

PUBLIC VERSION

**THE STATE HORSE RACING COMMISSION,
DEPARTMENT OF AGRICULTURE
COMMONWEALTH OF PENNSYLVANIA**

BENSALEM RACING ASSOCIATION,
INC.'S PETITION FOR APPROVAL
TO RELOCATE THE OAKS RACE
AND SPORTSBOOK

:
:
:
:
:

DOCKET NO. _____

**PETITION OF BENSALEM RACING ASSOCIATION, INC. FOR
APPROVAL TO RELOCATE THE OAKS RACE AND SPORTSBOOK**

Bensalem Racing Association, Inc. (“BRA”) submits this Petition, pursuant to 7 Pa. Code §§ 189.11, 189.12, requesting the State Horse Racing Commission (“Commission”) to approve BRA’s plans to relocate the Oaks Race & Sportsbook (“Race & Sportsbook”) to the Chickie’s & Pete’s to-be-constructed location in East Whiteland Township, Pennsylvania. As set forth herein, the planned relocation of the Race & Sportsbook will advance the best interests of Pennsylvania horse racing.

I. INTRODUCTION AND SUMMARY

BRA is the holder of a thoroughbred horse racing license issued by the Commission, which license is currently in good standing. Greenwood Racing, Inc. (“GRI”), the ultimate parent company of BRA, is a leader in the North American wagering industry, owning and operating both thoroughbred and harness racetracks, off-track facilities and account wagering systems. Turf Club OP Co., a GRI subsidiary, operates the Race & Sportsbook, a nonprimary pari-mutuel location, pursuant to a concession agreement with BRA. The Race & Sportsbook was approved by the Commission under the former Race Horse Industry Reform Law, and its continued operation is authorized under Act 114 of 2016 (3 Pa. C.S. Ch. 93) (“Act 114”).

PUBLIC VERSION

BRA is seeking the Commission's approval to relocate the Race & Sportsbook to the to-be-constructed Chickie's and Pete's location at 10-20 Liberty Boulevard, East Whiteland Township, Pennsylvania 19355. By collocating with Chickie's and Pete's, one of the nation's leading sports bars, the Race & Sportsbook will offer top-notch facilities for its pari-mutuel wagering operations, create an exciting environment that will attract patrons and advance the best interests of horse racing in the Commonwealth. Through the design of the facility, which will feature both pari-mutuel and sports wagering products, and BRA's marketing efforts, GRI and its subsidiaries plan to cross market their horse racing and sports wagering products at the Race & Sportsbook.

Chickie's and Pete's currently partners with Greenwood Gaming and Entertainment, Inc. ("GGE") and operates an interactive sports bar at Parx Casino. GRI, GGE and Chickie's and Pete's intend to expand their successful partnership to place OTB operations at Chickie's and Pete's restaurants. The partnership and the OTB relocations will reinvigorate BRA's off-track betting operations, bring a new set of customers to the pari-mutuel wagering industry, and increase pari-mutuel wagering revenues. Such partnerships, with the built in, potential new customer base and marketing synergies they offer, represent a viable model for the future of off-track facilities. Absent the ability to collocate facilities and take advantage of such relationships, the OTB concept will face significant challenges and continued closures, as the old model is not sustainable given current patron trends and existing facilities that are too large for the market.

For the reasons discussed herein, BRA respectfully urges the Commission to review this Petition and approve its plans to relocate the Race & Sportsbook to the to-be-constructed Chickie's and Pete's in East Whiteland Township. Given the commercial nature of the proposed location, as well as the similarities of the operations and dynamics of a sports bar, BRA

PUBLIC VERSION

respectfully submits that the relocation is appropriate for consideration without the need for a written public comment period or public comment hearing. BRA will supplement this Petition as more information becomes available. BRA respectfully requests that the Commission consider this Petition on an expedited basis.

II. SPECIFIC SUPPORT

Section 189.3 and 189.11 of the Commission’s temporary regulations permit a licensed racing entity to petition for approval to relocate a nonprimary location. Pursuant to Section 189.12 of the regulations, Part I of the petition process requires the submission of the information, exhibits and documentation set forth below.

1. The legal name of the Petitioner is Bensalem Racing Association, Inc. (“BRA”).
2. The contact person for purposes of this Petition is:

Mark Stewart, Esq.
Sarah Stoner, Esq.
Eckert Seamans Cherin & Mellott, LLC
213 Market St., 8th Fl.
Harrisburg, PA 17101
717.237.6000 (o)
717.237.6019 (fax)
mstewart@eckertseamans.com
sstoner@eckertseamans.com

3. BRA and GRI subsidiary and licensed racing entity, Keystone Turf Club, Inc. (“KTC”), were approved by the Commission to operate six (6) nonprimary locations in the Commonwealth, including the Center City Philadelphia Turf Club, South Philadelphia Race & Sportsbook, Northeast Philadelphia Turf Club, Brandywine Turf Club, Upper Darby Turf Club and Oaks Race & Sportsbook. Act 114 continues those authorizations, and BRA and KTC may conduct pari-mutuel wagering at their nonprimary locations subject to Commission oversight and approval.

PUBLIC VERSION

4. The Race & Sportsbook is ultimately owned by Greenwood Racing Inc. (“GRI”), which has a principal place of business located at 2999 Street Road, Bensalem, PA 19020.

5. The Race & Sportsbook conducted its off-track wagering operations at 600 Cresson Avenue, Oaks Corporate Center, Oaks, PA 1456.

6. BRA is seeking authorization to relocate the Race & Sportsbook to Chickie’s and Pete’s to-be-constructed location at 10-20 Liberty Boulevard, Malvern, PA 19355.

7. DP Valley Retail LLC c/o Dempsey Dev & Brokerage LLC is the owner of the proposed site in East Whiteland Township, which has a mailing address of 10-20 Liberty Boulevard, Malvern, PA 19355. DP Valley Retail LLC’s contact information is as follows:

DP Valley Retail LLC
c/o Dempsey Dev & Brokerage LLC
967 E. Swedesford Road Suite 400
Exton, PA 19341
610.722.9000

8. DP Valley Retail LLC has entered into a lease agreement with Malvern CPC, LLC, an affiliate of Chickie’s and Pete’s. Chickie’s and Pete’s is a first-in-class American sports bar and restaurant business with a growing number of locations throughout the nation and strong roots in the Philadelphia Metropolitan Area. Malvern CPC, LLC and BRA executed a sublease that is provided in **CONFIDENTIAL** Appendix A.

9. The planned location of the Race & Sportsbook has a property zoning classification of O/BPS (Office/Business Park Services). The operation of the OTB in the Chickie’s and Pete’s restaurant is permitted as an accessory use in the O/BPS district, and BRA will supply confirmation of the same in supplementation of this Petition.

PUBLIC VERSION

10. BRA is not aware of any church, hospital, charitable institution, school, public park or playground within 300 feet of the planned location of the Race & Sportsbook.

11. A pro forma financial statement projecting attendance, handle and revenue at the proposed relocate site of the Race & Sportsbook is provided in **CONFIDENTIAL** Appendix B.

12. BRA anticipates that [REDACTED] million annually will be expended in the operation of the Race & Sportsbook. Those anticipated costs include expenses associated with the projected [REDACTED] full and part-time jobs that will be created at the Race & Sportsbook. The types of full and part-time jobs to be created will include [REDACTED] It is projected that [REDACTED] of the jobs to be created at the facility will be filled by local residents. BRA anticipates that the construction of the Chickie's and Pete's Malvern location and the OTB space will generate approximately [REDACTED]

13. [REDACTED]

A certification that BRA's State and local tax obligations are not in arrears is provided in **CONFIDENTIAL** Appendix C.

14. BRA anticipates that the projected revenue and taxes to be paid to the Commonwealth associated with the Race & Sportsbook is [REDACTED] annually.

15. Renewed enthusiasm for BRA's relocated Race & Sportsbook also has the potential to spur interest in racing generally, and bolster handle and purses at licensed facilities conducting live racing. The closest live racing licensed facilities to the proposed site of the Race & Sportsbook

PUBLIC VERSION

are Parx Racing (located approximately 30.69 miles from the proposed site) and Harrah's Philadelphia Casino & Racetrack (located approximately 16.92 miles from the proposed site).

16. Approximately 5.7 million individuals live within 35 air miles of the proposed location of the Race & Sportsbook. BRA projects that the Race & Sportsbook will attract [REDACTED] attendees per year, drawing residents and visitors from approximately a 50 mile radius. The relocation of the Race & Sportsbook to the Chickie's and Pete's restaurant and sports bar setting is destined to attract a new set of customers to the wagering industry.

17. BRA submits this Petition and accompanying attachments with the expectation that the information marked as confidential will be afforded the confidentiality protections established in in Act 114 of 2016, Section 9311(g)(1), and Section 173.8 of the Commission's regulations governing confidentiality of information.

18. BRA will supplement this Petition with additional documentation required by Section 189.12 of the Board's regulations and documentation the Commission and its staff deem necessary.

III. CONCLUSION

19. Through this Petition, BRA has demonstrated that the relief requested in this Petition is in the public interest, is in the best interests of Pennsylvania horse racing, and should be granted. BRA respectfully urges the Commission to approve, on an expedited basis, its plans to relocate the Oaks Race & Sportsbook to Chickie's and Pete's Malvern location without requiring a written public comment period or public comment hearing.

PUBLIC VERSION

WHEREFORE, for all of the foregoing reasons, BRA requests that the Commission expeditiously approve this Petition, authorize BRA to relocate its Oaks Race & Sportsbook, and grant any other relief deemed necessary and appropriate.

Respectfully submitted,

Sarah C. Stoner

Mark S. Stewart, Esq.
(I.D. No. 75958)
Sarah C. Stoner, Esq.
(I.D. No. 313793)
ECKERT SEAMANS CHERIN &
MELLOTT, LLC
213 Market Street, 8th Floor
Harrisburg, PA 17101
Telephone: 717.237.6000
Fax: 717.237.6019

Of Counsel:

Thomas C. Bonner
Vice President and General Counsel
Greenwood Racing, Inc.
2999 Street Road
Bensalem, PA 19020

Counsel for Bensalem Racing Association, Inc.

Date: December 9, 2020

VERIFICATION

I, Joseph Wilson, hereby state that the facts above set forth are true and correct to the best of my knowledge, information and belief and that I expect to be able to prove the facts. I understand that the statements herein are made subject to the penalties of 18 Pa.C.S. § 4904 relating to falsification to authorities.

12-7-20
Date

Joseph Wilson
Joseph Wilson

APPENDIX A

[CONFIDENTIAL]

APPENDIX B

[CONFIDENTIAL]

APPENDIX C

[CONFIDENTIAL]