



For Immediate Release

CONTACT: Christian Teja
857-231-6788, cteja@suffolkdowns.com

Suffolk Downs Commits to Continuing Racing in Letter to Massachusetts Gaming Commission

Gaming license for Mohegan Sun would preserve racing jobs at Suffolk Downs, create additional jobs in thoroughbred industry and expand breeding, related agribusiness and farm space statewide

(EAST BOSTON, MA – January 9, 2014) – Suffolk Downs is committed to continuing racing through at least the initial 15-year duration of Mohegan Sun Massachusetts’s gaming license should Mohegan Sun Massachusetts earn a Category 1 license and develop and open a gaming facility on the Suffolk Downs property in Revere, the historic racetrack expressed this week in a letter to the Massachusetts Gaming Commission.

The continuation of racing at Suffolk Downs would secure the jobs of the approximately 1,000 people who currently work on the property at the height of the racing season and preserve and enhance the livelihoods of the hundreds of people whose small businesses depend on the racing operation at Suffolk Downs and the unique agribusiness that supports thousands of acres of working open space and family farms in the Commonwealth.

“We take very seriously our role as the stewards of a 79-year tradition in the Commonwealth and our responsibility to our loyal workforce and horsemen. We have worked hard and invested much over the last several years to ensure the legacy of New England’s last active Thoroughbred racing venue and to protect the family of workers who make their living here,” said Richard Fields, principal owner of Suffolk Downs.

A successful gaming operation on the property adjacent to the racing facility would provide the opportunity for Suffolk Downs to market and promote racing to millions of new visitors to the region. Suffolk Downs is committed to creating special events and re-establishing a stakes program that includes the Massachusetts Handicap, the historic racetrack’s flagship event which dates back to the track’s inaugural season in 1935 and includes victories by racing legends Seabiscuit, Whirlaway and Cigar.

Thoroughbred racing, breeding and related business in Massachusetts currently support 1,486 jobs, utilize 6,650 acres of farmland, and have a total annual economic impact of \$116.3 million according to an October report authored by Christiansen Capital Advisors (CCA) that includes data gathered by Salem State University’s Center for Economic Development and Sustainability and that was commissioned by Suffolk Downs in cooperation with the New England HBPA and the Massachusetts Thoroughbred Breeders Association.

The CCA report was conducted with the assumption that Suffolk Downs was an applicant for a gaming license. It concluded that with the development of a resort casino on the property, the number of jobs



supported by the Thoroughbred industry in Massachusetts is expected to grow from 1,486 to 3,631 as a result the projected expansion of the Massachusetts breeding industry and the net positive impact of the Thoroughbred industry in the state will increase from \$116.3 million annually to \$183 million – a 57 percent climb. The expansion of existing breeding farms and the establishment of new breeding farms due to the significant purse incentives for horses bred in Massachusetts could result in as many as 7,825 additional acres of agricultural land in the Commonwealth, a 118 percent increase from the current 6,650 acres of farmland.

The commitment to continue racing at Suffolk Downs is provided that the current revenue formulas for the Racehorse Development Fund remain unchanged. Created in the Gaming Act in recognition of the need for additional funding for purses, the Racehorse Development Fund could grow purses from their current levels of approximately \$9 million annually to about \$26 million over the next five to six years, according to projections by both Suffolk Downs and CCA.

“While no direct revenue from the Racehorse Development Fund goes to track owners or operators and there are no provisions in the Gaming Act for capital investment in racing facilities that are not part of gaming establishments, the revenue that Suffolk Downs will receive as a result of its lease with Mohegan Sun Massachusetts will allow the track, in turn, to make the substantial investment required to fulfill our longstanding commitment and give racing its best chance to succeed in the Commonwealth,” said Tuttle.

“When revenue from gaming proceeds is flowing to the Racehorse Development fund, Suffolk Downs is committed to working with the Gaming Commission, the NEHBPA and the MTBA on ensuring a minimum number of racing days and racing performances to support local owners, trainers and breeders while balancing their goals with the realities of the market and the interests of bettors.”

If Mohegan Sun Massachusetts earns a gaming license, Suffolk Downs has committed to the NEHBPA and MTBA that it will use its best efforts to relocate the barn area and backstretch facilities to the Boston side of the property, which will require the cooperation and necessary permitting from the City of Boston, and, if it is not successful in obtaining permits to allow the relocation in Boston, that Suffolk Downs will provide off-site stabling and training facilities within a reasonable distance of the venue.

Suffolk Downs has done a preliminary analysis of both options, either of which is expected to require initial capital investments of \$30-35 million. This includes adequate stabling, EPA-compliant drainage systems and related “backstretch” facilities. Off-site stabling and training is a customary practice in other jurisdictions.

Independent of their investment in gaming development, Suffolk Downs has invested over \$50 million on racing operations since 2007 to continue racing, including more than \$5 million in improvements to the barn area. Additionally, during that time frame, Suffolk Downs has paid \$68.7 million in purses, including \$13.96 million in purse payments above the levels required by statute.