

**S/O THE CORPORATION TRUST
INCORPORATED (RESIDENT AGENT)**
351 West Camden Street
Baltimore, MD 21201-7912

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MARYLAND JOCKEY CLUB, INC.
5201 Park Heights Avenue
Pimlico Racecourse
Baltimore, Maryland 21215

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MARTIN JACOBS
P.O. Box 130
Laurel, MD 20725

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**S/O THE CORPORATION TRUST,
INCORPORATED (RESIDENT AGENT)**
2405 York Road, Ste. 201
Lutherville-Timonium, Maryland 21093-2264

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**THE MARYLAND JOCKEY CLUB OF
BALTIMORE CITY, INC.**
Route 198 And Racetrack Road
Laurel, MD 20725

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PIMLICO RACING ASSOCIATION INC.,
5201 Park Heights Avenue
Baltimore, Maryland 21215

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PIMLICO RACE COURSE
5201 Park Heights Avenue
Baltimore, Maryland 21215

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Defendants.

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**SECOND AMENDED COMPLAINT FOR DECLARATORY,
AND INJUNCTIVE RELIEF, PETITION FOR CONDEMNATION,
AND REQUEST FOR JURY TRIAL**

Plaintiffs, The Mayor and City Council of Baltimore (“the City”), George E. Mitchell, Jimmy Mitchell, and Pamela Curtis (together, “Plaintiffs”), by their attorneys, Andre M. Davis, Baltimore City Solicitor, Suzanne Sangree, and Aaron DeGraffenreidt, file this Complaint for Declaratory and Injunctive Relief and Petition for Condemnation pursuant to Md. Code, Cts. & Jud. Proc. § 3-401 *et seq.*, seeking, among other relief, a declaration from the Court that Defendants, The Stronach Group, the Stronach Consulting Corp., the Maryland Jockey Club, Inc., The Maryland Jockey Club of Baltimore City, Inc., and Pimlico Racing Association, Inc. (“Racing Defendants”) cannot relocate the Preakness Stakes (“Preakness”) from its current venue at Pimlico Race Course located in Baltimore City, because there is no incipient or imminent disaster or emergency and thus Md. Code, Business Reg. § 11-520(b), prohibits the relocation of the Preakness Stakes from Pimlico to another venue. Racing Defendants are openly planning to violate Maryland law by moving the Preakness to a different racetrack despite the absence of any disaster or emergency, except for the disaster that they are in the process of creating. *Exhibit 1*. In addition, the City petitions this Court to acquire by condemnation the fee simple interest and title in the property located at 5201 Park Heights Avenue in Baltimore, more commonly known as the Pimlico Race Course. Finally, the City petitions this Court to acquire by condemnation the ownership of the Preakness Stakes, and all tangible and intangible property associated with the Preakness,

including the Maryland Jockey Club, Inc. and The Maryland Jockey Club of Baltimore City, Inc.

JURISDICTION

1. This Court has jurisdiction over this action pursuant to Md. Code, Cts. & Jud. Proc. Art., §§ 3-403, 3-406, and 6-103(b)(3). The Court has personal jurisdiction over the Defendants because they either own property in Maryland, they are located in Maryland, or they have and continue to transact substantial business within the State.

VENUE

2. Venue is proper in the Circuit Court for Baltimore City, Maryland pursuant to Md. Code, Cts. & Jud. Proc. Art., § 6-201.

PARTIES

3. Plaintiff MAYOR AND CITY COUNCIL OF BALTIMORE (the "City") is a municipality and corporate entity existing under and pursuant to the laws of Maryland and is authorized to bring this action under its Charter, Art. I, sec. 1.

4. Plaintiffs GEORGE E. MITCHELL, JIMMY MITCHELL, and PAMELA CURTIS are citizens and taxpayers of Maryland and of Baltimore City. Each is a resident of, and/or a business owner within, the Park Heights neighborhood in Baltimore that will be profoundly adversely affected by the wrongful and *ultra vires* acts and omissions complained of herein by Defendants acting in concert with each other and with others known and unknown.

5. Defendant THE STRONACH GROUP is an interrelated group of entertainment and real estate development business ventures working together to make The Stronach Group "the most dominant player in the thoroughbred horse racing industry in the United States." (Stronach Website: <http://www.stronachgroup.com/>). The Stronach Group conducts business in Maryland through its affiliated companies. It is a resident of Maryland. The Stronach Group owns or controls

or is under common control with Defendants the MARYLAND JOCKEY CLUB, INC., THE MARYLAND JOCKEY CLUB OF BALTIMORE CITY, INC., and PIMLICO RACING ASSOCIATION, INC. One or more of these defendants, directly or thorough affiliates, own Defendant PIMILICO RACE COURSE and the Preakness.

6. Defendant THE STRONACH CONSULTING CORP. is an Ontario corporation whose principal office is in Aurora, Ontario, Canada. It is the registered owner of the Trade Name for Defendant The Stronach Group according to records filed with the Maryland State Department of Assessments and Taxation (SDAT). Defendant THE CORPORATION TRUST INCORPORATED (351 West Camden Street) is a Maryland resident and the listed Resident Agent for The Stronach Consulting Corp. according to SDAT records.

7. Defendant THE MARYLAND JOCKEY CLUB OF BALTIMORE CITY, INC. is the registered owner of the Pimlico Race Course property according to SDAT records. That record lists Defendant MARTIN JACOBS and his post office box as the mailing address for the Maryland Jockey Club of Baltimore City, Inc. Additional SDAT filings list The Corporation Trust, Incorporated (2405 York Road) as the Registered Agent for The Maryland Jockey Club of Baltimore City, Inc.

8. MARYLAND JOCKEY CLUB, INC. has its principal office registered at the Pimlico Race Course and The Corporation Trust, Incorporated (2405 York Road) is its listed Registered Agent.

FACTUAL BACKGROUND

9. Since 1870, the Preakness has been run each Spring at the historic Pimlico Race Course, a Baltimore tradition for almost 150 years.*

* In 1890 the Preakness was run at Morris Park in New York due to financial problems.

10. The Maryland Stadium Authority concluded in its study published in February 2018 that the Preakness generates \$34.4 million in direct spending which substantially occurs near the host venue. The Authority concluded that the Preakness supports 620 jobs, in “many sectors of the economy, which both directly and indirectly support the increased level of business activity in the area.” Total earnings generated from the Preakness are “estimated to be \$24.2 million annually.” MSA Phase 2 Report, App. B Economic and Fiscal Impact Analysis (Feb. 2018) (available at <https://www.mdstad.com/studies/pimlico-race-course-study-phase-1-2>).

11. Pimlico and the Preakness, The Maryland Jockey Club of Baltimore City, Inc. and the Maryland Jockey Club, Inc. are each located in Baltimore City within the boundaries of the Park Heights Urban Renewal Plan Ordinance No. 08-93, approved December 11, 2008 and last amended November 9, 2018 (“Park Heights URO”).

12. By state statute, the property of the Preakness includes: 1. “the Preakness Stakes trophy that is known as the Woodlawn Vase, including any and all property or property rights associated with it, whether tangible, intangible, real, personal, or mixed, and any business entity that owns it;” Md. Code, Business Reg. § 11-521 (a)(4); 2. “the name, common law and statutory copyrights, service marks, trademarks, trade names, contracts, horse racing events, and other intangible and intellectual property that are associated with the Preakness Stakes and the Woodlawn Vase;” *id.* § 11-521 (a)(5); and 3. “all property of the Maryland Jockey Club of Baltimore City, Inc., or its successors and assigns, including stock and equity interest in it, and including any and all property or property rights associated with it, whether tangible, intangible, real, personal, or mixed. *Id.* § 11-521 (a)(6).

13. Racing Defendants have owned Pimlico and operated the Preakness since 2009.

14. Upon information and belief, since approximately 2011, Racing Defendants have

systematically underinvested in Pimlico and invested instead in the Laurel Racetrack. Racing Defendants are reported to have spent nearly 80% of [Maryland state] government provided subsidies for facilities improvements at Laurel Racetrack, which has accelerated the deterioration of Pimlico. Donovan, *Baltimore Sun*, “Breaking down the \$23 million spent at Pimlico vs. the \$89 million spent at Laurel” (March 1, 2019).

15. Under Maryland law, the Preakness must remain located at Pimlico unless a “disaster or emergency” necessitates its transfer to another racetrack within the state. Md. Code, Business Reg. § 11-520.

16. No disaster or emergency requires transfer of the Preakness from Pimlico to Laurel, but systemic underinvestment in Pimlico, if allowed to continue and accelerate as the Racing Defendants have done, and as all Defendants plan to do, would endanger Pimlico’s ability to continue its historic role as the venue for the Preakness, and as a major economic and jobs generator for the City and in particular, the Park Heights Urban Renewal Plan Ordinance zone.

17. Through the systemic divestment of Pimlico, Defendants could indeed manufacture an “emergency or disaster” to justify transfer of the Preakness to Laurel, as the undermaintained infrastructure they seek to cause begins to fail and crowds attending Pimlico races and the horses racing there are endangered. The last major renovation at Pimlico was over 30 years ago, in 1983. The Maryland Stadium Authority (MSA) “Situational Analysis” of Pimlico concluded in February of 2018 that “in order to meet code compliance, an additional 293 toilets would need to be installed,” doubling the number of toilets on site; in addition mechanical, plumbing, and electrical systems require upgrading to meet modern building codes. MSA Phase 2 Study at C. The MSA study recommends a major capital investment to renovate Pimlico. Instead, the Racing Defendants plan to accelerate the disinvestment of Pimlico, while they continue to hold the Preakness there

until capital improvements at Laurel and Bowie are completed as projected in 2022.

**FIRST CAUSE OF ACTION
DECLARATORY JUDGMENT THAT NO DISASTER
OR EMERGENCY EXISTS TO JUSTIFY TRANSFERRING
PREAKNESS TO LAUREL RACE TRACK**

18. Plaintiff Mayor and City Council of Baltimore realleges each and every allegation contained above, as though set forth herein in full.

19. Racing Defendants are openly planning to violate current Maryland law by moving the Preakness to Laurel Racetrack despite the absence of any disaster or emergency.

20. **WHEREFORE**, the City respectfully requests that this Honorable Court determine and adjudicate the rights of the parties and enter judgment declaring that no disaster or emergency exists to justify transferring the Preakness to Laurel Racetrack.

**SECOND CAUSE OF ACTION
INJUNCTIVE RELIEF**

21. Plaintiff Mayor and City Council of Baltimore realleges each and every allegation contained above, as though set forth herein in full.

22. **WHEREFORE**, this Court should enter an injunction prohibiting the Racing Defendants from pursuing a course of action to relocate the Preakness, and all of the associated properties of every type including the Woodlawn Vase and all tangible, intangible, and intellectual property, from its current location at Pimlico, because there is no disaster or emergency present. Md. Code, Business Reg. § 11-520(b).

**THIRD CAUSE OF ACTION
CONDEMNATION OF PIMLICO RACE TRACK**

23. Plaintiff Mayor and City Council of Baltimore realleges each and every allegation contained above, as though set forth herein in full.

24. The City is duly authorized to acquire the Property Interest hereinafter described

for public purposes by Art. II § 2 of the Charter for Baltimore City and the following Ordinances of the Mayor and City Council of Baltimore, viz: Article 13, § 2-7 of the Baltimore City Code (2000 Edition) as amended; and the Park Heights Urban Renewal Plan Ordinance No. 08-93, approved December 11, 2008 and last amended November 9, 2018 (the “Park Heights URO”).

25. It is necessary for the City to acquire the Fee Simple interest in and to the property known as 5201 Park Heights Avenue in Baltimore City, State of Maryland (hereinafter called “the Property”), Ward 27, Section 19, Block 4556, Lot 001 and more particularly shown in the Exhibit 2 attached hereto, together with improvements thereupon, and all the rights, ways, waters, easements, privileges, advantages and appurtenances thereto belonging or in anywise appertaining.

26. This property will be used to foster economic development and for redevelopment purposes as described in the Park Heights URO.

27. The City and its duly authorized municipal officers are unable to agree with the Defendants upon a price to be paid for said property interest, and therefore the City seeks to acquire the same by condemnation.

28. **WHEREFORE**, this proceeding is brought and the City prays that this Honorable Court will have said property, with all improvements thereon, and all rights and appurtenances in anyway appertaining thereto as aforesaid and every interest therein, condemned as to said Leasehold interest, for the uses and purposes of the Mayor and City Council of Baltimore in accordance with the requirement of the law in such cases made and provided, the provisions of Title 12 of the Real Property Article of the Maryland Annotated Code (Edition 2015) and all amendments thereto.

**FIFTH CAUSE OF ACTION
CONDEMNATION OF PREAKNESS STAKES**

29. Plaintiff Mayor and City Council of Baltimore realleges each and every allegation

contained above, as though set forth herein in full.

30. The City is duly authorized to acquire the Property Interest hereinafter described for public purposes by Art. II § 2 of the Charter for Baltimore City and the following Ordinances of the Mayor and City Council of Baltimore, viz: Article 13, § 2-7 of the Baltimore City Code (2000 Edition) as amended; and the Park Heights Urban Renewal Plan Ordinance No. 08-93, approved December 11, 2008 and last amended November 9, 2018.

31. It is necessary for the City to acquire full ownership of the property known as 1. “the Preakness Stakes trophy that is known as the Woodlawn Vase, including any and all property or property rights associated with it, whether tangible, intangible, real, personal, or mixed, and any business entity that owns it;” Md. Code, Business Reg. § 11-521 (a)(4); 2. “the name, common law and statutory copyrights, service marks, trademarks, trade names, contracts, horse racing events, and other intangible and intellectual property that are associated with the Preakness Stakes and the Woodlawn Vase;” *id.* § 11-521 (a)(5); and 3. “all property of the Maryland Jockey Club of Baltimore City, Inc., or its successors and assigns, including stock and equity interest in it, and including any and all property or property rights associated with it, whether tangible, intangible, real, personal, or mixed. *Id.* § 11-521 (a)(6).

32. These properties will be used to continue their historic role in the cultural traditions of Baltimore City, to foster employment and economic development in Baltimore, and in particular in the Park Heights Urban Renewal Plan Ordinance jurisdiction, as well as to protect the health and safety of the people attending the Preakness and other Pimlico events, as well as the employees and horses working there.

33. The City and its duly authorized municipal officers are unable to agree with the Racing Defendants upon a price to be paid for said property interest, and therefore the City seeks to acquire the same by condemnation.

34. **WHEREFORE**, this proceeding is brought, and the City prays that this Honorable Court will have said property, with all rights and appurtenances, whether tangible or intangible, real, personal, or mixed, and any business entity that owns it as aforesaid and every interest therein, condemned as to said property interests, for the uses and purposes of the Mayor and City Council of Baltimore.

35. **WHEREFORE**, in addition, Plaintiffs request any further and additional relief as this Court deems appropriate on each and every cause of action.

REQUEST FOR JURY TRIAL

Plaintiffs hereby demand a jury trial on all causes of action for which a jury is available under the law.

Respectfully Submitted,



Andre M. Davis
City Solicitor

Suzanne Sangree
Senior Counsel for Public Safety and
Director of Affirmative Litigation

Aaron B. DeGraffenreidt
Assistant City Solicitor

BALTIMORE CITY DEPARTMENT
OF LAW
City Hall
100 N. Holliday Street
Baltimore, Maryland 21202
Telephone: 443-388-2190
or 410-396-5784

Attorneys for Plaintiffs



STRONACH
G R O U P

February 8, 2019

Honorable Lawrence J. Hogan, Jr.
Governor, State of Maryland
State House Annapolis, Maryland 21401

Honorable Thomas V. Mike Miller, Jr.
President, Maryland Senate
State House Annapolis, Maryland 21401

Honorable Michael E. Busch
Speaker, Maryland House of Delegates
State House Annapolis, Maryland 21401

Dear Governor Hogan, President Miller and Speaker Busch,

The Stonach Group (TSG) is a collection of world-class technology, entertainment, and real estate development companies with thoroughbred horse racing and pari-mutuel wagering at its core. TSG's Racing & Gaming business owns and operates racetrack properties and training centers across the United States including the Maryland Jockey Club, the operator of Pimlico Race Course, Laurel Park, Bowie Training Center, and Rosecroft Raceway in Maryland. TSG has charted a course that has resulted in the growth of the Maryland racing industry through an increase in the number of live race dates, improved field size and race quality, and growth of handle and inventory of thoroughbred horses. Our company is committed to the modernization of the thoroughbred racing industry in Maryland by engaging a new generation of fans through the implementation of technology and innovative events, and creating a better overall experience for both guests and horsemen.

The Maryland Jockey Club and Maryland thoroughbred racing are core components of TSG's business today and are an essential part of our future plans. It is our goal for Maryland racing to regain a permanent place among the top tier of thoroughbred racing states, including Kentucky, New York, Florida, and California, while also being a strong economic engine for the state. This outcome is very possible, if not probable, but the right steps need to be taken now in order to secure the industry's future in Maryland.



STRONACH
GROUP

The future of Maryland racing requires a discussion of topics much broader than a single race or a single racing facility. We appreciate the work of the Maryland Stadium Authority (MSA) with two studies conducted over the last three years related to the Pimlico Race Course. MSA's work confirmed two things. First, the Pimlico facility has reached the end of its useful life as a major event venue. Second, the cost associated with a brand-new racing facility is extraordinary -- at least \$424 million for the racing related structures alone. To date, we are not aware of any proposal to publicly fund an investment of this magnitude for two days of racing that offer no clear benefit for the remaining 363 days. There is also legitimate concern that moving forward with such a project does not consider what is best for the long-term future of the racing industry.

We have been engaged in discussions with our industry partners, the Maryland Thoroughbred Horsemen's Association (MTHA) and the Maryland Horse Breeders Association (MHBA). With the intention to strengthen Maryland racing and its associated equine and agricultural industries, those discussions have focused on:

- Maintaining a competitive purse structure
- Incentivizing Maryland breeding
- Continuing to grow live racing days in pursuit of year-round racing
- First class training and equine health facilities, provided that there is more than one training location
- Large race fields and quality racing generating a strong simulcast signal
- Improving cost efficiency in racing operations
- Developing a modern, state of the art, destination racing venue for a new generation of racing participants and fans
- Making Maryland racing the epicenter of thoroughbred racing in the mid-Atlantic region, and a national and international model for a new generation of participants and fans

By working together and with the assistance of the state's existing funding programs for purses and racetrack capital improvements, we are making gains in many of these areas.

The most viable plan for Maryland's racing's future involves: (1) a single "super track" serving as the premier venue for major racing events; and (2) a new training and equine health center. Operating under the very reasonable assumption that a public investment of more than \$400 million in a completely new Pimlico is unlikely, it is clear that a super track at Laurel Park and an affiliated training track at Bowie are the best and most logical options



The proposed Laurel and Bowie construction projects fit within the General Assembly's plan for racetrack capital improvements originally set out in 2007. This approach meets the state's existing funding parameters and does not seek additional state or local financial support. At a total estimated project cost of \$120 million, existing state RFRA funds combined with TSG's commitment to spend \$60 million in matching funds are sufficient to bring Maryland's racing facilities to a modern and first-class level.

Ultimately, a newly renovated Laurel Park is in the best interest of racing and the State of Maryland as a whole. We seek your support for two pieces of legislation in the 2019 Session – (1) a bill authorizing Bowie Training Center to be eligible for existing RFRA funds; and (2) a bill authorizing a portion of existing RFRA funds to be dedicated to MEDCO for the purpose of issuing bonds to finance capital improvements at Laurel Park and the Bowie Training Center. Funding for projects at Laurel Park and/or Bowie may only proceed with approval from the Maryland Racing Commission.

The State of Maryland, City of Baltimore, and local communities have been our hosts and partners for many years, and we want to make it very clear that no matter the outcome of this legislative session and the budget decisions made within, TSG is and will remain steadfastly committed to the communities surrounding Pimlico, Baltimore City, and the entire State of Maryland.

We recognize that the future of the thoroughbred industry as a whole relies on your support and assistance. Together, we can preserve the Preakness Stakes in Maryland, improve the racing industry, realize sustainable year-round horse racing and training, and enhance guest experience and greater fan engagement in Maryland.

Sincerely,

A handwritten signature in black ink, appearing to read "Tim Ritvo", is written over a horizontal line.

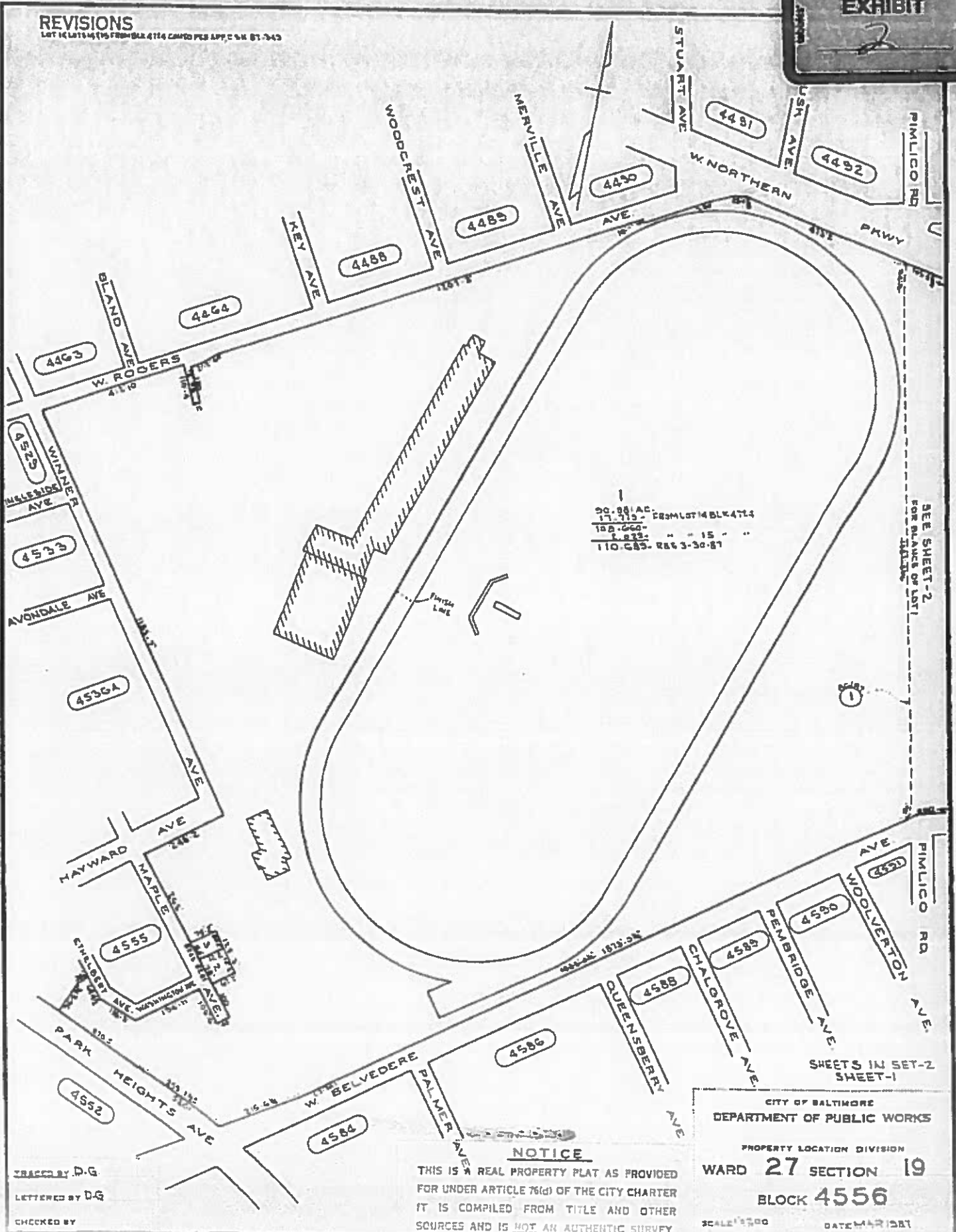
Tim Ritvo
Chief Operating Officer

Cc: Senator Nancy King, Chair, Senate Budget & Taxation Committee
Delegate Anne Kaiser, Chair, House Ways & Means Committee Delegate
Maggie McIntosh, Chair, House Appropriations Committee
Hon Catherine Pugh, Mayor City of Baltimore
Hon Steuart Pittman, County Executive Anne Arundel County
Hon Angela Alsobrooks, County Executive Prince George's County
Hon Michael Algeo, Chairman Maryland Racing Commission

PLAINTIFF'S EXHIBIT
2

REVISIONS

LOT 14 LOTS 14 (P) FROM BLK 4714 CANTO PER APP. C & N 87-343



99.88 AC.
17.113' FROM LOT 14 BLK 4714
100.000'
1.823' " " 15' "
110.685' R63-3-30-87

SEE SHEET-2
FOR PLANS OF LOT 1

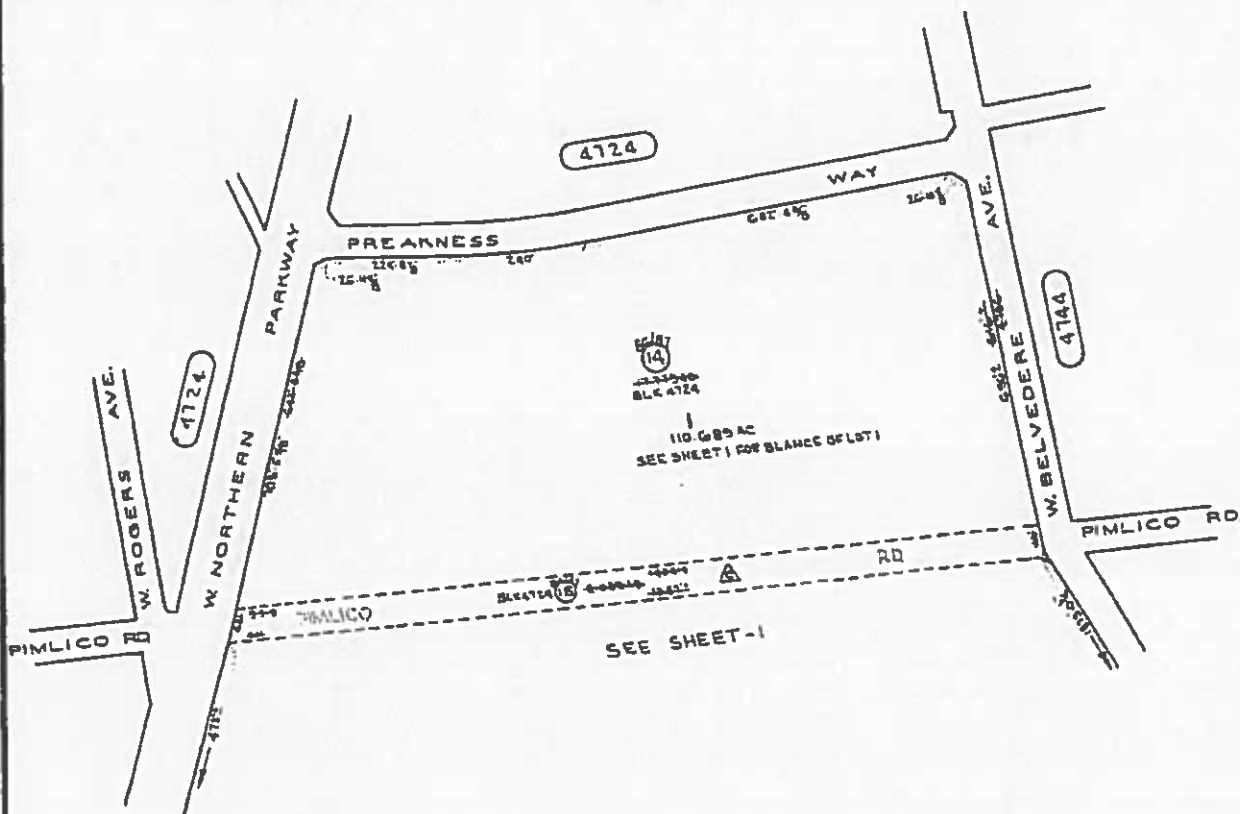
SHEETS IN SET-2
SHEET-1

CITY OF BALTIMORE
DEPARTMENT OF PUBLIC WORKS
PROPERTY LOCATION DIVISION
WARD 27 SECTION 19
BLOCK 4556
SCALE 1"=500' DATE MAR 1987

NOTICE
THIS IS A REAL PROPERTY PLAT AS PROVIDED FOR UNDER ARTICLE 76(d) OF THE CITY CHARTER IT IS COMPILED FROM TITLE AND OTHER SOURCES AND IS NOT AN AUTHENTIC SURVEY

TRACED BY D.G.
LETTERED BY D.G.
CHECKED BY

REVISIONS



SHEETS IN SET-2
SHEET-2

CITY OF BALTIMORE
DEPARTMENT OF PUBLIC WORKS

PROPERTY LOCATION DIVISION
WARD 27 SECTION 19
BLOCK 4556

SCALE 1"=200' DATE MAR. 1967

TRACKED BY D.G.
LETTERED BY D.G.
CHECKED BY

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