area: **2 toilet facilities (1 ladies, 1 men) with as many toilets as necessary to accommodate the anticipated number of people that will occupy the area.**
- (i) Fire protection in stable area including, number of sprinklers, number of fire alarm boxes, and other fire protective measures in stable area: **Number mandated by G.L. c. 148 and 527 CMR 1 *et seq.* for the type of stabling structure by Hardwick Fire Chief or State Fire Marshal.**
- (j) Recreation room: **None.**
- (k) Track kitchen, including seating capacity: **The Applicant plans to provide food trucks and portable wooden enclosures for participants.**
- (l) Size of jockey or driver's room and equipment available including number of shower baths, toilets, hot-boxes, etc.: **Rooms for male and female jockeys large enough to accommodate all jockeys will be provided.**
- (m) List of other accommodations, facilities or services in stable area. **The stabling area will be secured with gates and guards with no accessed other than credentialed personnel. There will be a temporary facility or trailer to accommodate licensing, security, and racing.**

Commonwealth Equine and Agricultural Center LLC
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Exhibit 2.5 -- Proposed construction timeline, and the name of Applicant's general contractor, if known.

CEAC will work with its architects and engineers over the next several months to finalized designs and then commence the local and state approval processes for those designs. The Applicant hopes to conclude the Hardwick Planning Board and Agricultural Lands Preservation Committee by February 1, 2023. From there, the Applicant will commence construction of the facilities shortly thereafter in order to be ready to race September 9 and 10, 2023.

The Applicant has assembled a skilled team of professionals and experts to develop this project.

General Contractor:

**Walsh Brothers
210 Commercial Street
Boston, MA 02109**

Architect:

**David M. Schwarz Architects
1707 L Street NW Suite 400
Washington, DC 20036**

Engineer:

**VHB
101 Walnut Street
PO Box 9151
Watertown, MA 02471**

Racing:

**Louis Raffetto
Chief Operating Officer**

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Exhibit 2.6 -- *Any traffic studies performed for the proposed project.*

The Applicant intends to provide a parking plan and traffic study to the Town of Hardwick.

Commonwealth Equine and Agricultural Center LLC
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Exhibit 2.7 -- Statement of the total capital investment anticipated for the project, including the method used to calculate the figure, as well as any supporting documentation, analysis, or studies.

Not including capital invested to date, the Applicant anticipates the need for \$4,000,000 in equity financing. The Applicant estimates a capital budget of \$20,000,000 with 80% coming from standard debt financing. [REDACTED]

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Exhibit 2.8 -- Financing structure and plan for the proposed project including identifying all sources of capital. Include current capital commitments as well as plan and timing for meeting future capital needs.

See Exhibit 2.7 above.

Commonwealth Equine and Agricultural Center LLC
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Exhibit 2.9 -- Detailed budget of the total project cost. Identify separately construction costs (e.g.- labor, materials), design costs, legal and professional fees, consulting fees and all other development costs.

Development Budget:

Western Mass Race track and facilities Hardwick MA Phase 1A budget 9/27/2022							
			stall	144	40	5760	
Package	Area	Description	Status	scope	GSF/ unit	cost/unit	1A Budget
1A	F	Paddock	New	Permanent	128000	2	256,000
1A	L	Breeding Barn (Foaling) Mares	New	Permanent	6500	150	975,000
1A	M	Community Pavilion/ Roof at Historic Foundation	New	Permanent	6000	150	900,000
1A	N	Historic Ruggles Rock	Existing	Permanent	1	1000	1,000
1A	P	Historic Town Pound	Existing	Permanent	1000	1	1,000
1A	X	Breeding Facility/ Stallion barn	New	Permanent	4000	150	600,000
1A	hh	Sitework	new	phase 1a	1	6000000	6,000,000
1A	ii	Track	New	turf/fence	660000	3.4	2,244,000
							1A cost
		Direct Cost Construction Budget					30,977,000
		Contingency			5%		548,850
		Indirect Construction Costs			10%		1,152,585
		Total Construction Costs					32,678,435
		Development costs					
		Land cost					4,400,000
		Design Costs inc civil/track/environ			8%		1,054,275
		Permitting/ Legal			2%		361,854
		Development Management			4%		738,183
		Development Contingency			5%		959,637
1A		Grand totals					20,152,384
							Phase 1A

Festival Racing Budget

(Based upon 1 weekend in Fall 2023 with 2 racing days)

Activities for event	\$	2,000	(kids pony rides, face painters, etc)
Administrative (various)	\$	30,000	Simo/Mutuels Supervisor, Money Room - Parking Super
Advertising	\$	10,000	
Ambulance	\$	3,000	
Announcer	\$	2,000	(includes expenses)
Bedding	\$	2,500	
Boom rental	\$	4,000	(cameras)
CCTV	\$	75,000	(includes video board w generator)
CHRIMS	\$	1,500	
Cleaning	\$	5,000	
Computers	\$	5,000	(entries)
Condition books	\$	1,000	(printing & distribution)
Decoders	\$	-	
Diesel fuel	\$	1,000	
Dumpster	\$	1,500	
Fertilizer/Weed killer	\$	10,000	
Food Truck	\$	3,000	(backstretch workers)
General liability	\$	20,000	
Generators	\$	20,000	
Grandstand seating	\$	50,000	
Housing (grooms)	\$	35,000	(including shower trailers)
Horse ambulance	\$	5,000	
Incompass	\$	1,500	(software)
Jockey Insurance	\$	10,000	
Maintenance staffing	\$	6,000	
Manure removal	\$	2,000	
Mutuels payroll	\$	15,000	
Permits	\$?		
Photo finish/teletimer	\$	5,000	
Portable restrooms/showers	\$	10,000	(including jockey's room)
Racing payroll	\$	40,000	(inc office, starters, vets, etc.)
Security/traffic payroll	\$	20,000	(local police & contracted)
Seeding	\$	2,000	
Stall rental	\$	90,000	(300 stalls @ \$300 ea.)
Starting gate rental	\$	7,000	
Tanker Truck	\$	2,500	(water for barn area)
Tents	\$	25,000	
Tote charges	\$	25,000	

Tower		\$ 10,000	(stewards, announcer, etc.)
Trailers		\$ 5,000	(1 licensing, 1 racing, 1 stewards)
Uniforms/Saddle towels		\$ 2,000	(starters, valets, helmet cover)
Uplink		\$ 7,000	
Utilities		\$?	
10% Contingency		\$ 45,500	
Total		\$ 617,000	

Commonwealth Equine and Agricultural Center LLC
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Exhibit 2.10 -- Any feasibility, viability, economic impact, or economic development studies performed relating to the proposed project.

Attached please find the following:

- **Towards the Creation of a Horse Park in the Commonwealth of Massachusetts: A Feasibility Study by Henry Renski, John R. Mullin, and Jonathan G. Cooper (2016) – 48 pages (“UMass Study”)**
- **Spectrum Gaming Group Report for Commonwealth Racing LLC (Feb 2022) – 15 pages¹**
- **Spectrum Gaming Group Report for Commonwealth Racing LLC (May 2022) – 17 Pages**

¹ The two Spectrum reports were prepared for an earlier iteration of the project, but the information contained in them speak to feasibility, viability, and economic impact of the proposal for Great Meadowbrook Farm.

Commonwealth Equine and Agricultural Center LLC
Application for 2023 Racing Meeting License

Exhibit 3.2 -- Statement of the date or dates on which Applicant intends to conduct a racing meeting or racing meetings, and the hours of each such day during which Applicant intends to hold races.

The Applicant intends to conduct live racing on September 9 and 10, 2023, between the hours of 11 am – 6 pm on each date. The Applicant anticipates 8-12 races on each date.

Commonwealth Equine and Agricultural Center LLC
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Exhibit 4.5 -- Documentation of such county vote and an averment that said vote has not been rescinded.

Hardwick is located in Worcester County. Worcester County voters answered in the affirmative in the November 1974 biennial election. According to records published by the Massachusetts Secretary of State, 1974 is that last year that this question was put to the voters. In 1974, there were 212,216 total ballots cast in Worcester County. There were 113,656 “yes” votes. There were 56,281 “no” votes. See Exhibit 4.5 – Election Statistics Commonwealth of Massachusetts 1974, p. 545.

Once a threshold vote has occurred and a majority of voters who cast a ballot to approve pari-mutuel betting on horse races, the benchmark set forth in Section 14 has been met unless and until it is overturned by the voters.

Attorney Patrick Hanley personally researched election records via the Secretary of State’s archived records on its website. Based on that research, Mr. Hanley hereby avers that he confirmed that there has been no subsequent vote that rescinded the 1974 election results.

Commonwealth Equine and Agricultural Center LLC
Application for 2023 Racing Meeting License

Exhibit 4.7 -- Schedule of any other state or Federal environmental, land use, hospitality-related, or other permits, licenses, or approvals required for the Applicant to construct and operate its facility. For each, please also describe the approval's relevance to Applicant's facility; documentation of any such approvals that have already been obtained; and, for any such approvals that have not yet been obtained, the Applicant's progress towards and plans for acquiring them, including a detailed timeline.

Permit/License/Approval Type	Relevance	Progress Towards Acquisition	Timeline
Select Board Local Racetrack Approval under G.L. c. 128A, § 13A	Condition precedent to Gaming Commission license	Notice as required by statute	Scheduled Hearing on October 3, 2022, at 6:30 p.m.
Agricultural Lands Preservation Committee Approval under G.L. c. 128, 132A, and 184	Permits programmed uses of agricultural land at GMF	Preliminary meeting APR staff	Tentatively Scheduled for October
Select Board	Host Community Agreement	Negotiations start after Section 13A vote	October
Planning Board	Special Permit	Informal meeting with Planning Board on September 13	November file application

Commonwealth Equine and Agricultural Center LLC
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Exhibit 5.1

- (1) Each officer of the Applicant;
- (2) Each director of the Applicant;
- (3) Any person owning more than 10% of the Applicant, or a holding, intermediary or subsidiary company of such Applicant;
- (4) Any person who has the ability to control the activities of the Applicant; and
- (5) In the judgment of the Division of Licensing after consultation with the Investigations and Enforcement Bureau (“Bureau”), any person with significant and substantial responsibility for the Applicant’s business under the jurisdiction of the Commission or having the power to exercise significant influence over decisions concerning the Applicant’s operations in the Commonwealth.
- (6) The Division of Licensing, after consultation with the Bureau, may, at its discretion, require other persons that have a business association of any kind with the Applicant to be subject to the qualification requirements as a qualifier. These persons include, but are not limited to, an affiliate or holding, intermediary or subsidiary company of the Applicant.

Exhibit 5.1(1)-(2)

- **The Applicant is owned by Commonwealth Racing, LLC, ID # 001439079, and New England Horse Park LLC, ID # 001409599, and subject to an operating agreement**
- **The Applicant is managed by Commonwealth Racing, LLC, ID # 001439079**
- **Commonwealth Racing, LLC, ID # 001439079 is owned and managed by Commonwealth Development, LLC, a foreign LLC, organized in Delaware that is registered to transact business in Massachusetts as Commonwealth Development Manager LLC, ID # 001509820**
- **Commonwealth Development LLC is managed by MZ Investment Capital L.P, a foreign LLC, organized in Delaware that is registered in Massachusetts, ID # 001509559**
- **New England Horse Park LLC, referenced above, is managed by Robin Kalaidjian of Medfield, Massachusetts.**

Commonwealth Equine and Agricultural Center LLC
Application for 2023 Racing Meeting License

Exhibit 5.2 -- List of all of Applicant's Qualifiers.

The Applicant has identified the following individual qualifiers under 5.1(3)

- Romita Shetty
- Karen E. Davis, Trustee of the New England Horse Park Revocable Trust for the Benefit of Robin Kalaidjian Revocable Trust
- Robin Kalaidjian
- Commonwealth Racing LLC
- Commonwealth Development LLC
- MZ Investment Capital L.P
- New England Horse Park LLC

The Applicant has identified the following individual qualifiers under 5.1(4) based on each individual's ability to control some of the activities of the Applicant subject to the terms of each individual's agreement.

- Richard T. Fields

Mr. Fields, through a development entity, is responsible for concept, design development, advisory and related services in connection with the project, which is to design, plan, construct, and operate an equine center and racetrack.

- Louis Raffetto

Mr. Raffetto has agreed to serve as a racetrack development consultant and transition into the role of Chief Operating Officer of the Applicant following licensure. Raffetto will oversee the development of the racing program and will work with the racing oversight board.

- Scott M. Esterbrook

Mr. Esterbrook is a partner at the law firm Reed Smith in Philadelphia. Mr. Esterbrook is designated on CEAC's certificate of organization as authorized to execute documents filed with the Secretary, and to act with respect to real property. He serves as Attorney-in-Fact for the Applicant.










Commonwealth Equine and Agricultural Center LLC
Application for 2023 Racing Meeting License

Exhibit 5.4 -- Schedule of ownership listing all members/managers and percentage of entity held. List beneficial owners, even if beneficial owners are not Qualifiers.

Commonwealth Development LLC is a Foreign Limited Liability Company organized in Delaware that is registered in Massachusetts and is the single (100%) member of Commonwealth Racing, LLC

Massachusetts Secretary of State ID: 001509820

Manager: MZ Investment Capital L.P



Name of Investor	Percentage Ownership
Romita Shetty through MZ Investment Capital L.P	
Scott M. Esterbrook	
Thomas L. Kennedy	
Eric Esterbrook	
Robert Viola	
Zachary Gabrielli	
Richard Falk-Wallace through PROJECTS HOLDCO, LLC	
Benjamin M. Stone through BMS CAPITAL INVESTMENTS, LLC	
Composite Capital Partners LLC Manager: Kenneth Hayes Nuss Address: 1707 L St NW, Suite 400, Washington DC 20036	

NEW ENGLAND HORSE PARK LLC

New England Horse Park is a Massachusetts Limited Liability Company

Massachusetts Secretary of State ID: 001409599

New England Horse Park LLC Manager: Robin Kalaidjian

Name of Investor	Percentage Ownership
New England Horse Park Revocable Trust Trustee: Karen Davis Beneficiary: Robin Kalaidjian Revocable Trust 2019 w/d/t/ January 30, 2019 Beneficiary: Robin Kalaidjian, during her lifetime	
Julianne Daly	

Commonwealth Equine and Agricultural Center LLC
Application for 2023 Racing Meeting License

Exhibit 5.6

- (a) For each individual Qualifier, provide the name place of birth, date of birth and legal residence of the Qualifier.
- (b) For each entity Qualifier, provide the name and the details required for entity applicants by Questions 5.4-5.6.

Name	Place of Birth	Date of Birth	Legal Residence
Romita Shetty	[REDACTED]	[REDACTED]	[REDACTED]
Scott M. Esterbrook	[REDACTED]	[REDACTED]	[REDACTED] ssing, PA
Robin Kalaidjian	[REDACTED]	[REDACTED]	[REDACTED]
Louis Raffetto	[REDACTED]	[REDACTED]	[REDACTED]
Richard T. Fields	[REDACTED]	[REDACTED]	[REDACTED]
Karen Davis	[REDACTED]	[REDACTED]	[REDACTED]

Commonwealth Equine and Agricultural Center LLC
Application for 2023 Racing Meeting License

Exhibit 5.7 -- Document that identifies any existing racetrack or gaming facility which the Applicant and/or any of its Qualifiers presently owns, operates, or has, or had, a financial or other interest. Additionally, please indicate whether any of the Applicant's Qualifiers are presently qualifiers (or the equivalent) at any other racetrack or gaming facility.

Richard T. Fields, through various Coastal entities ("Coastal Companies"), owns approximately 35% of SSR, the licensee of Suffolk Downs.

Mr. Fields has previously been found suitable by the predecessor State Racing Commission when his Coastal entities first purchased an interest in SSR.

After the passage of the Expanded Gaming Act, SSR pursued a Category 1 gaming license. Mr. Fields was found suitable by the Commission. After a competitive process, the license was awarded to a competing bid.

SSR's wagering license has been extended by the Legislature for several years, so there has been no qualification analysis in recent years.

In early 2000, Mr. Fields co-developed the Seminole Hard Rock Casinos in both Tampa and Hollywood, Florida. His interest has since been bought out by the Seminole Tribe of Florida and he no longer holds any direct interest in those projects.

An entity owned and controlled by Mr. Fields filed a gaming application as a holding company with the New Jersey Casino Control Commission in 2008 in connection with the filing of one of its affiliates for a gaming license. The company withdrew its application when the transaction to acquire an existing casino did not proceed.

Louis Raffetto has overseen racing programs in Florida, New Jersey, and Maryland, in addition to his previous roles at Suffolk Downs. To his knowledge, Mr. Raffetto has not previously served as a qualifier for a racing or gaming license.

Commonwealth Equine and Agricultural Center LLC
Application for 2023 Racing Meeting License

Exhibit 5.10 -- Thorough explanation of the circumstances of the denial of a racing or gaming application.

Mr. Fields had an interest (through other entities) in Suffolk Downs when it applied for a gaming license from the Massachusetts Gaming Commission. Mr. Fields was deemed suitable by the Commission in connection with that application. The Commission selected a competitor's application.

Commonwealth Equine and Agricultural Center LLC
Application for 2023 Racing Meeting License

Exhibit 5.11 -- *Thorough explanation of the circumstances of the withdrawal of a racing or gaming application.*

CEAC has not previously applied for a racing or gaming license; however, an entity that was also managed by Commonwealth Racing LLC, Sturbridge Equine and Agricultural Center LLC, filed an application for a racing meeting license with the Commission last year to conduct racing in the Town of Sturbridge. Shortly after filing the application, despite strong community support, Town Meeting failed to approve a necessary zoning amendment. Consequently, rather than petition Town Meeting to reconsider the matter, the Applicant withdrew its application from the Commission's consideration.

Commonwealth Equine and Agricultural Center LLC
Application for 2023 Racing Meeting License

Exhibit 5.16

- (a) A copy of Applicant's employee handbook
- (b) A copy of all of Applicant's policies and procedures regarding internal controls including but not limited to those policies that deal with the handling and protection of money, the placing of wagers both in person and via account deposits, security and surveillance, and method of accounting. Alternatively, a plan for establishing such internal controls.
- (c) A copy of Applicant's audit committee and compliance committee charters as well as a list of the audit and compliance committee members and their relationship to the Applicant.
- (d) Any other policies that demonstrate the Applicant's proficiency in general industry standards for business and financial practices, procedures, and controls.

The Applicant will develop such handbooks, policies, and committees, as appropriate and necessary to its business. The Applicant's managers and leaders recognize the need for them and has employed all such handbooks, policies, and committees in other business ventures in which they have been involved.

The Applicant has developed a racing oversight board to oversee the racing program at the facility. John A. Stefanini will serve as its chair.

Commonwealth Equine and Agricultural Center LLC
Application for 2023 Racing Meeting License

Exhibit 5.17 -- The following documents: a copy of the Applicant's most recent audited financial statements, most recent audited or unaudited quarterly financial statement, and an audited profit and loss statement for the Applicant's most recent fiscal year. Please include a description of any interest held by Applicant or any of its Qualifiers in any concessionaire. In the event that the Applicant does not have the requested document, please attach a statement explaining why not.

The Applicant encloses a copy of its unaudited balance sheet for the Commission's preliminary review. The Applicant is in the process of getting its statements audited. The Applicant will provide the audited statements with they become available.


The balance sheet is provided separately and voluntarily with a request of confidentiality under G.L. c. 4, § 7(26)(g), as they contain financially sensitive commercial information, and are provided in the course of the Commission's investigation, and subject to G.L. c. 4, § 7(26)(f).

The Applicant has contracted with no concessionaires as of the date of this Application.

Commonwealth Equine and Agricultural Center LLC
Application for 2023 Racing Meeting License

Exhibit 5.18 -- A list of which, if any of the Applicant's Qualifiers will be involved in funding the proposed project. For each such Qualifier, explain the amount and form of funding the Qualifier intends to provide for the project, and documentation supporting the Qualifier's capacity to provide that funding.

The project is expected to cost approximately \$20,000,000 to develop. The Applicant plans to use traditional bank construction financing for approximately 80% of the cost.



See Exhibit 2.7.

Commonwealth Equine and Agricultural Center LLC
Application for 2023 Racing Meeting License

Exhibit 5.19 -- Copies of all policies of insurance carried by Applicant as well as a statement setting forth all other types of insurance carried, or anticipated to be carried, for the protection of employees and patrons.

The Applicant intends to carry various insurance for the protection of employees and patrons as well as the Applicant:

- 1. Worker's Compensation**
- 2. Public Liability**
- 3. Jockey**
- 4. General Liability/Excess/Umbrella Liability**
- 5. Property Insurance**

The Applicant will provide proof of insurance should it receive a license and as it obtains insurance coverage.

Commonwealth Equine and Agricultural Center LLC
Application for 2023 Racing Meeting License

Exhibit 5.20 -- Statement explaining any other information relevant to its capacity to hold or conduct honestly managed racing meetings.

The Applicant has developed a five member a racing oversight board that will work with the Chief Operating Officer to oversee the racing program at the facility. Subject to Commission approval, the HROB will set the meeting dates and ensure safety and integrity of the races. See **Exhibit 5.20**.

Furthermore, the Applicant has a team of seasoned professionals leading this project.

As to racing, the racing facility and program will be run by Louis Raffetto. Mr. Raffetto has over 45 years' experience in racing as a trainer, racing official and racetrack manager. A partial description of his experience includes roles as Assistant General Manager at Monmouth Park in NJ, Executive Vice President/General Manager of Suffolk Downs (1991-2000), President/COO of the Maryland Jockey Club, and President of the Thoroughbred Owners of California, in addition to overseeing the racing festivals at Suffolk Downs (2015-2019).

Overseeing project development, Mr. Fields has a history as a horse owner, racetrack owner, and resort/gaming developer. Through various companies, he has had an interest in Suffolk Downs for about 16 years. During Mr. Fields' tenure at Suffolk Downs, he was instrumental in initiating the first anti-slaughter program in the United States. Mr. Fields for many years owned and bred quarter horses. Mr. Fields was an instrumental part of developing Seminole Hard Rock Hotel & Casinos in Hollywood and Tampa, Florida. He has demonstrated his commitment to returning thoroughbred racing and its many benefits to horse owners and trainers, thoroughbred breeding, and agricultural communities to Massachusetts.

Robin Kalaidjian is a Massachusetts resident, horse-owner and breeder, and will oversee non-racing equine program, including, including breeding and horse retirement. Ms. Kalaidjian was introduced to the thoroughbred breed in the 1970's, which led to pursuing racing and breeding thoroughbred racehorses in the 1980's, which continues to the present day. Kalaidjian and her husband built and live on their horse farm in Medfield, where they keep their own broodmares and had many foals. They also purchased a stallion that stood and bred in Massachusetts with their mares for many years. Ms. Kalaidjian has experienced the full spectrum of thoroughbred ownership, from racing, breeding, rehabbing/retraining, and making the transition to retirement from the track. Ms. Kalaidjian has an excellent reputation in the horse community and will be one of the five members of the racing oversight board.

Romita Shetty is an experienced investor and independent board member with over 30 years of experience in banking and investing across private and public markets. Ms.

Shetty currently specializes in investments in private debt and equity, including early-stage companies. She invests independently and is also a partner at DA Management, an investment firm that invests globally. Ms. Shetty serves on the boards of two NASDAQ listed companies as well as on the boards of non-profit organizations focused on educational equity, higher education, and women's rights.

Finally, while it has not yet been determined as to whether security will be operated by an in-house staff or by a recognized security firm (or a combination thereof), the Applicant will provide a well-staffed, properly trained security team that is first responder certified to watch over and protect guests and employees, as well as secure the backstretch and integrity of the racing program. The Applicant expects to work closely with the State Police Detective Unit assigned to the Gaming Commission's Racing Division to investigate anything that may compromise the integrity of racing.

The Applicant intends to hire police and fire details as necessary for racing meetings and other events in consultation with the local public safety leaders.

If the Applicant determines that the security force shall be under the direction of the Applicant, then an individual with the proper credentials and law enforcement or racing background will be hired as Director of Security.

The perimeter of the barn area, which will consist of stabling, a detention/test barn, temporary offices for security and required commission personnel, will be encapsulated by a fence that permits credentialed access only. This restricted area will have twenty-four (24) hour security during the entire time that horses will be stabled on the grounds. This is to provide a secure environment in which only licensed personnel will be permitted. In addition to security at the entrance gate to the barn area, the applicant will employ security guards to monitor the entire barn area to ensure the integrity of racing.

The exact number of security personnel to be employed in the building and related structures during live racing has not yet to be determined, but it will be sufficient to protect both the guests and employees and the barn area, while giving special focus to the money room. In addition, armed security will be in place to guard the location and to help when transporting money at the facility, as well as in conjunction with the armored car services. The Applicant will have a secure room for money on live race days. The stewards, placing judges, announcer, photo finish and camera personnel will also be in secure areas. Only licensed personnel will be permitted access to secure areas.

In the event of a power failure that would disrupt the operation of the racetrack, the Applicant intends to install backup generators that will ensure no interruptions in data or video transmission and, most importantly, to guarantee there will be adequate lighting for the benefit and safety of our guests and employees.

Commonwealth Equine and Agricultural Center LLC
Application for 2023 Racing Meeting License

Exhibit 5.21 -- Statement explaining any other information relevant to “the financial ability of an Applicant to operate a racetrack” and “the necessity of according fair treatment to the economic interest and investments of those who in good faith have provided and maintain such facilities.”

See Exhibit 5.18 regarding “the financial ability of the Applicant to operate a racetrack”.

As to the second part of 5.21, the Applicant has made considerable efforts to develop a thoroughbred racetrack in Massachusetts to fill the void left by the closure of the racetrack at Suffolk Downs. The Applicant and its team have acted in good faith to return thoroughbred racing to Massachusetts. Great Meadowbrook Farm is a beautiful location where people already ride horses. The Applicant’s concept is not to create a gaming facility or racino, but rather to create an agritourism destination in which racing is an important, but not dominant, ingredient. The Expanded Gaming Act and Sports Wagering Act contain provisions to support thoroughbred horse racing. These critical provisions not only benefit the Applicant, but they afford the opportunity to breathe life into a thoroughbred racing community that has been hurting over the last several years. The Applicant has closely worked with the NEHBPA to address its needs through the development of Great Meadowbrook Farm.

Commonwealth Equine and Agricultural Center LLC
Application for 2023 Racing Meeting License

Exhibit 6.1 -- Statement setting forth the reasons why the Applicant believes that its proposal will be beneficial to the public at large, the Commonwealth, the Applicant, and racing stakeholders.

The UMass Study (p. 19), made the following assessment:

This study finds that the development of a Massachusetts Model horse park represents a significant economic opportunity for the Commonwealth. Capital costs are not expected to exceed \$150 million. The annual economic impact is expected to approach \$99 million and lead to the creation of more than 950 jobs throughout Massachusetts. Economic activity resulting from the facility's development would also generate an additional \$5 million in state and local tax revenues per year.

The Applicant's project has a budget of approximately \$20 million, which is about 13% of the capital costs of the project described in the UMass Study. Applying that 13% factor to the other projections in the UMass study, as to the annual economic impact, it would be more than \$12 million; as applied to jobs, about 120 jobs throughout Massachusetts; and an additional \$650,000 in state and local tax revenues per year.

Spectrum Gaming (May 2022, p. 13) also identified the economic costs and impact of thoroughbred racing in connection with other gaming revenue. "Producing live horse racing content is expensive due to the need for large facilities (racetracks) and the supply-side (breeding and training of horses) costs." Citing a study of the New York racing economic impact, while recognizing important quantitative differences, Spectrum wrote, "The live horse racing content also generates –by far –the most economic development compared to simulcasting, off-track and account wagering."

Consider that the economic impact of the New York horse racing sector to the state economy is \$3.08 billion, a benefit so large that it eclipses all other rationales for racing, including the benefit from the pari-mutuel tax on wagering handle. A vast infrastructure is needed to support the industry. Racehorses require substantial expenditures on breeding, training, insurance, veterinarians, agricultural products and feed, caretakers, farriers, jockey/driver fees and many other ancillary services that all provide taxes and other economic value to a state. Those costs and the expense of running a racetrack make producing the horse racing product expensive.

The benefits to the Commonwealth of the Applicant's project at Great Meadowbrook Farm are considerable.

a. The Public

- i. At this moment there is no facility in the Commonwealth that offers live thoroughbred racing. This Applicant would fill that critical void and offer more racing over time.**
- ii. The Applicant's proposal would both use and preserve more than 350 acres of green space in central Massachusetts, directly provide 25-50 permanent jobs and 100 temporary jobs, and economic spin off to sustain dozens or even hundreds more jobs.**
- iii. The proposal offers the potential of \$500,000 in new local revenue for the Town of Hardwick, an 8% increase to annual revenues.**
- iv. There are fewer job opportunities in this part of the state. The Applicant would provide skilled and unskilled job opportunities, and provide a much needed racing outlet for thoroughbred horse owners in New England.**
- v. The proposal would not interfere with the annual Hardwick Community Fair, the longest running agricultural fair in the country.**
- vi. The Applicant expects to spend \$20 million to develop the project.**
- vii. The Applicant's investment will have economic spinoff of millions of dollars.**
- viii. Local commerce will increase, including food, beverage, gas, and transportation.**
- ix. The security plan will assure honesty and integrity in the conduct of wagering activity at the facility and via mobile applications.**
- x. An operating Great Meadowbrook Farm will provide revenue to the state and the Town of Hardwick, the horse breeding industry, the Massachusetts Council on Gaming and Health, the racing industry, and Tufts Veterinary School.**
- xi. As to the Town of Hardwick, the Applicant expects to execute a host community agreement ("HCA") in the coming weeks.**
- xii. The Applicant has demonstrated the financial ability to operate a racetrack.**
- xiii. The rebirth of thoroughbred horse racing at Great Meadowbrook Farm will help strengthen and expand the horse breeding and hay producing industries, which in turn protects open space, consistent with the purposes of the Agricultural Preservation Restriction.**
- xiv. The purposes and intent of all relevant Massachusetts laws, including but not limited to Chapter 128, 128A, Chapter 128C, Chapter 23K, and Chapter 23N of the General Laws will be effectuated.**

b. The Commonwealth

- i. Great Meadowbrook Farm development and operation will provide direct and indirect revenue, including revenue generated by increased employment and economic activities in the Commonwealth. This proposal will maximize the receipt of state revenues generated by thoroughbred horse racing.**
- ii. The project will operate in accordance with Agricultural Preservation Restriction and further its agricultural purposes.**

- iii. The purposes and intent of all relevant Massachusetts laws, including but not limited to Chapter 128, 128A, Chapter 128C, Chapter 23K, and Chapter 23N of the General Laws will be effectuated.

c. **The Applicant**

- i. The Applicant wishes to return live thoroughbred racing to the Commonwealth at Great Meadowbrook Farm's rural, multipurpose facility.
- ii. The Applicant will benefit from excitement surrounding the recommencement of thoroughbred racing, which will create the ability to attract racing professionals, horses, and fans upon completion of the racetrack.
- iii. The Applicant will benefit from complementary offerings of agriculture, breeding, racing, riding, education, green energy (solar power already in place to power the facility), and other community and recreational activities.
- iv. The Applicant will benefit from economic benefits to thoroughbred racing afforded by the Expanded Gaming Act and Sports Wagering Act.
- v. The Applicant will benefit from the Agricultural Protection Restrictions to support preservation of the use of land for agricultural production.
- vi. The Applicant is committed to improving the quality of racing in the Commonwealth.

d. **Racing Stakeholders**

- i. The NEHBPA and Mass Breeders are unequivocal supporters of this project. They recognize that it would be impossible to run 100 race days. Rather, they recognize that concentrated, exciting, festival-style racing, which has become standard in the industry, should be welcomed in Massachusetts.
- ii. As NEHBPA President Anthony Spadea wrote to the Commission on September 26, 2022:

When Suffolk Downs announced its intention to discontinue racing activities and develop the East Boston property, the NEHBPA was able to negotiate an agreement with Suffolk Downs whereby Racing Festivals were conducted each year. These festivals helped sustain the thoroughbred breeding industry in Massachusetts, provided opportunity for Massachusetts horsemen to race locally, and maintained public interest and support of thoroughbred racing in Massachusetts. As important, those festivals also helped maintain employment while also continuing to support and sustain farms and small businesses reliant on horseracing.

- iii. The festivals that the Applicant intends to hold will not provide a temporary solution, but begin to provide a predictable and reliable racing schedule and income to the NEHBPA's members. The NEHBPA may also come to rely on the

Race Horse Development Fund to likewise support their horses and horsemen. The longer that thoroughbreds are not racing, the greater the concern that the Race Horse Development Funds will be diverted elsewhere. The NEHBPA's Health and Welfare Program supports hundreds of local horsemen today through old age assistance, benevolence, life insurance, and eyeglass coverage.

- iv. The Applicant's project, of which racing is a small component, will provide an economic engine to create agricultural jobs, preserve breeding, and support in-state hay production. Allowing Great Meadowbrook Farm to be used for racing will not only provide further protection for this farm, but create economic opportunities for other small farms, and thus avoid the sell-off of small farms in the Commonwealth. The project would also support local farriers, tack shops, veterinarians, feed, and grain producers. Further, it would support those that maintain farms and barns, and those that supply equipment to them.**

Commonwealth Equine and Agricultural Center LLC
Application for 2023 Racing Meeting License

Exhibit 6.2 -- Copy of all executed agreements with representative horsemen's organizations.
If the Applicant has not yet executed any such agreement, explain Applicant's plans for
executing such.

See agreements and letter of support attached as **Exhibit 6.2.**

Commonwealth Equine and Agricultural Center LLC
Application for 2023 Racing Meeting License

Exhibit 6.3 –

As indicated elsewhere in this application, the Applicant seeks a racing meeting license authorizing live racing on September 9 and 10, 2023. The Applicant's plan for live racing in 2024 and 2025 is as follows:

In the second and third years, the number of live racing days will be impacted by the horse inventory available at the time.

With this information in mind, the Applicant provides the following responses to 6.3.

- a. Projected purses to be paid for the first three years of operation:

The Applicant believes that purses competitive with other jurisdictions that conduct quality racing are appropriate. With this in mind, the Applicant estimates: \$8,000,000 - \$8,500,000

The Applicant and the NEHBPA believe that significant purses are necessary to restart thoroughbred racing in Massachusetts after a four-year hiatus as the Applicant begins to develop its racing program.

Additionally, the Applicant will make every effort to work with Massachusetts breeders to card races for Massachusetts-bred horses with the intent to encourage in-state breeding.

- b. Projected handle for the first three years of operation:

\$5,000,000 - \$6,000,000 for total live handle

- c. Projected tax revenue and other revenues to be paid to the Commonwealth in the first three years of operation:

Deriving an amount is difficult to at this stage, where it is unknown when/if simulcasting will be authorizing, when/if sports wagering will be authorized, and when other components will be operational (e.g., farm-to-table restaurant).

With this in mind, based on a larger project as a model, in 2016 dollars, the UMass Study appended as Exhibit 2.10, estimated about \$5,000,000 in state and local tax revenues for a racetrack and horse park project. UMass Study, p. 19 (20 in PDF) At the time of that study, sports wagering had not yet been passed. The Applicant thus estimates less than \$5,000,000 in state and local tax revenues.

- d. Projected pari-mutuel revenue to be generated and paid to the Commonwealth in the first three years of operation:

Unknown at this point.

- e. Projected attendance for the first three years of operation:

The Applicant expects to attract 3,000 to 5,000 per day on race days for the next three years.

- f. Projections of how many individuals Applicant will employ in the first three years of operation.

Estimate 100 temporary employees for each racing weekend.

Commonwealth Equine and Agricultural Center LLC
Application for 2023 Racing Meeting License

Exhibit 6.4 -- Statement describing any support or opposition to the proposed project expressed by the governing body or other government officials of the host and surrounding/nearby communities, including evidence of support or opposition, if in writing.

The Applicant is working productively with the Town of Hardwick and the Agricultural Lands Preservation Committee in order to obtain necessary approval and support.

To date, the Applicant has received no notification of opposition from a governing body or government officials to the project at Great Meadowbrook Farms.

As the Applicant obtains approvals/support outlined in Exhibit 4.7, it will update the Commission.

Commonwealth Equine and Agricultural Center LLC
Application for 2023 Racing Meeting License

Exhibit 6.5 -- Description of the Applicant's plan to attract and employ a diverse workforce (minority, women, veteran) in both the construction and operational phases of the proposal. Similarly, please describe the Applicant's plan to make use of minority, women, and veteran's business enterprises as vendors in the construction and operational phases.

The Applicant intends to draft and operate by an internal corporate policy to recruit and hire minorities, women, and veterans. As reflected elsewhere in this application, the Applicant's qualifiers are 50% women, and the person with the greatest derivative interest in the project is a minority woman.

The Applicant is aware that there are considerable numbers of veterans in the Hardwick area, and believes this may be a strong resource for vendors and employees.

Commonwealth Equine and Agricultural Center LLC
Application for 2023 Racing Meeting License

Exhibit 6.6 -- Statement describing the Applicant's plans for ensuring labor harmony during the construction and operational phases of the project including whether the Applicant plans to enter into any Project Labor Agreements or agreements governing labor harmony in the project's permanent job positions. If the Applicant does not intend to enter into any such agreements, please explain.

Where possible, the Applicant plans to build with 100% union members.

The Applicant does not have any existing labor agreements for permanent positions, but enjoys broad union support, as exemplified from the accompany letters from the Worcester-Fitchburg Building and Construction Trades Council and the North Atlantic Regional Council of Carpenters. See letters in Exhibit 6.6.

Commonwealth Equine and Agricultural Center LLC
Application for 2023 Racing Meeting License

Exhibit 6.7 -- Statement describing all promises, rewards, or inducements made by the Applicant to third parties concerning the proposed project, including but not limited to promises, rewards, or inducements made to the governing body or other government officials of the host and surrounding/nearby communities, made to local organizations or community groups, and any mitigation agreements, formal or informal.

The Applicant anticipates developing a Host Community Agreement with the Town of Hardwick, but it has not yet been finalized. However, the Applicant has made the following commitments to town officials:

- **Not to interfere with the annual Hardwick Community Fair**
- **Develop a parking plan and conduct a traffic study**
- **Offer live wagering only on live race days**
- **Not to offer more than 20 festival days, including racing, music, community events, over not more than six weekends within a year**

Commonwealth Equine and Agricultural Center LLC
Application for 2023 Racing Meeting License

Exhibit 7.1 -- Documentation of all Applicant's fee simple, leasehold, easement, or other interests in the real property on which the racetrack and facilities are proposed to be located.

Please find attached an executed purchase and sale agreement dated September 19, 2022, for 228 Barre Road in Hardwick, Massachusetts, between Commonwealth Racing, LLC, and 228 Barre LLC. The property is described by metes and bounds in Exhibit A to the purchase and sale agreement. The Applicant intends to conduct an updated survey of the property.

Commonwealth Equine and Agricultural Center LLC
Application for 2023 Racing Meeting License

Exhibit 7.2 -- Statement explaining the interests still to be acquired, their relevance to Applicant's proposed project, and the Applicant's progress towards and plans for acquiring them.

The Applicant expects to acquire an adjacent property to Great Meadowbrook Farm, but has not yet executed an agreement with respect to the land. The Applicant will update the Commission once an agreement has been executed.

The Applicant has requested that the Town of Hardwick close the portion of Upper Church Street that divides Great Meadowbrook Farm to all but emergency traffic on race days.

Commonwealth Equine and Agricultural Center LLC
Application for 2023 Racing Meeting License

Exhibit 7.4 -- The exact property description, by metes and bounds, including the number of acres in premises, and a plot plan showing the entire proposed premises.

See Exhibits 2.1 and 7.1. The property is subject to an updated survey.

Commonwealth Equine and Agricultural Center LLC
Application for 2023 Racing Meeting License

Exhibit 7.5

The Applicant intends to rent the designated categories of equipment. These are all vendors that the Mr. Raffetto has used during his four decades in thoroughbred racing.

- (a) Pari-Mutuel Equipment: **Amtote**
- (b) Starting Gate: **Puett**
- (c) Photo Finish Camera: **American Teletimer Corp.**
- (d) Film Patrol: **International Sound**
- (e) Timing Devices: **American Teletimer Corp.**
- (f) Inter-communication system: **International Sound**
- (g) Public Address System: **International Sound**
- (h) Closed Circuit Television System: **International Sound**
- (i) Horse Shoe Board: **Displayed on CCTV**
- (j) Scales: **Toledo scale likely, or another calibrated scale**

Commonwealth Equine and Agricultural Center LLC
Application for 2023 Racing Meeting License

Exhibit 7.7

See also Exhibit 5.20

- a. Number of uniformed police officers projected to be on duty each day inside the track:

The Applicant will hire appropriate numbers of uniformed regular police officers for live racing and special events expected to attract larger than normal crowds.

- b. Whether such police officers will be regular police officers or special officers;

Not applicable.

- c. Number of uniformed police officers detailed to traffic within the premises and on roads leading to and from the premises before, during and after racing hours;

In consultation with public safety officials, the Applicant will hire as paid details appropriate numbers of uniformed regular police officers for live racing and special events expected to attract larger than normal crowds.

- d. Number of plain clothes officers or detectives assigned within the track proper;

The Applicant expects to utilize security personnel to serve as liaisons to law enforcement. No decision has been made as to the number that might serve in plain clothes.

- e. System to be used for the detection and suppression of illegal gambling within the premises;

Integrity of racing in critical. The Applicant will have a multi-layered approach that includes security personnel and cooperation with the State Police and the Commission's Laboratory Services. The Applicant intends to work with the Massachusetts State Police on excluded persons, pre-screen potential employees, and to identify common schemes like ten-percenting. The applicant also intends to identify wagering abnormalities and notify law enforcement. Following licensure, the Applicant intends to submit a more detailed security plan to the Commission for input and approval. The Applicant's personnel will cooperate with law enforcement and Commission personnel on all statutory requirements, including testing, to ensure the integrity of racing.

- f. Name of person who will be in charge of security within the track proper;

A security company has not been hired.

- g. Name of person who will have supervision of traffic control within the premises of the Applicant and will act as liaison between the Applicant and local police authorities in the control of traffic outside of the premises of the Applicant;

A security company has not been hired.

- h. Name of police authority that has been consulted in setting up security measures within the track and the control of traffic within and outside of the premises of the Applicant.

The Applicant is in the process of meeting local and state public safety officials in order to develop a security and traffic plan within the track, and will thus supplement this answer.

- i. A detailed statement of measures which will be employed in the policing of the stable area. This statement should include but not be confined to:

The Applicant expects to supplement this answer as the development progresses.

Is stable area enclosed? If so, describe:

(1) Method of enclosure; **Guarded Gates**

(2) Number of gates to enclosure, where located and method of control; **2**

(3) System of passes to be issued to persons employed in stable area; **Passes to be distributed by security office.**

(4) Method to be followed in allowing persons in and out of stable area;
Credentials will be checked by security personnel

(5) Number of uniformed police officers to be assigned to the stable area indicating the number in daytime hours and nights; **To be determined in consultation with the State Police and local police**

(6) Number of plain clothes officers or detectives to be assigned to the stable area, days and nights; **To be determined in consultation with the State Police and local police**

(7) Name of person who will oversee policing in the stable area.
To be determined.

Commonwealth Equine and Agricultural Center LLC
Application for 2023 Racing Meeting License

Exhibit 7.8 -- The Applicant's plans to ensure the welfare of horses on site and their after care.

In addition to racing and breeding, one of the main focuses of the project at Great Meadowbrook Farm will be thoroughbred aftercare, which refers to the care, retraining, and reforming of a racehorse, once the horse leaves the racetrack. The plan is to work with Thoroughbred Aftercare Alliance accredited organizations to facilitate a safe transition for horses leaving the racetrack. In addition, the Applicant, as a supporter of the Horseracing Integrity and Safety Authority ("HISA"), intends to follow those guidelines relating to the welfare of horses and their aftercare.

As indicated in Exhibit 5.20, Robin Kalaidjian has been an avid horse lover for nearly her entire life, and she has a 50-year history with thoroughbreds. Ms. Kalaidjian has two retired thoroughbreds on her horse farm now, and she feels strongly that thoroughbred racehorses deserve an after-care program where they may be repurposed when their racing days are over. Further, some horses are not candidates for repurposing, but nonetheless deserve to live their lives comfortably. Ms. Kalaidjian will oversee the racehorse retirement program consistent with these shared values.

When Mr. Fields acquired an interest in Suffolk Downs, he instituted an anti-slaughter policy, which meant that if a horse owner sold a horse (or horses) that ended up at a "slaughter auction" that owner would be banned from competing at Suffolk Downs. Suffolk Downs was the first racetrack to institute such a policy, which became an industry standard for racetracks across the United States.

Commonwealth Equine and Agricultural Center LLC
Application for 2023 Racing Meeting License

Exhibit 8.1 -- A general proposal for account deposit wagering, including any service providers Applicant intends to use for the Applicant's account wagering operations.

The Applicant has not yet identified a partner for advanced deposit wagering operations, but intends to partner with an authorized and licensed provider pursuant to G.L. c. 128A, § 5C.

Applicant: COMMONWEALTH EQUINE AND AGRICULTURAL CENTER LLC

By (print name): Scott M. Esterbrook

Signature: Scott M. Esterbrook

Date: September 30, 2022

AFFIDAVIT BY LIMITED LIABILITY COMPANY APPLICANT

Commonwealth of Pennsylvania, County of Berks

SCOTT M. ESTERBROOK, being duly sworn,
upon his oath deposes and says that:

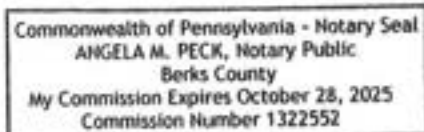
1. Scott M. Esterbrook is the Attorney in Fact and Authorized Signatory of the Limited Liability Company named as the Applicant and signed the foregoing application.
2. X was duly authorized to sign said application in its name and in its behalf.
3. X has read and fully understands all of the questions pertaining to such Applicant and that all of the foregoing answers, statements and declarations made thereto are true.

Subscribed and sworn to before me this 30th day of September 2022.

Scott M. Esterbrook Signature of Affiant

Angela M. Peck Signature of Officer administering oath

Notary Public Title of such Officer



Attached Exhibit List

Exhibit	Description
1.10	CEAC Secretary of State Documents
2.1	Site Maps and Images
2.1	Proposal Slides
2.7	Letter of Financial Support
2.10	UMass Study
2.10	Spectrum 2.18.22
2.10	Spectrum 5.31.22
4.5	County Vote
5.20	Racing Oversight Board
6.2	NEHBPA Purse Agreement
6.2	NEHBPA Recognition Agreement
6.2	NEHBPA Letter of Support
6.6	Carpenters Letter
6.6	Worcester-Fitchburg Building and Construction Letter
7.1	Executed Purchase and Sale Agreement for Great Meadowbrook Farm



William Francis Galvin
Secretary of the
Commonwealth

The Commonwealth of Massachusetts
Secretary of the Commonwealth
State House, Boston, Massachusetts 02133

September 19, 2022

TO WHOM IT MAY CONCERN:

I hereby certify that a certificate of organization of a Limited Liability Company was filed in this office by

COMMONWEALTH EQUINE AND AGRICULTURAL CENTER LLC

in accordance with the provisions of Massachusetts General Laws Chapter 156C on **August 26, 2022.**

I further certify that said Limited Liability Company has filed all annual reports due and paid all fees with respect to such reports; that said Limited Liability Company has not filed a certificate of cancellation; that there are no proceedings presently pending under the Massachusetts General Laws Chapter 156C, § 70 for said Limited Liability Company's dissolution; and that said Limited Liability Company is in good standing with this office.

I also certify that the names of all managers listed in the most recent filing are:
COMMONWEALTH RACING, LLC

I further certify, the names of all persons authorized to execute documents filed with this office and listed in the most recent filing are: **COMMONWEALTH RACING, LLC, SCOTT M. ESTERBROOK**

The names of all persons authorized to act with respect to real property listed in the most recent filing are: **SCOTT M. ESTERBROOK**



In testimony of which,

I have hereunto affixed the

Great Seal of the Commonwealth

on the date first above written.

William Francis Galvin

Secretary of the Commonwealth



William Francis Galvin
Secretary of the
Commonwealth

The Commonwealth of Massachusetts
Secretary of the Commonwealth
State House, Boston, Massachusetts 02133

September 19, 2022

TO WHOM IT MAY CONCERN:

I hereby certify that a certificate of organization of Limited Liability Company was filed in this office by

COMMONWEALTH EQUINE AND AGRICULTURAL CENTER LLC

in accordance with the provisions of Massachusetts General Laws Chapter 156C
on **August 26, 2022**.

I further certify that said Limited Liability Company has not filed a certificate of cancellation; that there are no proceedings presently pending under the Massachusetts General Laws Chapter 156C, § 70 for said Limited Liability Company's dissolution; and that, so far as appears of record, said Limited Liability Company has legal existence.



In testimony of which,

I have hereunto affixed the

Great Seal of the Commonwealth

on the date first above written.

William Francis Galvin

Secretary of the Commonwealth



The Commonwealth of Massachusetts
William Francis Galvin

Minimum Fee: \$500.00

Secretary of the Commonwealth, Corporations Division
 One Ashburton Place, 17th floor
 Boston, MA 02108-1512
 Telephone: (617) 727-9640

Certificate of Organization

(General Laws, Chapter)

Identification Number: 001603030

1. The exact name of the limited liability company is: COMMONWEALTH EQUINE AND AGRICULTURAL CENTER LLC

2a. Location of its principal office:

No. and Street: C/O BUTTERS BRAZILIAN LLP
699 BOYLSTON STREET, 12TH FLOOR
 City or Town: BOSTON State: MA Zip: 02116 Country: USA

2b. Street address of the office in the Commonwealth at which the records will be maintained:

No. and Street: C/O BUTTERS BRAZILIAN LLP
699 BOYLSTON STREET, 12TH FLOOR
 City or Town: BOSTON State: MA Zip: 02116 Country: USA

3. The general character of business, and if the limited liability company is organized to render professional service, the service to be rendered:

THE GENERAL PURPOSE OF THE LLC IS TO ENGAGE IN AGRICULTURAL ACTIVITY, INCLUDING EQUINE BREEDING, PRODUCTION OF CROPS INCLUDING HAY, THE BUSINESS OF EQUESTRIAN LESSONS, BOARDING, RAISING, TEACHING, CLINICS, GENERAL SALES, RELATING TO EQUINE AND AGRICULTURE, TRAINING, RIDING, CARE, RETIREMENT, AND/OR OTHER EQUINE RELATED ACTIVITIES, SUCH AS WITHOUT LIMITATION, FARMING, AGRICULTURAL PURSUITS, SALES OF AGRICULTURAL PRODUCTS, INCLUDING COMPOST, EQUIPMENT, AND ALL OTHER AGRICULTURAL ACTIVITIES, EQUESTRIAN SCHOOL, SUMMER CAMP, AND/OR OTHER EQUINE AND/OR FARMING RELATED ACTIVITIES. THE LLC MAY HOST HORSE RACING MEETINGS, EQUINE PERFORMANCES, PARI-MUTUEL WAGERING, SIMULCASTING, SPORTS WAGERING, AND OTHER ENTERTAINMENT AS AUTHORIZED BY LOCAL, STATE, OR FEDERAL LAW, OR LICENSING AUTHORITY. THE LLC MAY OWN AND OPERATE A BED AND BREAKFAST AND RESTAURANT. THE LLC MAY DO SO DIRECTLY OR INDIRECTLY, OR THROUGH JOINT VENTURES, PARTNERSHIPS OR OTHER ENTITIES, AND OTHER RELATED BUSINESS AND SERVICES. NOTWITHSTANDING THE FOREGOING, THE LLC MAY ENGAGE IN ANY OTHER LAWFUL BUSINESS PERMITTED BY THE ACT OR THE LAWS OF ANY JURISDICTION IN WHICH THE LLC MAY DO BUSINESS. THE LLC SHALL HAVE THE AUTHORITY TO DO ALL THINGS NECESSARY OR CONVENIENT TO ACCOMPLISH ITS PURPOSE AND TO OPERATE ITS BUSINESS.

4. The latest date of dissolution, if specified:

5. Name and address of the Resident Agent:

Name: PATRICK HANLEY
 No. and Street: C/O BUTTERS BRAZILIAN LLP

699 BOYLSTON STREET, 12TH FLOOR

City or Town:

BOSTON

State: MA

Zip: 02116

Country: USA

I, PATRICK HANLEY resident agent of the above limited liability company, consent to my appointment as the resident agent of the above limited liability company pursuant to G. L. Chapter 156C Section 12.

6. The name and business address of each manager, if any:

Title	Individual Name First, Middle, Last, Suffix	Address (no PO Box) Address, City or Town, State, Zip Code
MANAGER	COMMONWEALTH RACING, LLC	ONE INTERNATIONAL PL., STE. 2000 BOSTON, MA 02110 USA

7. The name and business address of the person(s) in addition to the manager(s), authorized to execute documents to be filed with the Corporations Division, and at least one person shall be named if there are no managers.

Title	Individual Name First, Middle, Last, Suffix	Address (no PO Box) Address, City or Town, State, Zip Code
SOC SIGNATORY	SCOTT M. ESTERBROOK	C/O BUTTERS BRAZILIAN LLP, 699 BOYLSTON ST., 12TH BOSTON, MA 02116 USA

8. The name and business address of the person(s) authorized to execute, acknowledge, deliver and record any recordable instrument purporting to affect an interest in real property:

Title	Individual Name First, Middle, Last, Suffix	Address (no PO Box) Address, City or Town, State, Zip Code
REAL PROPERTY	SCOTT M. ESTERBROOK	C/O BUTTERS BRAZILIAN LLP, 699 BOYLSTON ST., 12TH FL. BOSTON, MA 02116 USA

9. Additional matters:

SIGNED UNDER THE PENALTIES OF PERJURY, this 26 Day of August, 2022,
PATRICK HANLEY

(The certificate must be signed by the person forming the LLC.)

THE COMMONWEALTH OF MASSACHUSETTS

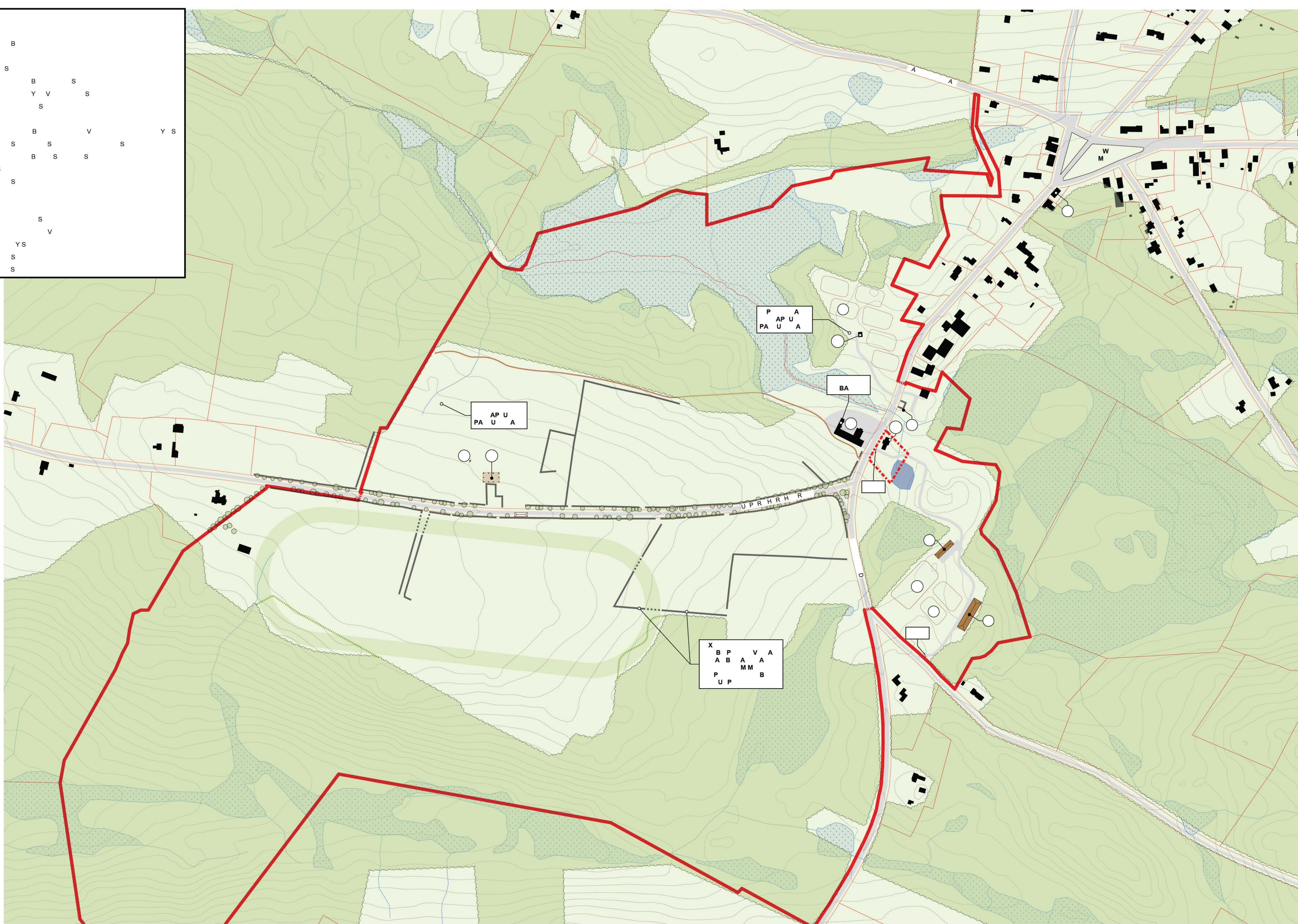
I hereby certify that, upon examination of this document, duly submitted to me, it appears that the provisions of the General Laws relative to corporations have been complied with, and I hereby approve said articles; and the filing fee having been paid, said articles are deemed to have been filed with me on:

August 26, 2022 02:46 PM

A handwritten signature in black ink, reading "William Francis Galvin". The signature is written in a cursive, flowing style with a large initial 'W' and 'G'.

WILLIAM FRANCIS GALVIN

Secretary of the Commonwealth



HARDW CK MA



















Over the Wall 2003



JACKS
FRENCH
FRIES
MILKSHAKES
CHIPS
HOT
DOGS
HATKEY
SPECIALS

CHEESE

TOOTIE'S
FRIED
DOUGH
HOT

TOOTIE'S
FRIED
DOUGH
HOT

LEMONADE

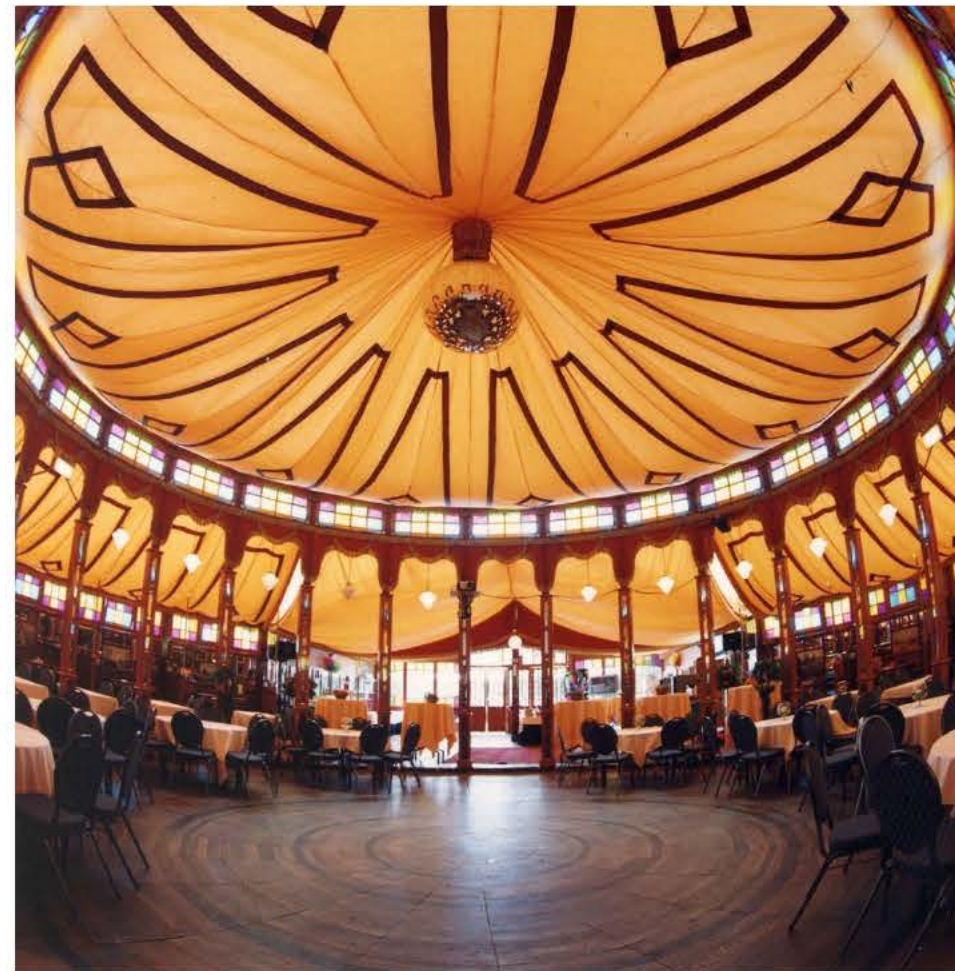
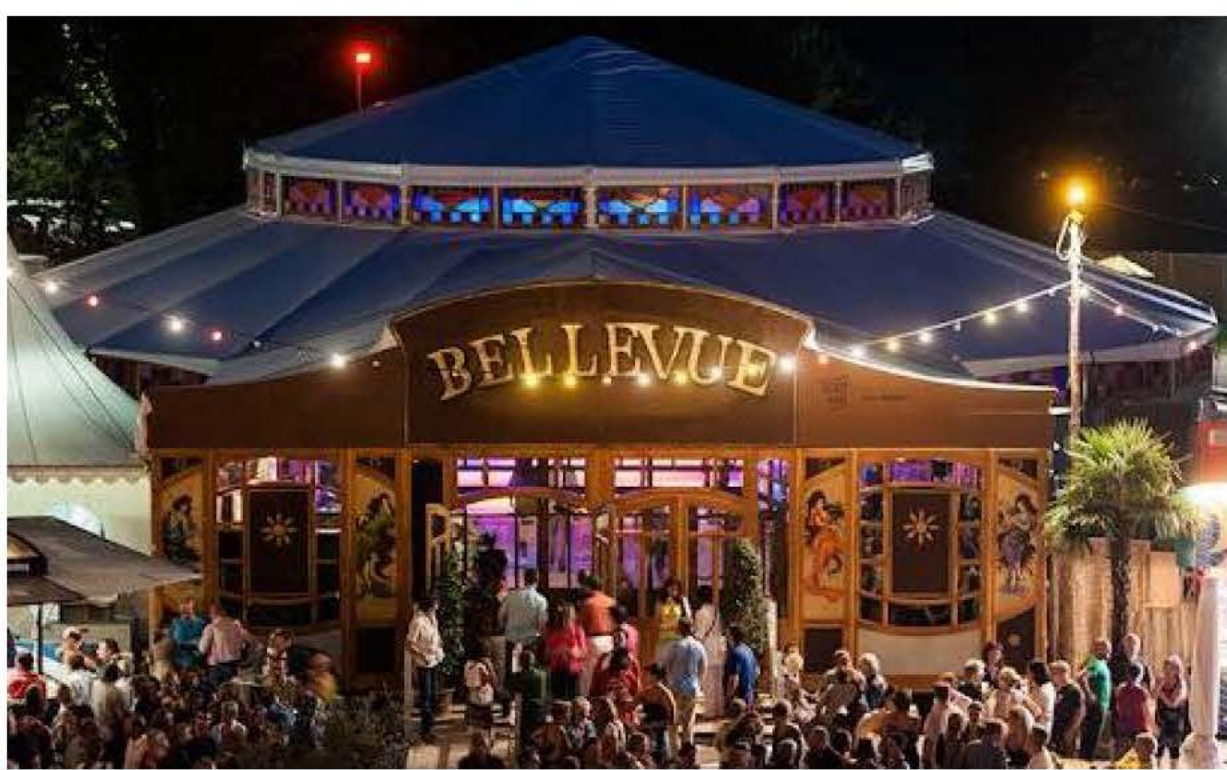
PAULA BROS., INC.
133 Lonsdale St.
Lansbury, MA 01462







Portable Wooden Structures



FESTIVAL TENTS

Commonwealth Equine & Agricultural Center



COMMONWEALTH
EQUINE & AGRICULTURAL CENTER

COMMONWEALTH OF MASSACHUSETTS



DAVID M. SCHWARZ ARCHITECTS

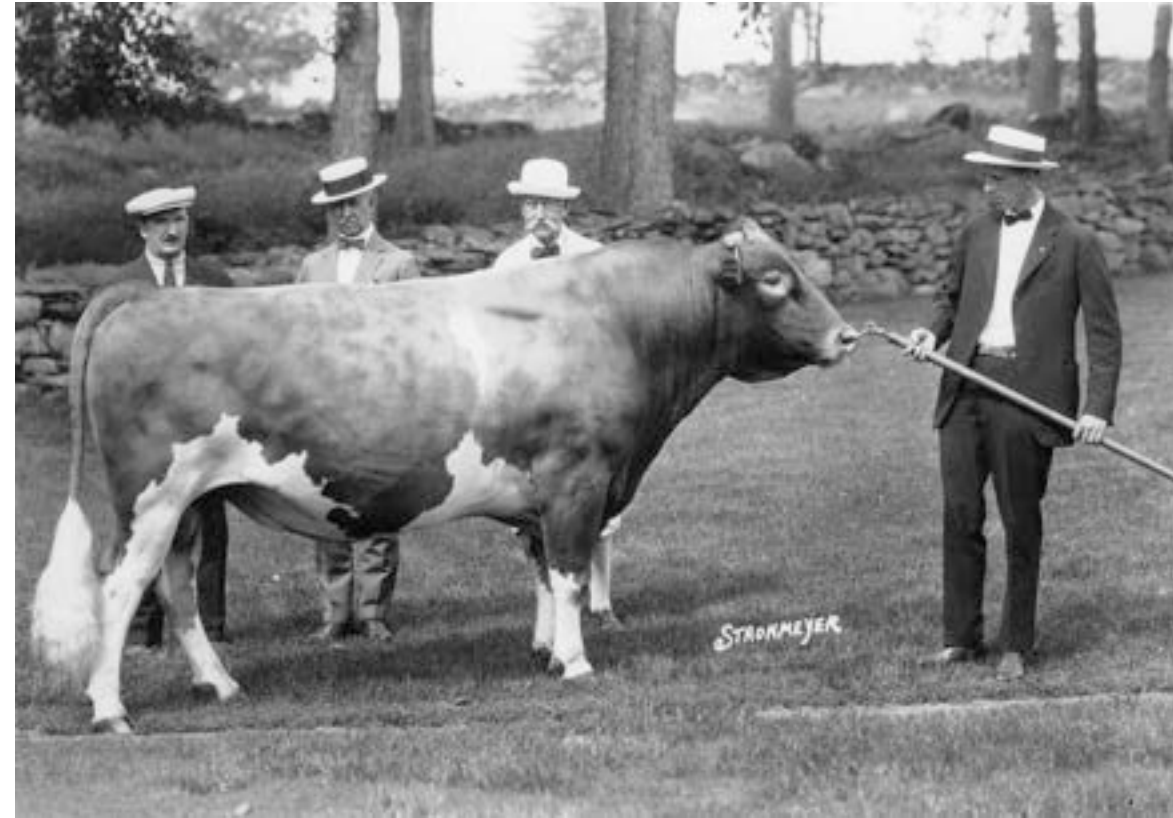


Great Meadowbrook Farm Proposal

Fall 2022

Hardwick: A Tradition-Rich Farming Community

- Hardwick's farming and equine legacy dates to Brig. General Timothy Ruggles, founder of the Hardwick Fair in 1762, known for owning the most successful horse breeding operation in the 13 colonies.
- Hardwick is a "right to farm community" since 2005 Act of Town Meeting.
- One of the oldest farms in Hardwick, and site of the former Mixter Farm, one of the largest dairy producers in the country.
- Today it is an active farm with two barns, a two-family house, a farm workers' residence and stables. Solar panels on the barn roof supply the electrical needs of the farm.
- The farm has been under the Agricultural Preservation Restriction program since the 1980s.
- Previously hosted Over the Walls Horse Trials from 2000 to 2004, a premier series of horse trials that served as a qualifier for the Eventing World Cup Finals in 2004.



The Vision

- A year round agritourism destination for all to learn about and enjoy farming and horses:
 - Thoroughbred breeding program
 - Agricultural and equestrian festivals
 - Off the track thoroughbred retirement
 - Stables, paddocks and equestrian center
 - Training and racing facilities for thoroughbreds
 - Agricultural programs for local students
 - Thoroughbred festival racing
 - Hayfields and vegetable gardens
- Includes nearby associated projects:
 - Farm to table restaurant with changing seasonal menu of local products
 - Bed and breakfast inn
- Festivals over no more than six weekends per year (*no more than 20 days*).



Equine Facility

- We believe our facility will be the premier facility for thoroughbreds to breed, train, live and retire.
 - Thoroughbred breeding program
 - Therapy programs for children and individuals with special needs
 - Place for off track thoroughbreds to live in a safe, healthy and nurturing environment
 - Training facilities for thoroughbred owners and trainers





Site Plan for Festival Days





Over the Wall festival for Olympic trials qualifying Eventing Competition on Upper Church Street circa 2003



Thoroughbred Festival Racing

- No more than 20 festival days, including racing, music, community events, over a few weekends within a year.
- Will not occur or interfere with annual Hardwick Community Fair.
- Onsite wagering only at thoroughbred race meets at temporary kiosk. Races will be simulcast enabling people to bet online from anywhere. 93% of wagering occurs online off-site.*
- Track eligible for state funding through the Race Horse Development Fund.



* "Sports Wagering at Prospective Racetrack Report", Spectrum Gaming Group, 2/18/2022

Associated Projects

- A farm to table restaurant will bring together local produce with renowned chefs in a farm inspired setting at an adjacent location.
- Bed and breakfast inn for visitors to Hardwick and surrounding communities.
- Collaborator with surrounding farms and artisans while supporting local breeders, horse owners, farriers and veterinarians to encourage economic activity and strengthen local agricultural community.



Hardwick supporting farms and breeders across the Commonwealth

“...the development of a Massachusetts Model horse park represents a significant economic opportunity for the Commonwealth. Capital costs are not expected to exceed \$150 million. The annual economic impact is expected to approach \$99 million and lead to the creation of more than 950 jobs throughout Massachusetts.

Economic activity resulting from the facility’s development would also generate an additional \$5 million in state and local tax revenues per year.”

*Dr. John Mullin, Emeritus Professor
Regional Planning at the University of Massachusetts Amherst*

The report:

https://scholarworks.umass.edu/cgi/viewcontent.cgi?article=1166&context=ced_techrpts

“Hardwick is about preserving our rural economy, our farms and a way of life that will disappear forever if we don’t protect it and act now. This project has wide support among horse owners, breeders, and enthusiasts as a catalyst to sustain and grow farms and horse operations across the Commonwealth.”

*Anthony Spadea, Jr., President
The New England Horsemen’s Benevolent
and Protective Association*

Summary of Project

- Great Meadowbook Farm continues Hardwick's proud agriculture and equine legacy.
- Collaborator with surrounding farms and artisans while supporting local breeders, horse owners, farriers and veterinarians to encourage economic activity and strengthen local agricultural community.
- An adjacent farm to table restaurant will bring together local produce with renowned chefs in a farm inspired setting at an adjacent location.
- Significant new capital investment. Creates 25 to 50 permanent and more than 100 temporary jobs in the community.
- Potential \$500,000 in new local revenue for the Town of Hardwick, an 8% increase to annual revenues.



Towards the Creation of a Horse Park in the Commonwealth of Massachusetts: A Feasibility Study

FINAL REPORT

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Economic Impact Analysis	18
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The Center for Economic Development
Department of Landscape Architecture and Regional Planning
University of Massachusetts Amherst
109 Hills North
Amherst, Massachusetts 01002

July 7, 2016



**Landscape Architecture
& Regional Planning**

ABOUT THE AUTHORS

DR. HENRY RENSKI: DIRECTOR, CENTER FOR ECONOMIC DEVELOPMENT



Dr. Renski is an Associate Professor of Regional Planning at the University of Massachusetts Amherst, Graduate Program Director of the Ph.D. in Regional Planning, and the Associate Director for the Institute for Social Science Research. His research focuses on understanding the technological and social forces driving regional economic competitiveness and transformation, and building upon this knowledge to improve the effectiveness of economic development policy. He has authored or consulted on over two dozen economic impact studies during his career.

DR. JOHN R. MULLIN, FAICP: ASSOCIATE DIRECTOR, CENTER FOR ECONOMIC DEVELOPMENT



Dr. Mullin is an Emeritus Professor of Regional Planning at the University of Massachusetts Amherst, and former Dean of the Graduate School. His research and professional interests focus upon industrial revitalization, port development and downtown planning. A Senior Fulbright Scholar, Dr. Mullin has written or edited over 100 book chapters, book reviews, technical reports, journal articles, and conference proceedings. He is a retired Brigadier General from the United States Army National Guard.

JONATHAN G. COOPER: PROJECT ASSOCIATE, CENTER FOR ECONOMIC DEVELOPMENT



Mr. Cooper is an economic and community development planner. He provides research and consulting services to public agencies, nonprofit organizations, and private planning firms across New England. Mr. Cooper assists clients through his affiliation with the CED at UMass Amherst; through his role as Research Director of the Institute for Nuclear Host Communities; and as an independent consultant. He has published and presented research on workforce development, university-community partnerships, and the local impacts of power plant closure.

ABOUT THE CENTER FOR ECONOMIC DEVELOPMENT

The Center for Economic Development (CED) is a research and community-oriented technical assistance center at the University of Massachusetts Amherst. Housed in the Department of Landscape Architecture and Regional Planning, the CED provides technical assistance, undertakes critical studies, disseminates information, and enhances local and multi-community capacity for strategic planning and development. This approach is designed to relate the concerns and goals of commerce and industry to those of the broader community. The CED works closely with community and business sectors, providing information and assistance needed for growth, management, and public benefit. The CED's clientele reflects that the Center does indeed work well with all sectors: community development corporations, state agencies, municipalities, regional planning agencies, developers, business leaders, chambers of commerce, local officials, public groups, and the managers of firms.

ACKNOWLEDGEMENTS

CED research assistants Michael Havlin (MRP/MPPA) and Sarah Lang (MRP/MS) assisted Dr. Renski with the economic impacts and case study sections of the report. The Berkshire Design Group provided conceptual renderings and visual materials for use in public presentations.

EXECUTIVE SUMMARY

CONCEPT

Numerous social and economic factors have coalesced to present the Commonwealth with an opportunity to create a new model for a multi-use horse park. This model would combine a race track for Thoroughbred horses with a high-end equestrian center and a Thoroughbred horse retirement and retraining farm. This equestrian center, capable of hosting indoor and outdoor dressage, eventing, and hunter/jumper competitions, would be anchored by a large indoor arena with stadium seating and Olympic-sized surfaces. The retirement and retraining farm would enable Thoroughbred horses either to retire comfortably, or to develop new skills for other competitive and non-competitive activities, including hunting/jumping, polo, and therapeutic riding programs for at-risk and higher-needs children. With space for conferences and trade shows, 4-H activities and meets, local community recreation, pleasure riding, agricultural and artisanal markets, and equine health trainings and services, among other uses, the “Massachusetts Model” would create an economic and social hub in the service of the Commonwealth’s equestrian heritage and agricultural economy.

This study finds that the development of a Massachusetts Model horse park represents a significant economic opportunity for the Commonwealth. Capital costs are not expected to exceed \$150 million. The annual economic impact is expected to approach \$99 million and lead to the creation of more than 950 jobs throughout Massachusetts. Economic activity resulting from the facility’s development would also generate an additional \$5 million in state and local tax revenues per year.

EXISTING ACTIVITY & LOCATION CRITERIA

There are nearly 1,200 equine farms in Massachusetts, making it the most common farm type in the state. A review of commercial equestrian centers and registered Thoroughbred farms found no fewer than 125 facilities hosting various equestrian competitions, providing horse retirement and retraining services, operating riding academies, breeding Thoroughbreds, and a number of other activities. From the Berkshires to the Cape, in towns as geographically and socioeconomically distinct as Orange and Sherborn, these facilities have shown a propensity to cluster in four geographic regions: Essex County; the western suburbs of Boston; southeastern Massachusetts; and the Pioneer Valley. Surprisingly, there are very few equestrian centers west of the Pioneer Valley.

Official dressage and eventing competitions are popular in each region, as are the competitions between the 27 intercollegiate teams and 120 interscholastic teams located in Massachusetts. Since relatively few equestrian centers have the necessary facilities for hosting competitions in the winter, most activity takes place between September and November. The most distinct regional variation is the extensive presence of shows and competitions for non-Thoroughbred horse breeds in the Pioneer Valley, where Arabian and Morgan horses are especially popular.

Based on a review of existing race tracks and equestrian centers across the country, site visits to successful facilities, interviews with industry experts, and an inventory and spatial analysis of the

existing equine activities in Massachusetts, we have identified six criteria for assessing the fitness of any potential location for the proposed horse park, listed on the following page.

- At least 300 to 600 acres of preferably contiguous land, to meet all spatial, social, and logistical needs.
- Slopes of 3 to 8 percent, free from wetlands, streams, and poorly-drained soils. This will provide ease of circulation, ensure appropriate drainage, and prevent erosion.
- Access to an interstate or state route with a high level of service within five miles, to minimize traffic impacts and time lost in transit on event days.
- Open views to appealing landscapes that connect the facility visually, emotionally, and physically to its agricultural milieu.
- One hour's travel time to at least two of New England's largest cities, so that a trip to the facility is not especially burdensome for event participants, spectators, and guests.
- Land use compatibility to underscore the natural partnership between the facility's activities and the character and culture of a potential site's host community.

Although subject to change, there are currently ten sites on the real estate market that meet some or all of the established criteria. These parcels are in Bristol, Essex, Franklin, Hampden, Plymouth, and Worcester counties, in rural and suburban settings of varying density. Nearly all have some equestrian and/or agricultural activity nearby, and many are within 20 minutes of a major road or interstate.

ECONOMIC IMPACTS

This section used the industry-standard **IMPLAN** economic modeling program to assess the economic impacts of three of the major components of the horse park: the Thoroughbred race track; the equestrian center; and the Thoroughbred retirement farm. Because these are not the only uses proposed for the site, and the separate modeling of each component does not factor in the cost savings that would likely result from this combination of related uses, what follows is a very conservative estimate.

In 2016 dollars, the proposed facility is expected to bring approximately \$53.7 million per year in new spending to the Massachusetts economy from out-of-state sources. The ripple effects would yield a total annual impact of \$98.9 million across the entire economy, and generate another \$5 million per year in new state and local tax revenues. More than half of this total economic impact will be paid directly to Massachusetts workers as labor income, and is expected to support the creation of 957 full-time equivalent (FTE) year-round jobs in the Commonwealth. Of these, we anticipate more than 300 FTE jobs at the horse park: more than 250 at the track; at least 30 at the equestrian center; and approximately 12 at the retirement farm. In addition, the creation of a new racetrack coupled with recently enacted purse supplements and breeder awards will result in 20 new workers at thoroughbred breeding and training farms across Massachusetts.

RACE TRACK COMPONENT

Based on our research, we expect the Thoroughbred racing component to yield \$66.3 million in annual output and sales statewide. This level of economic activity would support the creation of nearly 664 FTE jobs, which would add roughly \$38 million of labor income to Massachusetts households. Money spent directly at the track by breeding farms, racing participants and spectators, or spent in-state by the track itself for services and operations, would account for \$36.7 million of the total annual output.

These totals are built on the following assumptions: 75 racing days during a typical season between May and October; 9 races per day; 800 horses in residence throughout the season; an average of 3,000 spectators per race day; and an out-of-state attendance rate of 20 percent. We also assume that the new racetrack, coupled with the purse supplements and breeding awards provided through the Expanded Gaming Act of 2011, will spur the production of 115 new foals per year.

EQUESTRIAN CENTER COMPONENT

The horse park's other major component is a first-class equestrian center capable of hosting elite national events. Based on our research, we expect the equestrian center to generate \$31.7 million in annual output and sales throughout the Massachusetts economy. This new activity is enough to support the equivalent of 280 full time jobs, and will generate \$14.5 million in new household income across the Commonwealth. Money spent directly at the center by event visitors and participants coming from out-of-state, or by the center itself for its operations, accounts for \$16.7 million. This is slightly more than half of the total output, and the rest is generated downstream.

The analysis assumes that the facility will host 70 equestrian events per year: five major events of a national scale; 40 mid-sized events of a regional/interstate scale; and 25 minor events at state and local levels. In addition, the center will also host 18 non-equestrian events of local interest. Through industry research and consultation, each event type (major, mid-sized, minor, and non-equestrian) was assigned a set of distinguishing characteristics, such as event duration, total attendance, and out-of-state attendance levels. A first-class equestrian center is likely to draw approximately 66 percent of its revenue from out-of-state sources, and we estimate that the proposed facility will result in over 82,500 visits from non-Massachusetts residents per year for all events.

RETIREMENT FARM COMPONENT

The horse park also includes a retirement/retraining farm for up to 40 Thoroughbred racing horses whose are ready to move on to equestrian careers off the racetrack. A review of existing Thoroughbred retirement facilities indicates that they have the potential to become significant tourist destinations in their own right. The study suggests that such an operation would draw roughly 7,000 out-of-state visitors per year; require annual operational expenditures of approximately \$325,000; provide 11 FTE jobs; and generate a total economic impact of approximately \$800,000 per year.

I. PROJECT OVERVIEW

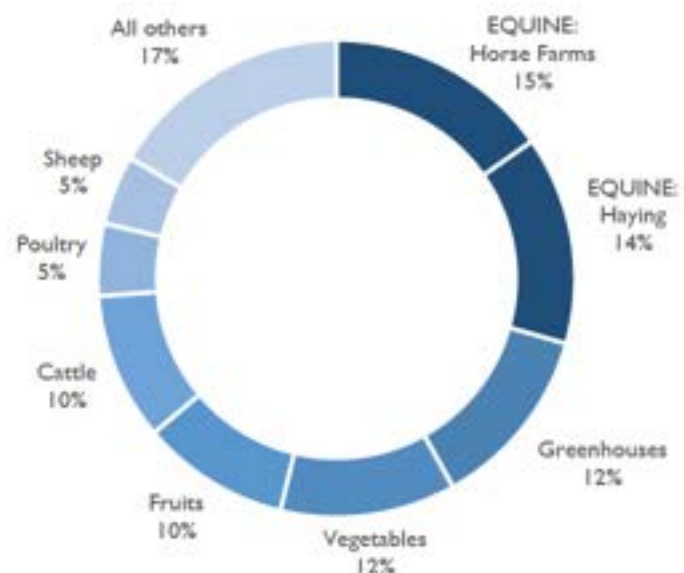
INTRODUCTION

The Commonwealth of Massachusetts enjoys a deep and varied equestrian presence that can be found in her landscapes, industries, history, and people. Horses have represented the many characteristics of Massachusetts equally well: like the state itself, its relationships with horses are at once agricultural and industrial, urban and rural, sophisticated and functional, and historic and forward-looking.

The turnpikes and Great Roads that proliferated across Massachusetts at the end of the 18th century were local successors to the King's Highway and Post Roads of the colonial era. These feats of civil engineering were ideal for the speed and stamina of horses, enabling messengers to speed from Boston to Concord under cover of night, and carriages to ferry mail through the hinterlands of southern New England. The canals that democratized shipping and commerce in the first half of the 19th century relied on draft horses to pull barges along miles of towpaths. Later on, after the Industrial Revolution had given rise to the implements that mechanized agriculture along the Great Plains, horses and oxen remained the most sensible choices in Massachusetts. Most suited to the task was the Morgan, bred from a bay stallion named Figure that was born in West Springfield in 1789. The Morgan's compact and powerful build was ideal for the smaller farms and rockier fields that still characterize much of the Commonwealth's agricultural land.

This link between horses and agriculture in Massachusetts is still evident today. The most common farms in Massachusetts are horse farms and haying operations. As Figure 1.1 shows, as of 2012 these categories alone account for over 29 percent of the 7,755 farms in Massachusetts. Furthermore, the combined acreage of these farms accounts for 30 percent of the Commonwealth's agricultural land.

Figure 1.1: MA Farms by Type, 2012



Source: USDA. 2012 Census of Agriculture.

PURPOSE & MOTIVATION

The purpose of this report is to present our preliminary findings concerning the feasibility of developing a multi-use Horse Park in the Commonwealth of Massachusetts. This center would be operated as a non-profit entity, dedicated to furthering a wide range of activities that would promote equestrian education, racing events, and Massachusetts agriculture, among other functions. The study, sponsored by the New England Horseman's Benevolent and Protective Society (NEHBPA), is being undertaken by the Center for Economic Development (CED) at the University of Massachusetts Amherst. Research for this project involved site visits to equestrian centers, interviews with equestrian business leaders and academics, and analysis of data related to equestrian activities. The project also included extensive input through a voluntary advisory committee consisting of equestrian experts familiar with equestrian operations throughout the United States.

The motivation for the project is to enhance interest in the sport of horseracing, create a tourist opportunity for the enjoyment of visitors, expand employment opportunities in equestrian activities, develop and maintain agricultural and open spaces, promote the breeding, training, racing and exhibition of Thoroughbred and other horses, and to protect the Thoroughbred racing industry and jobs resulting directly and indirectly from these purposes. The complex is intended to be multi-functional, high end, and to appeal to a wide array of patrons. It will be state of the art and befitting of the image of Massachusetts as a tourist destination. It is further envisioned that the complex will be located in a rural area outside of metropolitan Boston. The property, to be owned by a non-profit corporation, shall be deemed land devoted to agricultural use under MGL Chapter 61A. This corporation will establish relationships with (a) the Massachusetts 4-H and similar organizations to encourage the growth of agricultural products to be used at the facility and (b) Massachusetts schools offering agricultural studies dedicated to creating agricultural career opportunities in the Commonwealth.

Several factors contributed to the current interest in developing a multi-use horse park in Massachusetts. These included the following:

- Consumer preferences for Thoroughbred racing attendance are shifting away from the large urban venues of the early 20th century, such as Suffolk Downs.
- Equestrian competition opportunities are increasing across the United States. Massachusetts has very few venues for these events and most are private.
- Recreational interest in equestrian activities is growing across the country and in Massachusetts. It is of considerable interest to Massachusetts 4-H.
- The healthy caring and nurturing of horses is of great interest to those undertaking research on animals including horses. It is an opportunity for the equine studies field.
- There are no state of the art facilities in Massachusetts dedicated to the protection and care of retired and ageing horses.
- Equestrian related conferences, exhibitions, and conventions are growing business opportunities. Relatively few choose Massachusetts as a venue.

- Equestrian activities provide well-paying jobs for vocational school and community college graduates. A center would stimulate the creation of these opportunities.
- A horse park would increase farm production and agricultural land use in Massachusetts.
- A horse park would be a job and tax producer (PILOT) in the region and town where it would be located.
- A horse park would provide the opportunity for Massachusetts retailers to expand their markets.
- A horse park built with a cultural sense of the New England design ethos and complete with a first class hotel, would become a tourist destination.

VISION

The Horse Park is envisioned to include a wide range of activities that will take place throughout the year. It will be designed to reflect design features common to New England's rural character and be a welcoming place for a wide array of equestrian enthusiasts.

The center will feature a one-mile dirt oval racetrack designed for the safest possible racing of Thoroughbred horses for a 60-90 day season per year. This track could also serve as a venue for Standardbred horse racing if there is interest. Within the oval is a 7/8 mile turf course. Overlooking the track will be a viewing stand capable of seating 4,000 patrons. Within this facility will be restaurants and local wagering areas.

In close proximity to the racing facilities and barns and paddocks will be a series of indoor, outdoor, and covered arenas with rings of varying sizes to meet Olympic-level standards for equestrian training, exercise, and competition. The most substantial of these structures, a large multi-purpose arena, will provide the physical counterpoint to the track and grandstand. Inside the arena, a large natural sand surface of at least 200' x 300' will be designed to house indoor competitions of local and national prominence, surrounded by seating and concessions for upwards of 4,000 spectators. The arena will also include lecture spaces intended for research and educational activities. At other times it would be expected to be used for horse breed shows, 4-H fairs, Future Farmers of America, staff trainings, conferences and exhibitions, commercial expositions, and community college/high school instruction.

As will be noted later, the ability to attract these conferences and exhibitions to Massachusetts will generate extensive new revenues and job opportunities of their own. The racing activities and competition events will be supported by state of the art barns and paddocks that are intended to safely house and protect horses throughout the year. This part of the center will include space that would be available for use by the thousands of Massachusetts horse owners who enjoy equestrian recreational opportunities.

The Equestrian Center might include space for a veterinary facility designed to meet the needs of the horse racing community and equestrian enthusiasts throughout the northeast. It would have a small permanent staff that would expand to meet the needs of the racing season, horse show

season, conference visitors, and those housing their horses on site. Whether in conjunction with one of the veterinary or equine studies programs in Massachusetts, or through a partnership with local large animal veterinarians, it has become clear that such a facility would not only help to maintain the health of a wide range of horses but assist in expanding research opportunities partnering institutions.

The satellite veterinary center would also play an important role in the care and protection of horses, which would be housed in a retirement farm on site. Many local owners have had to ship their ageing horses to retirement homes as far away as Virginia and Kentucky. Not only would such a facility provide great care for the horses, it would create additional jobs for equestrian caregivers in Massachusetts. Furthermore, these equine retirement and retraining programs could be coupled with any number of approaches to equestrian therapy. This arrangement could provide several groups – veterans, urban youth, low-risk offenders, and the physically/developmentally disabled, as examples – with meaningful opportunities for personal and practical skill-building.

All of the above would contribute to creating an expanded market for Massachusetts agriculture. The horse park will operate under local purchasing policies in which the feed for horses would be sourced from local farmers to the greatest possible extent. Furthermore, the Center will provide a space for practical research opportunities intended to improve the health of the horses. Specific opportunities will be offered to the University of Massachusetts Stockbridge School, the Commonwealth's agricultural high schools (i.e.: Essex Agricultural, Norfolk Agricultural, Smith Vocational High School), and nearby community colleges.

Given the increasing interest in recreational equestrian activities, the Center will provide extensive space for community recreational riding. Through trails on-site, it will provide opportunities for riders of a wide range of skills and interests. Moreover, if possible, the Center will be closely linked to nearby state parks and forests, such that riders can experience the unique environments of these special places.

All of the above will be interlaced with retail opportunities. During the racing season, as well as conference, convention and exhibition times, “pop-up” market vendors will be encouraged to participate. In so doing, these local and regional merchants will be able to expand their sales. As the Center matures, there will also be opportunities for lodging. Given that the Center will be located in a rural area, it is expected that local bed and breakfast facilities will expand, and that a four season resort-style hotel will be constructed.

2. FACILITY OVERVIEW

This section of the report addresses the presence of existing equestrian centers in Massachusetts; identifies the siting criteria for evaluating potential sites; applies the criteria to currently available sites; and describes a number of best practices to ensure the facility's success in meeting previously articulated goals.

EXISTING FACILITIES IN MASSACHUSETTS

There are several dozen equestrian centers in Massachusetts, which serve a variety of equestrian activities. For the sake of simplicity, this inventory places the facilities into two categories: those that are hosting at least one sanctioned horse show competition this year, and those that are not. The various regional organizations affiliated with the United States Equestrian Federation (USEF) are responsible for ensuring that competitions take place at equestrian centers with adequate facilities, staffing, experience, and planning. This is not meant to imply that centers not hosting a USEF-sanctioned competition are sub-standard, however; it is merely a useful way to determine which centers function as regional destinations. More information about the facilities described below is available on the following pages, in Figures 2.1 and 2.2, and Table 2.1.

USEF-SANCTIONED COMPETITION

In 2016, twenty-five equestrian centers in Massachusetts will host at least one competition sanctioned by regional affiliates of the United States Equestrian Federation. These are some of the most successful equestrian centers in the Commonwealth, and through them the following disciplines are represented at the competitive level: Carriage Pleasure; Dressage (including Para-Equestrian, Seat Medal, and Western dressage); English Pleasure; Eventing; Hunter; Hunter Equitation; Jumping; Roadster; and Saddle Seat Equitation.

These venues are split fairly evenly into four geographic regions: Essex County; the western suburbs of Boston; southeastern Massachusetts; and the Pioneer Valley. Although dressage and eventing competitions are found throughout the state, there appear to be some regional preferences. Most remarkably, competitive jumping is limited to the western suburbs and southeastern Massachusetts. Essex County prefers to host hunter events, and the equestrian centers of the Pioneer Valley are far more likely to host dressage and eventing shows than hunter/jumper competitions. Meanwhile, horse shows for non-Thoroughbred breeds (Arabians, Friesians, Morgans, and American Saddlebreds) and more specialized disciplines do not stretch beyond West Springfield and Northampton.

Figure 2.1: Locations of USEF-Sanctioned Competitions

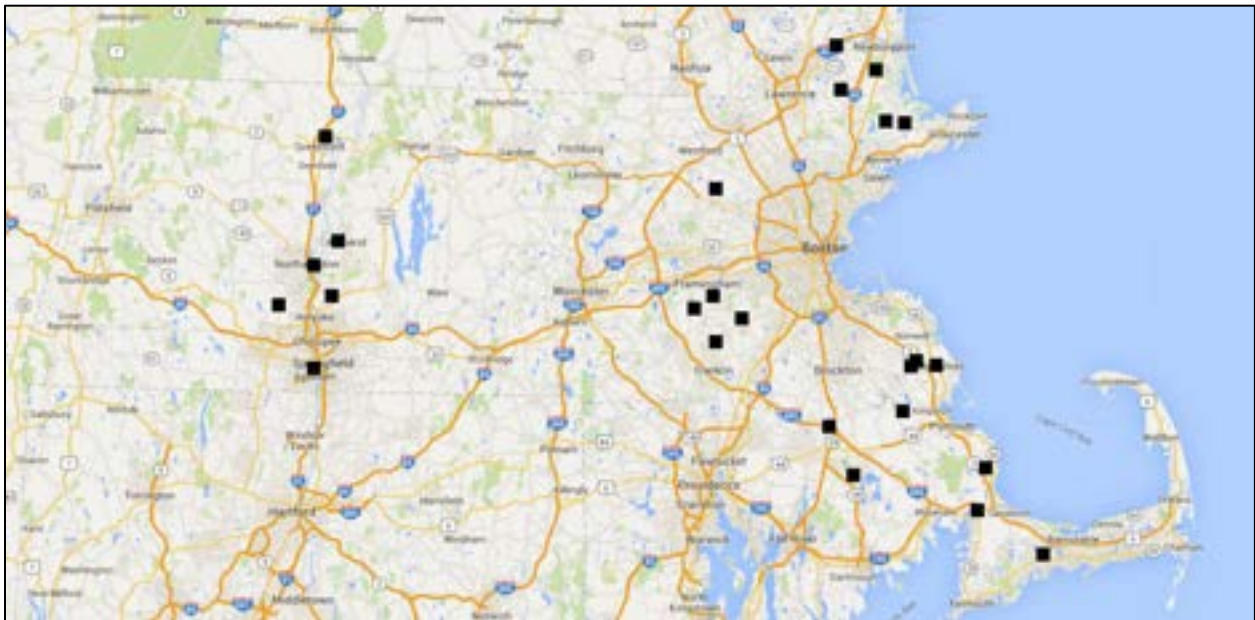


Figure 2.2: Locations of Interscholastic (Red) and USEF-Sanctioned (Black) Competitions



Table 2.1: Equestrian Center Community Details

County	Town	MA \$/Cap Rank	USEF-Sanctioned	Interscholastic
Barnstable	Barnstable	160	Hunter/Hunt Eq	Hunt Seat
	Bourne	209	Hunter/Hunt Eq/Jump	Hunt Seat
	Falmouth	110		Western
Berkshire	Richmond	34		Hunt Seat
Bristol	Raynham	185	Hunter/Hunt Eq/Jump	
	Rehoboth	139		Hunt Seat
Essex	Boxford	11		Hunt Seat
	Danvers	128		Hunt Seat
	Georgetown	76	Dressage	Hunt Seat
	Hamilton	71	Eventing	Hunt Seat
	Haverhill	284	Hunter/Hunter Eq	Hunt Seat
	Ipswich	80	Hunter/Hunter Eq	
	Newbury	91	Hunter/Hunter Eq	Hunt Seat
Franklin	Greenfield	313	Eventing	Hunt Seat
	Orange	345		Western
	Shelburne	255		Hunt Seat
Hampden	W Springfield	308	Western Dressage	
Hampshire	Easthampton	261		Hunt Seat
	Hadley	146	Dressage/Seat Medal	Hunt Seat
	Northampton	198	Hunter Equitation	
	South Hadley	270	Dressage	Hunt Seat
	Southampton	207	Eventing	
Middlesex	Concord	12	Dressage	Hunt Seat
	Holliston	40	Hunter/Hunter Eq	Hunt Seat
	Sherborn	4	Eventing	
	Stow	50		Hunt Seat
	Sudbury	5		Hunt Seat
	Westford	42		Hunt Seat
Norfolk	Medfield	18	Hunter/Hunt Eq/Jump	
	Medway	75	Hunter/Hunt Eq/Jump	Hunt Seat
	Wellesley	6		Hunt Seat
Plymouth	Halifax	221	Jumper	
	Lakeville	163	Dressage	
	Marshfield	77	Dressage/Seat Medal	
	Pembroke	140	Hunter/Hunt Eq/Jump	Hunt Seat
	Plymouth	172	Eventing	
	Plympton	121		Hunt Seat
Worcester	Berlin	72		Hunt Seat
	Bolton	27		Hunt Seat
	Grafton	106		Western & Hunt Seat
	Holden	99		Hunt Seat
	Rutland	218		Hunt Seat
	Sutton	87		Hunt Seat

ADDITIONAL FACILITIES

There are a number of other equestrian facilities in the state as well, which include breeding farms, stables, and riding academies. Although they are too numerous to review in great detail here, there are at least five facilities for Thoroughbred retraining and retirement; four university-based academic and research programs; and nearly three dozen centers for region-wide interscholastic competitions. The academic programs are located between Greater Boston and the Pioneer Valley, with educational options ranging from associate's degrees in equine studies at junior colleges to large-animal surgical concentrations at world-renowned veterinary schools.

In addition to these academic programs, intercollegiate equestrian teams operate at 27 colleges and universities in the Commonwealth. At the primary and secondary school levels, several hundred teams across New England (hailing from country day schools, riding academies, and private stables) participate in interscholastic competitions, with over 120 teams based in Massachusetts alone. As Figure 2.2 shows, the 35 venues hosting interscholastic competitions this year largely follow the four-region location pattern described above (nine equestrian centers are hosting both USEF-sanctioned and interscholastic competitions). In New England, the bulk of these events will take place in October and November; with nine facilities hosting competitions in the winter months of December, January, and February (see Best Practices, below).

ANALYSIS

First, the relatively low level of equestrian centers west of the Connecticut River Valley suggests that it may be difficult to establish a viable facility in the Berkshires. Despite the outstanding visual resources, exceptional rural character, and extensive park and trail access, the area has not found a natural fit with equestrian activities. Interestingly, much of the same could be said of the area east of the Connecticut River Valley, as well, from the Quabbin Reservoir to as far east as Worcester.

Second, although this is an incomplete list of equestrian centers in Massachusetts, there is a remarkable range of host communities. The 43 municipalities in Table 2.1 include some of the wealthiest towns in the Commonwealth (Sherborn and Sudbury), and some of the poorest (Greenfield and Orange). Although equestrian centers provide services to upscale consumers, more than one-third of the host communities have per capita income levels below the state median.

Finally, it is unclear whether the subtle differences in horse show tendencies of the four in-state regions is merely a coincidence, or points to something more significant. The advisory board may wish to consider ways to ensure a good match between the host region and the types of equestrian competition envisioned for the facility, especially where staffing and event planning experience is concerned.

CRITERIA FOR FACILITY LOCATION

A horse park incorporating the range of showing, racing, veterinary, adoption, agricultural, and recreational uses described in the vision will require a site with desirable characteristics in six categories, each of which is examined in the following sections. The first three pertain to the site itself, and the latter half pertain to the host community.

- **Substantial acreage:** to meet all spatial, social, and logistical needs.
- **Workable terrain:** to provide ease of circulation, ensure appropriate drainage, and prevent erosion.
- **Streamlined access:** to minimize traffic impacts on event days and time lost in transit.
- **Appealing landscapes:** to connect the facility visually, emotionally, and physically to its agricultural milieu.
- **Useful location:** so a trip to the facility is not especially burdensome for event participants, spectators, and guests, especially when compared to journeys to other facilities.
- **Land use compatibility:** to demonstrate a natural partnership between the facility's activities and the character and culture of a potential site's host community.

SUBSTANTIAL ACREAGE

At a minimum, a Thoroughbred racing park will need approximately 150 acres to meet its facility requirements, and a number of tracks have upwards of 300 acres at their disposal. However, bigger is not automatically better in the industry, primarily because the oval that is the main attraction is often a fairly consistent size from one track to the next. For equestrian centers, however, site requirements can change significantly based on the anticipated events: shows that gather hundreds of horses require hundreds of stalls and adequate space for trailers, RVs, and other equipment, while more exclusive eventing and endurance competitions bring comparatively fewer horses, but require miles of trail and open space. As an example, the Virginia Horse Park is a 600-acre facility, but approximately half of the total land is for cross country and combined driving courses, while the rest is allocated to barns, arenas, campgrounds, parking, and other structures.

The Massachusetts Horse Park is intended as a high-end equestrian center and race track. Since races and horse shows will not take place on the same days, there is the opportunity for shared facilities to reduce the total overall footprint. The ideal site is approximately 600 acres of contiguous land, with a potential reduction if the site has access to adjacent trails and parkland.

WORKABLE TERRAIN

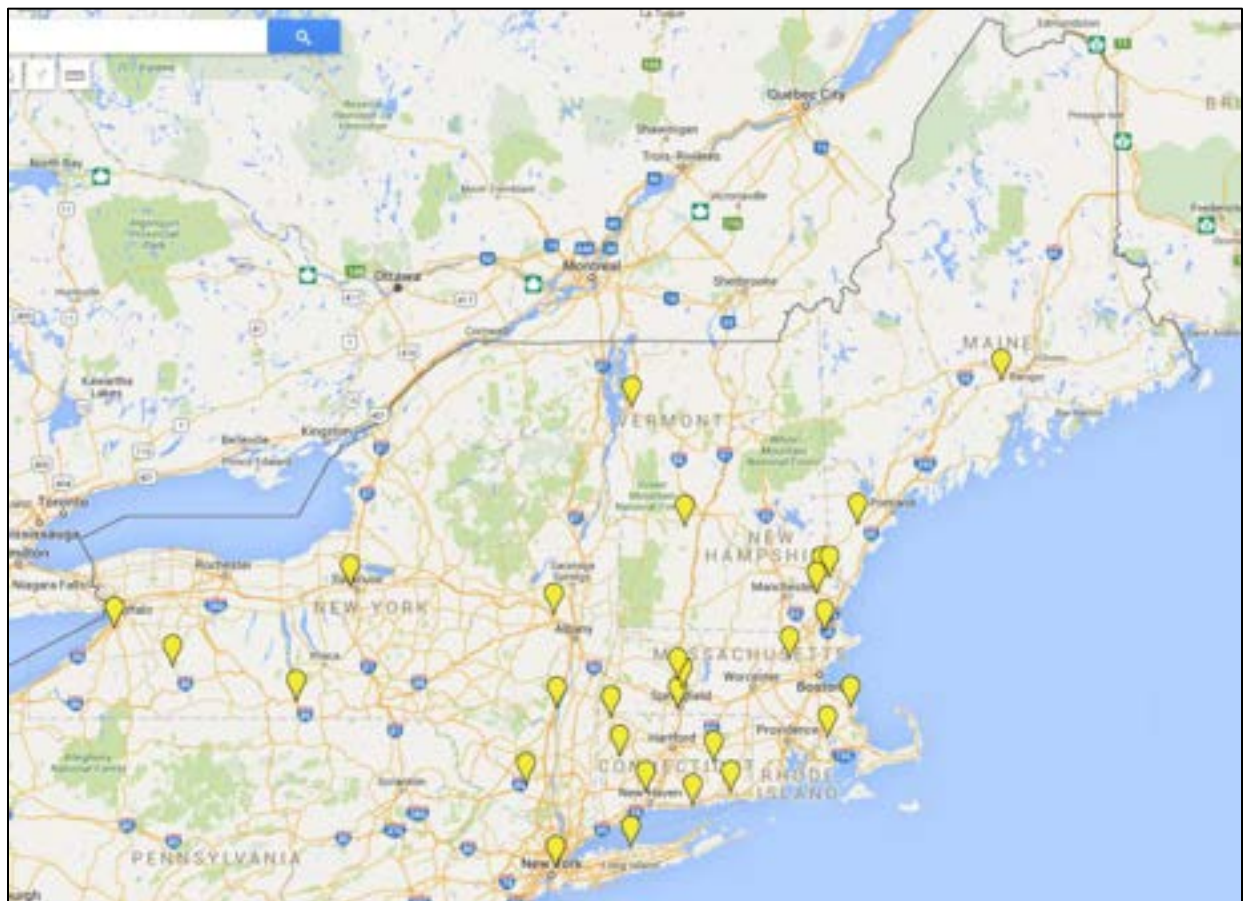
Due to the robust environmental protections in Massachusetts, the ideal site will be free from wetlands, streams, and poorly-drained soils. Slopes of 3 percent to 8 percent allow for adequate site drainage, and low-impact site engineering. Sites free from agricultural protections under Chapter 61 and 61A are preferable, but not essential. Section 3 of Chapter 40A of the Massachusetts General Laws protects commercial agriculture from over-regulation by town zoning bylaws. The law relies on a definition of agriculture found in Chapter 128, which includes both the

raising of horses and the keeping of horses as a commercial enterprise. On parcels five acres or greater, such uses are allowed by-right, meaning that no special permit is needed for such uses.

STREAMLINED ACCESS

Thoroughbred race tracks are rarely more than three miles from an interstate exit, and show a significantly higher tolerance for urbanized contexts than equestrian centers do. Equestrian centers, meanwhile, are far more tolerant of non-highway driving, but are rarely more than five miles from a state route. Figure 2.3 shows the location of the 29 facilities hosting a US Dressage Federation-recognized competition in Region 8 (New York and New England). Clearly, very few are any appreciable distance from a major transportation route. This same tendency could be observed in Figures 2.1 and 2.2, as well.

Figure 2.3: Region 8 Equestrian Centers hosting USEF-Sanctioned Dressage Competitions



APPEALING LANDSCAPES

The exacting aesthetics of competitive horse shows underscores the importance of appearance and presentation to this key user group. Massachusetts is home to some very well-regarded equestrian centers, and some legendary polo and hunting grounds. The equine community is highly discerning, and national-level event coordinators are accustomed to top-of-the-line facilities and services. This eye for detail extends to the surrounding landscape. The facility must be located in a pastoral context, with a preference for open views to natural and visually appealing landscapes. Satisfying this “country estate” aesthetic is essential for demonstrating that the facility makes a meaningful and thorough contribution to equestrian culture.

USEFUL LOCATION

Although equestrian activities are by definition mileage-heavy pursuits, the facility is meant to strengthen and promote the connections horses have to the culture, history, and economy of rural Massachusetts. An exceptionally remote location reduces the potential audience for this message, and increases the transportation costs of the in-state suppliers and vendors that would do business at the facility. Therefore, sites within an hour’s drive of New England’s largest cities - Boston, Worcester, Providence, and Springfield - provide riders, spectators, and vendors with increased availability and exposure.

LAND USE COMPATIBILITY

Because the horse park envisions an unprecedented variety of equestrian uses, the facility is likely to have a noteworthy impact on whichever community hosts it. It is essential, therefore, that the equestrian nature of the facility be congruent with existing local land uses. For example, rural communities with active equestrian activities – stables, horse farms, or agricultural haying, for example – are highly likely to view the proposed horse park as an appropriate use of locally available open space.

CURRENT SITE OPTIONS

Table 2.2 includes the characteristics of ten sites that most nearly meet the established criteria. It is important to bear in mind that this selection reflects currently-available real estate. As such, it does not identify optimal sites (those not currently for sale, but otherwise meeting all siting criteria), and it is subject to change. Identifying features have been obscured.

Table 2.2: Potential Sites and Criteria Matches

	Acres	Terrain	Access	Landscape	Location	Compatibility
001	225-250; near state forest.	Rolling; partially cleared. Stream.	10-15 min.	Rural, low density.	1 under 60; 1 under 90.	No equestrian activity nearby.
002	550-575; trails near.	Flat; partially cleared.	20-30 min.	Strong pastoral scenic.	1 under 60; 1 under 90.	Active outdoor and farming.
003	250-300; town land adj.	Hilltop. Ponds.	20-30 min.	Rural decline.	1 under 60; 1 under 90.	No equestrian activity nearby.
004	200-250 ac.	Flat; partially cleared. Pond.	5-10 min.	Suburban, mid-density.	3 under 90.	Some equestrian activity nearby.
005	475-500 ac.	Rolling, forested. Stream. 61A.	10-15 min.	Rural, low-density.	2 under 60; 2 under 90.	Equestrian and farming nearby.
006	400-415 ac.	Rocky, forested. Pond.	5-10 min.	Rural, mid-density.	1 under 60; 2 under 90.	High equestrian activity nearby.
007	200-250 ac; near parks.	Non-contiguous, forested. Stream.	5-10 min.	Mid-density suburb.	3 under 60.	High equestrian activity nearby.
008	175-200 ac; trails, 4H adj.	Rolling; partially cleared. 61A.	20-30 min.	Strong pastoral.	2 under 60; 2 under 90.	Equestrian and farming nearby.
009	275-300 ac; parks adj.	Rolling, forested. No restrictions.	15-20 min.	Forested, low visual element.	2 under 60; 2 under 90.	Some equestrian nearby.
010	500 ac.	Hilly; forested.	5-10 min.	Strong scenic components.	1 under 60.	Some equestrian activity nearby.

BEST PRACTICES

In recent years, researchers and designers have begun to incorporate sustainability indicators and other markers of social and environmental well-being into the best management practices of equestrian facilities. Some principles, such as siting and designing barn and indoor arenas to maximize solar aspect, are natural extensions of existing practices. Others, such as the use of native plantings for grazing, horticultural identity, and invasive species management purposes, address

industry-specific environmental concerns. Meanwhile, the management of manure for haying and other crop-planting purposes addresses the equine-agriculture linkages this project attempts to develop. Two issues - shared services and intra-state partnerships - are described in greater detail here.

SHARED SERVICES

The parking lot of Lone Star Park, a racing track outside of Dallas, is approximately 60 acres. By comparison, in Massachusetts the average farm is just 68 acres, with a median value of 23 acres. It is therefore relatively uncommon for more than 300 acres of agricultural land in Massachusetts to come onto the market. Since it may be impractical to wait for the ideal parcel to become available, it is essential that the advisory board work closely with architectural and engineering firms to think creatively about the most efficient use of available land. Whether it be parking, RV hookups, paddocks, exercise tracks, or loading areas, every duplicative function that can be reduced, or site use that can be shared, will provide additional acreage for other programmatic elements.

PARTNERSHIPS WITH OTHER FACILITIES

Across the Commonwealth, dozens of facilities host horse shows for numerous equestrian communities. Anticipating how the facility could benefit these entities, rather than compete with them, could help generate industry-wide support. As an example, of the 35 equestrian centers currently hosting interscholastic shows, only nine do so between December and February: Mount Holyoke, Silverstone Stables, Stoneleigh-Burnham School, Saddle Rowe, Rising Star, Volo Farm, Dana Hall School, Willow Brook, and Hillside Meadows. These centers have the facilities necessary to host indoor scholastic events, and three of these (Mount Holyoke, Stoneleigh-Burnham, and Saddle Rowe) currently host USEF-sanctioned events, as well. With the addition of the horse park to the state's equestrian center mix, there is the possibility that these four equestrian centers, and perhaps others, would be able to gain approval for a series of sanctioned wintertime competitions in Massachusetts. As the largest dressage region in the country, there are many families in the northeast that might prefer participating in a competitive series around the holidays that is closer to home than Florida or Texas.

COST ESTIMATE

To date, no integrated equestrian facilities have been developed. The truly unique nature of the Massachusetts Model - thoroughbred racing, showing, riding, and retirement - means that there is no "industry standard" for estimating development costs. Accordingly, we have consulted with racetrack developers and equestrian center developers to estimate project costs for the proposed horse park. We estimate that total development costs of a world-class horse park would not exceed \$150 million. Of this, \$90 million is allocated for all land acquisition and infrastructure development, along with the construction of the equestrian center. The remaining \$60 million is the expected cost for the development of the race track's oval, rail, grandstand, stables, and other necessary structures.

The \$150 million estimate is meant to describe the upper bounds of development: it does not factor in any of the anticipated cost savings resulting from shared services, materials, or facilities.

3. ECONOMIC IMPACT ANALYSIS

CHAPTER SUMMARY

This chapter considers the potential economic impacts of the proposed horse park on the Commonwealth of Massachusetts. Because we are estimating the impacts of a facility that does not yet exist, our estimates were developed by looking at the expenditures and existing facilities in other locations coupled with insights from our advisory board and other industry experts.

We provide preliminary estimates of the economic impact of the three major components of the proposed horse park. These include:

- A Thoroughbred race track with 75 race-days of activity during a full season.
- An equestrian center that will be capable of hosting a variety of equestrian events (e.g. dressage, 3-day eventing, hunting/jumping competitions, etc.) at a national scale. We anticipate 70 equestrian and 18 non-equestrian events per year.
- A horse retirement and retraining farm, capable of the housing, retraining, and care of 40 former Thoroughbred racehorses.

To our knowledge, no other facility in the nation includes all three components together at a single site. The proposed “Massachusetts Model” is truly unique. However, this creates a challenge for estimating the prospective impacts of such a facility, because there is no appropriate template to guide us. Therefore, we model each of the three components independently, and then combine their separate impacts to produce an overall estimate of the overall impact. In other words, we assume that the race track will operate as a distinct entity from the horse center and the retirement facility. Because we are treating each separately, we are not able to account for possible cost-savings in terms of shared facilities, staff, or discounts through bulk purchasing.

Table 3.1: Combined Economic Impacts: Thoroughbred Racing, Equestrian Center, and Retirement Farm

	FTE EMPLOYMENT	LABOR INCOME*	OUTPUT (SALES)*
DIRECT EFFECT	651.7	\$34,905,383	\$53,785,565
INDIRECT EFFECT	98.4	\$6,011,609	\$13,503,183
INDUCED EFFECT	207.0	\$12,216,334	\$31,569,240
TOTAL EFFECT	957.0	\$53,133,324	\$98,857,986

*Reported in 2016 dollars

Table 3.1 reports the combined economic impacts from the three major components of the proposed facility. We estimate that a multi-purpose horse park will bring \$53.8 million in direct new spending to Massachusetts from out-of-state sources. These new dollars will have ripple effects throughout the entire economy, resulting in a total annual output impact of nearly \$100 million.

This is enough to support the creation of 957 new full-time equivalent (FTE) year-round jobs in the state. Slightly more than half of the new sales will make its way into the pockets of Massachusetts workers and households in the form of additional income.

The ratio of total to direct effects is known as the multiplier. For these three components combined, our output multiplier is 1.83. That means for each dollar spent at the new facility—whether by visitors, participants, or via facility operations—we predict an additional 83 cents will flow to other area businesses and workers.

Table 3.2: Combined State and Local Tax Revenue Impacts: Thoroughbred Racing, Equestrian Center, and Retirement Farm

	STATE AND LOCAL TAX REVENUES*
EMPLOYEE COMPENSATION	\$78,244
TAX ON PRODUCTION AND IMPORTS	\$3,125,820
HOUSEHOLDS	\$1,678,505
CORPORATIONS	\$188,253
TOTAL	\$5,070,822

*Reported in 2016 dollars

According to IMPLAN-based estimates, the combination of direct, indirect, and induced impacts will generate roughly \$5 million in new state and local tax revenues per year (Table 3.2). The majority of the increased tax revenues will come from taxes on production and imports (62 percent), namely sales tax revenues. Because we only include impacts from out-of-state visitors and participants, these sales taxes will almost entirely be borne by non-Massachusetts residents. The second largest source of tax revenues is household tax revenue, specifically the portion of personal income taxes paid on the additional earnings of workers directly and indirectly benefiting from the center. Corporate taxes (taxes on profits and dividends) are a distant third source of new tax revenue. Much of the anticipated revenue from increased corporate taxes will be from indirect sources, as we assume that the Horse Center and Retirement Farm portion of the project will operate as a non-profit entity.

STUDY LIMITATIONS

We believe that these are extremely conservative estimates of the actual impacts for several reasons. For one, we do not model economic impacts related to land acquisition costs or the construction of the facility — only operational costs. While construction impacts only last for a few years, they can often be substantial. However, construction impacts also depend heavily on site-specific features, as well as design and architectural decisions. It is rather premature to estimate these impacts before site is selected, designs for the facility have been drawn up, and there have been some preliminary engineering and architectural estimates.

Second, we only count impacts that are attributable to “new money” flowing into the state. More specifically, we exclude the anticipated spending by in-state patrons of the race track, as well as spending by Massachusetts residents and participants attending equestrian shows and competitions. We have to assume they would have spent this money within the state even if the proposed facility did not exist. This is a standard assumption of most economic impact studies, although a rather conservative one. Clearly, if there were better facilities available within the state, then more Massachusetts riders and tourists would choose to recreate closer to home, rather than spend their money elsewhere.

Third, we do not model the impacts of every aspect of the horse park: only the race track, the equestrian center events, and the retirement farm. The current plans also leave room for an on-site

large-animal veterinary clinic and research center that will be operated by a university-affiliated partner institution. To the extent that this facility serves the needs of racing and event participants, its economic impacts are included. Our cost estimates for racing and event participants cover expenses on veterinary care that we assume will be provided at the on-site veterinary clinic. However, the clinic will have additional impacts that are not counted in this study if it is able to attract other (non-participant) patients of research grants from outside of the Commonwealth.

WHAT IS ECONOMIC IMPACT ANALYSIS?

Economic impact analysis is a technique for measuring the net effects of new spending and investment on a regional economy’s employment, wages and business output (i.e. sales). This is done by estimating the amount of net new spending in the region as a direct result of a project (i.e. the direct effects). In the case of the proposed horse park, the direct economic impacts come from numerous sources. These include additional spending by event participants and horse owners required for the stabling, feeding, care and maintenance of their horses; the spending by out-of-state visitors at area retailers, restaurants, lodging establishments and other services; and the operational expenditures of the facility, of which wages and salaries are usually the largest portion.

Beyond the initial influx of new funds, new direct spending in the region then goes on to have secondary (or indirect) economic impacts. Indirect impacts are generated from the exchange of these additional revenues among area businesses and their workers. For example, a portion of the increased visitor spending on area hotels is used to pay the employees of the hotel, and another portion goes toward the purchase of products and services from other local businesses. These local workers and businesses, in turn, use some of their increased revenues to buy other goods and services from other local businesses. Some of these funds are also spent outside the study region. This is considered “leakage” and does not continue to generate additional economic activity within the region. The direct investment combined with the exchange of money among local vendors and workers make up the total economic impact. The ratio of the direct to total economic impact is referred to as the multiplier effect. The total economic impacts and multipliers were generated using the IMPLAN economic modeling system.

Similarly, the facility also calls for an RV Park. On the one hand, the RV Park is expected to cater to people attending one or more of the Center's many events, in which case they are included under our impacts of visitor spending on lodging. On the other hand, other visitors may also reserve space at the RV Park. The spending impacts from this group of visitors are not included. At this early stage we lack the information to know how widely the facility will be used by non-center related visitors. Lastly, current plans call for an extensive system of recreational trails for the general enjoyment of the public. We assume that these recreational trails will primarily attract users from within Massachusetts. However, the trails may draw visitors from neighboring states as well, depending on its proximity, the quality of the trails, and the availability of other, similar recreational trail facilities. But without knowing more about the specific site and the plans for recreational trails, it is difficult to predict the number of out-of-state visitors.

It is important to bear in mind that economic impact analysis is capable only of estimating impacts that are directly quantifiable in dollars. It is not capable of estimating impacts from less tangible benefits, such as helping to preserve Massachusetts's agricultural heritage and open space; offering a venue for outdoor recreation that improves the wellness of area residents; and helping to ensure the continued vitality of the larger equestrian industry in the state. Local and statewide horse shows and competitions are integral to the long-term growth of the equestrian industry. They fuel the enthusiasm of young and established equestrians, and imbue them with a sense of belonging to a larger community. Sponsoring and showing support for local competitions and shows is also an important prerequisite for attracting national and regional events. Yet these types of events have little impact in this type of study, because they draw almost entirely from within the state. While we adhere to the conservative assumptions of the economic impact framework, we offer several case studies of actual equestrian competition to help illustrate some of these less tangible benefits.

Our final limitation is simply a warning regarding the inherent uncertainty involved when forecasting economic impacts. This is a very early-stage assessment, and as the project develops the magnitude and distribution of the impacts will likely change. Furthermore, while the construction of a world-class facility is necessary for attracting top racing talent and sponsoring national and international caliber horse shows and competitions, it is not sufficient. The horse park must also be well-designed, well-managed, and able to successfully market itself to event organizers if it is to attract the full spectrum of events and attendance described in this report.

The remainder of this chapter provides more detail on the assumptions that are the foundation for our estimates, as well as a breakdown of the impacts by each component (race track, equestrian center and retirement farm) as well as by sub-component (e.g. racing operations, racing participants, and racing spectators).

THOROUGHBRED HORSE RACING EXPENDITURES & IMPACTS

SUMMARY & ASSUMPTIONS

The direct effects that determine the total economic impacts can be modeled either by estimating revenues or by estimating spending (i.e. expenditures). We model spending, because it allows us to more clearly identify economic transactions that take place within Massachusetts. A portion of the proceeds from racing never reaches the pockets of Massachusetts businesses or residents: the payouts to bets made over the internet or through off-site simulcast venues.

The direct effects of the Thoroughbred racing facility come from numerous sources. First, there are expenditures associated with race track operations. Much of the funds used to support operations comes from betting revenues (the handle), although portions also come from on-site purchases of spectators, and payments made to the facility by racing participants. The spending of racing participants is the second primary source of direct impact. This includes the spending of Thoroughbred race horse owners who pay for training costs, jockeying fees, veterinary care, feed and bedding, tack and equipment, and the other miscellaneous costs incurred during the racing season. The final source of direct impact is the off-track spending of out-of-state visitors and spectators. This spending has an immediate benefit to area businesses, especially hotels, restaurants, gas stations, and other retail outlets. As previously mentioned, we only consider the spending of visitors that come from out-of-state, and exclude spending by Massachusetts residents under the standard assumption that it would have occurred within the state even if a new race track had never been built.

Modeling the economic impacts of a prospective facility requires making some assumptions regarding the length of the racing season, the number of participants, and the number of out-of-state visitors.

Key Assumptions:

- There will be 75 days of racing during a typical season.
- The racing season will last for 150 days (mid-May through mid-October).
- There will be an average of 9 races per race day, or 675 races during a typical season.
- There will be a daily average of 800 horses in residence over the entire season.
- The facility will average 3,000 spectators per race day, which accounts for typical racing events and one marquee special event, such as the MassCap.
- Twenty percent of all spectators will be come from outside of Massachusetts.
- The expansion of thoroughbred racing will spur the increased production of 115 new foals per year by Massachusetts breeders.

We base these assumptions on our discussions with the client regarding their anticipated plans for race track, a review of existing Thoroughbred race tracks around the county, and through interviews with Thoroughbred racing experts.

Based on these assumptions, we expect the new race track to yield \$36.7 million in direct additional economic activity in the state (Table 3.3). These direct effects include the actual money spent in state by the race track, breeding farms, as well as by racing participants and spectators. This “new” money in the Massachusetts economy will change hands among workers and other area businesses, to generate a total of \$66.3 million in annual output and sales, and support the creation of 664 new jobs and put over \$38.2 million in the pockets of Massachusetts households each year. Our output multiplier for the race track component is 1.81. Thus, for every dollar spent directly at the race track, spectators or breeding/training farms, we expect an additional 81 cents to flow to other businesses in the state.

Table 3.3: Summary Economic Impacts: Race Track Component

	FTE EMPLOYMENT	LABOR INCOME*	OUTPUT (SALES)*
DIRECT EFFECT	465.2	\$26,212,516	\$36,662,266
INDIRECT EFFECT	49.8	\$3,229,778	\$6,914,236
INDUCED EFFECT	149.0	\$8,792,345	\$22,720,396
TOTAL EFFECT	663.9	\$38,234,638	\$66,296,898

*Reported in 2016 dollars

The remainder of this section reports the economic impacts of each of the three racing components (operations, participants and visitors) separately, and discusses the key assumptions the yield our estimates.

IMPACTS FROM RACING OPERATIONS

The first component of our analysis of the proposed race track’s impacts is the impact generated from race track operations. We assume that the race track will generate \$13 million per year in operational expenditures. We arrived at our estimates by examining other studies of Thoroughbred racing facilities around the county and consulting with racing industry experts, considering the preliminary design of the facility, and the expected length of the racing season. This amount is slightly less than what we found for other Thoroughbred race tracks. On average, our sample of other race tracks cost roughly \$136 dollars per horse day, or just over \$16 million per year. By contrast, our industry advisors estimate operational expenses in the order of \$12 to \$14 million per year for a racing facility of this size. Given its smaller footprint and more economical use of space, it is not surprising that the horse park will cost less to operate than many existing facilities.

Assuming \$13 million figure as the direct effects, our economic impact model estimates a total economic impact of just over \$23.2 million per year in 2016 dollars (Table 3.4). At this level of output, we expect the facility will produce for roughly 338 jobs full-time equivalent (FTE) in the state economy, and contribute \$14.4 million in income for Massachusetts households. Seventy of these new jobs (indirect + induced) will be created by other businesses in the state.

Table 3.4: Summary Economic Impacts: Race track Operations

	FTE EMPLOYMENT	LABOR INCOME*	OUTPUT (SALES)*
DIRECT EFFECT	267.8	\$10,371,093	\$13,000,000
INDIRECT EFFECT	14.0	\$742,727	\$1,609,959
INDUCED EFFECT	56.3	\$3,324,200	\$8,588,390
TOTAL EFFECT	338.1	\$14,438,020	\$23,198,350

*Reported in 2016 dollars

IMPACTS FROM RACING PARTICIPANTS

We estimate the direct impacts of race participants based on the average amount spent on each horse per day over the racing season (horse-days). With an estimated average of 800 horses on site per day over a 150-day season, we estimate 120,000 horse-days per year. Based on interviews with industry experts and a review of past studies, we estimate that it costs roughly \$90 per day to train, feed, and provide for the general care of each horse during the racing season.¹ This includes trainer fees and other costs paid direct by the owners, but not payments made by horse owners directly to the racetrack. Direct payments from owners to the racetrack are already included under racetrack operations. In addition, we do not consider the earnings from the horse owners' takeout (or payments from betting revenues) beyond that amount that they spend on the training and care of their horses. This is likely to be negligible, as interviews with racing experts suggest that Thoroughbred racehorse owners often have very thin profit margins, and that many owners live out-of-state.

It is important to note that we only consider the impacts of horse-related expenditures during the racing season. Although some of these will be Massachusetts Thoroughbreds and will reside in-state during the off-season, we assume that Massachusetts horses would still be stabled in the Commonwealth during the off-season (even if there were no Thoroughbred racing facility), and that out-of-state horses would reside elsewhere. Likewise, we assume that both Massachusetts- and out-of-state horses would spend the racing season outside of Massachusetts if there were no racetrack. Therefore, all horse-related expenditures during the season are included as direct effects.

Based on these calculations, we estimate \$10.8 million per year in direct spending pertaining to the care, training and feeding of Thoroughbred racehorses at the horse park (Table 3.5). This direct spending will result in a total of \$19.7 million in additional sales revenues for the state. This level of additional output can support the creation of roughly 138 FTE jobs and provide an additional \$11.3 million in income to Massachusetts households.

¹ The \$90 per horse-day cost estimate is somewhat lower than what is typically reported in other studies of thoroughbred racetracks, which average in the range of \$120 to \$130 per horse-day. However, our industry advisors anticipate that training and related costs will be less in Massachusetts and that our averages are upwardly skewed by the inclusion of premier racetracks in our sample.

Table 3.5: Summary Economic Impacts: Racing Participants

	FTE EMPLOYMENT	LABOR INCOME*	OUTPUT (SALES)*
DIRECT EFFECT	77.3	\$7,664,557	\$10,800,000
INDIRECT EFFECT	16.0	\$1,102,041	\$2,218,360
INDUCED EFFECT	44.3	\$2,615,851	\$6,760,334
TOTAL EFFECT	137.5	\$11,382,448	\$19,778,693

*Reported in 2016 dollars

IMPACTS FROM SPECTATOR SPENDING OFF-SITE

We estimate that the new facility will attract 225,000 spectators per year. While our review of other studies produced an average daily attendance of 4,500, our advisory board and industry experts felt this number was too high, given the New England market, the relatively smaller grandstand, and industry wide trends of less foot traffic, but more remote forms of wagering. They suggested that a typical racing day will draw somewhere between 2,000 and 3,000 visitors, while special events (such as the MassCap) can draw up to 10,000. We settled on a daily average of 3,000 to account for attendance on both typical race days as well as for a handful of special racing events, across 75 days of racing.

We only count the spending of out-of-state visitors as direct effects, under the assumption that Massachusetts residents would have spent this money in the state anyway, even without the new racetrack. This is a rather conservative assumption, as some Massachusetts racing enthusiasts would travel to out-of-state venues or engage in remote forms of betting. We estimate that 20 percent of all spectators will be from out-of-state. This equates to 45,000 expected out-of-state visitors per year. The percentage of out-of-state spectators is difficult to predict, however. It depends greatly on the specific location of the facility in relation to major out-of-state population centers, highway access, the prestige of the racing events, as well as the availability of other competition venues. This variability is reflected in studies of other racetracks, which estimate the share of out-of-state visitors to be anywhere from 10 percent to 60 percent. We chose the estimate of 20 percent after consulting with advisory board members and other industry experts who understand the Massachusetts racing landscape.

Compiling data from multiple studies, we estimate that each out-of-state visitor spends roughly \$113 per day outside of the racetrack. This figure does not include money spent at the track, including wagers, food and souvenirs, which was already accounted for in our measurement of Center operational expenditures. Nearly 40 percent of all off-track spending is on lodging, with another 22 percent spent on food and drink. The remainder is near evenly split between entertainment, retail and travel expenses.

Given these assumptions, the total spending of out-of-state visitors will be \$5,089,050. We adjust this figure to account for travel-related expenses that may occur outside of Massachusetts. The adjusted direct effect from racing visitors is \$4.1 million per year (Table 3.6). An increase of \$4.1

million in direct spending will produce a total impact of \$7.2 million in additional sales and output per year. This is enough to support the creation of 76.5 new FTE jobs. It is important to note that because we only consider off-site spending, the entirety these 76.5 jobs will be generated by other businesses, and not at the track.

Table 3.6: Summary Economic Impacts: Racing Spectators (Off-Site Only)

	FTE EMPLOYMENT	LABOR INCOME*	OUTPUT (SALES)*
DIRECT EFFECT	57.29	\$1,943,647	\$4,079,141
INDIRECT EFFECT	6.89	\$488,773	\$1,281,831
INDUCED EFFECT	12.28	\$724,947	\$1,873,815
TOTAL EFFECT	76.46	\$3,157,368	\$7,234,787

*Reported in 2016 dollars

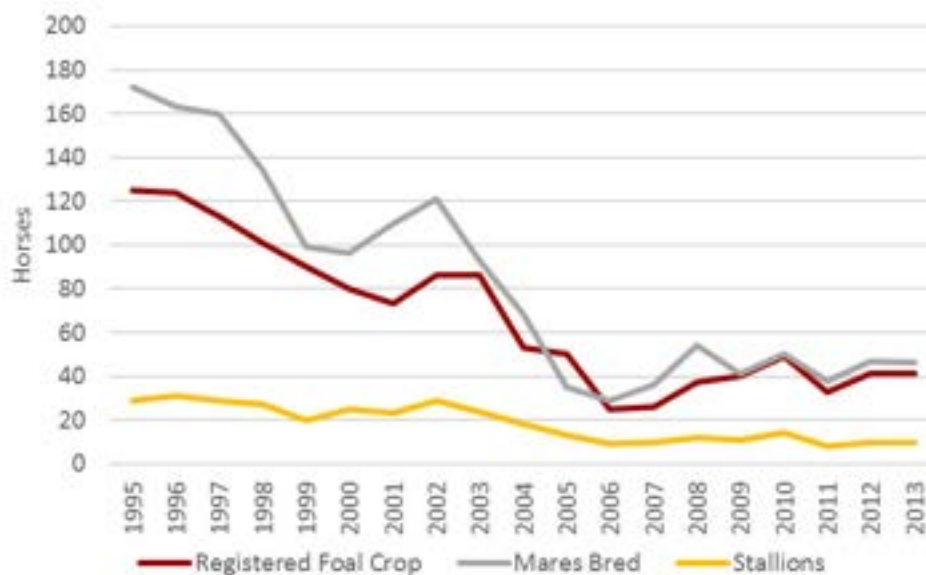
IMPACTS FROM THE THOROUGHBRED BREEDING INDUSTRY

Thoroughbred racehorse breeding is an import component of the Massachusetts Equine Industry, whose vitality is directly tied to the availability of racing opportunities within the Commonwealth. A Study of the Thoroughbred Equine Industry by Salem State University reported 62 thoroughbred breeding farms in Massachusetts as of 2013, with 71 additional farms that are somehow affiliated with Thoroughbred racing. According to that study, these farms accounted for \$15,086,483 in direct annual revenue and contributed 356 direct jobs to the state economy.

The Massachusetts breeding industry has fallen on hard times in recent years. Between 1995 and 2013, the Massachusetts foal crop has declined by 67 percent: dropping from 125 registered foals in 1995 to 41 in 2013 (Figure 3.1). We have seen a similar decline in the number of Mares bred by Massachusetts Stallions (down 73 percent) and the number of Massachusetts Stallions (down 67 percent).

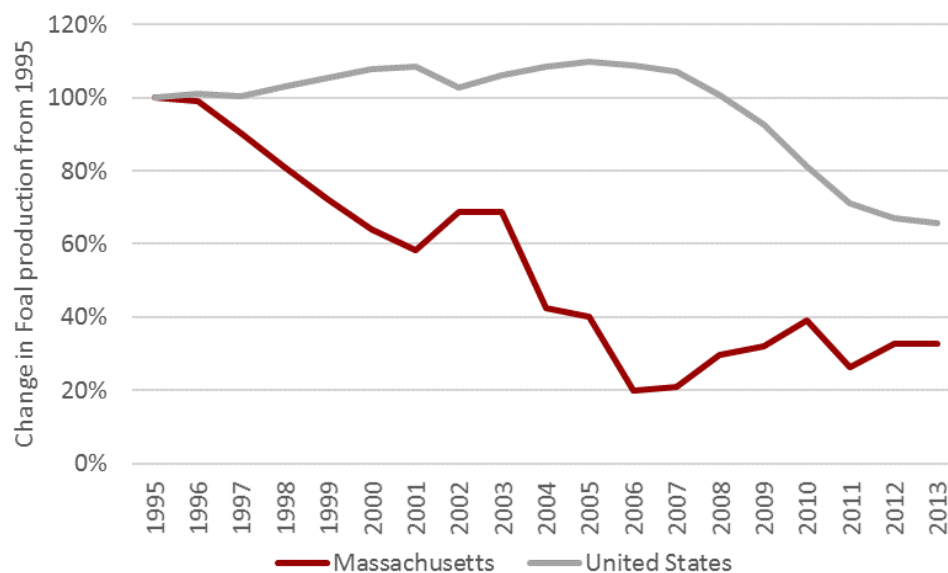
In part, the decline of Massachusetts Thoroughbred breeding reflects a broader, national decline driven by increased competition from expanded casinos and on-line wagering. As the handle to horse racing declines, so do the returns to breeders. However, the decline of the Massachusetts breeding industry far outpaces national trends. Figure 3.2, below, shows the relative decline in foal production since 1995.

Figure 3.1: Thoroughbred Horse Breeding in Massachusetts, 1995 to 2013



Source: The Jockey Club. 2016. Massachusetts Fact Book.

Figure 3.2: Foal Production, Massachusetts compared to the US, 1995 to 2013

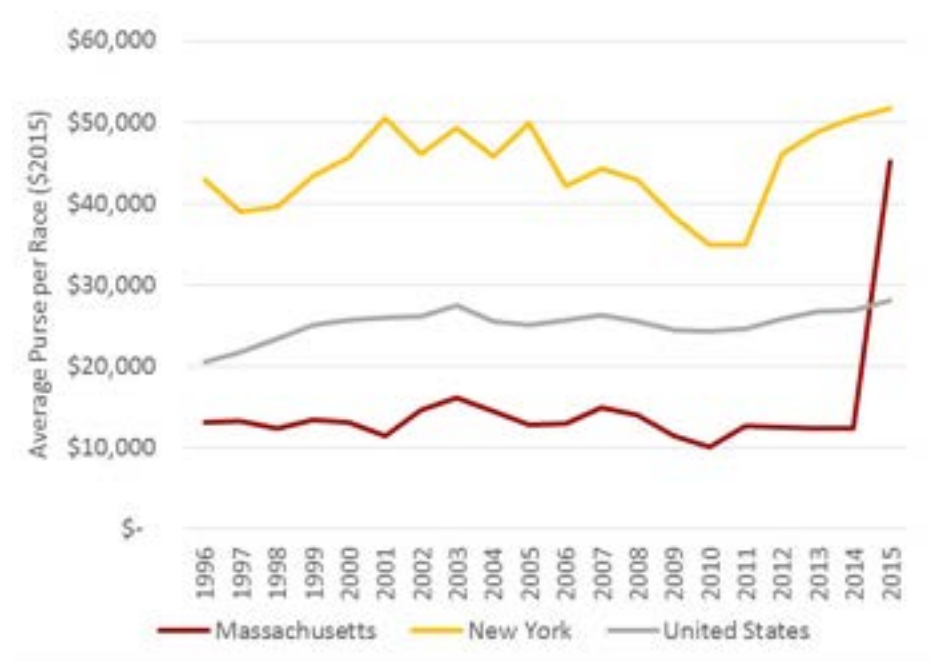


Sources: The Jockey Club. 2016. Massachusetts and National Fact Books.

Beyond national trends, the decline of the Massachusetts breeding industry is attributable to two primary factors: (1) low purses relative to other states, and (2) shrinking racing opportunities in the Commonwealth. Low relative purses reduce the potential returns to breeders and attract lower quality horses to racetracks in the state. This, in turn, leads to fewer bettors and smaller wagers,

which erode purses even further. The vicious cycle of falling purses depresses the value of Massachusetts equine breeding farms, which discourages investment in thoroughbred breeding, and threatens the open space the farms preserve. Over the past two decades, Massachusetts purses have typically fallen short of the national average, and have been well below our neighboring state of New York (Figure 3.3). That has changed following the passage of the Expanded Gaming Act of 2011, which dedicates a portion of casino revenues to supplement purses, making them more competitive with tracks in other states. The state's first licensed slots parlor opened in 2015, at Plainridge Park Casino, resulting in the dramatic rise in purses from 2014 to 2015 (Figure 3.3.) The Act also dedicates a portion of casino revenues to breeder awards, which provides additional incentives to Massachusetts-based breeders.²

Figure 3.3: Thoroughbred Purses per Race, Massachusetts vs. New York and the US



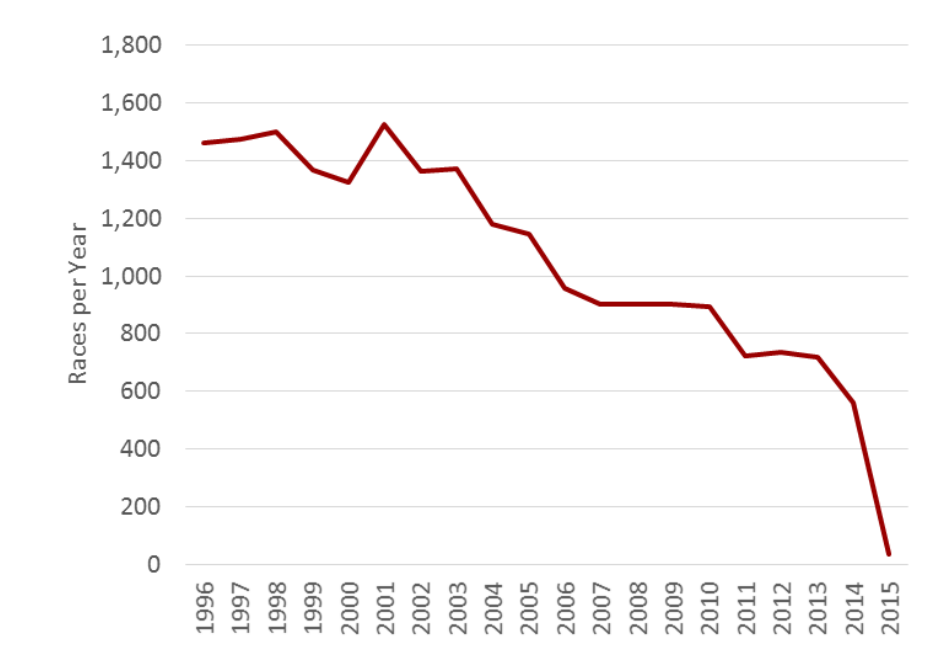
Sources: *The Jockey Club. 2016. Massachusetts, New York, and National Fact Books.*

The second critical component to a healthy thoroughbred breeding industry is access to ample in-state racing opportunities. Even with the competitive purse and breeding award programs codified in the Expanded Gaming Act, Thoroughbred breeding in Massachusetts will likely continue to struggle until there is more racing in Massachusetts. While the current rules permit bonuses paid to MA bred horses that race elsewhere, the major financial rewards are reserved for races taking

² It is worth noting that in 2011, New York began allocating a portion of the revenues from Video Lottery Terminals (VLTs) into the purse supports and breeder awards. As a result, the average purse per race rose from \$34,956 in 2011 to \$46,042 in 2012 (reported in 2015 equivalent dollars), according to data from the Jockey Club. These purse supplements and breeder awards had an immediate impact on foal production in New York, which increased by nearly 250 registered foals in a single year.

place within Massachusetts. Simply put, fewer races provide fewer opportunities to earn revenue. There were only 36 Thoroughbred races held in Massachusetts last year at Suffolk Downs (Figure 3.4). Without a racetrack of sufficient quality to attract top-level racing, the future of the Thoroughbred industry in Massachusetts remains uncertain. This uncertainty sends a negative market signal to breeders and owners that discourages long-term investments in horses, capital equipment, land acquisition and other infrastructure. Breeders and owners also have a strong preference to locate near where their horses are racing. This is, in part, due to costs associated with travel and related expenses, but it reflects the fact that owners and breeders simply love to see their horses compete.

Figure 3.4: The Number of Thoroughbred Races held in Massachusetts, 1996 to 2015



Source: The Jockey Club. 2016. Massachusetts Fact Book.

It is clear from the preceding discussion that the establishment of a new thoroughbred racetrack will have a direct impact on the state's horse breeding industry. We focus on the expenditures associated with a reasonable expansion in the number of foals bred and housed in Massachusetts. We assume that the present purse subsidies and breeding program established under the Expanded Gaming Act of 2011 will continue in their present form. The discontinuation or restructuring of these incentives would certainly have a direct impact on the relative returns to breeding, and thus the possible expansion of the industry or the expected impacts of the program.

It is difficult to predict how many new foals we can reasonably expect following the opening of a new thoroughbred track with 75 days of racing. Our discussions with breeding industry experts suggests that it is reasonable to expect an increase in the Massachusetts foal crop to something

slightly above the 1995 level of production. Therefore, we assume an increase of 115 foals per year over current levels. This is a rather conservative assumption. The ultimate size of the foal crop may well be much larger as additional casinos open and purses and breeding awards continue to rise. Breeders typically raise their foals for two years prior to sale and the start of their training. Therefore, we estimate the number of additional foals residing in Massachusetts at 230: twice the expected number of foals born each year. The mother of the foals (mares) must also be cared for during the nearly year-long gestation period. We assume 115 additional Massachusetts mares will reside in Massachusetts per year (one mare per foal).

Breeding, raising and training thoroughbred racehorses is a rather expensive business. Based upon our discussions with several Massachusetts breeders, we estimate that it costs roughly \$10,000 per year to care for a foal or mare. This estimate corresponds with those from a 2013 study of a racetrack in Saratoga, NY that estimated costs between \$6,000 and \$12,000 per year to care for a mare or foal in New York. At \$10,000 per horse for 345 foals and mares, we estimate the equestrian racing complex will result in just under \$3.5 million per year in total annual new spending by Massachusetts breeders.

Foals typically begin their formal training for racing in their third year. A young racehorse typically spends a year in training before their first start, and continues training throughout their career. According to industry experts, 90 percent of Massachusetts-bred foals will likely train and race in state (assuming the construction of a new racetrack and the current purse and award supplements). The yearly costs of training, stabling, and feeding a thoroughbred racehorse is estimated at \$25,000 per year, for a total annual expenditure bill of nearly \$2.6 million. We assume the remaining 10 percent of foals are sold out-of-state at the national average auction price. Over the past three years, the average sale price from two-year old horses was approximately \$70,000 per horse according to statistics from the U.S. Jockey Club. Thus, we include an addition \$805,000 per year for expanded out-of-state horse sales.

Our estimates of racing participant impacts already include the costs associated with active racehorses during the racing season. There, we estimated that it costs roughly \$13,500 to train and care for each horse during the season. Some of these active horses will remain in Massachusetts off-season, while others will return to their home states or move on to events in other states. For example, a 2012 study of racing at Suffolk Downs reports that over 80 percent of all Suffolk Thoroughbreds are from out-of-state. However, the purse and breeder incentives enacted through the 2011 Expanded Gaming Act greatly improve the expected returns to Massachusetts-bred horses and thus will likely increase the share of Massachusetts horses racing at the new track. We use the conservative estimate that 400 active horses (or half of the assumed 800 horses on-site) will be from Massachusetts. In time, we expect an even larger share of horses racing at the new racetrack will be from in state, although it will take a few years for the Massachusetts-bred horses to work their way into the racing circuit. Given the average care and training costs of \$25,000 per horse and the racing season expenses of \$13,500, we estimate off-season expenditures of \$11,500 per horse, or \$4.6 million in total.

Expenditures for horse breeding, care, and training typically include veterinary fees, farrier (shoeing) care, bedding, feed, and labor costs. Breeding and training farms also make periodic investments in materials, new equipment, and other infrastructure. Most of this spending will go to workers living in Massachusetts or in-state vendors. Assuming that 75 percent of all direct expenditures stay in state, we estimate a combined direct effect of just under \$8.0 million in additional direct purchases to Massachusetts businesses/workers per year. With the \$805,000 in exports from out-of-state horse sales, the total direct effect approaches \$8.8 million per year, and a total economic impact of just over \$16 million per year in 2016 dollars (Table 3.7). This level of additional output is enough to sustain 112 full-time equivalent (FTE) jobs, and contribute over \$9 million in additional income for Massachusetts households.

Table 3.7: Summary Economic Impacts: Expansion of the MA Breeding Industry

	FTE EMPLOYMENT	LABOR INCOME*	OUTPUT (SALES)*
DIRECT EFFECT	62.9	\$6,233,219	\$8,783,125
INDIRECT EFFECT	13.0	\$896,237	\$1,804,086
INDUCED EFFECT	36.0	\$2,127,347	\$5,497,857
TOTAL EFFECT	111.9	\$9,256,802	\$16,085,068

*Reported in 2016 dollars

EQUESTRIAN CENTER HORSE SHOWS & COMPETITIONS

SUMMARY & ASSUMPTIONS

The economic impact of the equestrian center component of the horse park will also come from three primary sources: (1) center operations; (2) horse-related spending by out-of-state participants; and (3) people-related spending by out-of-state visitors and participants. As before, we are careful not to double count spending across categories, such as event and entry fees, paid by participants, which fund facility operations. We also only consider spending that comes from out-of-state sources.

Our approach is to model a hypothetical “calendar” of equestrian events that could be expected at the facility once it is in full operation and has had sufficient time to establish itself as a premier destination among event organizers and horse enthusiasts. The economic impact of the proposed Equestrian Center relies greatly on the number and prestige of the events held at the facility. Generally, the more events there are, the greater the impact becomes. This is especially true when those events are international and national in scope, as they draw a greater number of visitors from outside of the state.

We assume that the proposed Center will be a first-class facility, with the potential of hosting major national events. Our estimates of the number of events and presumptive attendance figures are

based on a thorough review of existing equestrian centers and horse parks around the nation, with a particular focus on the Virginia Horse Center, in Lexington VA, and the Kentucky Horse Park, in Lexington KY. Both are considered first-class equestrian facilities, and both regularly host national and international grade events.

Using the activity at other centers as a guide, we developed a set of initial assumptions regarding the usage of the facility. We then adjusted these initial estimates based on interviews with industry experts, such as directors of similar Centers in other parts of the country. Given the inherent uncertainty, we tend to err on the side of offering more conservative, yet realistic, attendance and participation estimates.

Key Assumptions:

- There will be 70 equestrian events held throughout the year. The calendar will include five major events (national scale such as division championship), 40 mid-sized events (multi-state such as a regional division championship), and 25 minor events (within state, or local).
- The facility will also host 18 non-equestrian events, predominantly catering to a local and regional audience.
- A typical major equestrian event will last for four days. Moderate and minor events will last for 4.5 and 1.5 days, respectively. Non-equine events will last for 2 days, on average.
- The average equine event will attract roughly 2,221 unique visitors. The average non-equine event will attract 1,211 unique visitors per event.
- Eighty percent of the visitors and participants at major events will come from out-of-state. The typical moderate-scale event will draw 45 percent of its visitors from neighboring states. A minor event will only draw 5 percent from out-of-state. Finally, 20 percent of the attendees of non-equine events will be from outside Massachusetts.

The key assumption of 70 equestrian events per year falls within the range of other major equestrian centers, such as in Virginia and Kentucky, which host between 70 and 90 equestrian events per year. Our assumption of 18 non-equestrian events is also in keeping with other centers, which typically host between three to four equine events for every non-equine event.

Based on these assumptions, we expect the new facility to attract \$16.7 million in direct additional economic activity in the state each year (Table 3.8). The largest portion of this comes from event visitors and participants who make purchases at the event and at area businesses. As this \$16.7 million in new money trickles through the Massachusetts economy, it will generate a combined total of \$31.8 million in annual output and sales: enough to support the creation of 280 new FTE jobs and generate \$14.5 million in new household income. The statewide output multiplier for the Equestrian Center component is 1.9. Thus for every dollar spend directly at or by the center, we expect an additional 90 cents to flow to other businesses in the state.

Table 3.8: Summary Economic Impacts: Equestrian Center Component

	FTE EMPLOYMENT	LABOR INCOME	OUTPUT (SALES)
DIRECT EFFECT	175.0	\$8,427,085	\$16,658,893
INDIRECT EFFECT	48.1	\$2,745,964	\$6,497,418
INDUCED EFFECT	56.5	\$3,333,705	\$8,615,606
TOTAL EFFECT	279.5	\$14,506,754	\$31,771,916

IMPACTS FROM CENTER OPERATIONS

We estimate that the proposed equestrian center will spend roughly \$5.6 million per year in operations. We developed this estimate by dividing the total annual operational expenditures at other equestrian centers by the number of days those facilities were hosting events (i.e. event-days). The average operational costs for existing centers run close to \$35,600 per event-day. As we expect 157.5 total event days at the proposed Massachusetts facility, the resulting annual operations budget is estimated to be roughly \$5.6 million. This compares well with other existing centers. The Virginia Horse Center's operational budget is closer to \$4 million per year. The Kentucky Horse Park has annual operational expenditures of roughly \$12 million per year, but has extensive facilities, including a horse museum and the offices of national equestrian associations, complemented by numerous revenue streams.

Not all of the operational spending can be counted as direct effects, however. Unlike a race track, which generates a separate revenue stream through the handle, a large share of an equestrian center's operational costs are financed through fees charged to event organizers, participants, spectators, and on-site sales of products and services. Some of these individuals will be from Massachusetts. As before, we can only attribute the portion of the operational expenditures that come from out-of-state sources as direct effects. A 2007 study of the Kentucky Horse Park estimates that roughly 66 percent of all revenues originate from out-of-state.

Assuming a similar percentage, we estimate that Center operations will add \$3.7 million in new spending to the Massachusetts economy per year (Table 3.9). According to IMPLAN, this level of output is enough to sustain 32 FTE employees at the facility. The actual center may actually hire more workers than this, especially at peak season. However, our model only reports the portion of employment that is supported by new outside funds, and does not consider workers that are paid for by in-state proceeds.

We estimate the total economic impact due to operations at \$8.5 million per year. This is equivalent to 70 new FTE jobs and \$2.9 million in additional labor income.

Table 3.9: Summary Economic Impacts: Center Operations

	FTE EMPLOYMENT	LABOR INCOME	OUTPUT (SALES)
DIRECT EFFECT	31.72	\$912,007	\$3,703,346
INDIRECT EFFECT	27.43	\$1,295,161	\$3,046,032
INDUCED EFFECT	11.18	\$659,908	\$1,705,022
TOTAL EFFECT	70.32	\$2,867,076	\$8,454,400

EVENT PARTICIPANT/HORSE-RELATED EXPENDITURES

As with racehorses, participants at equestrian competitions and shows spend a considerable amount of money on the feeding and care of their horses during shows and competitions. They also make purchases of horse-related supplies and equipment at these events. Our hypothetical calendar includes 70 equestrian related events per season, divided into 5 major, 40 moderate, and 25 minor events per season. In this scenario, we model participant spending on a per horse-day basis. Based on an analysis of other studies, we assume that the typical major event hosts 500 horses per day over a four-day event. Moderate events are expected to last for 2.5 days, on average, and host 300 horses. We assume that minor events host 150 horses per day and last for 1.5 days, on average. We also make different assumptions regarding the origin of the participants, based on the scale of the event. There is no solid data on where the horses come from, but there is for the human participants. We assume that major events draw 80 percent of participants from out-of-state, moderate events draw 45 percent, and minor events only 5 percent. This is in keeping with the fact that, by definition, minor events are almost always local events that primarily draw participants from within the state.

Over a typical year of 70 events, we expect there will be just over 40,000 horse-days spent at the facility by out-of-state participants. Based upon data provide by studies of other centers, we estimate an average of \$141 of spending per horse per event day. This includes event fees, feed, bedding, veterinary care, and other direct horse expenditures while at the event. It also includes the purchase of horse-related equipment and supplies, which are typically for sale at shows by specialty retailers. It does not include spending pertaining to the lodging, care, and feeding of the human participants. The next section on visitor impacts covers the impacts of their spending.

The \$141 in daily purchases, made by out-of-state participants across 40,281 horse-days, produces a total direct effect of \$5.7 million per year (Table 3.10). This additional revenue will produce a total impact of over \$10.4 million on the Massachusetts economy, primarily through increases to household income and household spending. Over \$6 million will go to Massachusetts workers, and the additional spending of these workers alone (the induced effect) will generate \$3.6 million in new sales in the Commonwealth.

Table 3.10: Summary Economic Impacts: Center Participants

	FTE EMPLOYMENT	LABOR INCOME	OUTPUT (SALES)
DIRECT EFFECT	40.76	\$4,042,180	\$5,695,769
INDIRECT EFFECT	8.41	\$581,201	\$1,169,932
INDUCED EFFECT	23.37	\$1,379,563	\$3,565,305
TOTAL EFFECT	72.53	\$6,002,944	\$10,431,006

Note that while we provide these estimates for participants at equestrian events, we do not provide a comparable analysis of spending of participants at other events. The non-equine events held at equestrian facilities vary greatly: dog-shows, tractor-pulls, and agricultural fairs, just to name a few of the possibilities. There are simply far too many options to develop an accurate spending profile for participants at these venues. This means that our figures will be underestimates, but by how much we do not know. The downward bias may end-up being rather small considering that there are relatively few non-equestrian events on the hypothetical calendar. It is also likely that participants of horse shows and competitions spend far more money than other event participants, who do not normally have to cover the cost of feeding and care of a large animal.

IMPACTS FROM CENTER VISITOR SPENDING

The final component is the spending on the (human) participants and other event spectators. For the sake of brevity, we will refer to these as visitor impacts. We developed a profile of the typical spending patterns of equestrian center visitors, based on a review of studies of existing centers elsewhere in the county. Overall, the expenditure patterns of horse park visitors look a lot like the non-wager spending of racing spectators. Horse park visitors spend an average of \$109 per day, with lodging, food/restaurants, retail purchases, and travel services being the largest expenditure categories. We were not able to develop separate estimates for non-equestrian event visitors, but assume they follow a similar expenditure profile as those attending equestrian events.

We also used these studies to develop daily attendance rates for both equestrian and non-equestrian events. The average daily attendance for equestrian events was 2,221 visitors (including event participants). The average daily attendance for non-equestrian events held at existing centers was 1,211. Considering the number of hypothetical event days, we estimate the total annual out-of-state attendance at equestrian events (of all types) at 78,287 unique visitors per year. To put this in context, a recent study of the economic impact of the Kentucky Horse Park estimated the number of unique equine event visitors at 93,992. Attendance of roughly 80,000 visitors per year seems reasonable, given that we assuming fewer events at our prospective facility (70 equestrian events for MA, and roughly 90 for Kentucky). We also assume that larger events draw a relatively larger share of its visitors from out-of-state. Based on studies that use both license plate and visitor surveys at other centers, we assume that major events draw 80 percent of participants from out-of-state, moderate events draw 45 percent, and minor events only 5 percent. We assume that 20 percent of the visitors for non-equestrian events are from out-of-state, a number reported in a 2001 study of

the Virginia Horse Center. We estimate that there will be 21,201 attendees at non-equestrian events throughout the year, 4,240 of whom will be from out-of-state.

Multiplying our estimates of daily expenditures with our estimate of 82,527 daily event attendees produces an estimate of just over \$9 million in total visitor expenditures per year. Some of this spending will take place outside of Massachusetts. Using standard local spending averages provided within IMPLAN, we estimate that out-of-state visitors will spend roughly \$7.3 million per year in Massachusetts while attending events at the equestrian center. This additional revenue will produce roughly \$12.9 million in total new spending and 137 new FTE jobs in the Commonwealth each year (Table 3.11).

Table 3.11: Summary Economic Impacts: Center Visitor Spending

	FTE EMPLOYMENT	LABOR INCOME	OUTPUT (SALES)
DIRECT EFFECT	102.47	\$3,472,898	\$7,259,778
INDIRECT EFFECT	12.26	\$869,602	\$2,281,454
INDUCED EFFECT	21.92	\$1,294,234	\$3,345,279
TOTAL EFFECT	136.65	\$5,636,734	\$12,886,510

THOROUGHBRED HORSE RETIREMENT FARM

The third and final component of our economic impact model considers impacts from the operations of a retirement and retraining farm for Thoroughbred racehorses. Although there are no formal studies of the economic impact of such farms to use as a guide, we were able consult with the founder and current president of Old Friends Thoroughbred Retirement Farms. We used financial and operational data from Old Friends to estimate the economic impacts of a similar type of facility in Massachusetts.

Old Friends is a 501(c)(3) non-profit organization that operates two Thoroughbred retirement centers: one in Georgetown, KY and a second, smaller, facility in Saratoga, NY. In 2015, Old Friends also acquired a satellite facility along the Kentucky/Tennessee border. Together these facilities are home to roughly 150 rescued and retired Thoroughbreds. Revenues come entirely from donations, grants, sales at its gift shop, and private support. The larger Kentucky facility has also become a popular tourist destination, attracting roughly 20,000 visitors per year.

We assume that the proposed Massachusetts retirement farm will follow a similar revenue model where operational costs come entirely from out-of-state contributions. We further assume that the facility will house 40 Thoroughbreds on site, although the actual number will depend upon site-specific considerations that are yet to be determined. A 40-horse farm is considerably smaller than the Kentucky farm, with roughly 120 horses in residence, but it is larger than that of Saratoga, which has closer to 20. We cannot predict how many of these horses will be from out-of-state, but

it is a fair assumption that without such a facility in the state, these horses would have to be cared for elsewhere.

At this level, we estimate that the Massachusetts facility will spend slightly more than \$325,000 on operations, including all horse-related expenditures (Table 3.12). We also assume that the Massachusetts Farm will draw roughly 7,000 visitors per year, of which 20 percent will be from outside of the state. The spending profile of these out-of-state visitors will mirror that of other types of tourists who spend roughly \$96 per day on lodging, food and other purchases.

Table 3.12: Summary Economic Impacts, 40 Horse Retirement Farm

	FTE EMPLOYMENT	LABOR INCOME	OUTPUT (SALES)
DIRECT EFFECT	11.53	\$265,782	\$464,406
INDIRECT EFFECT	0.49	\$35,867	\$91,529
INDUCED EFFECT	1.53	\$90,284	\$233,238
TOTAL EFFECT	13.55	\$391,932	\$789,172

The combined spending of the Center and its out-of-state visitors is expected to generate roughly \$464,000 dollars in additional sales in the Commonwealth per year. This is enough to provide 11 FTE jobs at industry standard salaries. However, as this type of facility relies greatly on volunteer labor, the actual employment count at the farm may be smaller. Accounting for leakage and multiplier effects, the total economic impact of the retirement farm will be just under \$800,000 per year, enough to sustain 13.5 FTE year-round jobs.

4. CONCLUSION

Based on our analysis, it is our conclusion that the creation of a multi-use horse park would provide a significant economic opportunity for the Commonwealth. The following factors were critical in forming this conclusion.

- The creation of a horse park will result in the capture of a significant amount of tourist, recreational, educational, exhibition and service activity not presently found in the Commonwealth. The Massachusetts Horse Park would be far more than a race track: it would be an all-season venue attractive to a wide array of visitors across New England. Indeed, there is no such facility in New England.
- Massachusetts residents, despite a lack of local opportunities, have maintained a significant interest in horse wagering. The horse park would help to capture these funds within the Commonwealth.
- The horse park would capture conference and trade show events that, despite our significant interest in equestrian activities, is largely bypassing the Commonwealth and New England.
- The horse park would expand retail sales for a wide array of Massachusetts based merchants who focus on the sale of equestrian goods and services.
- The horse park would expand our academic research and training in equestrian activities through the potential involvement of equine programs at universities, community colleges, and agricultural vocational high schools.
- Through a local purchasing policy, local farmers would have increased opportunities to sell their produce. It would also bring more acreage, now unproductive, in to active use.
- Through involvement with 4-H and other organizations helping to educate our youth, the horse park would have a first rate facility to meet their needs and interests.
- Through the creation of a retirement home, the owners of older horses will be able to find a caring facility close enough for visiting, and retrain their animals for second and third careers in competitive or therapeutic pursuits.
- Through the creation of riding, hiking and cross country skiing trails, the horse park would stimulate a healthy recreational involvement of its citizens and job opportunities in a multi-season venue.
- The local community would capture additional income through a “Payments in Lieu of Taxes” (PILOT) agreement.
- The creation of a year round Farmer’s Market/Artisanal Market venue would provide the potential for the sale of local produce and products.
- Through the use of modern lodging networks, local homes could gain revenue through boarding opportunities for tourists.
- The horse park will employ green energy principles in order to save costs and reduce its carbon footprint. Its open character suggests extensive opportunities for solar power.
- With the creation of a high end hotel, it will become a destination for weddings and banquets far beyond the racing season.
- It will bring job opportunities to an area in need of economic development.

5. COMMUNITY IMPACT CASE STUDIES

In this section of the report, we profile three case studies to help illustrate the types of events that could be offered at a Massachusetts Horse Park. The first, the Rolex Kentucky Three Day Event, is a major national scale competition, one of a handful of premier events on the U.S. equestrian calendar. The second, the New England Dressage Association Fall Festival is more typical of a regional-scale event, primarily drawing participants from the Northeastern United States. The third, the Massachusetts 4-H horse-show, is a statewide event. While it may draw few visitors from outside of the Commonwealth, we include it as a case study to help illustrate how these types of events support agricultural education and heritage.

ROLEX KENTUCKY THREE-DAY EVENT | LEXINGTON, KY

HISTORY

The Rolex Kentucky Three-Day Event (RK3DE) is held annually at the Kentucky Horse Park in Lexington, KY (Figure C1, below). The 1,224-acre facility is dedicated to “man’s relationships to horse.” The Kentucky Horse Park opened in 1978; the first World Championships were held there the same year. The event attracted 170,000 spectators, and brought \$4 million to the local economy. It was also broadcast worldwide on



CBS, putting Lexington on the map. The success convinced the American Horse Show Association to ask the event organizers to hold the event annually. In 1979 it was termed the “Kentucky Horse Trials” which was later changed to its current title 1982, when it was chosen as the initial sponsorship recipient by Rolex Watch U.S.A. The RK3DE held many levels of events in its first decade of operation, including intermediate and preliminary competitions. In the equestrian eventing world, the highest event level rating is CCI**** (the Concours Complet International four-star), as determined by the International Federation for Equestrian Sports (FEI). The RK3DE became the country’s first and the world’s third CCI**** competition in 1998. In 2000, the CCI**** is the event’s only competition, and RK3DE no longer offers any lower level competitions.

Figure C1: Kentucky Horse Park (source: kyforward.com)



EVENTING ACTIVITIES

Although the competition title states “three-day,” the eventing happens over a four-day span. Dressage encompasses the first two days, and focuses on equestrian control, and is considered the most aesthetically pleasing of the disciplines. The cross-country phase is held on the third day, testing equestrian stamina with 30-40 obstacles along an outdoor course, made to simulate the surrounding countryside. The final phase, jumping, tests equestrian fitness on the final day, and is held entirely within an indoor stadium ring (Figure C2). These three events, in combination, extensively test the partnership between the horse and its rider.

Figure C2: Stadium Jumping at RK3DE (source: kentuckyworlddequestriangames.com)



COMMUNITY IMPACT

Lexington is Kentucky's second-largest city, with an estimated population of 310,797 as of 2014, according to the U.S. Census Bureau. Lexington is the center of Kentucky's Bluegrass Region, an area characterized by fertile soil, open pasture land, and active farms. It was the first city in the United States to enact an Urban Growth Boundary, which restricts development and helps to preserve farmlands. Known as the "Horse Capital of the World," it is easy to see that horses and farms are a central part of this community.

Lexington's economy is among the most stable in the country, with a 4.4 percent unemployment rate as of January 2016. Its largest employer is the University of Kentucky, and the city is home to many large corporations, including Xerox, Lexmark International, Lockheed-Martin, IBM, and the J.M. Smucker Company. Unsurprisingly, Lexington is one of the ten well-educated cities in the nation: nearly 40 percent of its residents possess at least a bachelor's degree. The city also hosts many cultural events and fairs, such as the Mayfest Arts Fair, the Festival of the Bluegrass, Festival Latino de Lexington, and "Southern Lights: Spectacular Sights on Holiday Nights" held at the Kentucky Horse Park.

Even a single massive event like the RK3DE can have considerable impact on the community. The RK3DE brings in people from all over the world, who spend a considerable amount of money at area businesses. A 2013 study estimated that the RK3DE's total economic impact on the local economy was \$14.2 million in a four-day span: over \$3.5 million per day. The major impact driver was the money spent by the estimated 35,991 visitors from outside the region, who accounted for 10,600 paid lodging room-nights during the event. Remarkably, approximately 25 percent of visitors enjoyed annual household incomes exceeding \$150,000 per year. Visitors spent an average of \$243.74 per day per person in the local economy. Almost \$4 million of the new money flowing into the region went to area businesses outside of the horse-park, for food transportation, lodging, and equestrian needs.

The Kentucky Horse Park, where RK3DE is held, is about 10 miles outside of Lexington and about 8 miles outside of Georgetown. There were plans in 2010 to put in a hotel on the same I-75 exit as the Kentucky Horse Park, but this has yet to come to fruition. However, the lack of lodging near the horse park has been to the benefit of downtown Lexington, where many RK3DE visitors stay, shop, eat and drink.

Figure C3: A view of Lexington in the distance (source: visitlex.com)



Horses are an integral part of Lexington's social fabric, woven into its, economy, culture, and identity. The RK3DE provides many benefits for people who live within the vicinity, namely the chance to see national and international equestrian celebrities. Tom Elben, a columnist for the *Lexington Herald-Leader*, describes the RK3DE as a bonus of living in Lexington. "It's a good excuse to get out and walk around on a beautiful day in a beautiful place and see some of the world's best horses and riders do amazing things" (Elben, 2009). This event is an inspiration for beginner riders who are looking to improve their riding and eventing skills. The possibility to see world-class riders and experience a world class event gives the community an opportunity to display their Kentucky pride and love of all things equestrian. "A major Rolex demographic is little girls who love horses and older girls who are getting good at riding them. They are accompanied by camera-toting fathers, and mothers, many of whom used to be those little girls" (Elben, 2009). The RK3DE is a symbol of the community's legacy and tradition. It not only brings world-class riders to the community, it also brings the community to the riders.

FALL FESTIVAL OF DRESSAGE | SAUGERTIES, NY

HISTORY

The United States Dressage Federation (USDF) was founded in the early 1970s, in order to advance “education, recognition of achievement, and promotion of dressage.” The USDF is divided into nine regions with affiliated local dressage clubs as group member organizations, or GMOs (Figure C4, below). Each region hosts its own annual championship, and the largest of these is in Region 8, which comprises GMOs in New York and New England. Every year, the New England Dressage Association (NEDA) hosts the championship, the Fall Festival of Dressage, at the HITS-on-the-Hudson event center in Saugerties, NY.



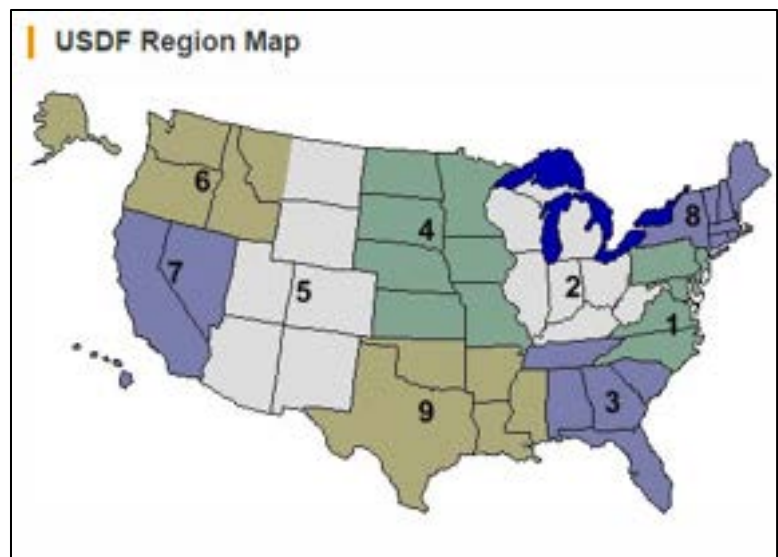
Figure C4: USDF Region Map (Source: www.usdf.org)

THE EVENT

The Fall Festival is held in late September. It is a four-day event, with multiple competitions in skill classes ranging from the Training Level to the Grand Prix. There are about 700 horses competing for the chance to move on to national competitions. The purse for the Fall Festival is \$49,000, and spectator admission is free.

The Region 8 Championship gives the winning riders the chance to compete at the National Dressage Finals at the Kentucky Horse Park in November. This event also supports a National Competition in which many rider levels compete. The NEDA sponsors the Fall Festival Dressage Sweepstakes, the NEDA Adult Amateur Championships, and the NEDA Juniors/Young Rider Championships. The CDI-W Y/J Saugerties International Competition is also held during the Fall Festival, an event recognized by the International Federation for Equestrian Sport (FEI). During this competition, riders and their horse can earn points towards representing their country at the World Games.

The Fall Festival also hosts a major competition for horse breeders and a major equestrian trade fair. The Sport Horse Breed Show is held on Thursday and Friday and offers the New England Sport Horse Breeder's Futurity Award (\$5,400) to recognize quality sport horse breeders in the



New England area (Figure C5, below). This competition serves as the regional finals of the USDF Breeders Championship New England Series. Lastly, the Equestrian Trade Fair is held all four days of the Fall Festival, supporting artists, horse suppliers, boutiques, and trailers.

COMMUNITY IMPACT

Saugerties is located in southeastern New York, sandwiched between the Catskill Mountains and the Hudson River. As of the 2010 U.S. Census, its population was 19,482. Although it is a small town, it boasts a colorful history. The town was originally purchased from the Esopus Sachem Tribe in 1677 for a piece of cloth, a shirt, a loaf of bread, and maize.

Figure C5: DonarShaun ggf [sic], winner of the 2015 Futurity

The community is extremely proud of its heritage, evident through the preservation of many historical and cultural landmarks, such as the Saugerties Lighthouse, the 1727 Kiersted House, and the Opus 40 environmental sculpture (Figures C6 and C7, below). Industry still has an important role, but there has been substantial growth in tourism in recent years, attracting people from the New York City area and beyond.



Traditionally, Saugerties is not a horse town but rather a blue-collar community that has suffered under a number of major plant closings in the past decades—such as the 1994 closure of a 1,500 job IBM plant in the nearby city of Kingston. The influx of equestrian visitors has been a welcome change. HITS Inc. developed its \$15 million equestrian center along the Hudson River in 2003. HITS-on-the-Hudson now supports about 3,000 horses and 2,200 riders every year between May and September. This center has had a major impact on the economy of Saugerties and its character. A 2011 article in the *New York Times* quotes an area resident and business owner as stating, “When we first came to town, there were a lot of empty stores...and now it feels really vibrant. It’s like having the Hamptons in your backyard.”

It took some trial and error from the local businesses to figure out how best to capture the money of competitors and spectators at the equestrian center. One of the biggest changes to businesses over the summer is the extension of operating hours, in order to utilize the time after competitions end for the day.

Figure C6: Downtown Saugerties, NY (Source: discoversaugerties.com)



The last weekend of the dressage season is dedicated to the NEDA Fall Festival. The competition brings in about 700 horses and their riders along with another two to five individuals, often trainers and family members. The biggest effect the Fall Festival has is through the competitors and their retinue, who utilize the hotels, bed and breakfasts, and restaurants. Most of the spectators and participants come from no fewer than 15 to 20 miles outside Saugerties. Economically, for the town, this is an ideal situation. Money is brought in from outside the community, spent at local businesses, and then the people who brought the money leave after the competition. An owner of a local restaurant stated in the NY Times article, "People will say, 'ugh, the restaurants are so crowded when they're here...' but I say, 'yes, but we get to have that restaurant all year round.' And if they weren't here, I don't know if we would or not."



Figure C7: Saugerties Lighthouse
(Source: www.tripadvisor.com)

It is rare for any single event, even one as well attended as the Fall Festival, to have a transformative impact on a community. Rather, it is the cumulative impact from the entire calendar of events that has helped to revive the Saugerties economy. Just about every week or weekend from May to September, there is something happening at HITS-on-the-Hudson,

drawing new visitors to the community. Beyond its immediate impact on Saugerties, the Fall Festival and regional events like it also play an important role in supporting the New England equestrian community. The Fall Festival supports all levels of dressage, from beginner classes to classes that include competitors who have also competed in the Olympics or World Games. The Fall Festival is a time for the entire NEDA community to come together and support their discipline. For them, boosting the town's economy is a secondary benefit.

MASSACHUSETTS STATE 4-H HORSE SHOW | NORTHAMPTON, MA

HISTORY AND BACKGROUND

4-H is the youth development arm of the federal Cooperative Extension Service of 110 land-grant universities utilizing 611,800 volunteers, 3,500 professionals, and 25 million alumni. Its mission is “engaging youth to reach their fullest potential while advancing the field of youth development,” with over 90,000 clubs across the country empowering over six million young people across the country.

The Massachusetts 4-H chapter was founded in 1908 and incorporated in 1956. This year also marked the birth of the 4-H horse project in Massachusetts. It was different from 4-H’s many other livestock programs because it was the first large-scale approach with a recreational intent rather than an economic one.



Figure C8: 4-H fosters love and appreciation for other living beings (Source: manukahoneyusa.com)

The programs offered through the Massachusetts 4-H are animal science, which features the horse program; science, engineering, and technology; communications; community service; leadership; as well as other infrequent and smaller programs and projects. The animal science programs focus on companion animals, livestock, poultry, and heritage breeds; a popular

project animal is the horse.

The 4-H horse program is for horse owners as well as horse lovers who do not own a horse. It’s primarily focus is horse care and education. Members compete in areas such as horse judging, hippology, and public speaking. It does not provide in-depth riding instruction; however, 4-H members will sometimes ride their horse as part of the activities. 4-H also sponsors horse shows around the Commonwealth where members of the horse projects can display their riding skills.

THE EVENT

The annual Massachusetts 4-H State Horse Show is held on the second weekend in September at the Three County Fairgrounds in Northampton, Massachusetts. This fall will be the 38th annual show. The show consists of the Horse Lover Division, Model Horse Show, Drill Team Performance, Hunter/Jumper Classes, Showmanship, and more.



Figure C9: 4-H member at horse show
(Source: extension.usu.edu)

This two-day event allows all Massachusetts 4-H members who participate in the horse project to display the talents and skills they have learned throughout the year. It also fosters the connection between peers who share the same interest in horses. By choosing the divisions or classes they wish to participate in, the members are able to highlight their strongest attributes.

Although this show is only open to 4-H members, 4-H hosts other types of horse shows, some of which are open to non-members. Communities and clubs are also able to put on their own horse shows, using a horse show-planning guide developed by 4-H that covers all the aspects of a horse show, from judges to performance rings to prizes.

COMMUNITY IMPACT

Due to its focus on local talent, events such as the 4-H State Horse Show tend to draw few out-of-state participants. As a result, from a narrow economic impact perspective, they bring little new money into the Commonwealth. However, they play a critically important role in building the equestrian community, which has spillover benefits on entire equine industry in the Commonwealth. A 2013 study by Christiansen Capital Advisors estimates that the thoroughbred equine industry alone contributes \$107 million in revenue to the Massachusetts economy each year, and is directly and indirectly responsible for nearly 1,500 full-time equivalent jobs. But this industry cannot thrive without a community of horse-lovers to support it, and a new generation of enthusiasts to take the mantle in the years ahead. The state horse show is the culmination of the stewardship of the local horse community.

The Massachusetts 4-H State Horse Show also supports an even more important educational mission. Through the horse project, participants learn responsibility and commitment to the project and horse and learn important life and work skills, such as respect for a schedule, fulfilling the needs of others, selflessness, and accountability. In fact, a recent study conducted by researchers at Tufts University's Institute for Applied Research and Development found that 4-H members were more likely to contribute to their communities, become civically active, and more likely to participate in Science, Engineering and Computer Technology programs³.

³ Lerner, RM at al. "The Positive Development of Youth: Comprehensive Findings from the 4-H Study of Positive Youth Development." National 4-H Council. Chevy Chase, MD: 2013.

Sports Wagering at Prospective Racetrack in Palmer, MA

Prepared for Commonwealth Racing LLC

February 18, 2022



SPECTRUM
GAMING GROUP®

About Spectrum Gaming Group

- Founded in 1993.
- Specialize in studying, analyzing the economics, regulation and policy of legal gambling worldwide.
 - Wrote strategic plan and consulted for Massachusetts Gaming Commission (“MGC”).
 - Assessed racing industry as MGC prepared to absorb State Racing Commission.
- Policy of non-partisanship: We neither advocate for nor oppose legalized gambling.
- Policy of independent research and analysis: We do not accept engagements that seek a preferred result; we tell clients what they need to know, not necessarily what they want to hear.
- We have provided expertise in 40 US states and territories and in 48 countries on six continents. Clients include 22 US state and territory governments, six national governments, 22 Native American entities, numerous gaming companies (national and international) of all sizes, financial institutions, developers and other gaming-related entities.
- We have testified or presented before 40 governmental bodies worldwide.
- **Contact:** +1.609.926.5100 | solutions@spectrumgaming.com

Scope of Study

- Spectrum Gaming Group (“Spectrum”) was retained by Commonwealth Racing LLC (“Client”) to analyze and evaluate the potential for retail and digital sports betting at a proposed Thoroughbred racetrack development in Palmer, MA.
- Specifically, the Client wants Spectrum to examine whether the proposed racetrack investment can be economically viable only if another form of gaming is also offered – in this case sports betting in both digital (i.e., online) and retail (i.e., on-site) formats.
- To illustrate the gross gaming revenue (“GGR”) potential for sports betting at the proposed racetrack, we employed the following methodology:
 - Reviewed revenue for newly established US markets and established global markets for insight into the potential market size for the US (at maturity) on a per capita basis (sports betting GGR per US adult).
 - We adjusted the results across total US for the income and population demographics in Massachusetts. By doing this, we arrived at a statewide estimate (assuming both retail and digital betting are authorized).
 - Next, we produced an in-depth analysis of results in New Jersey – which is the most advanced US market for both retail and digital sports betting – for recency and current insight.
 - We then estimated the GGR potential for retail and digital betting operation at the proposed racetrack in Palmer.

Scope of Study (cont.)

- We also provided an overview of trends and economics of the racing industry to provide context as to why sports betting is critical for the economic viability of racetracks.
- Glossary of terms used throughout this report:
 - **Digital** – Sports betting and other gaming via internet channels, including computer desktop and mobile devices
 - **Gross Gaming Revenue (“GGR”)** – The amount left for the operator after all winning bets are paid; GGR represents top-line revenue – not to be confused with handle
 - **Handle** – Total amount wagered, expressed in dollars
 - **Hold Percentage** – The percentage of money the operator retains after all bets have been settled.

Sports Wagering is Undergoing Rapid Expansion Across the United States

- Currently active in 30 states plus DC, and legal but not yet activated in 3 more states.
 - In early 2018, only Nevada was active in sports betting.
- For the LTM period ended November 2021, sports betting generated \$4.2B in GGR across 25 states plus DC.



Sports betting states: AZ, AR, CO, CT, DE, DC, IL, IN, IA, MD, MI, MS, MT, NV, NH, NJ, NM, NY, OR, PA, RI, SD, TN, WV, WY, VA.

Source: State regulatory authorities

Competition and Digital Wagering are Needed for Robust Sports Betting Markets

- Competitive/unrestricted markets – defined by large populations, low tax rates, served by multiple operators, with digital wagering – are generating ~\$50 GGR per adult on average; New Jersey is highest at \$89.
- Monopoly/restricted markets – defined by smaller populations, higher tax rates, with only 1-2 operators and limited/no digital wagering – generate only \$25 of GGR per adult on average; Mississippi is highest at \$43.
- Other insights:
 - In competitive markets, digital accounts for ~90% of GGR vs. ~10% for retail; in restricted markets, digital is less than 40%.
 - Hold percentage is much higher in restricted markets vs. competitive markets, suggesting that operators can offer much less competitive odds to customers in restricted markets due to lack of competition.
- ***Spectrum projects GGR per adult from sports betting across the US will be \$70 to \$90 at maturity***
- ***If Massachusetts were to adopt a competitive market model similar to IL, IN, NJ and PA, GGR per adult could be \$90 to \$115 (adjusted for Massachusetts's higher average household income).***

Competition and Digital Wagering are Needed for Robust Sports Betting Markets (cont.)

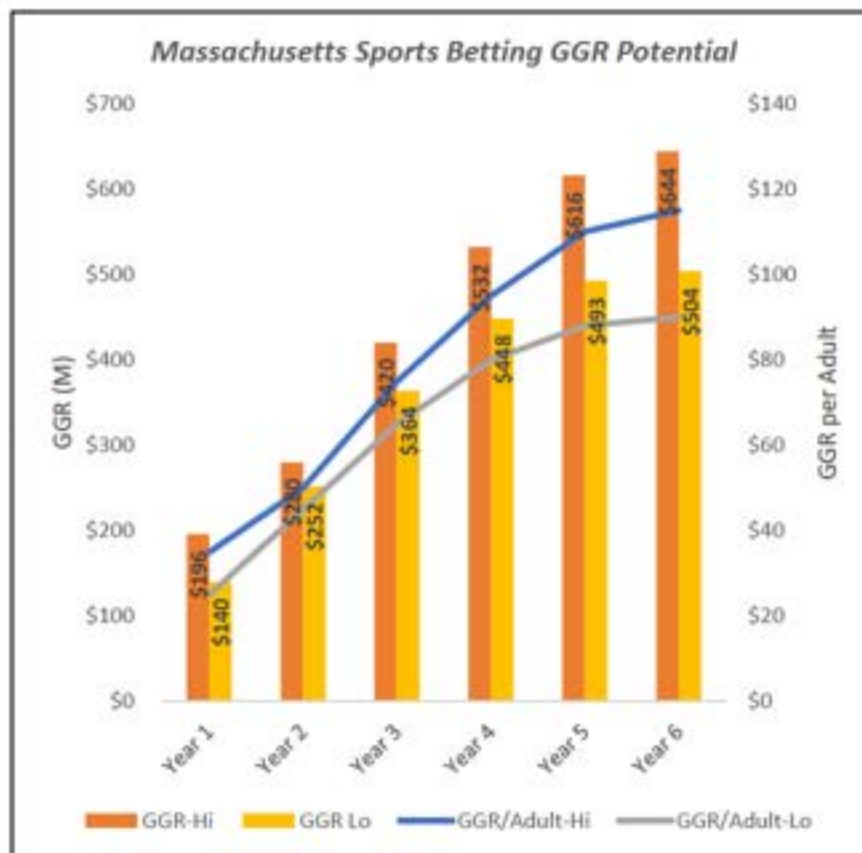
State	Adult Pop. (M)	Household Income (HHI)	Start Date		Tax Rate		Retail (\$M)		Digital (\$M)		LTM Results (\$M)			Digital/Total		GGR/Adult	
			Retail	Digital	Retail	Digital	Hdle	GGR	Handle	GGR	Hdle	GGR	Hold %	Hdle	GGR	Actual	Adj. (3)
Competitive/Unrestricted Markets																	
New Jersey	7.0	\$82,545	Jun-18	Aug-18	8.5%	13.0%	934	80	9,768	743	10,702	823	7.7%	91%	90%	\$118	\$89
Indiana	5.2	\$56,303	Sep-19	Oct-19	9.5%	9.5%	419	53	3,261	252	3,680	306	8.3%	89%	83%	\$59	\$66
Pennsylvania	10.0	\$56,951	Nov-18	May-19	36.0%	36.0%	473	51	5,607	423	6,080	474	7.8%	92%	89%	\$47	\$52
Iowa	2.4	\$60,523	Aug-19	Aug-19	6.8%	6.8%	249	28	1,634	80	1,883	108	5.7%	87%	74%	\$44	\$46
Illinois	9.9	\$65,886	Mar-20	Jun-20	17.0%	17.0%	227	23	5,748	444	5,975	467	7.8%	96%	95%	\$47	\$45
Colorado	4.5	\$72,331	Jul-20	May-20	13.8%	18.0%	57	2	3,369	222	3,426	224	6.5%	98%	99%	\$50	\$43
West Virginia	1.4	\$46,711	Sep-18	Jan-19	10.0%	10.0%	147	17	397	29	544	46	8.4%	73%	63%	\$33	\$44
Tennessee	5.4	\$53,320	NA	Nov-20		20.0%	NA	NA	2,335	201	2,335	201	8.6%	100%	100%	\$37	\$44
Michigan (1)	7.8	\$57,144	Mar-20	Jan-21	8.4%	9.7%	290	28	3,171	203	3,461	231	6.7%	92%	88%	\$29	\$32
Virginia (2)	6.6	\$74,222	NA	Jan-21	10.0%	15.0%	NA	NA	2,393	206	2,393	206	8.6%	100%	100%	\$31	\$26
Median							270	28	3,216	214	3,444	228	7.8%	92%	90%	\$46	\$44
Mean							350	35	3,768	280	4,048	309	7.6%	92%	88%	\$50	\$49
Monopoly/Restricted Markets																	
Mississippi	2.3	\$45,081	Aug-18	NA	12%		585	70	NA	NA	585	70	12.0%	0%	0%	\$31	\$43
Rhode Island	0.9	\$67,167	Nov-18	Sep-19	51%	51%	189	19	215	21	404	40	9.9%	53%	53%	\$44	\$42
Wash. DC	0.6	\$86,420	Jul-20	May-20	10%	10%	156	20	49	8	205	28	13.8%	24%	28%	\$47	\$34
N. Hampshire	1.1	\$76,768	Aug-20	Dec-19	50%	50%	133	10	500	34	633	44	7.0%	79%	77%	\$40	\$33
Montana (4)	0.9	\$54,970	Mar-20	NA		6%	49	7	NA	NA	49	7	14.3%	0%	0%	\$8	\$9
Oregon (5)	3.4	\$62,818	NA	Oct-19			NA	NA	325	31	325	31	9.5%	100%	100%	\$9	\$9
Arizona	2.3	\$47,597	Jul-19	NA	20.0%		64	9	NA	NA	64	9	13.8%	0%	0%	\$4	\$5
Median							144	15	270	26	325	31	12.0%	24%	28%	\$31	\$33
Mean							196	23	272	23	323	33	11.5%	37%	37%	\$26	\$25

(1) 11 months for digital. (2) 10 months. (3) Adjusted for US median HHI. (4) Mobile on-premises only. (5) Tribal retail only.

Source: State regulatory authorities, US Census, Spectrum Gaming Group

MA Statewide Potential GGR at Maturity: \$500M to \$650M (Assuming \$70 to \$90 per Adult)

- Based on Spectrum's estimate of \$70 to \$90 of GGR per adult across the United States, we can estimate the GGR potential for Massachusetts by employing the following methodology:
 - Adjust for higher household income observed in Massachusetts vs. total US (\$81K vs. \$63K), which yields a range of \$90 to \$115 per adult
 - Multiplying the \$90 to \$115 range by the adult population of 5.6 million suggests that Massachusetts could generate \$504 million to \$644 million of sports betting GGR
 - These estimates assume both retail and digital betting are offered
 - We assume ~90% of GGR will be generated via digital and ~10% via retail (retail spend of \$9 to \$12 per adult and digital spend of \$81 to \$104 per adult)



Source: Spectrum Gaming Group

Impact from Digital Wagering will Better Position Palmer Racetrack to Become Profitable

- Spectrum estimates digital betting can account for between \$454 million and \$580 million of GGR statewide.
- To quantify the potential market share for the proposed Palmer racetrack, we made the following assumptions:

Proposed Sports Wagering Facility	Location	Facility Type	Market Share	Digital GGR	
				Low	High
MGM Springfield	Springfield	Full casino	30.00%	\$136	\$174
Encore Boston Harbor	Everett	Full casino	30.00%	\$136	\$174
Plainridge Park	Plainridge	Slots only	15.00%	\$68	\$87
Suffolk Downs	Boston	Racetrack	8.33%	\$38	\$48
Commonwealth Racetrack	Palmer	Racetrack	8.33%	\$38	\$48
Raynham Park	Raynham	Racetrack	8.33%	\$38	\$48
Total			100%	\$454	\$580

- Each casino and racing facility would qualify for a digital sports betting license
- Because the state's two casinos carry greater brand recognition and awareness, they would each generate 30% of statewide digital market share
- Plainridge Park would generate 15% market share
- The remaining 25% market share would be evenly divided among three racetracks
- Thus, a Palmer racetrack could generate \$38 million to \$44 million of digital sports betting GGR
- ***Given the challenges facing the horse racing industry (discussed in the next section), digital sports betting could be a critical line of business for a racetrack to be economically viable***

Horse Racing's Changing Market Fundamentals

- **Most states that permit pari-mutuel wagering now also permit some form(s) of alternative gaming at the racetracks. The other forms of gaming support racing and are crucial to making the horse racing financially viable.**
 - AR, CO, DE, FL, IL, IN, IA, KY, LA, ME, MD, MA, MN, NJ, NM, NY, OH, OK, PA, VA, WV, WY
- A few states do not allow other gaming, and in most of those jurisdictions those tracks are struggling to be competitive.
 - AZ, CA, MI, TX
 - A few states not listed (with smaller populations) either stopped racing due to the economics of the business or have very few race days of “minor league,” state-fair-type racing. As examples, most live racing in ID and NH has ceased.
- The competition for the gaming dollars has grown significantly over the past three decades with the expansion of casino-style gaming.

Horse Racing's Changing Market Fundamentals (cont.)

- Producing live horse racing content is very expensive due to the need for large facilities and the supply-side costs.
- Wagering continues to shift to account wagering.
 - In 2019, approximately 50% of the national handle was through account wagering entities. From 2010 to 2018, the account wagering at the Oregon hub (which represents a major portion of all account wagers in the US) increased by 191%.
 - Due to the continuing trend of shifting dollars to account wagering, in addition to the COVID-19 pandemic, account wagering in the second quarter of 2020 at the Oregon hub increased 47%.
 - The three largest account wagering operations licensed in Oregon in 2019 accounted for almost 95% of all the handle wagered through the Oregon account wagering hub.
- Racing's market share is dominated by large racing companies such as Churchill Downs, The Stronach Group and the New York Racing Association.

Case Studies: Racing without Alternative Gaming

- Handle trends of significant racing states without alternative gaming at racetracks:
 - Arizona handle declined 41% from 2008 to 2018.
 - Arizona Downs reopened in 2019 (after being closed for several years) but did not finish its racing meet, suspending the balance of the live racing season in 2019.
 - California handle declined 31% from FY 2003 to FY 2019.
 - Michigan handle declined 50% from 2012 to 2018.
 - The most recent racetrack built in Michigan was Pinnacle Race Course, which opened 2008 and closed in 2010. Pinnacle Race Course, believed to be the only horse racetrack built in the United States in the last 15 years as just a racetrack without other gaming revenue, was a failure.
 - Texas handle declined 54% from 1999 to 2018.

Case Studies: Racing without Alternative Gaming (cont.)

- Indiana handle declined 63% from 2005 (when handle peaked after a second track opened) to 2018.
 - Hoosier Park, the first Indiana track to open (in 1994), received subsidies from riverboat casino admission taxes.
 - Indiana Grand, the second track, opened in 2002.
 - State approved slot machine wagering at the two racetracks in 2007, and both are currently in operation.
- Virginia handle peaked in 2007 with one track Colonial Downs (opened in 1997) and several off-track wagering facilities.
 - Account wagering was permitted in 2004, and by 2013, 46% of all wagering was through account wagering platforms. Colonial Downs ceased operations in 2014.
 - Colonial Downs reopened in 2019 (with 19 race days) once historical horse racing machines (akin to slot machines) were approved for installation at the racetrack and at off-track wagering facilities.

Conclusion

- Massachusetts has great potential as a sports wagering market; Spectrum forecasts from \$350 million to \$500 million in annual gross gaming revenue at maturity.
- Where both retail and digital wagering are allowed, digital wagering is the overwhelming choice for bettors.
 - We assume 80% of Massachusetts bets would be made via digital channels.
- Most states that permit pari-mutuel wagering also permit some form of alternative gaming – whether slots, full casinos, or sports betting.
 - Alternative gaming options are necessary to ensure overall profitable operation, thus sustaining the horse racing industry.
 - Tracks in states that do not allow alternative gaming are struggling.
 - Last new racetrack to open without alternative gaming closed after two years.
- Digital + retail gaming at new Commonwealth Racetrack would likely ensure success of overall operation.

Racing Journalist Ray Paulick, Discussing the 2010 Closure of Pinnacle Race Course in Michigan:

“

I don't want to say that only a fool would do it, but only a gambler would start up a horse track today without some additional form of gaming.

”

Ray Paulick, former editor, *Thoroughbred Times*,
as reported by the *Detroit Free Press*

John Wisely, "How Wayne County lost millions on horse track in Huron Township," Delaware Online, *Detroit Free Press*, December 19, 2019. <https://www.delawareonline.com/story/news/local/michigan/2019/12/19/former-race-track-property-sold/2687466001/>

Market Analysis: Sports Wagering at Prospective Racetrack in Palmer, MA

Prepared for Commonwealth Racing LLC

May 31, 2022



SPECTRUM
GAMING GROUP®

About Spectrum Gaming Group

- Founded in 1993.
- Specialize in studying, analyzing the economics, regulation and policy of legal gambling worldwide.
 - Wrote strategic plan and consulted for Massachusetts Gaming Commission (“MGC”).
 - Assessed racing industry as MGC prepared to absorb State Racing Commission.
- Policy of non-partisanship: We neither advocate for nor oppose legalized gambling.
- Policy of independent research and analysis: We do not accept engagements that seek a preferred result; we tell clients what they need to know, not necessarily what they want to hear.
- We have provided expertise in 42 US states and territories and in 49 countries on six continents. Clients include 22 US state and territory governments, six national governments, 22 Native American entities, numerous gaming companies (national and international) of all sizes, financial institutions, developers and other gaming-related entities.
- We have testified or presented before 40 governmental bodies worldwide.
- **Contact:** +1.609.926.5100 | solutions@spectrumgaming.com

Scope of Study

- Spectrum Gaming Group (“Spectrum”) was retained by Commonwealth Racing LLC (“Client”) to analyze and evaluate the potential for retail and digital sports betting at a proposed Thoroughbred racetrack development in Palmer, MA.
- Specifically, the Client asked Spectrum to examine whether the proposed racetrack investment can be economically viable only if another form of gaming is also offered – in this case sports betting in both digital (i.e., online) and retail (i.e., on-site) formats.
- To illustrate the gross gaming revenue (“GGR”) potential for sports betting at the proposed racetrack, Spectrum employed the following methodology:
 - Reviewed revenue for newly established US markets for insight into the potential market size for the US (at maturity) on a per capita basis (sports betting GGR per US adult).
 - We adjusted the results across total US for the income and population demographics in Massachusetts. By doing this, we arrived at a statewide estimate (assuming both retail and digital betting are authorized).
 - Next, we produced an in-depth analysis of results in New Jersey – which is the most advanced US market for both retail and digital sports betting – for recency and current insight.
 - We then estimated the GGR potential for retail and digital betting operations at the proposed racetrack in Palmer.

Scope of Study (cont.)

- We also provided an overview of trends and economics of the racing industry to provide context as to why sports betting is critical for the economic viability of racetracks.
-

Glossary of terms used throughout this report:

- **Digital** – Sports betting and other gaming via internet channels, including computer desktop and mobile devices
- **Gross Gaming Revenue (“GGR”)** – The amount left for the operator after all winning bets are paid; GGR represents top-line revenue – not to be confused with handle
- **Handle** – Total amount wagered, expressed in dollars
- **Hold Percentage** – The percentage of money the operator retains after all bets have been settled
- **LTM** – The last 12 months; used in statistical analysis for a given year-long period
- **Retail** – Gaming that takes place at a facility; as opposed to digital gaming

Sports Wagering is Undergoing Rapid Expansion Across the United States

- Sports betting is currently live in 30 states plus DC, and legal but not yet active in 5 other states; in early 2018, only Nevada was active in sports betting
- For the LTM period ended April 2022, sports betting generated \$4.7B in GGR across 25 states plus DC.



Source: State regulators. Sports wagering states: AZ, AR, CO, CT, DE, DC, IL, IN, IA, MD, MI, MS, MT, NV, NH, NJ, NM, NY, OR, PA, RI, SD, TN, WV, WY, VA. (April data only partially complete as not all state regulators reported GGR data as of the writing of this report).

Competition and Digital Wagering are Needed for Robust Sports Betting Markets¹

- Competitive/unrestricted markets – defined by large populations, low tax rates, served by multiple operators, with digital wagering – are generating ~\$57 GGR per adult on average over 12-month period ending April 2022; New Jersey is highest at \$85.
- Monopoly/restricted markets – defined by smaller populations, higher tax rates, with only 1 to 2 operators and limited/no digital wagering – generate only \$24 of GGR per adult on average; Rhode Island is highest at \$45 (possibly due to absence of sports wagering in Massachusetts)
- Other insights:
 - In competitive markets, digital accounts for ~90% of GGR vs. ~10% for retail; in restricted markets, digital is less than 40%.
 - Hold percentage is much higher in restricted markets vs. competitive markets, suggesting that operators can offer much less competitive odds to customers in restricted markets due to lack of competition.
- ***Spectrum projects GGR per adult from sports betting across the US will be \$70 to \$90 at maturity***
- ***If Massachusetts were to adopt a competitive market model similar to IL, IN, NJ and PA, GGR per adult could be \$90 to \$115 (adjusted for Massachusetts's higher average household income).***

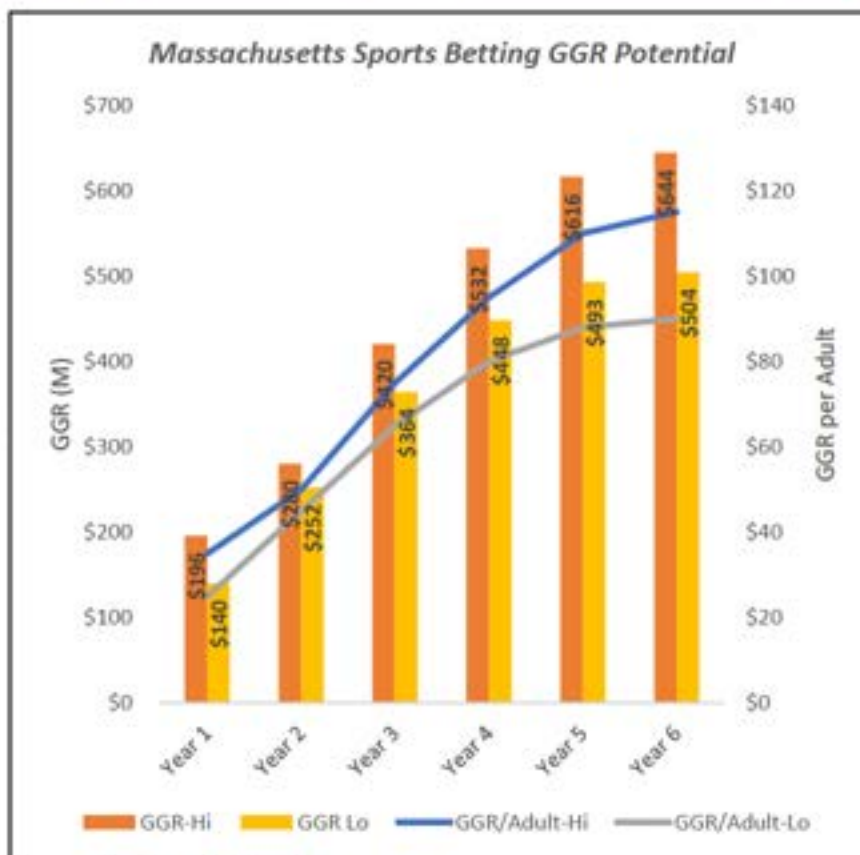
Competition and Digital Wagering are Needed for Robust Sports Betting Markets (cont.)

((\$000's)	Adult	Household	Start Date		Tax Rate		Retail		Digital		LTM Results			Digital/Total		GGR/Adult	
State	Pop. (M)	Income	Retail	Digital	Retail	Digital	Handle	GGR	Handle	GGR	Handle	GGR	Hold %	Handle	GGR	Actual	Adj. ¹
Competitive/Unrestricted Markets																	
New Jersey	7.0	\$82,545	Jun-18	Aug-18	8.5%	13.0%	1,002	61	10,175	718	11,177	779	7.0%	91%	92%	\$111	\$85
Indiana	5.2	\$56,303	Sep-19	Oct-19	9.5%	9.5%	393	43	4,007	284	4,400	327	7.4%	91%	87%	\$63	\$70
Pennsylvania	10.0	\$56,951	Nov-18	May-19	36.0%	36.0%	548	54	6,517	465	7,065	519	7.3%	92%	90%	\$52	\$57
Iowa	2.4	\$60,523	Aug-19	Aug-19	6.8%	6.8%	251	23	2,148	100	2,399	123	5.1%	90%	81%	\$51	\$53
Illinois	9.9	\$65,886	Mar-20	Jun-20	17.0%	17.0%	344	28	7,457	532	7,801	560	7.2%	96%	95%	\$57	\$54
Colorado	4.5	\$72,331	Jul-20	May-20	13.8%	18.0%	58	3	4,415	276	4,473	279	6.2%	99%	99%	\$62	\$54
West Virginia	1.4	\$46,711	Sep-18	Jan-19	10.0%	10.0%	122	13	466	33	588	46	7.8%	79%	72%	\$33	\$44
Tennessee	5.4	\$53,320	NA	Nov-20		20.0%	NA	NA	3,327	279	3,327	279	8.4%	100%	100%	\$51	\$61
Michigan	7.8	\$57,144	Mar-20	Jan-21	8.4%	9.7%	315	24	4,347	335	4,662	359	7.7%	93%	93%	\$46	\$50
Virginia	6.6	\$74,222	NA	Jan-21	10.0%	15.0%	NA	NA	3,950	344	3,950	344	8.7%	100%	100%	\$52	\$44
Median							329	26	4,177	310	4,436	336	7.4%	93%	93%	\$52	\$54
Mean							379	31	4,681	337	4,984	362	7.3%	93%	91%	\$58	\$57
Monopoly/Restricted Markets																	
Mississippi	2.3	\$45,081	Aug-18	NA	12%		578	59	NA	NA	578	59	10.2%	0%	0%	\$26	\$36
Rhode Island	0.9	\$67,167	Nov-18	Sep-19	51%	51%	224	21	264	22	488	43	8.8%	54%	51%	\$48	\$45
Washington D.C.	0.6	\$86,420	Jul-20	May-20	10%	10%	172	17	51	7	223	24	10.9%	23%	30%	\$40	\$29
New Hampshire	1.1	\$76,768	Aug-20	Dec-19	50%	50%	177	9	609	38	786	47	6.0%	77%	81%	\$43	\$35
Montana ²	0.9	\$54,970	Mar-20	NA		6%	50	8	NA	NA	50	8	15.0%	0%	0%	\$9	\$10
Oregon ³	3.4	\$62,818	NA	Oct-19			NA	NA	379	33	379	33	8.7%	100%	100%	\$10	\$10
Arkansas	2.3	\$47,597	Jul-19	NA	20.0%		80	8	NA	NA	80	8	10.0%	0%	0%	\$3	\$5
Median							174	13	322	28	379	33	10.0%	23%	30%	\$26	\$29
Mean							213	20	326	25	369	32	9.9%	36%	37%	\$26	\$24

Source: State regulators. Sports wagering results for LTM March or April 2022, depending on state.¹Adjusted for US median household income. ²Mobile on-premises only. ³Tribal retail only.

MA Statewide Potential GGR at Maturity: \$500M to \$650M (Assuming \$70 to \$90 per Adult)

- Based on Spectrum's estimate of \$70 to \$90 of GGR per adult across the United States, we can estimate the GGR potential for Massachusetts by employing the following methodology:
 - Adjust for higher household income observed in Massachusetts vs. total US (\$81K vs. \$63K), which yields a range of \$90 to \$115 per adult
 - Multiplying the \$90 to \$115 range by the adult population of 5.6 million suggests that Massachusetts could generate \$504 million to \$644 million of sports betting GGR
 - These estimates assume both retail and digital betting are offered
 - We assume ~90% of GGR will be generated via digital and ~10% via retail (retail spend of \$9 to \$12 per adult and digital spend of \$81 to \$104 per adult)



Source: Spectrum Gaming Group

Impact from Digital Wagering will Better Position Palmer Racetrack to Become Profitable

- Spectrum estimates digital betting can account for between \$454 million and \$580 million of GGR statewide.
- To quantify the potential market share for the proposed Palmer racetrack, we made the following assumptions:

Proposed Sports Wagering Facility	Location	Facility Type	Market Share	Digital GGR	
				Low	High
MGM Springfield	Springfield	Full casino	30.00%	\$136	\$174
Encore Boston Harbor	Everett	Full casino	30.00%	\$136	\$174
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Suffolk Downs	Boston	Racetrack	8.33%	\$38	\$48
Commonwealth Racetrack	Palmer	Racetrack	8.33%	\$38	\$48
Raynham Park	Raynham	Racetrack	8.33%	\$38	\$48
Total			100%	\$454	\$580

- Each casino and racing facility would qualify for a digital sports betting license
- Because the state's two casinos carry greater brand recognition and awareness, they would each generate 30% of statewide digital market share
- Plainridge Park would generate 15% market share
- The remaining 25% market share would be evenly divided among three racetracks
- Thus, a Palmer racetrack could generate \$38 million to \$44 million of digital sports betting GGR
- ***Given the challenges facing the horse racing industry (see following slides), digital sports betting could be a critical line of business for a racetrack to be economically viable***

The Changing Market Fundamentals of Horse Racing

- **Most states that permit pari-mutuel wagering now also permit alternative gaming at the racetracks; the other forms of gaming support racing and are vital to making horse racing financially viable.**
 - Such states include AR, DE, FL, IL, IN, IA, KY, LA, MA, MD, ME, MN, NE, NJ, NM, NY, OH, OK, PA, VA, WV and WY.
 - Louisiana recently permitted historical horse racing machines (similar to slot machines) and sports wagering to support racing, in addition to the existing support from slot machines.
 - Nebraska recently passed legislation allowing casinos at racetracks.
- In states with no commercial gaming, racetracks are struggling to be competitive.
 - Examples: AZ, CA, CO, MI (Colorado is considering fixed-odds wagers on horse racing to be included with the currently legal sports wagers.)
 - A few states not listed (with smaller populations) either stopped racing due to the economics of the business or have very few race days of “minor league,” state-fair-type racing. For example, most live racing in ID, MT and NH has ceased.
- The competition for the gaming dollars has grown significantly over the past three decades with the expansion of casino gaming and, most recently, with sports betting, online gaming, and lottery expansion.

The Changing Market Fundamentals of Horse Racing (cont.)

- Wagering continues to shift to account wagering.
 - In 2019, approximately 50% of the national handle was through account-wagering entities.
 - From 2010 to 2018, the account wagering at the Oregon hub (which represents a major portion of all account wagers in the United States) increased by 191%.
 - Due to the continuing trend of shifting dollars to account wagering, in addition to the Covid-19 pandemic, account wagering in the second quarter of 2020 at the Oregon hub increased 47%.
 - Spectrum estimates that more than 80% of wagers now are made through an account.
 - Small, festival race meets still attract large crowds, and there are significant amounts of wagers placed on those events both on track and via simulcasting.
 - The three largest account-wagering operations licensed in Oregon in 2019 accounted for almost 95% of all the handle wagered through the Oregon account-wagering hub.
- Racing's market share is dominated by large racing companies such as Churchill Downs, New York Racing Association, and Stronach Group.

Horse Racing's Changing Market Fundamentals (cont.)

- Wagering on Thoroughbred horse racing peaked in 2003 at \$15.1 billion, with most of the growth a result of increasing distribution channels primarily with increased simulcasting.
- Handle declined until 2014, when Thoroughbred horse race handle was \$10.5 billion.
 - It has seen a recent rebound due to several factors, primarily due to account wagering.
 - In 2021, handle for Thoroughbred horse racing was \$12.2 billion. Through April 2022 handle has continued its upward trend though it is only marginally up in the first four months.
- Handle from 2020 to 2021 increased 11.86% (with 21% fewer races, pandemic-related reduction in racing, but increases in account wagers), and handle from 2019 to 2021 increased 10.74% (with 7.29% fewer races.)
- Account-wagering companies say they saw significant increases in new account holders due to ...
 - Absence of other sports due during the pandemic
 - Increased exposure for horse racing on television due to the closure of many tracks and off-track wagering sites to on-side patrons in 2020.
- The trend of handle increases are most significant for the short, festival-type race meets and the premier days with feature races such as the Triple Crown.
 - For example, the 2022 Kentucky Derby handle increased 17% over the 2021 Derby handle. The 2021 Breeders' Cup and 2022 Keeneland spring race meet set record handles.

Horse Racing & Economic Development

- Producing live horse racing content is expensive due to the need for large facilities (racetracks) and the supply-side (breeding and training of horses) costs.
 - The live horse racing content also generates – by far – the most economic development compared to simulcasting, off-track and account wagering.
- While Massachusetts would not mirror New York’s horse racing economic impact because New York has more live thoroughbred racing days, a much larger breeding industry and a significantly larger off-track betting and account wagering network, we can look at a recent New York gaming study¹ to better understand the economic development from the horse racing industry:
 - “Consider that the economic impact of the New York horse racing sector to the state economy is \$3.08 billion, a benefit so large that it eclipses all other rationales for racing, including the benefit from the pari-mutuel tax on wagering handle. A vast infrastructure is needed to support the industry. Racehorses require substantial expenditures on breeding, training, insurance, veterinarians, agricultural products and feed, caretakers, farriers, jockey/driver fees and many other ancillary services that all provide taxes and other economic value to a state. Those costs and the expense of running a racetrack make producing the horse racing product expensive.”
 - “... ‘breeders, trainers, and owners of racehorses account for 64 percent of direct impact and 52 percent of jobs among the entire racing sector. New York’s 11 major racetracks generate the second highest proportion of economic impact, at 23 percent of the total. OTB corporations account for 10 percent of direct impact.’”

Case Studies: Racing without Alternative Gaming

- Handle trends in significant racing states without alternative gaming at racetracks:
 - Arizona handle declined 41% from 2008 to 2018 (handle not reported since 2018).
 - Arizona Downs reopened in 2019 (after being closed for several years) but did not finish its racing meet, suspending the balance of the live racing season in 2019; will open in 2022 with new management and ownership, but its future is questionable.
 - California handle declined 31.2% from FY 2003 to FY 2020; handle increased 21.6% in FY 2021, following industry trends, with significant increases in account wagering.
 - Michigan handle declined 54% from 2012 to 2019; handle increased 23% in 2020 with the help of new account-wagering laws.
 - Pinnacle Race Course opened in 2008 and closed in 2010 – the only horse racetrack built in the United States in the last 15 years without other gaming revenue.
 - Michigan horse racing industry now receives a percentage of sports wagers; in 2021, it received \$8.1 million from that source.
 - Michigan currently has legislation under consideration to revive the horse industry there; bills would allow slots or historical horse racing machines at racetracks.

Case Studies: Racing without Alternative Gaming (cont.)

- Texas handle declined 54% from 1999 to 2018.
 - Since 2020, Texas sales tax on horse feed, tack and other horse-related products and services supports the horse racing industry; the fund is capped at \$25 million per year.
- Indiana handle declined 63% from 2005 (when handle peaked after a second track opened) to 2018.
 - Hoosier Park, the first Indiana track to open (in 1994), received subsidies from riverboat casino admission taxes.
 - State approved slot machine wagering at the two racetracks in 2007, and both are currently in operation.
- Virginia handle peaked in 2007 with one track (Colonial Downs, opened in 1997) and several off-track wagering facilities.
 - Account wagering was permitted in 2004, and by 2013, 46% of all wagering was through account-wagering platforms. Colonial Downs ceased operations in 2014.
 - Colonial Downs reopened in 2019 (with 19 race days) once historical horse racing machines (similar to slot machines) were approved for installation at the racetrack and at off-track wagering facilities.

Conclusions

- Massachusetts has great potential as a sports wagering market; Spectrum forecasts from \$500 million to \$650 million in annual gross gaming revenue at maturity.
- Where both retail and digital wagering are allowed, digital wagering is the overwhelming choice for bettors.
 - We assume 90% of Massachusetts bets would be made via digital channels.
- Most states that permit pari-mutuel wagering also permit some form of alternative gaming – whether slots, historical horse-racing machines, full casinos, and/or sports betting.
 - Alternative gaming options are necessary to ensure overall profitable operation, thus sustaining the horse racing industry.
 - Tracks in states that do not allow alternative gaming options are struggling.
 - The last new racetrack to open without alternative gaming closed after two years.
 - The live horse racing content generates by far the most economic development compared to simulcasting, off-track and account wagering.
- Digital + retail sports betting at proposed Commonwealth Racing LLC racetrack in Palmer would likely ensure success of the overall racetrack facility operation.

Racing Journalist Ray Paulick, Discussing the 2010 Closure of Pinnacle Race Course in Michigan:

“

I don't want to say that only a fool would do it, but only a gambler would start up a horse track today without some additional form of gaming.

”

Ray Paulick, former editor, *Thoroughbred Times*,
as reported by the *Detroit Free Press*, 2019

John Wisely, “How Wayne County lost millions on horse track in Huron Township,” Delaware Online, *Detroit Free Press*, December 19, 2019. <https://www.delawareonline.com/story/news/local/michigan/2019/12/19/former-race-track-property-sold/2687466001/>

Votes on Question No. 7A

A. Shall the pari-mutuel system of betting on licensed horse races be permitted in this county?

Worcester County.

Cities and Towns.	Yes.	No.	Blanks.	Total Ballots.
Ashburnham	690	337	149	1,176
Athol	1,891	730	432	3,053
Auburn	3,408	1,880	846	6,134
Barre	819	378	364	1,561
Berlin	352	274	106	732
Blackstone	1,118	546	363	2,027
Bolton	330	363	70	763
Boylston	622	390	151	1,163
Brookfield	388	206	101	695
Charlton	721	430	199	1,350
Clinton	2,457	989	1,055	4,501
Douglas	579	464	205	1,248
Dudley	1,268	747	558	2,573
East Brookfield	332	199	107	638
FITCHBURG	7,885	2,860	2,739	13,484
GARDNER	3,608	1,597	1,299	6,504
Grafton	2,141	1,017	764	3,922
Hardwick	438	183	160	781
Harvard	523	669	152	1,344
Holden	1,834	1,798	1,302	4,934
Hopedale	788	577	277	1,642
Hubbardston	274	151	88	513
Lancaster	624	659	231	1,514
Leicester	1,757	730	454	2,941
LEOMINSTER	6,185	2,259	2,079	10,523
Lunenburg	1,525	877	390	2,792
Mendon	500	261	141	902
Millford	4,185	1,483	1,687	7,355
Millbury	2,350	898	787	4,035
Millville	323	155	127	605
New Braintree	106	71	33	210
North Brookfield	758	414	287	1,459
Northborough	1,789	1,173	371	3,333
Northbridge	1,709	1,020	1,423	4,152
Oakham	170	111	47	328
Oxford	1,237	569	614	2,420
Paxton	632	544	194	1,370
Petersham	179	172	64	415
Phillipston	140	71	20	231
Princeton	263	335	65	663
Royalston	157	55	28	240
Rutland	646	387	127	1,160
Shrewsbury	4,561	2,507	1,322	8,390
Southborough	1,155	834	252	2,241
Southbridge	1,753	1,127	2,326	5,206
Spencer	1,802	797	597	3,296
Sterling	809	503	181	1,493
Sturbridge	624	500	628	1,752
Sutton	860	536	269	1,665
Templeton	998	419	243	1,660
Upton	721	403	245	1,369
Uxbridge	1,499	782	616	2,897
Warren	708	314	236	1,258
Webster	2,310	1,310	1,222	4,842
West Boylston	1,220	978	306	2,504
West Brookfield	489	254	149	892
Westborough	2,355	1,662	640	4,657
Westminster	969	513	211	1,723
Winchendon	968	376	237	1,581
WORCESTER	32,024	13,437	11,943	57,404
Totals	113,656	56,281	42,279	212,216

Commonwealth Equestrian & Agricultural Center
Great Meadowbrook Farm Racing Oversight Board

The Applicant has developed a five member GMF Racing Oversight Board (ROB) that will work with the Chief Operating Officer to oversee the racing program at the facility. Subject to Commission approval, the ROB will set the meeting dates and ensure safety and integrity of the races. In addition, the Racing Oversight Board's role will include, but not be limited to, the following:

- Ensuring racing compliance with M.G.L. c. 128A;
- Ensuring all official and employee are licensed and knowledgeable of and has read 205 CMR 4.00 et seq., as required by 205 CMR 4.01;
- Ensuring that the Applicant's employees seek, obtain, and maintain licensure as required by the Commission;
- Appointing officials designated in conformance with 205 CMR 4.30, and subject to Commission approval;
- Ensuring the hiring of qualified of Racing Veterinarian;
- Ensuring that there are compliance systems in place for enforcement of prohibited practices under 205 CMR 4.51 in conjunction with the security director;
- Enacting compliance procedures to prevent corrupt practices as defined in 205 CMR 4.10 in conjunction with the security director, the Commission, the State Police Racing Division, and Hardwick Police and Fire Departments;
- Ensuring cooperation with the Commission on licensing and enforcement matters; and,
- Compliance with strict anti-doping and anti-slaughter rules, and compliance with new HISA safety regulation.

In addition to the above, the ROB shall serve as a liaison with the Town of Hardwick and its various elected and appointed officials.

Great Meadowbrook Farm Racing Oversight Board



John A. Stefanini, Chair
Framingham, MA 01702



Reed V. Hillman,
Vice-Chair
Sturbridge, MA 01566



Robin Kalaidjian
Medfield, MA



Dr. Eric Dickson
Princeton, MA 01541



Karen Davis
Sturbridge, MA 01566

2022 PURSE AGREEMENT

This Purse Agreement (the "Agreement") is entered into by and between COMMONWEALTH INVESTORS, LLC (the "Association"), a Massachusetts limited liability company, and the New England Horsemen's Benevolent and Protective Association, Inc. (the "NEHBPA") to be effective upon execution hereof by both Parties. The Association includes any subsidiary or successor entity to the Association.

WITNESSETH

WHEREAS, the Association and the NEHBPA (the "Parties") enter into an agreement relative to the conduct of racing by the Association at a location to be identified by the Association and in consultation with the NEHBPA, dated as of _____ (DATE OF EXECUTION) by the Parties through December 31, 2022; and

WHEREAS, pursuant to G.L. c. 128A and other applicable law, if the Association attains an annual license as a running horse racing meeting licensee through December 31, 2023, and authorized to conduct simulcasting until that date; and

WHEREAS, the Association, the NEHBPA, and the Massachusetts Thoroughbred Breeders Association (the "MTBA") have been working together to bring about an alternate thoroughbred race track in Massachusetts, which work is on-going; and

WHEREAS, the Association, the NEHBPA, and the MTBA have been cooperating with respect to legislation before the Massachusetts legislature affecting Sports Betting, Racing and Simulcasting, which cooperation will continue; and

WHEREAS, the Association and the NEHBPA acknowledge that the Association will not conduct a live racing meeting in 2022 but intends to seek municipal and Gaming Commission approval in 2022 to endeavor to develop a racing/equine facility, and accordingly, the parties wish to enter into this Agreement.

NOW THEREFORE, the Parties, intending to be bound hereby and in consideration of the mutual promises herein set forth, agree as follows:

1) **BARGAINING AGENT.** The NEHBPA represents to the Association that it is the duly authorized legal representative and bargaining agent of all thoroughbred horse owners and trainers who will enter and race horses at any racing meet that the Association may conduct with a racing meeting license upon commencement of operations, and the Association recognizes the NEHBPA as such bargaining agent.

2) **2022 - 2023 RACING MEETING NOT ANTICIPATED.** In light of the status of efforts to procure and/or develop a racetrack, the Association does not anticipate conducting a racing meeting in 2022 or 2023, which the NEHBPA acknowledges. In the event circumstances change and make it possible for the Association to hold a racing meeting in 2022 or 2023, the Parties will consult and make good faith efforts to agree on terms and conditions for the meet.

3) **STATUTORY PREMIUMS.** If applicable, the Association shall pay to the NEHBPA promptly upon receipt any simulcasting premiums legislatively required to be paid by other

Massachusetts racing licensees to the Association to the extent such premiums are both (a) attributable to wagering conducted in 2022 and (b) actually collected by the Association (the "2022 Legislative Premiums").

4) **IHA PAYMENTS.** To the extent that the Association receives payments pursuant to the Federal Interstate Horseracing Act of 1978 (the "IHA") from pari-mutuel facilities in neighboring states located within 60 miles of the racing facility attributable to wagering at those facilities in 2022, the Association will pay such revenue over to the NEHBPA net of the Association's legal and other expenses of pursuing the payments.

5) **MASSACHUSETTS Live Racing.** If applicable, the Association shall pay over to the NEHBPA any funds it receives from the Massachusetts Purse Pool pursuant to Chapter 128A, Section 5(h)(6).

6) **CONTRIBUTIONS FROM SIMULCASTS.** The NEHBPA agrees and acknowledges that (a) in the event that the Association does not conduct a racing meeting in 2022 or 2023, there is no required statutory contribution from simulcast wagers on thoroughbred races conducted outside of Massachusetts; (b) in the event that the Association does conduct a racing meeting in 2022 or 2023, the statutory contribution to the NEHBPA from simulcast wagers on thoroughbred races conducted outside of Massachusetts shall be not less than 1/2 per cent nor more than 2 per cent; and (c) it shall not claim in any administrative, judicial or other forum that, and waives any claim that, the contribution from such interstate simulcasts is or should be any other amount.

7) **NO ADDITIONAL PAYMENTS TO THE NEHBPA.** Notwithstanding any prior practice or agreement, including the Recognition Agreement, the Association for 2022 or 2023 shall not be obligated to make any payments to the NEHBPA, or any trust or fund for the benefit of it or its members, other than the payments set forth in this Agreement. Any additional payments must be contained in a separate agreement. In addition, the Recognition Agreement is hereby amended so that, in 2022, the Association shall have no obligation: (a) to pay the NEHBPA deduction set forth in Article VIII, Paragraph 4 thereof; (b) to collect from horse owners or pay to the NEHBPA the paddock fee set forth in Article VIII, Paragraph 5. The NEHBPA acknowledges that the payments provided for in this Agreement shall satisfy all obligations of the Association with respect to amounts directed by statute to be paid to purses in 2022 or 2023.

8) **ADDITIONAL AMENDMENT TO AND ACKNOWLEDGMENT REGARDING THE RECOGNITION AGREEMENT.** The NEHBPA acknowledges, and the Parties hereby amend the Recognition Agreement to provide that, with respect to the Horsemen's Bookkeeper, as addressed in part in Article X of the Recognition Agreement, the Association shall not be required to invest purse money for the purpose of earning interest.

9) **NOTICES.** Unless otherwise directed in writing, any notice required herein to be given shall be given as indicated below by hand delivery or by certified mail-return receipt requested

To the Association: Commonwealth Investors, LLC
 P.O. Box 2311
 Framingham, MA 01703

And its Attorney:

Attorney Patrick Hanley
Butters Brazilian LLP
699 Boylston Street, 12th Floor
Boston, MA 02116

To the NEHBPA: New England Horsemen's Benevolent Association, Inc.
PO Box 550247
North Waltham MA 02455
Attention: Anthony Spadea, President

11) **FORCE MAJEURE.** Notwithstanding anything to the contrary in this Agreement, the Association's obligations under this Agreement shall be subject to weather conditions, acts of God, force majeure, and government orders, decrees or rulings.

12) **TERM.** Subject to the following two paragraphs, the term of this Agreement shall be through and including December 31, 2022. Notwithstanding the foregoing, COMMONWEALTH INVESTORS, LLC, may terminate this Agreement upon thirty (30) days' prior written notice to the NEHBPA if COMMONWEALTH INVESTORS, LLC, ceases to procure governmental authorization for the commercial development of a facility or facilities for a thoroughbred race meet with pari-mutuel and sports betting (on-line and on-site) licenses or is no longer developing or operating commercial development of a facility or facilities for a thoroughbred race meet with pari-mutuel and sports betting (on-line and on-site). The NEHBPA shall meet between October 1, 2022, and December 31, 2022, and vote on whether to extend this agreement for three additional years, through December 31, 2025. Subject to the same terms and conditions.

In the event a new statute comes into effect prior to the termination of this Agreement that materially alters the terms and conditions on which the Association is authorized to conduct its business during the term of this Agreement in a way that the Association believes warrants amendment of this Agreement and/or the Recognition Agreement, the Parties shall negotiate in good faith the terms of such amendment(s). If the Parties are unable to agree on the terms of such amendment(s), the Association shall have the right in its sole discretion to terminate this Agreement and the Recognition Agreement and its obligations under each of them, with no liability to the NEHBPA.

13) **AGREEMENTS NOT ASSIGNABLE.** This Agreement and the Recognition Agreement are personal to the Parties, are not assignable by either of them, and, for avoidance of doubt, shall not be considered to run with title to the Association's property.

WITNESS, the Parties hereto have executed this Agreement on the dates indicated below.



Commonwealth Investors, LLC

Date: 9/28, 2022

New England Horsemen's
Benevolent & Protective Association, Inc.
By its President



Anthony Spadea
NEHBPA

Date: 7/28, 2022

RECOGNITION AGREEMENT – CONTRACT

This is an Agreement to be effective as upon execution hereof, between COMMONWEALTH INVESTORS, LLC, and the New England Horsemen's Benevolent and Protective Association, Inc., a corporation duly organized and existing under the laws of the Commonwealth of Massachusetts, having a mailing address of PO Box 550247 North Waltham MA 02455 hereinafter called "NEHBPA".

WHEREAS the NEHBPA is the organization which represents the owners and trainers of horses which will race at a facility to be developed by COMMONWEALTH INVESTORS, LLC, a limited liability company organized and existing under the laws of the Commonwealth of Massachusetts, having a mailing address of P.O. Box 2311 Framingham, MA 01703 hereinafter called "COMMONWEALTH INVESTORS, LLC," and includes any subsidiary or successor entity to COMMONWEALTH INVESTORS, LLC,

WHEREAS, COMMONWEALTH INVESTORS, LLC, and NEHBPA represent, covenant and agree that they are mutually interested in the continuance, maintenance and improvement of thoroughbred racing in the Commonwealth of Massachusetts and jointly recite their belief that it is most desirable and in their mutual best interest to resolve differences which may arise between them without undue publicity and by good faith negotiations and consultation with each other; and

WHEREAS each of the parties hereto does hereby covenant and agree with the other to promote, foster and retain public goodwill toward thoroughbred racing and to use their best efforts to conduct racing at a facility to be developed by COMMONWEALTH

INVESTORS, LLC, on the highest level of quality and professionalism achievable by them;

WHEREAS each of the parties hereto desires to foster the continued development and breeding of thoroughbred horses in Massachusetts, which ongoing development requires investment therein, and is necessary for future races at a facility to be developed by COMMONWEALTH INVESTORS, LLC, and the NEHBPA exclusively supports COMMONWEALTH INVESTORS, LLC's efforts to obtain a racing meeting license in Massachusetts, and will not support any other racing meeting applicant;

WHEREAS each of the parties recognize that sports betting is essential to the development and financial success of a thoroughbred racing facility. In recognition of this, the parties agree to engage in a joint legislative effort in the current session of the Massachusetts legislature. The NEHBPA agrees that, upon execution of this Agreement and through July 31, 2022, or through the end of the Massachusetts Legislature's current session, extended session, or special session which may extend beyond July 31, 2022, they and their officers, board members, employees, attorneys, and lobbyists, and any persons authorized to speak on behalf of the NEHBPA (respectively, the "NEHBPA Parties") shall exclusively support, and shall not oppose, legislation supported by COMMONWEALTH INVESTORS, LLC, and shall not support, and shall oppose, any legislation opposed by COMMONWEALTH INVESTORS, LLC, so long as the legislation supported by COMMONWEALTH INVESTORS, LLC, includes provisions for the continuation of live thoroughbred racing in the Commonwealth (the "Support and Non-Opposition Obligation").

As part of the Support and Non-Opposition Obligation, the NEHBPA agrees that they will participate in joint press releases prepared by COMMONWEALTH INVESTORS, LLC, and joint lobbying efforts in support of the legislative agenda of COMMONWEALTH INVESTORS, LLC, and the NEHBPA parties will refrain from

lobbying in support of or against legislation regarding horse racing or any kind of wagering without advance notice to and consent of COMMONWEALTH INVESTORS, LLC. COMMONWEALTH INVESTORS, LLC, agrees that it will allow the NEHBPA to review any joint press release before it is issued.

COMMONWEALTH INVESTORS, LLC, and the NEHBPA are entering into a 2022 Purse Agreement and have an understanding of FULL support and recognition of both the Purse Agreement and Recognition Agreement until December 31, 2022.

NOW, THEREFORE, the parties hereto agree as follows:

ARTICLE I. TERM OF AGREEMENT

The provisions of this agreement shall be applicable to the thoroughbred race meets conducted at a facility to be developed by COMMONWEALTH INVESTORS, LLC, through December 31, 2022. This agreement shall not obligate COMMONWEALTH INVESTORS, LLC, to conduct thoroughbred race meets but shall apply to such race meets as COMMONWEALTH INVESTORS, LLC, elects and is authorized to conduct during the term hereof. This agreement contemplates the parties reaching a purse agreement prior to the opening of the grounds for each race meet.

ARTICLE II. COMMUNICATION AND COOPERATION BETWEEN PARTIES

The parties hereto acknowledge and affirm their mutual belief and agreement that the purposes of their respective organizations will be advanced by regular communication and mutual cooperation of said organizations with respect to addressing all issues that may affect thoroughbred racing and the purposes of their respective organizations. Each party shall solicit and consider the input of the other on all issues that affect the conduct of racing

in the Commonwealth of Massachusetts. Each party shall designate a representative to meet at least once during race meetings, and more often as may reasonably requested by either party, at a mutually convenient time(s) and place(s), to discuss and exchange viewpoints on such issues affecting thoroughbred racing as either party may designate. The purpose of such meetings is to allow NEHBPA on behalf of horsemen, to have input into decisions and actions of COMMONWEALTH INVESTORS, LLC, that affect horsemen and in return to allow COMMONWEALTH INVESTORS, LLC, input into decisions and actions of horsemen that affect COMMONWEALTH INVESTORS, LLC, including, but not limited to promotional activities, simulcasting programs, the distribution of the signal and other matters addressed in this agreement. COMMONWEALTH INVESTORS, LLC, agrees to consider input from the NEHBPA prior to applying for racing dates, proposing capital improvements to be funded from the Capital Improvement Fund administered by the Massachusetts Gaming Commission, and advancing any other proposals which would materially alter or affect the conduct of thorough racing in Massachusetts. COMMONWEALTH INVESTORS, LLC, agrees to notify the NEHBPA in advance as to any non-racing events proposed to be conducted on the premises developed by COMMONWEALTH INVESTORS, LLC, which may materially affect racing operations and/or NEHBPA membership during such time as thoroughbred horses are stabled. The provisions of this Article shall not obligate either party to take any action with respect to the input provided by the other, it being understood and agreed that either party in their sole discretion may accept or reject the input so provided.

The NEHBPA shall exclusively exercise all rights applicable under the Interstate Horseracing Act and applicable Massachusetts law at the request of COMMONWEALTH INVESTORS, LLC, and shall not exercise its rights in favor of any other racing meeting applicant or licensee.

The NEHBPA shall exclusively support COMMONWEALTH INVESTORS, LLC's efforts to obtain a racing meeting license in Massachusetts, and shall not support any other racing meeting license applicant.

ARTICLE III HORSEMEN'S TRAVEL

COMMONWEALTH INVESTORS, LLC, will not interfere with the freedom of horsemen shipping their horses for the purposes of racing at other race tracks, nor will they refuse entry back to the stable area of a horse that races at another racetrack, providing those horsemen stabled at a facility developed by COMMONWEALTH INVESTORS, LLC, use every reasonable effort to race at should a "proper race" be available. Factors considered when determining a "proper race" shall include the type of surface, race conditions or claiming amount, and race distance.

ARTICLE IV. ALLOCATION OF STALLS

When horsemen are required to apply for stalls prior to the first day of any race meeting, COMMONWEALTH INVESTORS, LLC, shall make every effort to notify stall applicants at least thirty (30) days prior to the opening of a race meeting of the acceptance or rejection of stall applicants received. COMMONWEALTH INVESTORS, LLC, may insist upon immediate advice from horsemen of their intent to use such stall(s). COMMONWEALTH INVESTORS, LLC, agrees it shall not retaliate against any elected or appointed officials or representatives of the NEHBPA with regard to the allocation of stalls or number allotted, nor shall it refuse entry to the grounds of any such representative, except for good cause shown. In the event legislation is enacted permitting the operation of gaming machines in Massachusetts or there is a material increase in demand for stalls at a facility developed by COMMONWEALTH INVESTORS, LLC, COMMONWEALTH INVESTORS, LLC,

shall give additional consideration in its allotment of stalls to trainers and owners who have materially participated in the conduct of racing at a facility developed by COMMONWEALTH INVESTORS, LLC, provided their horses are appropriate for the proposed condition books of the racing season.

ARTICLE V. USE OF BEDDING MATERIAL

COMMONWEALTH INVESTORS, LLC, agrees that horsemen will be allowed to bed stalls with the material of their choice as long as such materials are normally in use for bedding horses and do not violate any applicable fire or health law or regulations.

ARTICLE VI. PURSE STRUCTURE

1. The stakes program at a facility developed by COMMONWEALTH INVESTORS, LLC, will not be published until the NEHBPA gives its approval and consent, which consent shall not be unreasonably withheld.
2. COMMONWEALTH INVESTORS, LLC, agrees to consult with the NEHBPA regarding individual purse Structure before raising or lowering said purses on all other races other than stake races.
3. A purse agreement and schedule for meets covered within this Contract shall be agreed upon by the parties and shall be incorporated as a part of this Contract.

ARTICLE VII. MONOPOLY PROHIBITION

COMMONWEALTH INVESTORS, LLC, agrees that it will not by agreement to otherwise, impose upon horsemen a monopoly in connection with any supplier, including but not limited to blacksmiths, feed, tack supplier and food supplier, provided, however, that COMMONWEALTH INVESTORS, LLC, may require suppliers to comply with

security and such other regulations as COMMONWEALTH INVESTORS, LLC, may require or as may be required by the rules of the Massachusetts Gaming Commission.

ARTICLE VIII. NEHBPA RECOGNITION AND SERVICE PAYMENTS

1. It is agreed that the NEHBPA is the exclusive authorized representative of all horsemen racing at a facility developed by COMMONWEALTH INVESTORS, LLC, and shall continue as such exclusive authorized representative during the term of this agreement and for the purpose of negotiating any amendment to this Agreement.
2. It is agreed that NEHBPA exclusively supports the efforts of COMMONWEALTH INVESTORS, LLC, to obtain a racing meeting license in Massachusetts, and that the NEHBPA will not support any other racing meeting applicant.
3. COMMONWEALTH INVESTORS, LLC, agrees to place the following notice in all stall applications and condition books:

"Horsemen who race at the [INSERT NAME OF RACETRACK] do so subject to the provisions of a contract between COMMONWEALTH INVESTORS, LLC, and the NEHBPA."
4. COMMONWEALTH INVESTORS, LLC, agrees to pay the NEHBPA a minimum of two percent (2.00%), but not more than two and one-half percent (2.50%), of the total amount to be distributed for purses as compensation to NEHBPA for services rendered during the term of this agreement. The Purse Agreement in effect for each meet shall reflect the actual compensation to the NEHBPA for such services. The service payment to NEHBPA shall be paid at the end of each month that contains a live racing day or as otherwise stipulated in the purse agreement for any given meet.
5. COMMONWEALTH INVESTORS, LLC, agrees to collect and pay over to NEHBPA, for services rendered to horsemen, a paddock fee and/or starter fees TBD per horse per

race. This fee will be detailed in the Purse Agreement. Such fee to be assessed through the Horsemen's Bookkeeper to the owner of a horse which actually starts at a facility developed by COMMONWEALTH INVESTORS, LLC. Said payments to be made at the end of each month that contains a live racing day. It is understood that COMMONWEALTH INVESTORS, LLC, will turn over to NEHBPA only such fees as it is able to collect and it is further understood that COMMONWEALTH INVESTORS, LLC, is in no way liable for any such fees it is unable to collect. COMMONWEALTH INVESTORS, LLC, shall provide the NEHBPA on a regular basis a list of fees it was unable to collect.

ARTICLE IX. HORSEMEN COOPERATION

1. The NEHBPA shall exercise its best efforts to require its members and their employees to observe and conform to all reasonable security measures instituted by COMMONWEALTH INVESTORS, LLC, and to report promptly to COMMONWEALTH INVESTORS, LLC, security all incidents and individuals which appear to constitute a violation of COMMONWEALTH INVESTORS, LLC, security regulations.
2. The NEHBPA shall exercise its best efforts to encourage and require its members and their employees to respect and protect the premises of the facility developed by COMMONWEALTH INVESTORS, LLC, especially the stables, tack rooms, dormitories, latrines, shower rooms, track kitchen and recreation facilities maintained by COMMONWEALTH INVESTORS, LLC, to encourage and promote cleanliness in all backstretch areas.
3. COMMONWEALTH INVESTORS, LLC, further agrees to maintain its facilities in the best possible condition.

ARTICLE X. HORSEMEN'S BOOKKEEPER

COMMONWEALTH INVESTORS, LLC, agrees to invest purse monies from the Horsemen's Bookkeeper account, except for a mutually agreeable working balance, for the purpose of earning interest. COMMONWEALTH INVESTORS, LLC, will attempt to maximize the income earned from this investment but will place emphasis on the safety of the selected investment vehicle. COMMONWEALTH INVESTORS, LLC, shall account to the NEHBPA for such investment upon request. Payment of earnings for each calendar year shall be made within fifteen days of the close of the calendar year. Earnings shall be distributed:

66 2/3% NEHBPA

33 1/3% COMMONWEALTH INVESTORS, LLC,

ARTICLE XI. UNFORESEEN CONTINGENCIES

In the event a substantial change of circumstances shall arise or become known following the date of this Agreement which can reasonably be deemed to materially affect the interests of either party to this Agreement, then the parties shall meet and resolve said issue or issues by written agreement. Such circumstances shall include, but not be limited to, off-track betting, additional Inter-track wagering, expanded simulcasting, Internet or expanded account wagering, television, tele theatre, slot machines, video machines, casino gambling or any other media income.

ARTICLE XII. SIMULCAST

COMMONWEALTH INVESTORS, LLC, shall not receive or transmit any thoroughbred simulcast signal to or from any place at any time during this agreement, unless the requirements, as specified in the Federal Horseracing Act of 1978 are satisfied.

Additionally, so long as this Agreement and the Purse Agreement remain in force and not in default, the NEHBPA agrees to provide COMMONWEALTH INVESTORS, LLC, its approval to the extent requested or required for all incoming and outgoing simulcast signals subject to the terms set forth in the Purse Agreement and simulcast approval letter provided therewith.

ARTICLE XIII. RACING SURFACE SAFETY PROGRAM

1. The racing surface will be maintained to provide a surface suitable to the time of year and racing conditions.
2. COMMONWEALTH INVESTORS, LLC, will consult with the NEHBPA regarding the composition of the racing surface in advance of putting down new surfaces.
3. The soils of the racing surface will be tested once each month, in the first week of the month, to ensure that the agreed composition conforms to agreed standards.
4. When any new soil is to be added to the racing surface, the NEHBPA will be contacted and will have a 24-hour period to inspect the soil for suitability.
5. COMMONWEALTH INVESTORS, LLC, will consult with the NEHBPA as to the maintenance of the racing surface.
6. Designated representatives of the NEHBPA will be allowed to accompany employees of COMMONWEALTH INVESTORS, LLC, to observe the racing surface if deemed necessary.
7. The racing surface will be watered frequently. In periods of dry weather, the track will be watered whenever required in addition to the other usual times of watering.
8. If the NEHBPA hires consultants to represent the interest of horsemen regarding track surface considerations, such consultants will be given reasonable courtesy and cooperation by COMMONWEALTH INVESTORS, LLC.

9. COMMONWEALTH INVESTORS, LLC, and the NEHBPA shall meet at the conclusion of each racing season to evaluate the performance of the track and possible improvements thereto.

ARTICLE XIV. SEVERABILITY

If any provisions, item or clause of this agreement, or the application thereof, is held invalid, such invalidity shall not affect the remaining provisions, items or clauses or applications of this agreement which can be given effect without the invalid provisions, items, clauses or applications, and to this end, it is agreed by the parties that this agreement shall be severable.

ARTICLE XV. SUPPORT PAYMENTS AND EXTENSION

To support the program of the NEHBPA and its members, COMMONWEALTH INVESTORS, LLC, will make payments of \$10,000 per month through December 31, 2022.

Such support payments are contingent upon the NEHBPA providing exclusive support for the facility developed by COMMONWEALTH INVESTORS, LLC.

The NEHBPA shall meet between October 1, 2022, and December 31, 2022, and vote on whether to extend this agreement for three additional years, through December 31, 2025.

If it votes to extend the agreement, COMMONWEALTH INVESTORS, LLC, will continue to pay the NEHBPA \$10,000 per month through December 31, 2025.

ARTICLE XVI. TERMINATION

Notwithstanding the foregoing, COMMONWEALTH INVESTORS, LLC, may terminate this Agreement upon thirty (30) days' prior written notice to the NEHBPA if COMMONWEALTH INVESTORS, LLC, ceases to procure governmental authorization

for the commercial development of a facility or facilities for a thoroughbred race meet with pari-mutuel and sports betting (on-line and on-site) licenses or is no longer developing or operating commercial development of a facility or facilities for a thoroughbred race meet with pari-mutuel and sports betting (on-line and on-site).

ARTICLE XVII. NOTICES

Unless otherwise directed in writing, any notice required herein to be given shall be given as indicated below by hand delivery or by certified mail-return receipt requested

To the Association: Commonwealth Investors, LLC
 P.O. Box 2311
 Framingham, MA 01703

And its Attorney: Attorney Patrick Hanley
 Butters Brazilian LLP
 699 Boylston Street, 12th Floor
 Boston, MA 02116

To the NEHBPA: New England Horsemen's Benevolent Association, Inc.
 PO Box 550247
 North Waltham MA 02455
 Attention: Anthony Spadea, President

ARTICLE XVIII. ABILITY TO SIGN AND BIND

1. The persons appearing for the parties hereto certify and warrant their authority to enter into this agreement and bind said parties hereto.

2. The agreement shall be binding upon the parties hereto, their successors and assigns.

IN WITNESS WHEREOF, the parties hereunto set their hands and seals this 28th day of Month, Year

COMMONWEALTH INVESTORS, LLC, NEW ENGLAND HORSEMEN'S
BENEVOLENT AND PROTECTIVE
ASSOCIATION, INC.

BY: 

Representative

BY: 

NEHBPA President

New England Horsemen's Benevolent and Protective Association, Inc

A National Organization



P.O. Box 550247 Waltham, MA. 02455 617-744-3603

www.newenglandhbpa.com

President – Anthony Spadea

Executive Director – Paul Umbrello

Directors Owners- Shirley Dullea, Chris Trakas Robert Manning, Joseph Lewko, Al Tassone

Directors Trainers – Tim Kirby, Kevin McCarthy, Leona McKanas George Saccardo, Matt Clarke

Dear Commissioners:

The NEHBPA, the oldest horsemen's group in the country representing New England and Massachusetts horsemen, is writing in support of the Commonwealth Equine & Agricultural Center LLC 2023 racing application.

This application comes three years after the final day of thoroughbred racing at Suffolk Downs. The Commission was instrumental in the continuation of racing at Suffolk Downs after the racetrack owners announced they were selling the property and would no longer support racing. The HBPA, with support from the MGC, was able to continue weekend festival racing through June 2019 and continued to support the hundreds of jobs tied to thoroughbred racing. The agreement between the HBPA and the MGC to continue racing was consistent and adherent to the MGC's mission to support and promote live thoroughbred racing, as it has done for the standardbred racing industry.


Our affirmative argument in support of the Commission's support of live thoroughbred racing is that our industry is not just about racing for purse money. The equine ecosystem in Massachusetts also supports more than 1,200 horse farms, breeding farms and haying farms. Those farms are supported by local businesses. Much of this activity occurs outside of the Boston metropolitan area in Central and Western Massachusetts where farms are struggling to stay in business. As our members like to say, not everyone takes the T to work. Our members and affiliated members are more likely to wake up on a farm wondering if they can pay their bills.

Commonwealth Equine & Agricultural Center LLC has pledged to work with the HBPA to determine best practices for the restoration of live racing, including an agreement on the number of racing days at the Hardwick site and the protocols for ensuring the safety of thoroughbred horses. The HBPA has been working closely with Commonwealth Equine & Agricultural Center

LLC to ensure that the standards that are put into place in Hardwick positions Massachusetts as the most protective and progressive of any state in terms of protecting our horses.

We ask that you continue to support our breeding and health and welfare programs and to preserve the RDHF so that we can continue to support this industry and the hundreds of jobs that rely on an active racing industry.

Sincerely


Anthony Spadea
President NEHBPA

NORTH ATLANTIC STATES REGIONAL COUNCIL OF CARPENTERS

United Brotherhood of Carpenters and Joiners of America

750 DORCHESTER AVENUE
BOSTON, MA 02125-1132



JOSEPH BYRNE
EXECUTIVE SECRETARY - TREASURER

TELEPHONE (617) 268-3400
FAX (617) 268-0442

September 28, 2022

Cathy Judd-Stein, Chair
Massachusetts Gaming Commission
101 Federal Street, 12th Floor
Boston, MA 02110

Dear Chair Judd-Stein and Honorable Commissioners:

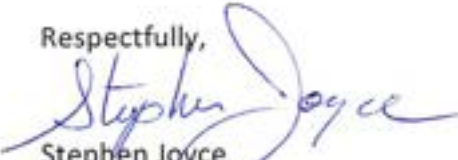
We are writing on support of Commonwealth Racing, LLC.'s application for a race meet license in Hardwick, Massachusetts.

Commonwealth's planned proposal has been developed by horse and agricultural enthusiasts. This proposal preserves currently open space land. It includes thoroughbred breeding and real off the track thoroughbred retirement programs, training, and racing facilities for thoroughbreds as well as an agricultural program for local students. This is a proposal with current and future generations in mind.

The North Atlantic Regional Council of Carpenters members and staff have known and worked with the principals in Commonwealth Racing for many years on other proposals throughout the Northeast. They have successfully engaged Responsible Union Contractors in their projects and paid equivalent prevailing, family-sustaining wages, and benefits. We remain confident in their commitment to construct and operate a facility that will make everyone involved proud.

Should you have any questions please do not hesitate to contact me.

Respectfully,


Stephen Joyce
Director of Contractor Relations

CC: Commonwealth Racing, LLC.

WORCESTER – FITCHBURG BUILDING and CONSTRUCTION TRADES COUNCIL

President – Jorge Rivera, IUPAT D.C. 35

Vice President – Dan Mulcahy, SMART Local 63

Financial Secretary/Treasurer – Pierre R. Groleau, UA Local 4

Recording Secretary – Thomas J. Maloney, IBEW Local 96



September 28, 2022

Cathy Judd-Stein, Chair
Massachusetts Gaming Commission
101 Federal Street, 12th Floor
Boston, MA 02110

Dear Chair Judd-Stein and honorable Commissioners:

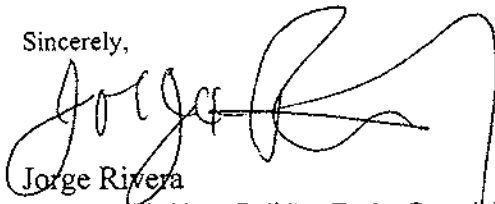
We write in full support of Commonwealth Racing, llc application for a race meet license in Hardwick, Massachusetts.

Commonwealth's proposal is developed by horse and agricultural enthusiasts. The proposal is focused on preserving this beautiful open space for future generations, and includes thoroughbred breeding and off the track thoroughbred retirement programs, training and racing facilities for thoroughbreds, an agricultural program for local students.

We have known and worked with the principals in Commonwealth Racing for many years. They engage responsible contractors in their projects that pay prevailing, family-sustaining wages. We are confident in their commitment to construct and operate a facility that will make everyone involved proud.

As always, we are available to discuss our support.

Sincerely,



Jorge Rivera
Worcester Fitchburg Building Trades Council President
Building and Construction Trades Council of Worcester
150 Hartwell St, West Boylston MA 01583

Email: Jrivera@iupatdc35.org
Tel: 617-435-3944

CC: Commonwealth Racing, LLC