



## NOTICE OF MEETING

22<sup>nd</sup> District Agricultural Association Board of Directors meeting  
November 12, 2024 at 1:30 p.m.

### Boardroom

Del Mar Fairgrounds  
2260 Jimmy Durante Boulevard  
Del Mar, California 92014

*While the 22nd District Agricultural Association Board of Director's meeting will be conducted in person, per Government Code section 11133, the 22<sup>nd</sup> DAA will also provide for remote participation by Board members and members of the public. If you prefer to participate remotely, please check the 22nd DAA's website ([Public Information](#)) for the ZOOM link and/or ZOOM dial-in instructions on how to participate and/or view this meeting.*

### OUR PURPOSE

We are a timeless community treasure where all can flourish, connect, and interact through year-round exceptional experiences.

### OUR MISSION

We connect our community through shared interests, diverse experiences, and service to one another in an inclusive, accessible, and safe place with an emphasis on **entertainment, recreation, agriculture, and education.**

### 22<sup>nd</sup> DAA BOARD OF DIRECTORS

Frederick Schenk, President

Michael Gelfand, 1<sup>st</sup> Vice President

G. Joyce Rowland, 2<sup>nd</sup> Vice President

Mark Arabo, Director  
Lisa Barkett, Director  
Phil Blair, Director

Kathlyn Mead, Director  
Don Mosier, Director  
Sam Nejabat, Director

### Secretary-Manager

Carlene Moore  
Chief Executive Officer

### 22<sup>nd</sup> DAA Counsel

Joshua Caplan  
Office of the California Attorney General

## OUR GOALS

### **THE LENS**

*Treat the campuses of the fairgrounds as one ecosystem where all activities are complementary and aligned with the purpose, mission, vision and values of the San Diego County Fair & Event Center.*

### **BUSINESS PLAN**

*Acknowledging the short-term need to plan for fiscal recovery and stabilization, create a 5-to-10-year business plan that rebuilds a strong financial base, contemplates new business activities and partnerships, provides program accessibility, and leads to a thriving San Diego County Fair & Event Center.*

### **MASTER PLAN**

*Create an environmentally and fiscally responsible land use plan for the San Diego County Fair & Event Center, aligning with purpose, mission, vision, and values of the organization.*

### **COMMUNITY ENGAGEMENT**

*Incorporate community engagement within the Business Plan and Master Plan processes to enhance understanding and expand opportunities.*

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Persons wishing to attend the meeting and who may require special accommodations pursuant to the provisions of the Americans with Disabilities Act are requested to contact the office of the Chief Executive Officer, (858) 755-1161, at least five working days prior to the meeting to insure proper arrangements can be made.

Items listed on this Agenda may be considered in any order, at the discretion of the chairperson. This Agenda, and all notices required by the California Bagley-Keene Open Meeting Act, are available at [www.delmarfairgrounds.com](http://www.delmarfairgrounds.com). Public comments on agenda items will be accepted during the meeting as items are addressed.



## 22<sup>nd</sup> District Agricultural Association Board of Directors Meeting

### AGENDA

November 12, 2024 at 1:30 p.m.

1. **CALL TO ORDER** – FIRST VICE PRESIDENT MICHAEL GELFAND  
All matters noticed on this agenda, in any category, **may be considered for action as listed**.  
Any items not so noticed may not be considered. Items listed on this agenda may be considered in any order, at the discretion of the Board President.
2. **ROLL CALL**
3. **CONSENT CALENDAR** [Action Item]  
All matters listed under the Consent Calendar are operational matters about which the Board has governing policies, implementation of which is delegated to the CEO. They will be enacted in one motion. There will be no discussion of these items prior to the time the Board of Directors votes on the motion, unless members of the board, staff, or public request specific items to be discussed separately and/or removed from this section. Any member of the public who wishes to discuss Consent Calendar items should notify the Chair of the Board at the time requested and be recognized by invitation of the Chair to address the Board.
  - **Minutes, Regular Meeting – October 2, 2024** 6-9
  - **Contract Awards & Approvals** 10-31
    - **Rental Agreements from Competitive Solicitation** 26  
22-904 AM1 Tennis Center Operator
    - **Standard Agreements Exercising Option Years** 12-15  
DAA-21-079-10 AM2 Elevator Repair and Maintenance Services; DAA-21-081-40 AM2 Talent Buying Services; 23-014 AM1 Ticketing Services
    - **Sole Source Standard Agreements** 16-25  
24-042 AM1 Grandstand Fire Watch Patrol; 25-001 Alarm and Access Control
    - **Sponsorship Agreements** 27-31  
SPO-25-006 Mattress Firm, Inc.; SPO-25-014 Soleil Communications, Inc.
4. **PUBLIC COMMENT ON MATTERS NOT ON THE AGENDA**  
This item is for public comment on issues **NOT** on the current agenda. No debate by the Board shall be permitted on such public comments and no action will be taken on such public comment items at this time, as law requires formal public notice prior to any action on a docket item. Speaker's time is limited to **two** minutes and may be modified based on the number of public speakers. No speaker may cede their time to another speaker.
5. **EXECUTIVE REPORT** [Informational] – CEO Carlene Moore
  - **Master Site Plan Outreach and Engagement Plan Briefing** [Presentation]
  - **Premier Food Services Program** [Presentation]
  - **Operational Announcements**
    - 2025 San Diego County Fair logo and branding reveal PowerPoint

- **Industry News & Updates** 32-55
  - Fair Visits [Presentation]
- **Review of Contracts Executed per CEO Delegation of Authority** 56-90
  - **Standard Agreements** 58-76
    - 24-051 Controlled Substance Abuse Testing and Treatment (CSATT) Program Services; 24-052 Project Management Consultant; 24-053 Concessionaire Audit Assistance; 24-054 Medical Evaluation Program Services
  - **Individual Project Agreements (IPA) with California Construction Authority (CCA)** 77-81
    - 022-24-595634 Grandstand Fire Panel Replacement; 022-24-595634 FCO #001 Funding Change Order for Grandstand Fire Panel Replacement
  - **Sponsorship Agreements** 82-90
    - SPO-25-020 Davis Elen Advertising for the San Diego County Toyota Dealers; SPO-25-022 Winning Ways, Inc.
  - **Event Agreements**
    - 24-871 CBF Productions; 24-873 Belly Up Entertainment; 25-870 La Mesa RV Center; 25-875 Del Mar Seaside Festival, LLC
  - **Rental Agreements**
    - 25-901 Worldwide Golf Shops LLC; 25-902 Noonan Family Swim School

## 6. **GENERAL BUSINESS**

- A. **Audit & Governance Committee Report** – Sam Nejabat, Chair Verbal
  - 1. Consideration and vote on whether to amend Sections 3.2, 5.3, and 6.3 of the District's Ticket Policy to provide that for District Officials that have no Immediate Family (as that term is defined under California law) to receive a ticket for that District Official and for no more than one guest, consistent with the current California Code of Regulations [Action Item]
- B. **Finance Committee Report** – Michael Gelfand, Chair 91-99
  - 1. Consideration and vote on whether to approve the 2025 Operating Budget, including rates and out-of-state travel for employees and Board members [Action Item] 109-122
  - 2. Consideration and vote on whether to approve the 2025 Capital Expenditures Budget [Action Item] 123-126
  - 3. Consideration and vote on 2025 Delegation of Authority [Action Item] 127-128
    - Contract Authority
    - Check Signing Authority
    - Credit Card Use Authority
    - Local Agency Investment Fund Authority (when applicable)
  - Introduce new draft policies [Informational] 100-108
- C. **DMTC Liaison Committee Report** [Informational] – Mark Arabo, Chair 129-137
- D. **Nominating & Recruitment Committee Report** – Don Mosier, Chair 138
  - 1. Consideration and vote to approve the slate of officers, effective November 15, 2024 [Action Item]
- E. **Consideration and vote to approve the 2025 Board of Directors meeting schedule** [Action Item] 139

## 7. **MATTERS OF INFORMATION**

- Correspondence 140-151



8. **CLOSED EXECUTIVE SESSION (NOT OPEN TO THE PUBLIC)**

Pursuant to the authority of Government Code section 11126(a), (b), and (e) the Board of Directors will meet in closed executive sessions. The purpose of these executive sessions is:

- A. To confer with and receive advice from legal counsel regarding potential litigation involving the 22nd DAA. Based on existing facts and circumstances, there is significant exposure to litigation against the 22nd DAA. (Govt. Code, § 11126, subd. (e).)
- B. To confer with and receive advice from legal counsel, regarding potential litigation involving the 22nd DAA. Based on existing facts and circumstances, the Board will decide whether to initiate litigation. (Govt. Code, § 11126, subd. (e).)

9. **RECONVENE TO OPEN SESSION**

Report on actions, if any, taken by the Board in closed executive session.

10. **ADJOURNMENT**



## **22<sup>nd</sup> DISTRICT AGRICULTURAL ASSOCIATION**

### **Board of Directors Meeting**

Del Mar Fairgrounds  
2260 Jimmy Durante Boulevard  
Del Mar, CA 92014  
**October 2, 2024**

### **MINUTES**

*The following minutes are a summary of the Board action and proceedings. For a full transcript please click on the link below or visit the [delmarfairgrounds.com](https://www.delmarfairgrounds.com) website:*

<https://www.delmarfairgrounds.com/p/public-information1>

#### **OFFICERS PRESENT**

Frederick Schenk, President  
Michael Gelfand, 1<sup>st</sup> Vice President  
G. Joyce Rowland, 2<sup>nd</sup> Vice President (*via Zoom*)

#### **DIRECTORS PRESENT**

Mark Arabo  
Lisa Barkett  
Phil Blair  
Sam Nejabat

#### **DIRECTORS ABSENT**

Kathlyn Mead  
Don Mosier

#### **OTHERS PRESENT**

Joshua Caplan, Deputy Attorney General  
Carlene Moore, Chief Executive Officer  
Melinda Carmichael, Chief Administrative Officer  
Katie Mueller, Chief Operations Officer  
Tristan Hallman, Chief Communications Officer  
Donna O'Leary, Office Manager  
Matthew Goldman, Office of the Attorney General

#### **CALL TO ORDER**

President Schenk called the meeting to order at 9:35 a.m. with a quorum present.

#### **ROLL CALL**

President Schenk, Vice Presidents Gelfand and Rowland, and Directors Arabo, Barkett, Blair, and Nejabat were present. Directors Mead and Mosier were absent.

President Schenk announced a change in the order of the agenda, noting that the Closed Executive Session would take place following Item 4, Public Comment for Matters Not on the Agenda.

#### **CONSENT CALENDAR**

PUBLIC COMMENT ON CONSENT CALENDAR (see pages 6-8 of transcript)  
Martha Sullivan, Breanna Carmichael

Standard agreement 23-068 AM1 for Strategic Communication with Southwest Strategies was removed from the Consent Calendar for further discussion under General Business.

Director Barkett moved to approve the Consent Calendar with the removal of 23-068 AM1. Vice President Gelfand seconded the motion. President Schenk, Vice Presidents Gelfand and Rowland, and Directors Arabo, Barkett, Blair, and Nejabat were all in favor. The motion carried 7-0.

#### Standard Agreement 23-068 AM1

CEO Moore explained that the amendment to the contract with Southwest Strategies serves two purposes: to exercise the first set of option years in the agreement, and to increase the cost for the first year to account for the public outreach program at the 2024 San Diego County Fair. The public outreach services were not anticipated at the time the agreement was approved, so the additional budget is required for the District to continue the anticipated services with Southwest Strategies.

PUBLIC COMMENT ON STANDARD AGREEMENT 23-086 AM1 (see pages 11-12 of transcript)  
Martha Sullivan

Vice President Gelfand moved to approve standard agreement 23-068 AM1. Director Blair seconded the motion. President Schenk, Vice Presidents Gelfand and Rowland, and Directors Arabo, Barkett, Blair, and Nejabat were all in favor. The motion carried 7-0.

**PUBLIC COMMENT ON NON-AGENDA ITEMS** (see pages 24-32 of transcript)  
Jane Cartmill, Martha Sullivan, Breanna Carmichael, Lynn Freudenberg

#### **RECESS TO CLOSED EXECUTIVE SESSION**

The Board recessed to Closed Executive Session at 10:07 a.m.

#### **RECONVENE TO OPEN SESSION**

The Board reconvened to Open Session at 12:04 p.m. President Schenk stated that the District Board of Directors considered the advice of Counsel on the items listed on the Closed Session portion of the agenda and there is nothing to report. Directors Blair and Nejabat had to leave after Closed Session and were not present for the remainder of the meeting.

#### **GENERAL BUSINESS**

##### Item 5-A: Audit & Governance Committee Report

President Schenk announced that Item 5-A is tabled until the next Board meeting, when both committee members are present.

PUBLIC COMMENT ON ITEM 5-A (see pages 36-37 of transcript)  
Martha Sullivan

Item 5-B: DMTC Liaison Committee Report

Director Arabo introduced DMTC President and COO Josh Rubinstein to recap the summer race meet and preview the upcoming fall race season and Breeders' Cup World Championships. The District is projected to receive an estimated \$1.9 million in additional rent and food and beverage from hosting the Breeders' Cup, which will generate about \$300 million for the local community.

PUBLIC COMMENT ON ITEM 5-B (see pages 50-60 of transcript)

Lynn Freudenberg, Jane Cartmill, Martha Sullivan, Oscar de la Torre, Maria Luisa

Item 5-C: Finance Committee Report

CEO Moore referred to the financial reports beginning on page 125 of the meeting packet.

Item 5-C-1: Consideration and vote to approve out-of-state travel

CEO Moore requested approval of out-of-state travel for District staff members to attend the Prepare2Respond summit in Washington and the Adobe MAX conference in Florida.

PUBLIC COMMENT ON ITEM 5-C (see page 62 of transcript)

None

Vice President Rowland moved to approve out-of-state travel. Vice President Gelfand seconded the motion. President Schenk, Vice Presidents Gelfand and Rowland, and Directors Arabo and Barkett were all in favor. The motion carried 5-0.

Item 5-D: Community & Government Relations Committee Report

Vice President Gelfand reported that the committee met with local community leaders this month. CEO Moore announced that the Community and Government Relations Committee has been sunset as part of the restructuring of the committees. The duties and responsibilities will be absorbed by other committees, and CEO Moore will meet with the Del Mar and Solana Beach city managers monthly to maintain communication.

PUBLIC COMMENT ON ITEM 5-D (see page 67 of transcript)

None

**EXECUTIVE REPORT**

CEO Moore referred to the report beginning on page 137 of the meeting packet and reported that:

- Policy development continues to move forward across several Board committees.
- The 2023 audit is under way and a report will be presented at a future Board meeting.
- A values analysis study has begun in relation to the LOSSAN Rail Realignment Project, involving stakeholders from cities and transit agencies to work with SANDAG to consider the best options to re-route train tracks off the bluff in Del Mar. The study is anticipated to be completed by the end of the year.

- The Department of Food and Agriculture is resuming its collaborative exchange program.
- The California Fairs Alliance Board met recently to discuss legislative priorities for the next two years and will present their report at the annual CFA conference in November.
- Affordable housing talks have resumed between the District and the City of Del Mar following the joint resolution in opposition to all three of SANDAG's plans to re-route the LOSSAN railroad tracks through the city, one of which would involve aligning the tracks through the Fairgrounds.

PUBLIC COMMENT ON EXECUTIVE REPORT (see pages 74-75 of transcript)  
Martha Sullivan

CEO Moore introduced the management team from Premier Food Services, including Jorge Adames, the new interim general manager.

President Schenk and CEO Moore clarified that the 22nd District Agricultural Association, a state institution, owns the fairgrounds property.

**MATTERS OF INFORMATION**

Correspondence can be found on pages 155-156 of the meeting packet.

**ADJOURNMENT**

There being no further business to discuss, President Schenk adjourned the meeting at 12:54 p.m.

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Carlene Moore  
Chief Executive Officer

## ITEM 3 – CONSENT CALENDAR

November 2024

### Expense Contracts

Standard Agreements Exercising Option Years						
Contract #	Contractor	Purpose	Acquisition Method	Effort Type	Term	Not to Exceed
DAA-21-079-10 AM2	Kone, Inc.	Elevator repair and maintenance services	IFB	Year Round	11/1/21 – 10/31/25	\$135,727.44 AM2 (total contract value = \$519,647.72)
DAA-21-081-40 AM2	Romeo Entertainment Group, Inc.	Talent buying services	RFP	Fair	11/17/21 – 11/16/26	\$450,000 AM2 (total contract value = \$1,050,000)
23-014 AM1	Saffire, LLC	Ticketing services	RFP	Fair	3/1/23 – 2/28/26	\$765,187 AM1 (total contract value = \$2,408,463)

Sole Source Standard Agreements						
Contract #	Contractor	Purpose	Sole Source Justification	Effort Type	Term	Not to Exceed
24-042 AM1	Elite Show Services, Inc.	Grandstand fire watch patrol	Sole Source	Until Completed	5/23/24 – 10/31/24	\$50,000 AM1 (total contract value = \$233,576.36)
25-001	Raptor Security, Inc.	Alarm and access control	Sole Source	Year Round	1/1/25 – 12/31/27	\$75,000

## Revenue Contracts

<b>Rental Agreements from Competitive Solicitation</b>						
<b>Contract #</b>	<b>Contractor</b>	<b>Purpose</b>	<b>Acquisition Method</b>	<b>Effort Type</b>	<b>Term</b>	<b>Monthly Rent</b>
22-904 AM1	Racket Club One, LLC	Tennis center operator	RFP – Rental Agreement	Year Round	12/1/24 – 11/30/25	\$11,118.18

<b>Sponsorship Agreements over \$250,000 or greater than one year</b>					
<b>Contract #</b>	<b>Contractor</b>	<b>Purpose</b>	<b>Term</b>	<b>Amount</b>	<b>Note</b>
SPO-25-006	Mattress Firm, Inc.	Selling beds and massage chairs	6/1/25 – 7/10/29	\$2,530,000.00	
<del>SPO-25-014</del>	<del>Soleil Communications</del>	<del>Selling vacation packages and fractional ownership</del>	<del>6/1/25 – 7/31/27</del>	<del>\$324,250.00</del>	Previously approved

STD 213A (Rev. 4/2020)

☐ CHECK HERE IF ADDITIONAL PAGES ARE ATTACHED \_\_\_\_\_ PAGES

AGREEMENT NUMBER

**DAA-21-079-10**

AMENDMENT NUMBER

**2**

Purchasing Authority Number

**GL Acct# 600100-10**

1. This Agreement is entered into between the Contracting Agency and the Contractor named below:

CONTRACTING AGENCY NAME

**22nd District Agricultural Association (District) / Del Mar Fairgrounds (Fairgrounds)**

CONTRACTOR NAME

**Kone Inc.**

2. The term of this Agreement is:

START DATE

**November 1, 2021**

THROUGH END DATE

**October 31, 2025**

3. The maximum amount of this Agreement after this Amendment is:

**\$519,647.72**

**Five Hundred Nineteen Thousand Six Hundred Forty Seven Dollars and Seventy Two Cents**

4. The parties mutually agree to this amendment as follows. All actions noted below are by this reference made a part of the Agreement and incorporated herein:

The purpose of this Amendment is to exercise the second one-year option, extending the contract term by one year and increasing the dollar amount by \$135,727.44. The maximum amount of this Agreement is hereby increased from \$383,920.28 to \$519,647.72. The Through End Date is hereby amended from October 31, 2024 to October 31, 2025.

Amendment Effective Date: October 31, 2024

*All other terms and conditions shall remain the same.*

*IN WITNESS WHEREOF, THIS AGREEMENT HAS BEEN EXECUTED BY THE PARTIES HERETO.*

**CONTRACTOR**

CONTRACTOR NAME (if other than an individual, state whether a corporation, partnership, etc.)

**Kone Inc.**

CONTRACTOR BUSINESS ADDRESS

**9850 Business Park Ave,**

CITY

**San Diego**

STATE

**CA**

ZIP

**92131**

PRINTED NAME OF PERSON SIGNING

**Jeffrey Couture**

TITLE

**General Manager**

CONTRACTOR AUTHORIZED SIGNATURE

DATE SIGNED

**STATE OF CALIFORNIA**

CONTRACTING AGENCY NAME

**22nd District Agricultural Association (District) / Del Mar Fairgrounds (Fairgrounds)**

CONTRACTING AGENCY ADDRESS

**2260 Jimmy Durante Boulevard**

CITY

**Del Mar**

STATE

**CA**

ZIP

**92014**

PRINTED NAME OF PERSON SIGNING

**Carlene Moore**

TITLE

**Chief Executive Officer**

CONTRACTING AGENCY AUTHORIZED SIGNATURE

DATE SIGNED

CALIFORNIA DEPARTMENT OF GENERAL SERVICES APPROVAL

EXEMPTION (If Applicable)  
**FAC §4051 .a. 1**



STANDARD AGREEMENT - AMENDMENT

STD 213A (Rev. 4/2020)

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AGREEMENT NUMBER	AMENDMENT NUMBER	Purchasing Authority Number
DAA-21-081-40	2	GL#: 600100-40

1. This Agreement is entered into between the Contracting Agency and the Contractor named below:

CONTRACTING AGENCY NAME  
22nd District Agricultural Association (District) / Del Mar Fairgrounds (Fairgrounds)

CONTRACTOR NAME  
Romeo Entertainment Group, Inc.

2. The term of this Agreement is:

START DATE  
November 17, 2021

THROUGH END DATE  
November 16, 2026

3. The maximum amount of this Agreement after this Amendment is:  
\$1,050,000.00  
One Million Fifty Thousand Dollars and Zero Cents

4. The parties mutually agree to this amendment as follows. All actions noted below are by this reference made a part of the Agreement and incorporated herein:

The purpose of this Amendment is to exercise the second two-year option, extending the contract term by two years and increasing the dollar amount by \$450,000.00 (Option Year Three = \$225,000.00, Option Year Four = \$225,000.00). The maximum amount of this Agreement is hereby increased from \$600,000 to \$1,050,000.

The Through End Date is hereby amended from November 16, 2024 to November 16, 2026.

Amendment Effective Date: November 16, 2024

All other terms and conditions shall remain the same.

IN WITNESS WHEREOF, THIS AGREEMENT HAS BEEN EXECUTED BY THE PARTIES HERETO.

CONTRACTOR

CONTRACTOR NAME (if other than an individual, state whether a corporation, partnership, etc.)  
Romeo Entertainment Group, Inc

CONTRACTOR BUSINESS ADDRESS	CITY	STATE	ZIP
5247 N 129th Street	Omaha	NE	68164

PRINTED NAME OF PERSON SIGNING	TITLE
Robert J. Romeo	President

CONTRACTOR AUTHORIZED SIGNATURE	DATE SIGNED
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22<sup>nd</sup> District Agricultural Association/Del Mar Fairgrounds  
CONTRACTOR PERFORMANCE EVALUATION

Contractor's Company Name: Romeo Entertainment Group		Contract Number: DAA-21-081-40	Option Year Number: Two
District's Contract Administrator's Name: Henry Rivera	Title: Director	Department: Production	Phone Number: 792-4281
Type of Service: <b>Talent Buying</b>			
Original Contract Term (not including options)	Start Date: 11/17/21	End Date: 11/16/22	Original Contract Amount: \$175,000.00
Option Year 1: Term: 11/17/22 to 11/16/24 Amendment Amount: \$425,000.00		Option Year 2: Term: 11/17/24 to 11/16/26 Amendment Amount: \$450,000.00	
Option Year 3: Term: _____ to _____ Amendment Amount: _____		Option Year 4: Term: _____ to _____ Amendment Amount: _____	
Total Contract Value Including All Option Years: \$1,050,000.00			

Rating Key: 1 = Unsatisfactory 2 = Marginal 3 = Meets Expectations 4 = Above Average 5 = Outstanding

Provide a rating for the Contractor's performance in each of the following areas:	Points 1 - 5
1. Contractor's adherence to the terms of the contract	3
2. Quality of Contractor's work	3
3. Contractor and staff's knowledge of the contract requirements	4
4. Contractor's cooperation/communication with District	5
5. Contractor's adherence to specified contract timelines/deadlines	3
6. Contractor's ability to work within contract amount	4
7. Effectiveness of Contractor's Project Manager	3
8. Accuracy of invoices	5
Overall Rating – Total points out of 40 possible	30

*\*If Contractor received a 1 or 2 in any category above, you must provide comments supporting your recommendation below.*

☒ Recommend to Extend Contract, Exercising Option Year ☐ Recommend to Deny Contract Extension

Comments:

District Contract Administrator Signature: \_\_\_\_\_ Date: \_\_\_\_\_

C-Suite Review and Recommendation:

☒ Support Contract Extension ☐ Deny Contract Extension

Name: Katie Mueller Signature: Katie Mueller Date: 10/18/2024

STD 213A (Rev. 4/2020)

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AGREEMENT NUMBER

**23-014**

AMENDMENT NUMBER

**1**

Purchasing Authority Number

**GL:403110,450100,**

1. This Agreement is entered into between the Contracting Agency and the Contractor named below:

CONTRACTING AGENCY NAME

**22nd District Agricultural Association (District) / Del Mar Fairgrounds (Fairgrounds)**

CONTRACTOR NAME

**Saffire, LLC**

2. The term of this Agreement is:

START DATE

**March 1, 2023**

THROUGH END DATE

**February 28, 2026**

3. The maximum amount of this Agreement after this Amendment is:

**\$2,408,463.00**

**Two Million Four Hundred Eight Thousand Four Hundred Sixty Three Dollars and Zero Cents**

4. The parties mutually agree to this amendment as follows. All actions noted below are by this reference made a part of the Agreement and incorporated herein:

The purpose of this Amendment is to exercise the first one-year option, extending the contract term by one year and increasing the dollar amount by \$765,187.00. The maximum amount of this Agreement is hereby increased from \$1,643,276.00 to \$2,408,463.00. The Through End Date is hereby amended from March 1, 2025 to February 28, 2026.

Amendment Effective Date: February 28, 2025

*All other terms and conditions shall remain the same.*

*IN WITNESS WHEREOF, THIS AGREEMENT HAS BEEN EXECUTED BY THE PARTIES HERETO.*

**CONTRACTOR**

CONTRACTOR NAME (if other than an individual, state whether a corporation, partnership, etc.)

**Saffire, LLC**

CONTRACTOR BUSINESS ADDRESS

**248 Addie Roy Road, Suite B 106**

CITY

**Austin**

STATE

**TX**

ZIP

**78746**

PRINTED NAME OF PERSON SIGNING

**Arron Pederson**

TITLE

**President**

CONTRACTOR AUTHORIZED SIGNATURE

DATE SIGNED

**STATE OF CALIFORNIA**

CONTRACTING AGENCY NAME

**22nd District Agricultural Association (District) / Del Mar Fairgrounds (Fairgrounds)**

CONTRACTING AGENCY ADDRESS

**2260 Jimmy Durante Boulevard**

CITY

**Del Mar**

STATE

**CA**

ZIP

**92014**

PRINTED NAME OF PERSON SIGNING

**Carlene Moore**

TITLE

**Chief Executive Officer**

CONTRACTING AGENCY AUTHORIZED SIGNATURE

DATE SIGNED

CALIFORNIA DEPARTMENT OF GENERAL SERVICES APPROVAL

EXEMPTION (If Applicable)  
**FAC §4051 .a. 1**

STD 213A (Rev. 4/2020)

☒ CHECK HERE IF ADDITIONAL PAGES ARE ATTACHED 5 PAGES

AGREEMENT NUMBER	AMENDMENT NUMBER	Purchasing Authority Number
24-042	1	GL# 600100-20

1. This Agreement is entered into between the Contracting Agency and the Contractor named below:

CONTRACTING AGENCY NAME  
22nd District Agricultural Association (District) / Del Mar Fairgrounds (Fairgrounds)

CONTRACTOR NAME  
Elite Show Services, Inc.

2. The term of this Agreement is:

START DATE  
May 23, 2024

THROUGH END DATE  
October 31, 2024

3. The maximum amount of this Agreement after this Amendment is:  
\$233,576.36  
Two Hundred Thirty Three Thousand Five Hundred Seventy Six Dollars and Thirty Six Cents

4. The parties mutually agree to this amendment as follows. All actions noted below are by this reference made a part of the Agreement and incorporated herein:

The purpose of this Amendment is to extend the term and increase the dollar amount by \$50,000.00 in order to allow for more services than originally anticipated. The maximum amount of this Agreement is hereby increased from \$183,576.36 to \$233,576.36. The Through End Date is hereby amended from September 30, 2024 to October 31, 2024.

The Scope of Work (Exhibit A) and Budget Detail and Payment Provisions (Exhibit B) are hereby revised and replaced in their entirety. Revisions formatted as bold and underlined font for additions and strikethrough font for deletions.

Amendment Effective Date: September 30, 2024

*All other terms and conditions shall remain the same.*

*IN WITNESS WHEREOF, THIS AGREEMENT HAS BEEN EXECUTED BY THE PARTIES HERETO.*

**CONTRACTOR**

CONTRACTOR NAME (if other than an individual, state whether a corporation, partnership, etc.)  
Elite Show Services, Inc.

CONTRACTOR BUSINESS ADDRESS 2878 Camino del Rio South #260	CITY San Diego	STATE CA	ZIP 92108
PRINTED NAME OF PERSON SIGNING John Kontopuls	TITLE President & CEO		
CONTRACTOR AUTHORIZED SIGNATURE	DATE SIGNED		

## EXHIBIT A SCOPE OF WORK

### 1. SERVICES OVERVIEW

- A. Elite Show Services, Inc., hereinafter referred to as the Contractor, agrees to provide to the 22<sup>nd</sup> District Agricultural Association / Del Mar Fairgrounds, hereinafter referred to as District, with services as described herein:

The Contractor shall provide unarmed security personnel to perform Fire Watch duties via foot patrol. This patrol encompasses the Grandstand floors one through six divided into East and West patrol areas.

The Contractor shall provide two (2) uniformed security guards per shift for a total of three (3) shifts to maintain a continuous, 24-hour Fire Watch in the Grandstand Building. The shifts are scheduled from 6:00 a.m. to 2:30 p.m., 2:00 p.m. to 10:30 p.m., and 10:00 p.m. to 6:30 a.m., including all holidays.

- B. The services shall be performed at the Del Mar Fairgrounds Grandstand building, 2260 Jimmy Durante Blvd, Del Mar, CA 92014.

The services shall be provided beginning May 23, 2024, and are estimated to continue through September 30, 2024. However, services may end sooner if the fire alarm panels in the Grandstand building are restored to working order or if the Fire Code Official determines that the mandatory fire watch is no longer necessary.

- C. The Contractor shall ensure that any staff assigned to this project do not incur overtime to complete the tasks outlined in this Agreement. Staff shifts shall be limited to a maximum of 8 hours per day. Overtime shall not be incurred due to insufficient staffing by Contractor.

- D. The Project Representatives during the term of this Agreement will be:

22 <sup>nd</sup> District Agricultural Association	Elite <del>Show</del> Services, Inc.
Name: Mark Elvin, Public Safety Director	Name: <del>Pete Beyer</del> <b>Jamie Doan</b> , Account Executive
Address: 2260 Jimmy Durante Boulevard Del Mar, CA 92014	Address: 2878 Camino del Rio South, #260 San Diego, CA 92108
Phone: 858-792-4282	Phone: <del>619-252-2673</del> <b>619-504-9347</b>
e-mail: <a href="mailto:Melvin@sdfair.com">Melvin@sdfair.com</a>	e-mail: <a href="mailto:pete@eliteservicesusa.com">pete@eliteservicesusa.com</a> <a href="mailto:jdoan@eliteservicesusa.com">jdoan@eliteservicesusa.com</a>

The parties may change their Project Representative upon providing ten (10) business days written notice to the other party. Said changes shall not require an Amendment to this Agreement.

### 2. WORK TO BE PERFORMED:

- A. Background and Goals

## **EXHIBIT A SCOPE OF WORK**

### **1. Mandatory Fire Watch for Grandstand Building**

Due to the Grandstand fire alarm system being inoperable, the State of California Fire Marshal office has mandated a 24-hour, seven (7) day a week fire watch.

The goal is to provide a ceaseless fire watch until the alarm system has been repaired and restored to working order in the Grandstands or until the State of CA Fire Marshal directs differently. Contractor shall follow the schedule in this Agreement until the fire watch has been discontinued.

### **2. Fire Watch Requirements**

The Fire Code Official shall require a Fire Watch when a required fire protection system is out of service or where the fire code official deems necessary in order to preserve the life and safety of occupants in an occupied building. When required by the Fire Code Official, a property shall be under mandatory fire watch until no longer required by the Fire Code Official.

Code Reference:

2022 California Fire Code, Chapter 9, Section 901.7 System out of Service  
2022 California Fire Code, Chapter 2, Section 202, Fire Watch

### **B. Tasks and Deliverables**

1. The Contractor shall be responsible for the performance of tasks, and for the preparation of deliverables as specified in this Exhibit A.
  - a. The Contractor shall provide all technical and administrative services as needed for Agreement completion, including monitoring, supervising, and reviewing all work performed. In addition, the Contractor shall coordinate budgeting and scheduling to ensure that the Agreement is completed within budget, on schedule, and in accordance with approved procedures, applicable laws, and regulations throughout Agreement term.
  - b. The Contractor shall ensure that the Agreement requirements are met through completion of quarterly progress reports submitted to the District, and through regular communication with the District. The progress reports shall describe activities undertaken and accomplishments of each task, milestones achieved, and any problems encountered in the performance of the work under this Agreement.
2. Contractor shall provide two (2) uniformed guards per shift, 24 hours a day, seven (7) days a week, to patrol the Grandstand Building on foot. The guards shall monitor for fire hazards or any fire-related incidents while ensuring compliance with safety protocols.

**EXHIBIT A  
SCOPE OF WORK**

3. Contractor shall follow the District Guard shift schedule of 6:00 a.m. to 2:30 p.m., 2:00 p.m. to 10:30 p.m., and 10 p.m. to 6:30 a.m.
4. Contractor shall provide staff to perform Fire Watch with Contractor-employed guards. Guards shall not be supplied by a temporary work agency.
5. Contractor shall promptly notify the District Lead Guard or most senior District guard on duty, if the Lead is absent, of any gaps in staffing coverage via immediate phone call.
6. Contractor shall provide a copy of the sign in/out sheet showing staffing on a weekly basis, every Friday.
7. Contractor shall provide all their security personnel with a State of CA-BSIS approved uniform prior to the start of their shift.
8. Contractor shall provide each guard with an operating flashlight.
9. Fire Watch Guards shall turn in a completed Fire Watch Log at the end of each shift. The logs must detail all fire watch activities, any observed incidents, and actions taken. During the San Diego County Fair, completed Fire Watch Logs must be submitted to the Dispatch Coordinator. When the San Diego County Fair is not taking place, completed Fire Watch Logs must be submitted to District's Lead Guard.
10. Contractor's Fire Watch Guards shall not be required or permitted to perform any other duties.

**3. PROGRESS REPORTS:**

- A. Not later than September 1, 2024, and quarterly thereafter, during the life of this Agreement, the Contractor shall provide a written quarterly progress report to the District describing activities undertaken, accomplishment of milestones, and any problems encountered in the performance of the work under this Agreement, and delivery of intermediate products, if any.
- B. The Contractor shall submit to the District for approval the reports containing the results of the work performed in accordance with the schedule of this Exhibit A.
- C. Not later than September 1, 2024, and quarterly thereafter, the Contractor shall submit to the District a copy of a draft report describing the work performed pursuant to this Agreement for review and comment.
- D. Within four (4) weeks of receipt of the draft report, the District will submit final comments to the Contractor.
- E. Not later than 30 days from the end of contract, the Contractor shall submit to the District for approval one (1) reproducible master containing the results of the work performed and addressing the comments submitted to the Contractor by the District.

**EXHIBIT A  
 SCOPE OF WORK**

F. The report shall not be considered final until accepted and approved by the District.

**4. Total Estimated Hours Schedule:**

Job Classification	Quantity of Guards per Shift (3 Shifts)	Date Started	Date Ended	Hours Per Day	Total Days	Total Estimated Hours
Uniformed Security Guard	2	5/23/2024	<del>9/30/2024</del> <b><u>10/31/2024</u></b>	48	<del>129 1/4</del> <b><u>160 1/4</u></b>	<del>6,204</del> <b><u>7,692</u></b>



**STANDARD AGREEMENT**

STD 213 (Rev. 04/2020)

AGREEMENT NUMBER

25-001

GL ACCOUNT NUMBER (If Applicable)

GL #:600100-20

1. This Agreement is entered into between the Contracting Agency and the Contractor named below:

CONTRACTING AGENCY NAME

22nd District Agricultural Association (District) / Del Mar Fairgrounds (Fairgrounds)

CONTRACTOR NAME

Raptor Security, Inc.

2. The term of this Agreement is:

START DATE

January 1, 2025

THROUGH END DATE

December 31, 2026

3. The maximum amount of this Agreement is:

\$75,000.00

Seventy Five Thousand Dollars and Zero Cents

4. The parties agree to comply with the terms and conditions of the following exhibits, which are by this reference made a part of the Agreement.

Exhibits	Title	Pages
Exhibit A	Scope of Work	4
Exhibit A, Attachment I	AED Map	1
Exhibit B	Budget Detail and Payment Provisions	1
Exhibit C*	General Terms and Conditions (April 2017)	4
Exhibit D	Special Terms & Conditions	5
Exhibit D, Attachment I	Insurance Requirements	4
Exhibit E	Preventing Storm Water Pollution	1
Exhibit F	22nd DAA Resource Conservation Policy	1

Items shown with an asterisk (\*), are hereby incorporated by reference and made part of this agreement as if attached hereto. These documents can be viewed at <https://www.dgs.ca.gov/OLS/Resources>

IN WITNESS WHEREOF, THIS AGREEMENT HAS BEEN EXECUTED BY THE PARTIES HERETO.

**CONTRACTOR**

CONTRACTOR NAME (if other than an individual, state whether a corporation, partnership, etc.)

Raptor Security, Inc.

CONTRACTOR BUSINESS ADDRESS

P.O. Box 572

CITY

Carlsbad

STATE

CA

ZIP

92018

PRINTED NAME OF PERSON SIGNING

Gregory Levorchick

TITLE

President

CONTRACTOR AUTHORIZED SIGNATURE

DATE SIGNED

**EXHIBIT A  
SCOPE OF WORK**

**1. SERVICES OVERVIEW**

- A. Raptor Security, Inc., hereinafter referred to as the Contractor, agrees to provide to the 22<sup>nd</sup> District Agricultural Association / Del Mar Fairgrounds, hereinafter referred to as District, with services as described herein:

The Contractor shall provide management, installation, technical support/service, maintenance, monitoring of security alarms, and access systems for the District.

- B. The services shall be performed at both the Contractor's place of business located at 2772 Roosevelt St., Carlsbad, CA 92008 and at the District properties located at 2260 Jimmy Durante Blvd., Del Mar, CA, 92014 and 15555 Jimmy Durante Blvd, Del Mar, CA 92014.
- C. The alarm services (i.e., repair/installation) shall be provided primarily Monday through Friday, however alarm services (i.e., monitoring/technical support) are continuously needed and shall be provided 24 hours a day, seven days a week.
- D. The Project Representatives during the term of this Agreement will be:

22 <sup>nd</sup> District Agricultural Association	Raptor Security, Inc.
Name: Mark Elvin, Director of Public Safety	Name: Gregory Levorchick, President
Address: 2260 Jimmy Durante Boulevard Del Mar, CA 92014	Address: P.O. Box 572 Carlsbad, CA 92018
Phone: 858-792-4282	Phone: 858-458-9944
e-mail: <a href="mailto:melvin@sdfair.com">melvin@sdfair.com</a>	e-mail: <a href="mailto:greg@raptorsecurity.net">greg@raptorsecurity.net</a>

The parties may change their Project Representative upon providing ten (10) business days written notice to the other party. Said changes shall not require an Amendment to this Agreement.

**2. WORK TO BE PERFORMED:**

**I. Project Management and Administration**

The Contractor shall be responsible for the performance of tasks, and for the preparation of deliverables as specified in this Exhibit.

- a. The Contractor shall provide all technical and administrative services as needed for Agreement completion, including monitoring, supervising, and reviewing all work performed. In addition, the Contractor shall coordinate budgeting and scheduling to ensure that the Agreement is completed within budget, on schedule, and in accordance with approved procedures, applicable laws, and regulations throughout Agreement term.

**EXHIBIT A  
SCOPE OF WORK**

- b. The Contractor shall ensure that the Agreement requirements are met through completion of semi-annual progress reports submitted to the District, and through regular communication with the District. Progress report requirements are outlined in Section IV.

**II. Tasks and Deliverables**

- a. Contractor shall provide management, installation, repair/removal, technical support/services, maintenance and monitoring of security alarms and access control systems for the District.
- b. Contractor shall provide all services at the direction of and to the satisfaction of District's Director of Public Safety/Management.
- c. Contractor shall respond to the District within 24 hours on any calls for service or information.
- d. Contractor shall have current licenses and certifications required by law to provide all services for the District and shall perform this work in accordance with all current applicable laws and codes. Contractor will provide District copies of licenses and certificates within 48 hours, upon District's written request, including electronic e-mail requests by District, including any applicable vehicle licensing, registration, and insurance as well as information on any staff that are working for the Contractor.
- e. District documents shall supersede and take precedence over any Contractor's documents.
- f. Contractor shall be fully responsible for all actions and omissions of its Subcontractors, and of persons and organizations directly or indirectly employed by them, and of person(s) and organization(s) for whose actions any of them may be liable to the same extent that the Contractor is responsible for the actions and omissions of persons directly employed by the Contractor. Nothing in this Agreement shall create any contractual relationship between the District and any Subcontractor, or other person(s) or organization(s) having a direct contract with the Contractor, nor shall it create any obligation on the part of the District to pay or require the payment of any funds due any Subcontractor or other person(s) or organization(s), except as may otherwise be required by law.
- g. Approval of the Contractor's insurance by the District shall not diminish or alter the extent to which the Contractor or any Subcontractor(s) may be held responsible for payment of all damages resulting from its' operations.
- h. The Del Mar Fairgrounds, within the County of San Diego, California is located within environmentally sensitive wetlands. Therefore, any equipment/machinery that is leaking fluid/hazardous material (battery acid, coolant, diesel, gas, hydraulic fluid, motor oil, power steering fluid, transmission fluid, etc.) will immediately either be repaired or removed from the District's property by the Contractor. Furthermore, Contractor agrees to dispose of/recycle all waste according to the State and local laws and regulations, including Exhibit E – Storm Water Pollution Prevention.

**EXHIBIT A**  
**SCOPE OF WORK**

- i. The District shall not guarantee the exact amount of services to be used as the District cannot guarantee the occurrence of service needs generated by facility use.
- j. Contractor agrees the alarm monitoring shall not exceed **\$34.00** per month per unit system. Monitoring for AED units shall not exceed **\$2.00** per unit. Exhibit A, Attachment I, 'AED Map' shows the AED unit locations within the District. Monthly maintenance and repair shall not exceed **\$300.00** per month without **prior** approval of District management.
- k. Contractor agrees the cost for system survey, testing and reprogramming shall not exceed **\$150.00** per system. Annual installation of temporary alarm systems during the annual San Diego County Fair shall not exceed **\$1,300.00** per system. The annual charges for miscellaneous equipment rental for servicing alarms shall not exceed **\$1,500.00** without **prior** approval of **District** Management.
- l. Contractor agrees the annual cost of services for the term of the Agreement shall not exceed the budgeted appropriation.
- m. The District may approve additional services and monitoring as well as security-related software installation with the prior written approval of District management.
- n. Contractor agrees to perform security alarm services for the term of this Agreement for a total amount not to exceed **\$75,000.00**. This funding includes all Contractor costs for qualified labor, monitoring, equipment, materials/supplies, insurance, licenses, surcharges, taxes, transportation, and administrative overhead.
- o. Contractor shall begin replacing outdated security alarm and access control systems throughout the Del Mar Fairgrounds. The Contractor and District shall collaborate to develop and agree upon a priority replacement and installation list two months after contract start date. The replacement list shall identify and prioritize specific buildings and areas for replacement and installation. Contractor agrees to have 50% of the priority replacements completed by the end of the first contract year. Contractor shall complete the remaining priority replacements on the list twenty months after contract start date. Contractor shall ensure replacement costs do not exceed **\$10,000** per year (**\$20,000** total for the two-year contract term).
- p. The Contractor and District will review the replacement list as needed and make adjustments as necessary based on priorities and evolving security needs. The District and Contractor acknowledge replacements may not cover the entirety of the fairgrounds within the contract term.
- q. Contractor shall commence and complete any required installation, upgrade, removal, or any other request for services related to the alarm/access equipment within 30 days of the District's request. Should the Contractor be unable to meet this timeframe, the Contractor must provide a written explanation detailing the valid reason(s) for the delay in starting and/or completing the project.

**EXHIBIT A**  
**SCOPE OF WORK**

- r. The Contractor agrees to provide a written quote for approval by the District's Director of Public Safety/Management, prior to the initiation of any additional services not included in this Agreement. Additional tasks and projects will be added to this Agreement via formal amendment.

**III. Tasks and Deliverables Schedule**

Task #	Deliverable	Deliverable Due Date
II.o	Priority Replacement and Installation List	Two months after contract start date
IV.b	Progress Report #1	May 1, 2025
IV.b	Progress Report #2	December 1, 2025
IV.b	Progress Report #3	May 1, 2026
IV.b	Progress Report #4	December 1, 2026

**IV. Progress Reports**

- a. The Contractor shall ensure that the Agreement requirements are met through completion of semi-annual progress reports submitted to the District, and through regular communication with the District. The progress reports shall describe completed tasks, ongoing work, upcoming work based on the priority replacement list for access control and alarm panels at the District, status of equipment installation along with issues encountered, and confirmation that installations comply with safety and security standards.
- b. Contractor shall provide the District with four (4) Progress Reports for semi-annual review with the Public Safety Department Director. Progress Reports should be submitted by the Contractor no later than May 1, 2025, December 1, 2025, May 1, 2026, and December 1, 2026.
- c. The Contractor shall convene semi-annually with the Public Safety Department Director to review progress reports and assess the status of the priority replacement plan for alarms and access control panels for the District. These meetings will ensure the priority replacement plan remains on track and that any necessary adjustments are promptly addressed.
- d. The reports shall not be considered final until accepted and approved by the District.

## RENTAL AGREEMENT AMENDMENT

This Agreement by and between the **22ND DISTRICT AGRICULTURAL ASSOCIATION**, hereinafter called District, and **Racket Club One, LLC**, hereinafter called the Renter, WITNESSETH:

The parties mutually agree to this Amendment as follows and all actions noted below are by this reference made a part of this Agreement and incorporated herein:

1. To renew the original rental agreement exercising the second one-year option, **December 1, 2024, through November 30, 2025.**
2. As stipulated in the original Agreement, the rent for the one-year option shall increase automatically each year by a percentage equal to the percentage change in the Consumer Price Index (CPI) statistics published by the United States Bureau of Labor. The rent with a 2.5% CPI increase is as follows:

<u>Year of Lease</u>	<u>Monthly Rent</u>
<b>December 1, 2024 – November 30, 2025</b>	<b>\$11,118.18</b>

Rent shall be due in advance or on the 1st (first) of each month and considered late thirty (30) days thereafter.

Except as amended herein, all terms and conditions remain as previously agreed by the parties.

IN WITNESS WHEREOF, this agreement has been executed in duplicate, by and on behalf of the parties hereto, the day and year first above written.

**22ND DISTRICT AGRICULTURAL ASSOCIATION**  
**2260 JIMMY DURANTE BLVD.**  
**DEL MAR, CA 92014**

**Racket Club One, LLC**  
**3525 Del Mar Heights Road, Suite 743**  
**San Diego, CA 92130**

BY: \_\_\_\_\_

BY: \_\_\_\_\_

NAME/TITLE: **Carlene Moore, CEO/General Manager**

NAME/TITLE: **Jesse Steinberg, CEO**

DATE: \_\_\_\_\_

DATE: \_\_\_\_\_

STATE OF CALIFORNIA  
**SPONSORSHIP AGREEMENT**  
(Rev 11/19)

AGREEMENT NUMBER  
**SPO-25-006-19**

1. This Agreement is entered into between the State Agency and the Sponsor named below:

STATE AGENCY'S NAME

**22<sup>nd</sup> District Agricultural Association / Division of Fairs & Expositions**

SPONSOR'S NAME

**Mattress Firm, Inc.**

2. The term of this Agreement is: **June 1, 2025 – July 10, 2029**

3. The amount of this Sponsorship Agreement is: **\$2,530,000.00 Contract Price**

4. The parties agree to comply with the terms and conditions of the following exhibits which are by this reference made a part of the Agreement.

**Exhibit A – Sponsorship Terms**

**Exhibit B – Insurance Requirements**

Sponsor agrees to provide a valid Certificate of Insurance indicating a minimum \$1,000,000 coverage for General Liability, Automobile Liability and Workers Compensation, in accordance with Insurance Requirements attached herewith and made part of this Agreement.

**Exhibit C – Licensee Handbook**

The Licensee Handbook is made part of this Agreement. All terms and conditions as set forth in this handbook will apply unless provided for in writing by the States' Sponsorship office.

**IN WITNESS WHEREOF, this Agreement has been executed by the parties hereto.**

**SPONSOR**

SPONSOR'S NAME

**Mattress Firm, Inc.**

BY (Authorized Signature)



DATE SIGNED

PRINTED NAME AND TITLE OF PERSON SIGNING

**Joe Sabino**

ADDRESS

**3250 Briarpark Dr., Ste. 400. Houston, TX 77042**

**STATE OF CALIFORNIA**

AGENCY NAME

**22<sup>nd</sup> District Agricultural Association / Division of Fairs & Expositions**

BY (Authorized Signature)



DATE SIGNED

PRINTED NAME AND TITLE OF PERSON SIGNING

**Carlene Moore, CEO/General Manager**

ADDRESS

**2260 Jimmy Durante Blvd  
Del Mar, CA 92014-2216**

**California State Use Only**

☒ Exempt per: Sponsorship

*I hereby certify upon my own personal knowledge that budgeted funds are available for the period and purpose of the expenditure stated above. SIGNATURE OF STATE ACCOUNTING OFFICER*



Date

☐ CONTRACTS MANAGER

☐ MARKETING MANAGER

**SPO-25-006**  
**Mattress Firm, Inc.**  
**Exhibit A - Sponsorship Terms**  
**2025, 2026, 2027, 2028 & 2029 San Diego County Fairs**

1. This sponsorship agreement ("Agreement") includes the terms and conditions to which Mattress Firm, Inc. ("Sponsor") has agreed to in providing products or services during the 2025, 2026, 2027, 2028 & 2029 San Diego County Fairs ("Fair"), produced by the 22nd District Agricultural Association, a California state institution ("State", "District" or "22<sup>nd</sup> DAA"). The cost of this sponsorship is \$2,530,000.00 contract price.
2. A list of privileges and rights afforded to Sponsor is included herein. Sponsor must sign this Agreement and return it to the Del Mar Fairgrounds no later than November 29, 2024.
3. The payment schedule is as follows:
  - a. A payment of \$500,000.00 no later than May 1, 2025.
  - b. A payment of \$500,000.00 no later than May 1, 2026.
  - c. A payment of \$510,000.00 no later than May 1, 2027.
  - d. A payment of \$510,000.00 no later than May 1, 2028
  - e. A payment of \$510,000.00 no later than May 1, 2029
  - f. In years 2-5 of this agreement, the following payment adjustment will be in force. The baseline number of days the fair runs is 20. Any days more or less will be valued at \$10,000 per day. If the number is less, the payment from Mattress Firm will be reduced by the number of days. If the number of days is more, the payment from Mattress Firm will be increased by the number of days. The maximum number of adjustment days in either of these years will be capped at two days.
4. Sponsor shall not enter into any third-party promotions concerning the Fair without prior written authorization from State.
5. Without the prior written consent of the State, this Agreement shall not be assigned or transferred by Sponsor to any other party either in whole or in part.
6. To the fullest extent permitted by law, Sponsor shall defend, indemnify, and hold harmless the State of California, the 22nd District Agricultural Association aka Del Mar Fairgrounds/San Diego County Fair, and their respective agents, directors, and employees (collectively the "22<sup>nd</sup> DAA") from and against all claims, damages, losses, and expenses, of every kind, nature and description (including, but not limited to, attorney's fees, expert fees, and costs of suit), directly or indirectly arising from, or in any way related to the performance or nonperformance of this Agreement, regardless of responsibility of negligence; by reason of death, injury, property damage, or any claim arising from the alleged violation of any state or federal accessibility law, statute or regulation, (including but not limited to, the Americans With Disabilities Act, and/or any state, local, successor, or comparable provision of law) however caused or alleged to have been caused, and even though claimed to be due to the negligence of the 22<sup>nd</sup> DAA. Provided, however, that in no event shall Sponsor be obligated to defend or indemnify the 22<sup>nd</sup> DAA with respect to the sole negligence or willful misconduct of the 22<sup>nd</sup> DAA, its employees, or agents (excluding the Sponsor herein, or any of its employees or agents.)
7. This Agreement does not constitute a partnership, joint venture, or principal-agent relationship between the parties. The Sponsor, and the agents and employees of Sponsor, in the performance of this Agreement shall act in an independent capacity and not as officers or employees or agents of the 22<sup>nd</sup> DAA or the State of California.
8. Where the terms of this Agreement or the 22<sup>nd</sup> DAA's documents are more specific, or are inconsistent or in conflict with the provisions, terms, and conditions set forth in a proposal by Sponsor or Sponsor's documents, both parties agree that the terms set forth in the 22<sup>nd</sup> DAA's documents shall supersede and take precedence over Sponsor's proposal or Sponsor's documents.
9. It is agreed by the parties that this Agreement constitutes the complete and entire Agreement between the parties. No amendments, alterations, or other variations of the terms of this Agreement shall be valid unless made in writing and signed by the parties.
10. It is agreed by the parties that the laws of the State of California shall govern and in the event of litigation that the proper place of venue is in San Diego, California.



11. In the event the Sponsor breaches the terms of this Agreement, the 22<sup>nd</sup> DAA shall be entitled to recover, in addition to any other damages and remedies that they may be entitled to, all costs incurred in enforcing this Agreement, including attorney's fees.
12. Unless otherwise expressly authorized herein, the parties agree that this is a non-exclusive Agreement. The parties also expressly acknowledge and agree that the 22<sup>nd</sup> DAA may enter into agreements with other Sponsors and/or Sponsors offering the same or similar services or products during the term of this Agreement.
13. In all circumstances, Sponsor shall be solely responsible for damage to, or loss of, Sponsor's property, including without limitation all vehicles, equipment, materials, products, and supplies, except to the extent caused by the sole negligence or willful misconduct of the 22<sup>nd</sup> DAA. Inadequate protection or security cannot be considered negligence of the 22<sup>nd</sup> DAA.
14. Sponsor and Sponsor's employees shall dress uniformly and shall be courteous, efficient, and neat and clean in appearance at all times. Identification as Sponsor's employee will be prominently always displayed. Sponsor understands and agrees that 22<sup>nd</sup> DAA management, at its sole and absolute discretion, may determine that a person or agent utilized by Sponsor in the performance of this Agreement, due to his or her appearance, conduct, or demeanor may be unacceptable to the 22<sup>nd</sup> DAA, this includes overly aggressive sales tactics, if it is determined that such appearance, conduct, or demeanor is detrimental to 22<sup>nd</sup> DAA's operations. Sponsor agrees to immediately correct the behavior or remove such person or agent from operations arising out of this Agreement. Determination by State management regarding these matters shall be final. Sponsor agrees that it will not sell, exchange, or barter, or permit its employees to sell, exchange or barter, any ticket, admission, permit, or license issued by the 22<sup>nd</sup> DAA to the Sponsor or its employees.
15. Sponsor is required to comply with the rules and requirements contained in the Licensee Handbook, which is made a part of this Agreement by this reference. If the 22<sup>nd</sup> DAA determines, in its sole and absolute discretion, that Sponsor violated the rules or requirements of the Licensee Handbook, the 22<sup>nd</sup> DAA will provide Sponsor with written notice of the violation(s). If Sponsor fails to correct the violation(s) within 24 hours of delivery of the written notice, the 22<sup>nd</sup> DAA may terminate the Agreement, in its sole and absolute discretion, under Section 17 below.
16. Sponsor is authorized to sell or promote only those products or services specifically identified in this Agreement. If Sponsor sells or promotes any product or service not specifically identified in this Agreement, the 22<sup>nd</sup> DAA may, in its sole and absolute discretion, terminate this Agreement in accordance with Sections 15 and 17. If, during the performance of this Agreement, a dispute arises between the Sponsor and the 22<sup>nd</sup> DAA, which cannot be settled by discussion, the Sponsor shall, within eight hours of the incident, which gave rise to the dispute, submit a written statement to 22<sup>nd</sup> DAA. A decision by the 22<sup>nd</sup> DAA, in writing, shall be given to the Sponsor within four hours of receipt of such a statement, and shall be final and conclusive. The Sponsor shall continue to perform the requirements under this Agreement without interruptions during the dispute period.
17. The 22<sup>nd</sup> DAA reserves the sole and exclusive right to terminate this Agreement, with or without cause, in whole or in part, at any time by written notice to the Sponsor. The Sponsor shall promptly submit its claim for any prorated fees within 24 hours of the written notice of termination to the 22<sup>nd</sup> DAA to be paid to the Sponsor. If the Sponsor has any vehicles, equipment, and materials on 22<sup>nd</sup> DAA property, the Sponsor must remove this property within 24 hours of the written notice of termination.
18. Further, in the event that Sponsor is found by a court of law to be in violation of State or federal law regarding discrimination or harassment, or if Sponsor engages in business practices or activities deemed by the 22<sup>nd</sup> DAA to be inappropriate or detrimental to the interests of the 22<sup>nd</sup> DAA, it is agreed that the 22<sup>nd</sup> DAA may immediately terminate this Agreement.
19. It is understood and agreed that neither the 22<sup>nd</sup> DAA nor Sponsor shall be liable to the other for any delay in or failure of performance, nor shall any such delay in or failure constitute default or breach of contract, if such delay or failure is caused by "Force Majeure." For purposes of this agreement, Force Majeure includes, but is not limited to, acts of God (such as earthquakes, floods, wildfires, hurricanes, volcanic eruptions, and other natural disasters that render performance impossible), war, riots, acts of public enemy, labor disputes that result in work stoppage, epidemics, pandemics, and governmental restrictions, appropriations, regulations or controls (except those reasonably foreseeable in connection with the uses contemplated by this Agreement) or other cause without fault attributable to and beyond the control of the party obligated to perform (except financial inability). Further, if either 22<sup>nd</sup> DAA or Sponsor will be delayed or prevented from the performance of any act required hereunder by reason of Force Majeure, performance of such act shall be excused for the period of the delay and the period for the performance of any such act shall be extended for a period equivalent to the period of such delay. If by reason of Force Majeure, performance is rendered impossible even if the period for

performance is extended, this Agreement shall terminate. Except for delay or failure in performance caused by "Force Majeure," nothing in this Paragraph shall excuse Sponsor from prompt payment of any rent or any other charge required of Sponsor. Except as otherwise provided in this section or elsewhere in this Agreement or unless due by default of the 22<sup>nd</sup> DAA, if Sponsor shall for any reason fail to occupy the 22<sup>nd</sup> DAA, no refund shall be made of any amounts paid by Sponsor to the 22<sup>nd</sup> DAA hereunder.

20. The parties agree that this Agreement shall be interpreted as if drafted by both parties.

21. The San Diego County Fair is a non-smoking event. Smoking is only allowed in designated areas. Please ensure that all Sponsors' employees, agents, and vendors comply with this policy.

22. **Responsibilities of Sponsor:**

- a. Operate and maintain the Mattress Firm and Furniture Firm booths at the 2025, 2026, 2027, 2028 & 2029 San Diego County Fairs for all hours as noted in the commercial handbook for all vendors.
- b. Provide examples of all literature, samples and merchandise to be distributed at the Mattress Firm booths. These items must be pre-approved by the District's Sponsorship office.
- c. Provide all Mattress Firm logo artwork to the District's Sponsorship office upon request.
- d. Allow Fair promotional materials to be displayed in each San Diego County Mattress Firm store.
- e. Provide all temporary Mattress Firm banners to be used, with the exception of permanent and directional signage.
- f. The Licensee Handbook is hereby incorporated into this Agreement. Sponsor shall abide by the rules and regulations for all vendors, concessionaires and exhibitors as outlined in the Licensee Handbook for the 2025, 2026, 2027, 2028 & 2029 San Diego County Fairs unless otherwise provided for in writing by the District's Sponsorship office. The handbook is available on the Fair's website each year of this agreement.

23. **Responsibilities of the State:**

- a. Provide exclusivity for the Fair in the Mattress category. No other entity shall sell mattresses at the Fair during the term of this Agreement.
- b. Provide an approximate 25' x 90' booth space within Mattress Firm O'Brien hall for sale of mattresses and massage chairs.
- c. Provide an approximate 20' x 40' booth space (#2210) within Bing Crosby hall for the sale of mattresses and massage chairs.
- d. Provide an approximate 20' x 50' booth space within Wyland hall for the sale of mattresses and massage chairs.
- e. Provide an approximate 20' x 50' booth space within Exhibit hall for the sale of mattresses and massage chairs.
- f. Provide an approximate 40' x 40' space on Fairway for the sale of mattresses and massage chairs. The Fair will provide the tent.
- g. Place six (6) 3' x 8' banners featuring Sponsor's logo throughout the Fair.
- h. Include Sponsor's logo whenever and wherever the Fair's sponsors are listed.
- i. Include Sponsor's logo and link on the Fair's website for the duration of this agreement.
- j. Include Sponsor's logo on entrance signage where the Fair's sponsors are listed.
- k. Include Sponsor's digital advertisement in rotation across the Fair's digital matrix boards each day of the Fair. The advertisement format may be a static slide image, or video up to 30 seconds.
- l. Include Sponsor's logo in rotation across the digital matrix boards in the main parking lot and Jimmy Durante Blvd. every day of the Fair.

- m. Provide one hundred fifty (150) sponsor badges for staff allowing unlimited admission the Fair.
- n. Provide three hundred (300) single admission Fair tickets valid any day of the Fair.
- o. Provide two hundred twenty (200) single day track parking passes valid any day of the Fair.
- p. Provide one hundred (100) single day horse park passes valid any day of the Fair.
- q. Provide fifteen (15) season track parking passes valid any day of the Fair.
- r. Provide a ticket bank of additional badges, admission tickets and parking valued at \$1,000.00.
- s. Agree not to renew the Kanji chair contract after the 2025 fair.
- t. Agree to maintain US Jaclean massage chair vendor to two spaces (provided they want to continue) for the duration of this Agreement.
- u. The Fair agrees that any chair competitor will be limited to two locations starting in 2026 and contueing through 2029.



September 30, 2024

F2024-06

TO: All Fair CEOs

SUBJECT: AB1499 Funds Allocation: Distribution Policy Framework

The purpose of this letter is to provide clarification and information on the policy framework utilized in the most recent disbursement of the funds, commonly referred to as “AB1499 funds,” to eligible fairgrounds within the network of California fairs. As you are most likely aware, Assembly Bill 1499 (AB1499) (Chapter 798, Statute year 2017) codified Business and Professions Code 19620.15, which allowed three-quarters of one percent of the total amount of gross receipts for sales and use tax purposes generated on state-designated fairgrounds to be transferred to the California Department of Food and Agriculture (CDFA). With the AB1499 funds accumulating over several years, CDFA’s Fairs & Expositions Branch (F&E) was directed to create a policy framework for allocations moving forward. As a result, in May of 2023, various concepts for the distribution framework were presented to the fairground CEOs for their consideration. Since then and throughout 2023, CDFA engaged in additional conversations with the industry for input and feedback, which were taken into consideration for the development and finalization of the policy framework. Subsequently, F&E made a determination on the amounts to be distributed from the AB1499 funds in late 2023.

### **Distribution Policy Framework**

Being mindful of distribution balances to the industry without being overly complex, the framework consists of three pools of funds with distinct characteristics: Base Minimum, Operating Revenues, and Bonus/Profitability. Each pool is allotted a percentage of the total planned distribution. The policy framework was developed by incorporating ideas from varying philosophies as conveyed in the three different pools, where each pool can be thought of as having an allocation method independent of the other. For more information on requirements to be eligible, in general, to receive the AB1499 funds from this framework, please refer to the section labeled “Eligibility” later in this letter.

The **Base Minimum** pool will equally distribute the funds to all eligible fairgrounds. This method seeks to provide stability within the industry, which is especially meaningful for smaller fairgrounds given that smaller fairgrounds on average tend to have more difficulties increasing revenues and being profitable.

Example: If there are 73 eligible fairgrounds in the base minimum pool, then each fairground will receive approximately 1.4 percent of the total amount allocated to this pool.



The **Operating Revenue** pool allocates funds based on the fairground's operating revenue relative to the total pool's operating revenue. This method provides an allocation that would be considered meaningful relative to the scale of the fairground's operation, i.e., larger fairgrounds will generally receive more. An emphasis on the operating revenues will encourage additional economic activity to potentially increase the fairground's share of the allocation while increasing the tax revenues generated on the fairground.

Example: If the fairground's operating revenue is \$1,000,000 and the total operating revenue in the pool is \$400,000,000, then the fairground will receive 0.25 percent of the total amount allocated to this pool.

The **Bonus/Profitability** pool provides fairgrounds with additional funds based on achieving profitability, i.e., fairgrounds will receive a bonus for being profitable. Fairgrounds will qualify for this pool if they make at least one dollar in operating profit. The bonus amount will be based on the methodologies described for base minimum and operating revenue. The bonus amount is not based on the level of profitability but whether the fairground is profitable or not. This method will provide incentives for managers to be fiscally disciplined in their operations.

#### **Clarification on Distribution**

With the finalization of the policy, F&E determined the amounts for each fairground and initiated the allocation process in late 2023. The total amount allocated for distribution was approximately \$12 million. Most eligible fairgrounds received these funds in the first quarter of 2024. For this distribution, the weighting allocated to each pool are shown below:

<b>Pool Characteristic</b>	<b>Percentage of Total Allocation</b>	<b>\$12 Million Allocation*</b>
Base Minimum	40%	4,800,000
Operating Revenue	45%	5,400,000
Bonus/Profitability	15%	1,800,000
<i>Base Minimum (Bonus)</i>	<i>20% of Bonus pool</i>	<i>360,000</i>
<i>Operating Revenue (Bonus)</i>	<i>80% of Bonus pool</i>	<i>1,440,000</i>

*\*The actual total allocation was slightly higher than \$12 million due to rounding in each individual allocation. The figures shown above were calculated based on exactly \$12 million for ease of displaying amounts per pool.*

73 fairgrounds were determined to be eligible for this distribution. Within the distribution, 34 fairgrounds were eligible for the bonus pool.

To calculate the operating revenue and determine eligibility for the bonus pool, F&E used financial information from 2017, 2018, and 2019. The three-year average and

three-year median were averaged for these calculations. A graphic representing the methodology described in this letter is attached for your convenience.

### **Future Distributions and STOP Submission Impact**

F&E plans to utilize information from 2019, 2022, and 2023 for the next distribution expected in the fourth quarter of 2024. Furthermore, future distributions are expected to be released in the fourth quarter on an annual basis. However, it is important to mention that while the framework was developed to create a methodology on how future distribution policies may look like, material changes to the amount transferred to CDFA, significant imbalances in the distribution, new legislations affecting the industry, or other various factors may bring about changes to the framework or percentages allocated to each pool.

With the distribution policy utilizing financial information from the fairgrounds, timely submission of financial information is critical for this process. Furthermore, Business and Professions Code 19622 subdivision (a) requires an annual submission of the Statement of Operations (STOP) to maintain eligibility to receive funds or to utilize state assets. Consequently, we urge you to make the necessary arrangements to submit the annual STOP in a timely manner, thus avoiding having the allocation for your fairground from being negatively impacted.

**Annual STOPs are typically due within the first three months of the year. Failure to submit the STOP by the end of June each year will result in the Operating Revenue pool using \$0 for calculation purposes and disqualification from the Bonus pool. Failure to submit the STOP by the end of September each year will disqualify your fairground from receiving the AB1499 funds for that year's distribution cycle<sup>1</sup>.** By setting these timelines, F&E will be in a better position to aggregate the information that is necessary to finalize the calculations and distribute the AB1499 funds to the industry in a timely manner.

### **Eligibility**

As a reminder, in addition to submitting the annual STOP, to maintain eligibility for the AB1499 funds, fairgrounds are expected to abide by working conditions prescribed in Business and Professions Code 19620.15. Currently, F&E considers fairgrounds to be opted in unless they have previously explicitly opted out of receiving AB1499 funds. Furthermore, a disqualification from the year's AB1499 distribution cycle does not exempt your fairground from the application of required working conditions.

To opt out from receiving the AB1499 funds, board action must be taken to opt out of AB1499 funds and must be communicated to F&E. Additionally, if the intention to opt

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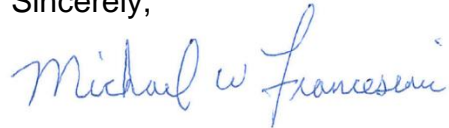
<sup>1</sup> For the next distribution, expected in the fourth quarter of 2024, the penalties described in this letter regarding delinquent submissions will take effect if the STOP is not received by F&E by **October 31, 2024**.

F2024-06 AB1499 Funds Allocation: Distribution Policy Framework  
9/30/2024  
Page 4

out from AB1499 funds is to remove the fairground's working condition requirements as prescribed in Business and Profession Code 19620.15, the board should also take action to remove the working condition policy.

If you have any questions, please contact me at 916-900-5365 or via email at [mike.francesconi@cdfa.ca.gov](mailto:mike.francesconi@cdfa.ca.gov).

Sincerely,

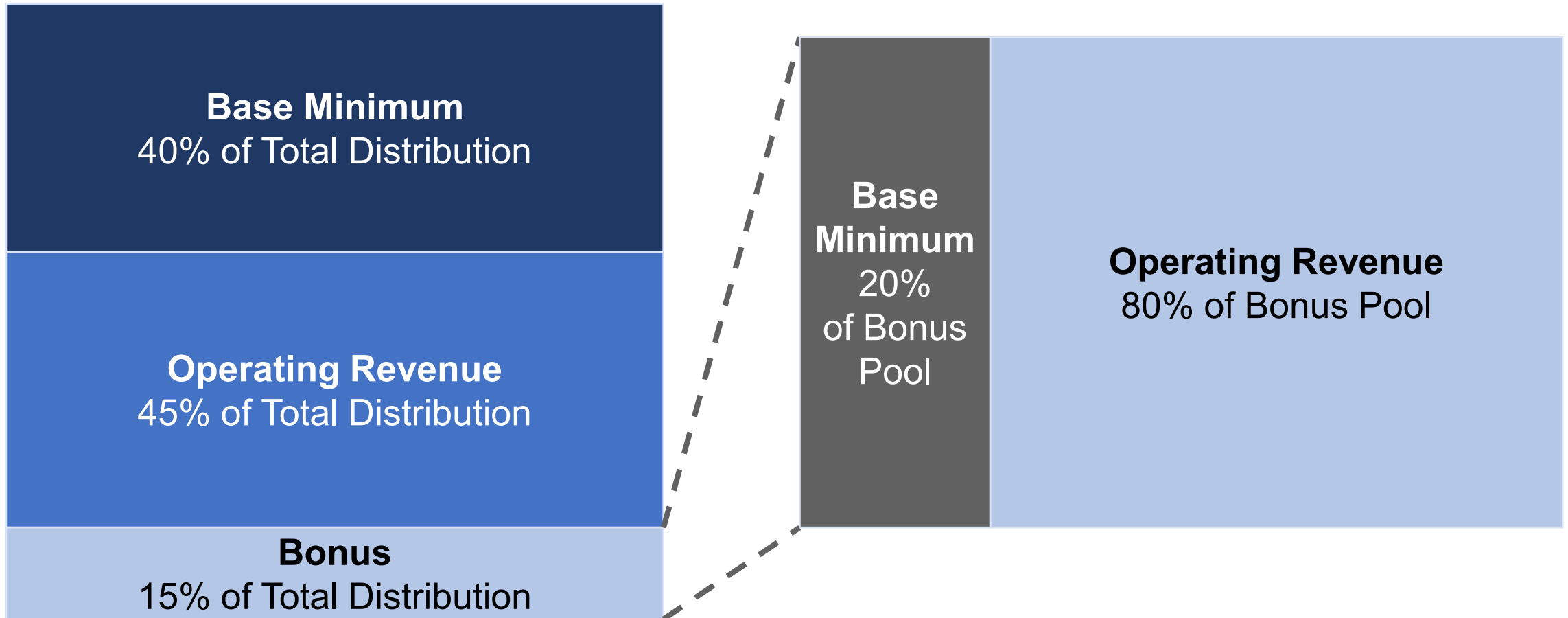
A handwritten signature in blue ink that reads "Michael W. Francesconi". The signature is written in a cursive, flowing style.

Michael Francesconi  
Branch Chief

Enclosure

# AB1499 Allocations

## Distribution Policy - Weighting





# For-profit managing Fair Park reveals \$2 million shortfall, may need city bailout

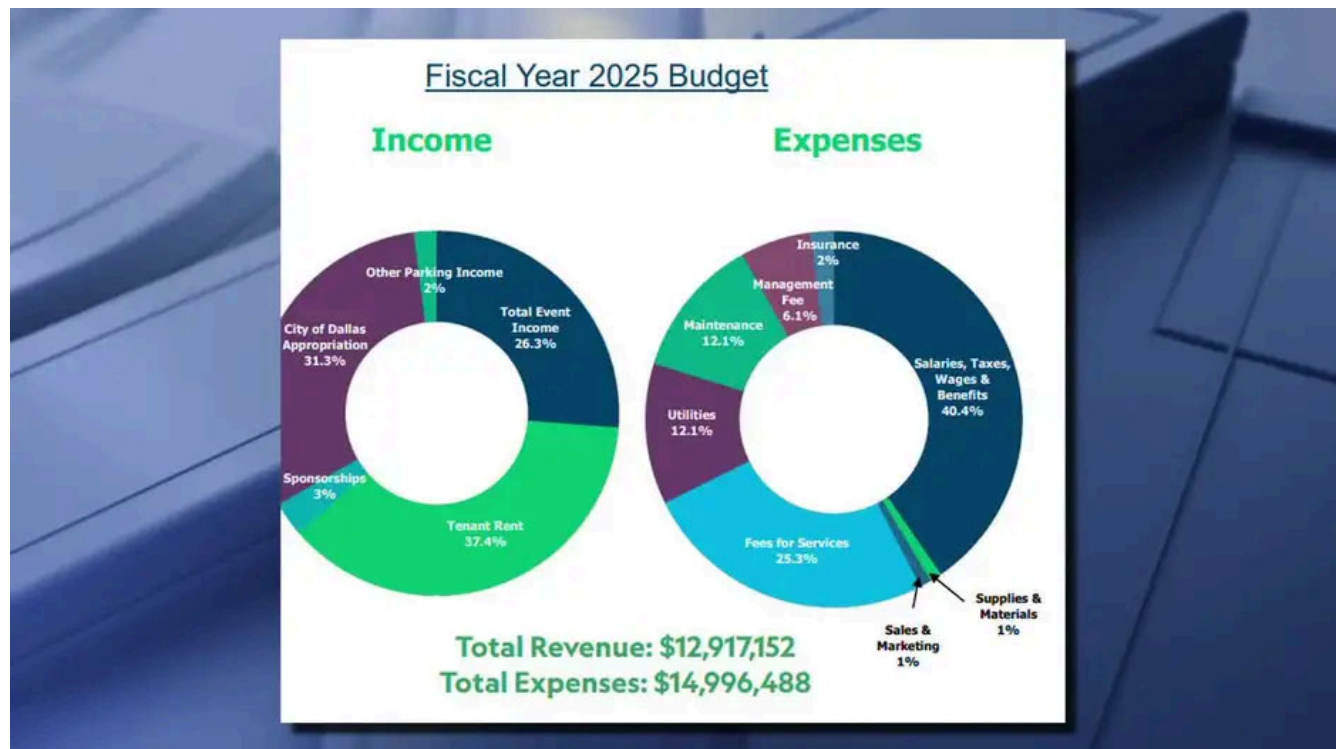
## Fair Park has \$2M shortfall, may need bailout

Oak View Group, the for-profit managing Fair Park, revealed it has a \$2 million shortfall. The group may need a bailout from the City of Dallas.

**DALLAS** - Dallas city leaders have recently learned [Fair Park](#) is not generating enough revenue to cover its expenses.

The news comes days before an audit is set to be released that will show donor money intended for capital projects was mishandled.

Oak View Group, the for-profit managing [Fair Park](#) for the city, revealed on Monday its operating expenses are \$2 million more than the park is expected to bring in. The organization is likely going to need a bailout from the city.



With Fair Park's signature event in full swing, [the State Fair of Texas](#), the atmosphere talking about the park's operations was far less festive.

"You are upside down. How are you justifying being upside down two years into this," asked Dallas City Councilwoman Paula Blackmon.

"I'm not justifying being upside down," said Oak View Group General Manager Stacey Church.



Outside of the state fair's three-week run each year, the city struggles to make Fair Park a viable year-round attraction.

The property is managed by OVG360, a division of Oak View Group, and Fair Park First, a non-profit that raises money for capital projects.

"We've been saddled with inclement weather and emergency repairs. It's caused us to overspend," Church said.



OVG360 President Greg O'Dell circled around the deficit question but eventually said Fair Park is short \$3 million for fiscal year 2025. Most of that is related to operating expenses.



The organization's president told the council they will likely require an additional subsidy from the city until they're able to drive in more revenue.

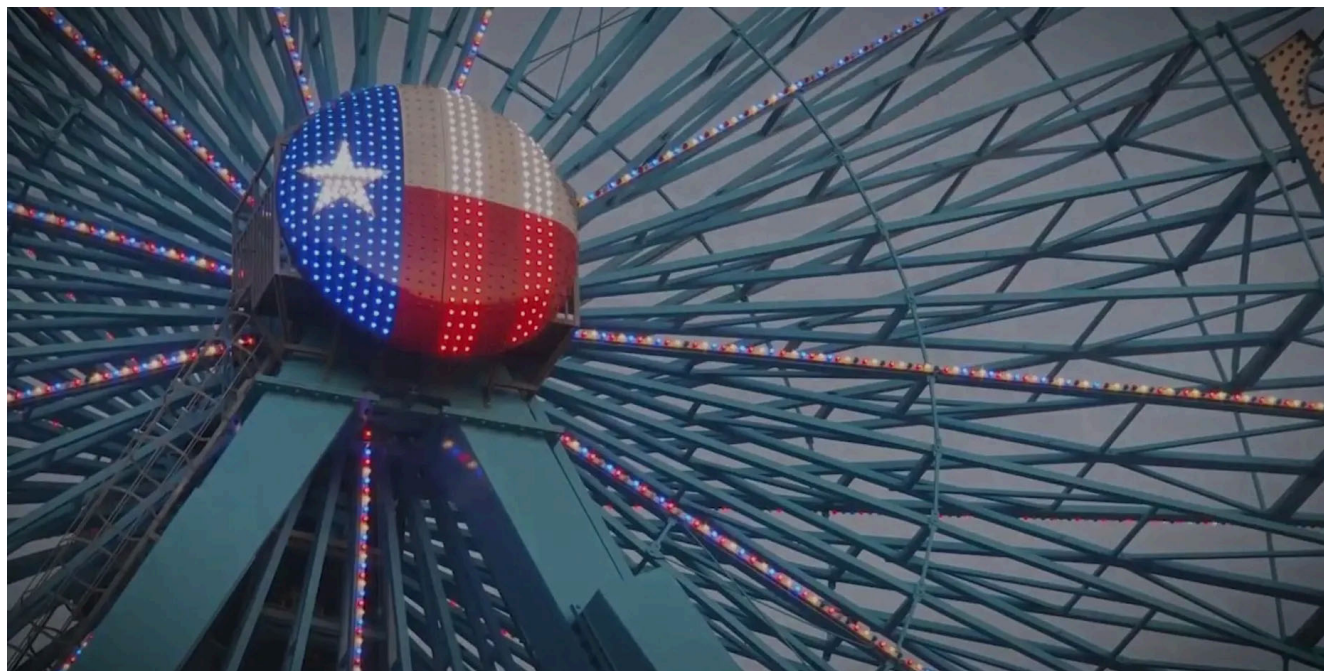
"We have no money," Blackmon told O'Dell.

OVG360 said the closure of the Cotton Bowl for renovations has hurt revenue.

The stadium typically brings in \$800,000 a year in revenue for the park. However, there are also questions about how the money is being used.

Fair Park First Board Chair Veletta Lill addressed that.

Featured



[article](#)

## **Texas Supreme Court denies Ken Paxton's latest attempt to block state fair gun ban**

"This Court cannot possibly order the State Fair to allow handguns to be carried at this year's Fair when the party seeking that relief does not even argue that Texas law obligates the Fair to do so," one of the justices wrote in a legal opinion.

"There was a question brought up by a whistleblower, questioning if some donor funds were used for operating," she said.

Lill says Fair Park First's audit of how donor money was spent will be released on Wednesday.

"There's no question. There was no money that left the park or anything like that. There's no fraud," she said. "It was, 'Were donor funds for restricted used for operations?'"

Lill says there will need to be changes made going forward.

"We are all trying to work together to make that happen," she said.

Fair Park First is expected to release an audit prompted by a whistleblower after its meeting on Wednesday.

There is a second audit by the city of Dallas that is also expected to be released soon.

Oak View Group executives will be back in Dallas to face the full city council next Wednesday.

# STATE FAIR OF TEXAS IS NOT INVOLVED IN FAIR PARK DISPUTE STATE FAIR SADDENED BY NEWS SURROUNDING THE FAIR'S HOME FOR 138 YEARS



*Photo by State Fair of Texas*

**DALLAS – October 10, 2024**– We are saddened by the recent news regarding our home, Fair Park. We want to reiterate that the State Fair of Texas is not involved in the dispute between Fair Park First, OVG360, and the City of Dallas. This dispute is related to Fair Park's year-round management. The State Fair of Texas is a private, not-for-profit organization that is a tenant in Fair Park. The State Fair operates under a lease agreement with the City of Dallas. We hope that they resolve this dispute quickly in the best interest of the future of Fair Park and our surrounding community.

We have been a proud partner of the City of Dallas and Fair Park for 138 years. The State Fair generates millions of dollars in funding from the annual fair exposition. It provides a large portion of these funds to the City of Dallas for the historic preservation of Fair Park, with more than \$41 million directed to the City for Fair Park over the past ten years. The remaining proceeds we collect fund other important initiatives of our nonprofit mission – Big Tex Urban Farms, Big Tex Scholarship Program, Big Tex Business Masterclass,

Big Tex Youth Livestock Auction, etc. – or are reinvested into the fair event to continue hosting fairgoers at the most Texan place on Earth. In addition, we estimate the State Fair brings up to \$680 million to the North Texas economy annually.

The State Fair of Texas is unwavering in its commitment to Fair Park and operates fiscally responsibly. We ensure transparency by having our financials audited annually by Ernst & Young and posting these reports on BigTex.com and our Annual Report. This commitment to financial transparency is a testament to our dedication to fair and responsible operations.

We encourage fairgoers to continue their support and visit the State Fair of Texas before we close on Sunday, October 20. Your participation and enjoyment at the State Fair for 24 days each fall directly contribute to our ability to reinvest in the community 365 days a year. In 2023, the State Fair's philanthropic and Fair Park giving totaled nearly \$15.8 million, a testament to the impact of your support.

**DALLAS – 10 de octubre de 2024** – Nos entristecen las recientes noticias sobre nuestra casa, Fair Park. Queremos reiterar que la Feria Estatal de Texas no está involucrada en la disputa entre Fair Park First, OVG360 y la Ciudad de Dallas. Esta disputa está relacionada con la gestión de Fair Park durante todo el año. La Feria Estatal de Texas es una organización privada sin fines de lucro que es inquilino de Fair Park. La Feria Estatal opera bajo un contrato de arrendamiento con la Ciudad de Dallas. Esperamos que resuelvan esta disputa rápidamente en el mejor interés del futuro de Fair Park y nuestra comunidad circundante.

Hemos sido un orgulloso socio de la ciudad de Dallas y Fair Park durante 138 años. La Feria Estatal genera millones de dólares en fondos de la exposición anual de la feria. Proporciona una gran parte de estos fondos a la Ciudad de Dallas para la preservación histórica de Fair Park, con más de \$41 millones dirigidos a la Ciudad para Fair Park en los últimos diez años. Las ganancias restantes que recaudamos financian otras iniciativas importantes de nuestra misión sin fines de lucro: Big Tex Urban Farms, el Programa de Becas Big Tex, la Clase Magistral de Negocios Big Tex, el Programa de Donaciones Comunitarias Big Tex y el Día de Participación Comunitaria Big Tex.

Subasta de ganado juvenil Big Tex, etc., o se reinvierten en el evento de la feria para continuar recibiendo a los asistentes a la feria en el lugar más tejano de la Tierra. Además, estimamos que la Feria Estatal aporta hasta \$680 millones a la economía del norte de Texas anualmente .

La Feria Estatal de Texas es inquebrantable en su compromiso con Fair Park y opera de manera fiscalmente responsable. Garantizamos la transparencia al hacer que nuestras finanzas sean auditadas anualmente por Ernst & Young, y publicamos estos informes en BigTex.com y en nuestro Informe Anual. Este compromiso con la transparencia financiera es un testimonio de nuestra dedicación a las operaciones justas y responsables.

Alentamos a los asistentes a la feria a continuar su apoyo y visitar la Feria Estatal de Texas antes de que cerremos el domingo 20 de octubre. Su participación y disfrute en la Feria Estatal durante 24 días cada otoño contribuye directamente a nuestra capacidad de reinvertir en la comunidad los 365 días del año. En 2023, las donaciones filantrópicas y de Fair Park de la Feria Estatal ascendieron a casi \$15.8 millones, un testimonio del impacto de su apoyo.



# Kern County Fair reports 2024 success despite slight attendance dip



BAKERSFIELD, Calif. (KBAK/KBFX) — The [Kern County Fair](#) released statistics for the 2024 year as far as attendance, success from promotions, employment and more.

The fair ran from September 18 to 29.

Officials said it had over 330,000 visitors, with a 5% decrease from 2023 attendance.

There was three sold-out rodeos and concerts at the Budweiser Pavilion that drew massive crowds.



Kern County Fair on their opening day, Wednesday, Sept. 22, 2021. Photo courtesy of Savannah Welch.

The fair also saw an increase in both competitive exhibits and livestock entries. The Junior Livestock Auction was a success, raising \$1.5 million.

For Feed the Need, the annual canned food drive collected over 25,000 cans for food banks.

For KC's Reading Round Up, over 26,000 children earned free admission by reading over 200 minutes.

For Pint for Pass promotion that was in partnership with Houchin Community Blood Bank, 8,000 tickets were donated.

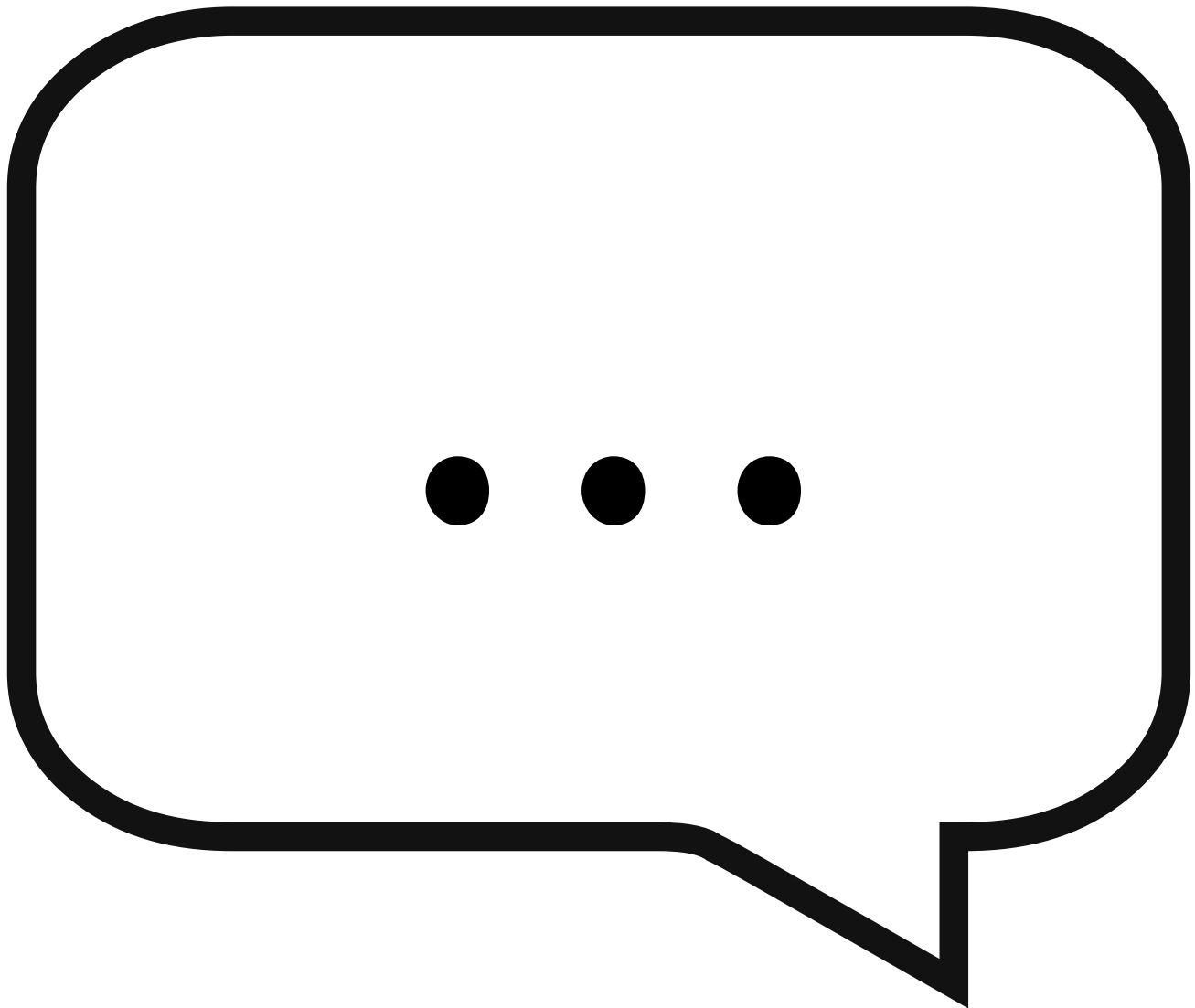
The fair hired over 500 temporary employees.



For Senior Day, hosted by Dignity Health, brought thousands of attendees.

A release from the Kern County Fair emphasized how Gospel Day and the various free concerts throughout the fair allowed guests to celebrate the diverse cultural spirit of the county.

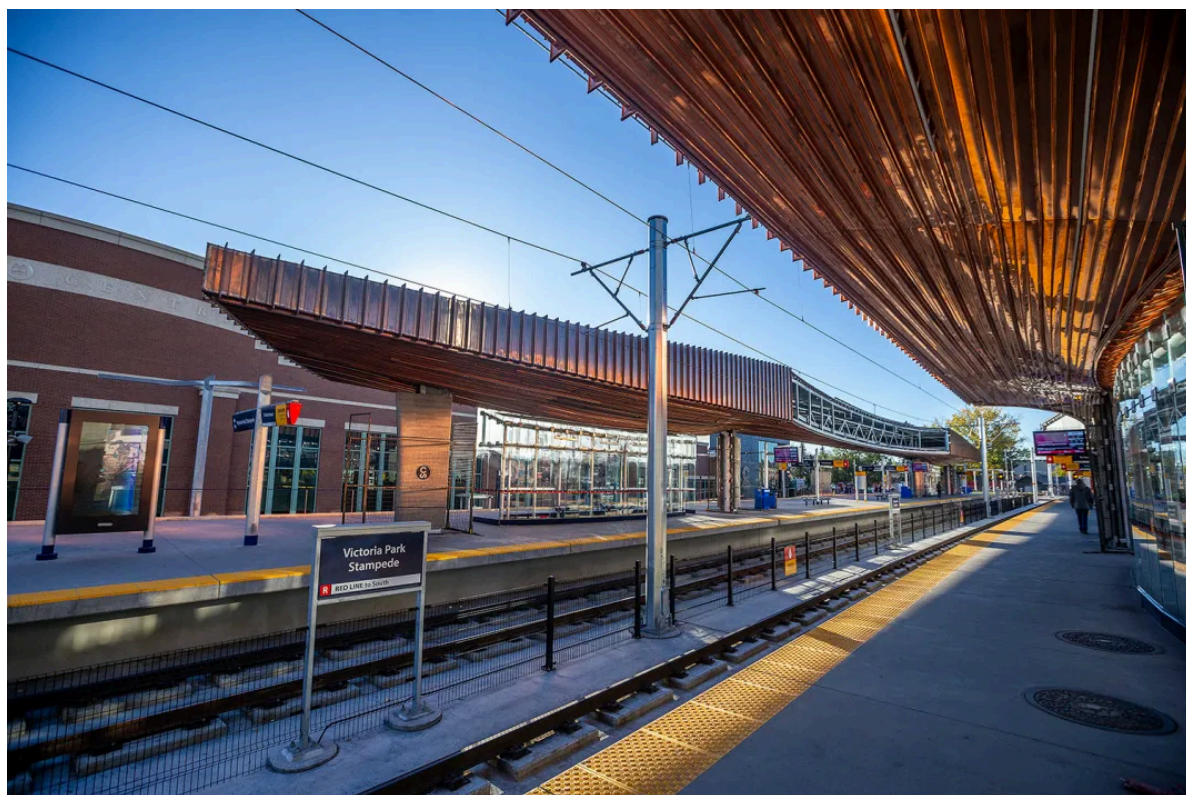
“We are incredibly grateful to our sponsors, vendors, volunteers, and, most importantly, the people of Kern County who make this fair special year after year,” said Michael Olcott, CEO of the Kern County Fair. “While we saw a slight dip in attendance this year, the energy and excitement of everyone who attended were stronger than ever. We look forward to seeing even more magic in 2025.”



BE THE FIRST TO COMMENT

Planning is underway for the 2025 year.

## \$128 million Victoria Park LRT and 17 Avenue SE extension complete



Victoria Park/Stampede LRT Station on Thursday, October 10, 2024. ARYN TOOMBS / FOR LIVEWIRE CALGARY

By Aryn Toombs

Thursday, October 10, 2024

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**LWC**

It was, with a parade of excitement, that the Victoria Park/Stampede LRT Station and 17 Avenue SE extension were officially opened with the completion of major work on Oct. 10.

Speaking at the opening, Calgary Stampede CEO Joel Cowley said that the transformation had re-opened the historic front door to the Stampede.

"For nearly 100 years, 17th Avenue was the front door of the Calgary Stampede. That all changed when the light rail came through and halted that traffic, and that basically relegated us to two side doors: one to the north, one to the south," he said.

"Let's face it, a park doesn't feel very park like unless it's accessible and welcoming, and with the 17th Avenue extension now opened up and the Calgary Stampede getting its front door back, we become much more welcoming and accessible."

He said that the beautiful new station was one step towards increasing vibrancy on the west side of Stampede Park, but also providing ease of exit from the grounds after a major event.

"If you look at an aerial of Stampede Park, we are surrounded by rivers and rails, and there are only a certain number of ways that you can get across a river or a rail. So, anytime you open up a new artery, it's greatly going to enhance flow, mobility, and guest experience," Cowley said.

"We're really excited to open this up, because that flow is incredibly important to the guest experience."



Kate Thompson, CEO of the CMLC, speaks on the opening of the Victoria Park/Stampede LRT Station and the 17 Avenue SE extension onto Stampede Park on Thursday, October 10, 2024. ARYN TOOMBS / FOR LIVEWIRE CALGARY

Calgarians, some 13,000 daily, have been using the Victoria Park/Stampede LRT since the permanent platforms were opened to the public last December.

Since then, CMLC, along with its construction partners, have been putting the final touches on the platform design, along with considerable infrastructure work to realign rail tracks and prepare roadways to connect Stampede Trail at 17 Avenue SE.

Kate Thompson, CEO of CMLC, said that the construction through a period of the pandemic and then through a constrained market, along with scope changes from its initial announcement in 2019, made it a complex project to complete.

The initial budget of \$60 million grew to \$128 million by the completion, owing to those complexities.

“We look at a vertical building, it looks really complicated because it’s big. But size isn’t necessarily the complexity that applies to all of these projects. It’s moving parts, trains, ability to adjust for scope and schedule, of which on a project like infrastructure, you don’t have many levers to pull,” Thompson said.

“There are two tracks. There are trains that need to come in, and safety is paramount. So, though a big project looks impressive as it stands on the ground, an infrastructure project has a really heavy weight to pull in terms of its complexity.”

Some of the factors that went into the completion of the Victoria Park/Stampede LRT Station was a change from an initial more utilitarian concrete design, to one that better reflected the design of the BMO Centre and of plans in the Culture and Entertainment District, alongside more functionality for users of the station.

The complexity of connecting 17 Avenue SE, at grade, to Stampede Park also meant the removal of the long-standing but much derided spiral staircases that led to a pedestrian bridge over Macleod Trail.

“It’s about helping Calgarians move about the city and enjoy great facilities like this [BMO Centre]. Looking behind us and reflecting on what the old station looked like and our old spiral staircase, the contrast is stark,” said Doug Morgan, General Manager of Operational Services at the City of Calgary.

Morgan said that Calgary Transit’s Red Line serves more than 150,000 Calgarians per day. Statistics provided by the Calgary Transit showed that the line was at 103 per cent of usage from prior to the pandemic.

“Victoria Park / Stampede Station is critical, not just for special events, but for regular riders whether you’re going to work or school. The upgrades were essential to address the limitations of



Thompson said that the station and the roadway extension provides a gateway for current users of the west side of Stampede Park, but that it also lays the groundwork for future development in the Culture and Entertainment District.

“As city builders, we can’t just build the magnets and the anchor projects. We really have to build the infrastructure in and around, and in between to let pedestrians, cyclists, vehicles, everyone, come in and out. It’s how a city works. And so this becomes paramount to enabling the city to grow and build, and this district to flourish,” she said.

Speaking directly to Kevin Costner’s 1989 sport film *Field of Dreams*, Cowley said that the completion of the LRT station and the opening of 17 Avenue into the park meant that the Stampede was building, and people would come.

“Largely the Stampede Park right now is events driven. People usually only come here if there’s an event. We envision in the future... people are just going to want to come here and really celebrate what it means to both visit Calgary and be a Calgarian as well,” he said.

“We also look forward to the vibrancy of 17th Avenue coming right up here to Macleod Trail and spilling over onto Flores LaDue Parade.”



Kate Thompson, CEO of CMLC, receives a thank you award made from one of the old LRT rail tracks, from City of Calgary General Manager of Operational Services Doug Morgan at the opening of the Victoria Park/Stampede LRT Station on Thursday, October 10, 2024. ARYN TOOMBS / FOR LIVEWIRE CALGARY

The Calgary Stampede honoured world champion trick roper Flores LaDue, who in 1912, helped her husband Guy Weadick to found the annual 10-day exhibition, with a renaming of the park portion of the 17 Avenue SE extension.

Cowley said that it was important for the Stampede to recognize its own history, and the history of the people who made the Stampede possible.

"I'm a firm believer that you can't possibly know where you're going unless you know where you came from and how you got here. And so recognizing Flores LaDue in this manner is really important to the Calgary Stampede."

He said that LaDue's history extended to ensuring that Indigenous peoples had a place at the Calgary Stampede—including walking in the first ever Stampede Parade in downtown Calgary, something that was illegal in Canada at the time.

"Weadick and LaDue lobbied the federal government to allow that, and that spirit continues on today, both in our parade and with our Elbow River Camp. And so Flores LaDue had an incredible impact upon Calgary," Cowley said.

He said that in picking the name of the roadway, calling it a parade, made the only sense.

Come the 10 days of the Calgary Stampede in 2025, said Cowley, the newly opened Flores LaDue Parade would be greatly enhancing the way that Calgarians would be accessing Stampede Park. Although the roadway would be closed to vehicle traffic during that period.

"For those who are coming from the west and maybe enjoying 17th Avenue, or maybe they want to enjoy 17th Avenue after they leave Stampede Park, it's very easy for them to do that," he said.

# COUNTY COLUMN: Fairgrounds building to get new face on old bones











Along the 600 block of East Robinson Street in Norman, two county buildings front the sidewalk facing south while other buildings, parking lots, and an RV park crouch behind them on the north side of the property. Housing the Cleveland County OSU Extension and Election Board offices, these landmarks from past decades are part of a demolition and rehabilitation plan that will transform the Cleveland County Fairgrounds.

Both buildings are clothed in variations of brick the color of autumn leaves. They are blocky and solid, having weathered generations of service to the people of Cleveland County. As I walk past, a breeze tousles my hair, whispering stories from our community's past.

Among those who best remember those stories is Fairgrounds Manager Bryan Jenkins.

"We think the front building was built sometime in the 1950s," he tells me. "Of course it's seen a lot of updates since that time and the building was added to in pieces, so we can't really nail down a date on its origin."

Jenkins has served Cleveland County since 1987 and took over management of the fairgrounds in 2014. As we walk through the building, he recounts a time when a craft show was in progress and he was doing an after-hours security sweep of the building. Jenkin's recalled his dismay when he heard an intruder that turned out to be a skunk.

"I had to find a way to get it out of there without it spraying all those quilts or I'd be a dead man come morning," he joked. "I was sweating through my shirt."

Jenkins managed to shoo the wayward animal out of the building without incident.

"There's a lot of memories in this building, but it's time for an upgrade," he said. "We're preserving the photos and history, but the north side of the building is coming down, and the south side will be completely remodeled."

In addition to housing the OSU extension educators, this building at 601 E. Robinson St. played a major role in the annual county fair and served as a site for many community events during the rest of the year. American Rescue Plan Act (ARPA) funding will pay for the remodel.

Demolition will begin in the near future after all offices have been moved from the premises.

“We’re committed to enhancing public welfare by strategically utilizing ARPA funding to modernize and transform an aging facility into a versatile space that can serve the community in times of crisis,” said County Commissioner Rod Cleveland. “The recent pandemic underscored the need for large, adaptable public spaces capable of hosting events like mass vaccinations and distribution of medical supplies, a need that Cleveland County currently cannot fully meet.”

The space will also serve as a site for events of varying sizes.

Phase one of the project is underway as county extension educators and staff are relocating to 631 E. Robinson St., a county building that formerly housed the Cleveland County Department of Human Services under a long-term lease. DHS has moved out, and the OSU Extension will move into offices on the second floor.

Meanwhile, 631 is also being remodeled using county funds. The Cleveland County Board of County Commissioners awarded a contract to the McKinney Partnership on Sept. 30 for that plan.

“There are a lot of moving parts, but we’ve worked with contractors and our Project Manager Brian Wint to plan it out very carefully,” Cleveland said. “I have a lot of good memories of that old building from my years as a kid in 4H, and I’m excited about our plans for the event center. We want to build something that will serve future generations and create new memories.”

Following the November election, the county election board will move into the ground floor of 631 (former DHS building) and the election board building at 641 E. Robinson will be demolished.

“We’re aiming for the first of the year for that demolition,” Cleveland said.

Decades ago, the Cleveland County Christmas Store moved into the unused space on the west side of the election board building, on what was meant to be a temporary basis. This will be the agency’s last Christmas in that space.

“We’re so appreciative of the work this valuable non-profit has done for the people of Cleveland County,” Cleveland said. “They’ve been looking at moving for a couple of years now, but we’re glad they stayed on for this last season in the county’s facility.”

Following the demolition, the site will become a parking lot. Rehabbing the election board building was not possible, Cleveland said, due to asbestos.

“It’s safe enough now,” he said. “But you can’t just remodel that space. It’s got to come down.”

The site will be tented during demolition.

“The county made these investments in property decades ago with an eye to the future and now we’ve grown into that space,” said Cleveland County Commissioner Rusty Grissom. “By planning ahead, we’re able to do projects like this without asking for additional taxpayer dollars. I served on the fair board years ago, and I know how important this facility is to people throughout Cleveland County.”

As the youngest member of the Board of County Commissioners, Jacob McHughes is excited about the upgrade.

“We have to stay in touch with the changing needs of our communities and our citizens, while still respecting the traditions of the past,” he said.

McHughes said while the facility will be state-of-the-art, a pictorial history will anchor it strongly in the traditions and values of past generations.

Grissom agreed that looking forward doesn't mean leaving the past behind.

"We've got a lot of families going back generations who still volunteer or participate in the county fair or serve on the fair board," he said. "We've welcomed in some new folks, too, and we've seen a lot of changes over the years. This project shows our commitment to all those people, past and present."

## ITEM 5 – EXECUTIVE REPORT

**November 2024**

### **Expense Contracts Executed per Delegated Authority**

<b>Standard Agreements up to \$50,000</b>						
<b>Contract #</b>	<b>Contractor</b>	<b>Purpose</b>	<b>Acquisition Method</b>	<b>Effort Type</b>	<b>Term</b>	<b>Not to Exceed</b>
24-051	Department of Human Resources (CalHR)	Controlled Substance Abuse Testing and Treatment (CSATT) program services	Categorical Exemption	Year Round	7/1/24 – 6/30/25	\$20,000.00
24-052	Echo Consulting	Project management consultant	Fair and Reasonable	Year Round	10/10/24 – 12/31/25	\$6,000.00
24-053	45 <sup>th</sup> DAA / Imperial Valley Fairgrounds	Concessionaire audit assistance	Categorical Exemption	Fair	6/1/24 – 8/1/24	\$13,000.00
24-054	Department of Human Resources (CalHR)	Medical evaluation program services	Categorical Exemption	Year Round	7/1/24 – 6/30/25	\$5,000.00

<b>Individual Project Agreements (IPA) with California Construction Authority (CCA)</b>			
<b>Contract #</b>	<b>Purpose</b>	<b>Date</b>	<b>Amount</b>
022-24-595634	Grandstand fire panel replacement	2/27/24 – 2/27/25	\$554,567.13
022-24-595634 FCO #001	Funding Change Order #001 – Grandstand fire panel replacement	9/25/24	\$18,392.31

## **Revenue Contracts Executed per Delegated Authority**

<b>Sponsorship Agreements</b>				
<b>Contract #</b>	<b>Sponsor</b>	<b>Purpose</b>	<b>Term</b>	<b>Amount</b>
SPO-25-020	Davis Elen Advertising for the San Diego County Toyota Dealers	Toyota will return as the Summer Concert Series sponsor. They will display their new vehicles and run promotions to support the Fair.	4/15/25 – 4/14/25	\$192,500.00
SPO-25-022	Winning Ways, Inc.	Winning Ways will return to the Fair to sell vacation packages and provide fractional ownership opportunities.	6/11/25 – 7/6/25	\$125,000.00

<b>Rental Agreements</b>						
<b>Contract #</b>	<b>Contractor</b>	<b>Purpose</b>	<b>Acquisition Method</b>	<b>Effort Type</b>	<b>Term</b>	<b>Amount</b>
25-901	Worldwide Golf Shops LLC	Golf retail shop	Revenue	Year Round	1/1/25 – 12/31/25	6% of gross monthly revenue
25-902	Noonan Family Swim School	Swim school operator	Revenue	Year Round	1/1/25 – 12/31/25	\$37,674.84

<b>Event Agreements</b>				
<b>Contract #</b>	<b>Licensee</b>	<b>Event Name</b>	<b>Term</b>	<b>Rental Fee</b>
24-871	CBF Productions	Coastal Christmas	12/2/24 – 1/2/25	\$54,560.00
24-873	Belly Up Entertainment	Intuit Employee Meeting	12/12/24 – 12/13/24	\$3,600.00
25-870	La Mesa RV Center	La Mesa RV Super Show	3/17/25 – 3/25/25	\$25,860.00
25-875	Del Mar Seaside Festival, LLC	Seaside Equestrian Tour	12/17/24 – 4/9/25	\$250,000.00

STATE OF CALIFORNIA - DEPARTMENT OF GENERAL SERVICES

**STANDARD AGREEMENT**

STD 213 (Rev. 04/2020)

AGREEMENT NUMBER

24-051

PURCHASING AUTHORITY NUMBER (If Applicable)

GL Account #: 600100-04

1. This Agreement is entered into between the Contracting Agency and the Contractor named below:

CONTRACTING AGENCY NAME

22ND District Agricultural Association (District) / Del Mar Fairgrounds (Fairgrounds)

CONTRACTOR NAME

Department of Human Resources CalHR Contract # R2404514

2. The term of this Agreement is:

START DATE

July 1, 2024

THROUGH END DATE

June 30, 2025

3. The maximum amount of this Agreement is:

\$20,000.00

Twenty Thousand Dollars and Zero Cents

4. The parties agree to comply with the terms and conditions of the following exhibits, which are by this reference made a part of the Agreement.

Exhibits	Title	Pages
Exhibit A	Scope of Work	6
Exhibit B	Budget Detail and Payment Provisions	2
Exhibit B, Attachment 1	Rate Sheet for CSATT Services	3
Exhibit C *	General Terms and Conditions	GIA 11/2022
Exhibit D	Special Terms and Conditions for Interagency Agreements	4
Exhibit E	Travel and Per Diem	4
Exhibit F	Designated Collection Sites	1

*Items shown with an asterisk (\*), are hereby incorporated by reference and made part of this agreement as if attached hereto.**These documents can be viewed at <https://www.dgs.ca.gov/OLS/Resources>***IN WITNESS WHEREOF, THIS AGREEMENT HAS BEEN EXECUTED BY THE PARTIES HERETO.****CONTRACTOR**

CONTRACTOR NAME (if other than an individual, state whether a corporation, partnership, etc.)

Department of Human Resources

CONTRACTOR BUSINESS ADDRESS

1515 S Street, North Building, Suite 500

CITY

Sacramento

STATE

CA

ZIP

95811

PRINTED NAME OF PERSON SIGNING

Helen Fairchild

TITLE

Chief Operating Officer

CONTRACTOR AUTHORIZED SIGNATURE

DATE SIGNED

## **EXHIBIT A**

### **SCOPE OF WORK**

#### **1. BACKGROUND**

Department of Human Resources (CalHR or Contractor) agrees to provide Controlled Substance Abuse Testing and Treatment (CSATT) Program services to the 22nd District Agricultural Association/ Del Mar Fairgrounds as described herein:

#### **2. LOCATION**

The CSATT Program administration and meetings shall be conducted at CalHR located at 1515 S Street, North Building, Suite 500, Sacramento, California 95811, or virtually. The CSATT collection sites shall be at various locations throughout California.

#### **3. PURPOSE**

Pursuant to CalHR law, Government Code section 19572 and Executive Order D-58-86, CalHR is responsible for establishing the CSATT program to achieve a drug-free workplace, while protecting the privacy of state employees. In order to comply with federal and state workplace drug and alcohol testing requirements, CalHR has entered into an agreement with a qualified vendor, to obtain services for drug and alcohol testing mandated by federal and/or state regulations. In addition, CalHR has entered into a separate agreement with a vendor to provide both treatment referral services for employees who test positive for alcohol and/or drugs and critical incident stress management for first responders.

#### **4. SELECTION OF SERVICES**

Please select which CSATT services are required:

- ☐ State Pre-employment Testing mandated by the State Personnel Board (SPB) California Code of Regulation (CCR), sections 213.0-213.6
- ☒ State Reasonable Suspicion Testing mandated by the CalHR, CCR, sections 599.960-599.966
- ☒ State Random for non-commercial drivers mandated by CCR, sections 599.960-599.966
- ☒ Federal Random/Pre-employment/Reasonable Suspicion/Post Accident Testing for commercial drivers mandated by U.S. Code of Federal Regulations (CFR), Federal Motor Carrier Safety Administration (FMCSA), section 49 Parts 382, et. al.
- ☐ U.S. Coast Guard (USCG) Random Testing mandated by CFR 49, Title 46

- ☐ Random and Reasonable Suspicion Testing for Bargaining Unit 6 non-commercial driver testing mandated by CCR, sections 599.960-599.966 and Bargaining Unit 6 contract agreement.
- ☒ Substance Abuse Treatment Referral Services. All services are conducted in compliance with Title 49 of the Code of Federal Regulations, Part 40 and 382, and in accordance with Public Contract Code section 10335, et. Seq.
- ☐ Critical Incident Stress Management for First Responders is a process that prevents or limits the development of post-traumatic stress in employees exposed to critical incidents.
- ☐ Critical TeleOutreach provides telephonic professional support (3 sessions) to an employee after a traumatic event, to assess emotional well-being and advise on coping strategies.

## 5. DELIVERABLES

CalHR shall provide the following deliverables:

- A. Drug and alcohol testing, and provision of collection sites with compliant chain-of-custody procedures. These services shall comply with federal drug testing standards and procedures as established by CFR, title 49, part 40 and applicable SAMHSA Guidelines and as specified by CalHR. Should the federal standards change during the term of this agreement, the contractor shall conform to the new testing standards. Any dispute over what those standards require shall be decided by CalHR.
- B. Laboratory services for chemical analysis of urine specimens. The laboratory shall be certified by SAMHSA and shall conduct urine testing in compliance with CFR, title 49, part 40 regulations as they now exist or may exist in the future and as specified by CalHR.
- C. Medical Review Officer (MRO) services for the interpretation of urine test results. MRO services will be completed by a certified provider in accordance with applicable FMCSA regulations, CFR, title 49, Subtitle A, Part 40 as they now exist or may exist in the future and as specified by CalHR.
- D. Training and information services to instruct employees, supervisors, managers, and training officers on applicable state and federal laws and regulations necessary to administer the drug and alcohol screening program of their agency.
- E. Technical assistance and support to enable state agencies to administer drug and alcohol testing programs under this agreement.
- F. Substance Abuse Professional (SAP) referrals for evaluation, treatment, reporting, and return-to-work recommendation. The SAP will conduct initial evaluations and make referrals for treatment and rehabilitation and conduct follow-up evaluations to ensure



compliance. In addition, the SAP determines the need for follow-up testing and aftercare programs for employees and provides written reports regarding employee progress to the hiring authority. All SAP services are conducted in compliance with CFR, title 49, Parts 40 and 382

- G. Critical Incident Stress Management (CISM) for first responders to prevent or limit the development of post-traumatic stress in employees exposed to critical incidents. Professionals trained to work with first responders conduct debriefings to help employees cope with, and recover from, an incident's aftereffects. CISM enables participants to understand that they are not alone in their reactions to a distressing event and provides them with an opportunity to discuss their thoughts and feelings in a controlled, safe environment. Optimally, CISM occurs within 24 to 72 hours of an incident.
- H. Critical TeleOutreach (CTO) services utilizes clinical professionals to telephonically assess an employee's emotional wellbeing and advise on healthy coping strategies after a traumatic event. Three (3) telephonic check-ins are performed within 10 days of the incident, encouraging the employee to talk about any emotional distress and normalizing their reactions. Because employees may be reluctant to ask for help for fear of stigma or showing weakness, calls are initiated by the CTO professionals.

## **6. ACCESSING SERVICES**

CalHR will provide client agencies contact information for both the drug and alcohol testing vendor, and the SAP vendor.

- A. The drug and alcohol testing vendor is available to respond to service inquiries as needed. The following inquiries are to be directed to the vendor:
  - 1) Supply requests (i.e., custody control forms, blood alcohol testing [BAT] forms)
  - 2) Scheduling issues
  - 3) Onsite requests
  - 4) Sending or uploading BAT forms
  - 5) Missing BAT forms
  - 6) Status of results
  - 7) Add or remove panels
  - 8) New accounts

- 9) Update information on accounts (i.e., address, users, permission levels, result reporting)
  - 10) Random selections
  - 11) Designated Employer Representative/Reasonable Suspicion training certifications
- B. The SAP vendor is available to respond to service inquiries as needed. The following inquiries are to be directed to the vendor:
- 1) Any forms, as needed
  - 2) SAP referral and scheduling issues
  - 3) CISM and CTO requests
  - 4) Status updates
- C. All other requests and inquires shall come to CalHR, including:
- 1) Escalations
  - 2) Billing issues
  - 3) Assistance with adding positions to the safety sensitive list
  - 4) All other issues not delegated to the vendor

## 7. CONTRACT REPRESENTATIVES

	<b>CalHR</b>	<b>Comprehensive Drug Testing</b>
<b>Name:</b>	Kathryn Ricoli	Art McGill
<b>Title</b>	Contract Analyst	Executive Vice President
<b>Address:</b>	1515 S Street, Suite 500N Sacramento, CA 95811	230 Commerce, St. 100 Irvine, CA 92602
<b>Email:</b>	<a href="mailto:Kathryn.ricoli@calhr.ca.gov">Kathryn.ricoli@calhr.ca.gov</a>	Art.McGill@cdtsolutions.com
<b>Phone:</b>	(916) 658-3982	(714) 852-5212
<b>Fax:</b>		
<b>Toll Free:</b>	N/A	

	<b>CalHR</b>	<b>Comprehensive Drug Testing</b>
<b>Section/ Unit:</b>	Controlled Substance Abuse Testing and Treatment (CSATT) Program	Account Managers
<b>Attention:</b>	Kathryn Ricoli	Abby Avila, Patti McKittrick
<b>Email:</b>	<a href="mailto:Kathryn.ricoli@calhr.ca.gov">Kathryn.ricoli@calhr.ca.gov</a>	<a href="mailto:abby@cdtsolutions.com">abby@cdtsolutions.com</a> , <a href="mailto:patti@cdtsolutions.com">patti@cdtsolutions.com</a>

<b>Phone:</b>	(916) 658-3982	(714) 852-5215, (714) 852-5210
<b>Fax:</b>		

Contract representatives may be changed by written notice to the other party

## 8. DEPARTMENT REPRESENTATIVES

	<b>22ND DAA / Del Mar Fairgrounds</b>	
<b>Section/ Unit:</b>	Human Resources Department	
<b>Attention:</b>	Leslie Schutz, HR Director	
<b>Email:</b>	<a href="mailto:Lschutz@sdfair.com">Lschutz@sdfair.com</a>	
<b>Phone:</b>	858-792-4293	
<b>Fax:</b>	858-792-4246	

Either State agency may terminate this Agreement upon thirty (30) days' advance written notice. The State agency providing the services shall be reimbursed for all reasonable expenses incurred up to the date of termination.

## 9. SAP REFERRAL SERVICES, LLC (SRS)

### A. SCOPE OF WORK

CalHR agrees to provide the following services:

- 1) Substance Abuse Professional (SAP) Services for employees in safety-sensitive positions through CalHR Contract Number S2104501 with SAP Referral Services, Limited Liability Company (Subcontractor) and administered by CalHR for all state employees. When entering into an agreement with CalHR, the department shall have no contractual relationship with or obligation to the subcontractor. The SAP conducts initial evaluations, prescribes rehabilitation and treatment programs, and conducts follow-up evaluations to ensure compliance with prescribed requirements. In addition, the SAP determines the need for follow-up testing and aftercare program for employees and provides written reports to the contracting department regarding the employee's progress. CalHR procured the Subcontractor in accordance with Public Contract Code section 10335, et. Seq. All SAP services are conducted in compliance with CFR, title 49, Parts 40 and 382.
  - a) If required by the department, CalHR or its qualified representative, including but not limited to the SAP, shall attend appeal and court hearings, and provide expert testimony concerning the methods used, reliability, and results of analysis.
  - b) The department shall reimburse the contractor for reasonable expenses for transportation, meals, parking and lodging actually incurred at the state rate, as specified in Exhibit E. Receipts for expenses are required to process reimbursements.

- c) The SAP services shall be performed at various locations throughout the State of California.
- d) For services satisfactorily rendered and upon receipt and approval of the invoices, the department agrees to compensate CalHR for actual expenditures incurred and administrative fees, as specified in Exhibit B and Exhibit B, Attachment 1.
- e) All inquiries during the term of this contract shall be directed to the following representatives.

	<b>CalHR</b>	<b>SAP Referral Services, LLC.</b>
<b>Section/ Unit:</b>	Controlled Substance Abuse Testing and Treatment (CSATT) Program	Account Manager Dawn R. Dregier, President/CEO
<b>Attention:</b>	Kathryn Ricoli	Account Representative Lisa Myers
<b>Email:</b>	<a href="mailto:kathryn.ricoli@calhr.ca.gov">kathryn.ricoli@calhr.ca.gov</a>	<a href="mailto:lisa@sapreferralservices.com">lisa@sapreferralservices.com</a>
<b>Phone:</b>	(916) 658-3982	(410) 668-8110
<b>Fax:</b>		(410) 668-8103
<b>Address:</b>	1515 S Street, North Bldg., Suite 500, Sacramento, CA 95811	8441 Bel Air Road, Suite 210 Nottingham, MD 21236

Contract representatives may be changed by written notice to the other party.

**STANDARD AGREEMENT**

STD 213 (Rev. 04/2020)

AGREEMENT NUMBER

**24-052**

GL ACCOUNT NUMBER (If Applicable)

**GL#: 600100-00**

1. This Agreement is entered into between the Contracting Agency and the Contractor named below:

CONTRACTING AGENCY NAME

**22nd District Agricultural Association (District) / Del Mar Fairgrounds (Fairgrounds)**

CONTRACTOR NAME

**Echo Consulting, LLC**

2. The term of this Agreement is:

START DATE

**October 10, 2024**

THROUGH END DATE

**December 31, 2024**

3. The maximum amount of this Agreement is:

**\$6,000.00****Six Thousand Dollars and Zero Cents**

4. The parties agree to comply with the terms and conditions of the following exhibits, which are by this reference made a part of the Agreement.

Exhibits	Title	Pages
Exhibit A	Scope of Work	5
Exhibit B	Budget Detail and Payment Provisions	2
Exhibit C*	General Terms and Conditions (April 2017)	4
Exhibit D	Special Terms & Conditions	5
Exhibit D, Attachment I	Insurance Requirements	4
Exhibit E	Preventing Storm Water Pollution	1
Exhibit F	22nd DAA Resource Conservation Policy	1

Items shown with an asterisk (\*), are hereby incorporated by reference and made part of this agreement as if attached hereto. These documents can be viewed at <https://www.dgs.ca.gov/OLS/Resources>

IN WITNESS WHEREOF, THIS AGREEMENT HAS BEEN EXECUTED BY THE PARTIES HERETO.

**CONTRACTOR**

CONTRACTOR NAME (if other than an individual, state whether a corporation, partnership, etc.)

**Echo Consulting, LLC**

CONTRACTOR BUSINESS ADDRESS

**52 Kriste Lane**

CITY

**Jericho**

STATE

**VT**

ZIP

**05465**

PRINTED NAME OF PERSON SIGNING

**Molly Yanus**

TITLE

**Chief Executive Officer**

CONTRACTOR AUTHORIZED SIGNATURE

DATE SIGNED

## EXHIBIT A SCOPE OF WORK

### 1. SERVICES OVERVIEW

- A. Echo Consulting, LLC, hereinafter referred to as the Contractor, agrees to provide to the 22<sup>nd</sup> District Agricultural Association, hereinafter referred to as District, with services as described herein:
- B. The Contractor shall provide professional consulting services to conduct a comprehensive Discovery Phase for the District's implementation of a Project Portfolio Management (PPM) solution. The services include:
- Conducting a minimum of 4 discovery workshops per contract ---including additional workshops as necessary--- with various roles and user groups—including Champions/Sponsors/Leads, Project Managers, Leadership, and other stakeholders—to identify challenges, goals, and specific business needs. The total number of workshops will be determined based on the information required to achieve the objectives.
  - Reviewing existing project management processes, documentation, and tools currently in use (e.g., Microsoft Excel, SharePoint Online, Microsoft Planner, Asana, Microsoft Teams, Email).
  - Analyzing findings to develop solution recommendations for a PPM system that aligns with District's requirements and supports diverse project types.
  - Providing an implementation roadmap and next steps for adopting the recommended PPM solution, including training and onboarding strategies.
- C. The services shall be performed remotely, with the Contractor providing services from their own location using virtual communication tools such as Microsoft Teams or comparable online meeting software.
- D. The services shall be provided Monday through Friday, excluding holidays, during District's regular business hours.
- E. The Project Representatives during the term of this Agreement will be:

22 <sup>nd</sup> District Agricultural Association	Echo Consulting, LLC
Name: Tristan Hallman, Chief Communication Officer	Name: Molly Yanus, Chief Executive Officer
Address: 2260 Jimmy Durante Boulevard Del Mar, CA 92014	Address: 52 Kriste Lane Jericho,, VT 05465
Phone: 858.755.1161	Phone: 802.318.2141
e-mail: <a href="mailto:thallman@sdfair.com">thallman@sdfair.com</a>	e-mail: <a href="mailto:molly@echolocity.com">molly@echolocity.com</a>

The parties may change their Project Representative upon providing ten (10) business days written notice to the other party. Said changes shall not require an Amendment to this Agreement.

## **EXHIBIT A SCOPE OF WORK**

### **2. WORK TO BE PERFORMED BY CONTRACTOR:**

#### **A. Background and Goals**

The 22nd District Agricultural Association (District) seeks to implement a PPM solution to unify and enhance project management across all departments, especially for the multifaceted production of events. This includes the annual San Diego County Fair, a \$50 million, 20-day production that involves the coordination of the District's 80+ regular full-time employees, more than 1,200 temporary employees, contractors, and hundreds of external vendors, entertainers, and sponsors.

Currently, District relies on a mix of tools and manual methods — such as Microsoft Excel, SharePoint, Asana, Microsoft Teams, and email — which leads to inefficiencies and a lack of centralized visibility into project progress and resource utilization.

The primary goals are to establish a centralized project management platform for comprehensive tracking and reporting, improve resource allocation by optimizing the assignment of resources and assets, and enhance collaboration and communication across departments through integrated tools. The solution should be scalable to accommodate organizational growth without performance issues and provide robust reporting and analytics for data-driven decision-making. It must support diverse project types with customizable workflows and ensure effective adoption through thorough training and support.

Potential challenges include on-boarding ongoing projects, integrating with Microsoft Teams, and managing user adoption across District departments to overcome resistance and ensure staff proficiency with the new system.

Benchmarks for success involve the successful implementation of a centralized PPM system that meets the District's needs, measurable improvements in efficiency and resource utilization, enhanced cross-departmental collaboration, scalability to handle more projects and users, access to real-time data with customizable reporting, and high adoption rates across all departments.

Implementing this comprehensive PPM solution will streamline project management processes, optimize resource allocation, and enhance collaboration, enabling the District to manage its diverse portfolio of projects more efficiently and effectively.

#### **B. Tasks and Deliverables**

##### **Project Management and Administration**

The Contractor shall be responsible for the performance of tasks, and for the preparation of deliverables as specified in this Exhibit.

The Contractor shall provide all technical and administrative services as needed for Agreement completion, including monitoring, supervising, and reviewing all work performed. In addition, the Contractor shall coordinate budgeting and scheduling to

## **EXHIBIT A SCOPE OF WORK**

ensure that the Agreement is completed within budget, on schedule, and in accordance with approved procedures, applicable laws, and regulations throughout Agreement term.

The Contractor shall ensure that the Agreement requirements are met through completion of weekly progress reports as outlined below and submitted to the District, and through regular communication with the District. The progress reports shall describe activities undertaken and accomplishments of each task, milestones achieved, and any problems encountered in the performance of the work under this Agreement.

### **1. Tasks**

#### **Task 1.1: Conduct Discovery Workshops**

- Subtask 1.1.1: Workshop Planning and Scheduling
  - Deliverable: Workshop schedule and agendas tailored for different roles/user groups.
- Subtask 1.1.2: Facilitation of Workshops
  - Deliverable: Conducting workshops with Champions/Sponsors/Leads, Project Managers, Leadership, and other stakeholders to:
    - Identify challenges and goals.
    - Review existing processes and documentation.
    - Assess current software usage and adoption.
- Subtask 1.1.3: Documentation of Workshop Findings
  - Deliverable: Comprehensive notes and summaries from each workshop, highlighting key insights and feedback.

#### **Task 1.2: Provide Solution Recommendations**

- Subtask 1.2.1: Analysis of Collected Data
  - Deliverables: Analysis report summarizing findings from the discovery workshops.
- Subtask 1.2.2: Identification of Suitable PPM Solutions
  - Deliverables: A list of recommended PPM software options that align with the District's requirements.
- Subtask 1.2.3: Preparation of Solution Recommendation Report
  - Deliverables: Detailed report outlining the recommended PPM solution(s), addressing how it meets the District's needs for centralized project management, resource allocation, collaboration, scalability, reporting, and support for diverse project types.

#### **Task 1.3: Develop Implementation Roadmap and Next Steps**

- Subtask 1.3.1: Creation of Implementation Plan
  - Deliverables: Step-by-step implementation roadmap, including timelines, milestones, and responsible parties.
- Subtask 1.3.2: Design of Training and Onboarding Strategy



## EXHIBIT A SCOPE OF WORK

- Deliverables: Plan outlining training sessions, materials, and support mechanisms to ensure effective adoption across all departments.
- Subtask 1.3.3: Presentation of Findings and Recommendations
  - Deliverables: Formal presentation to the District's Executive Team and key stakeholders summarizing:
    - Discovery process and key insights.
    - Solution recommendations.
    - Implementation roadmap and next steps.
    - Opportunity for Q&A and feedback.

### C. Task and Deliverables Schedule

Task #	Deliverable	Deliverable Due Date
1.1.1, 1.1.2	Workshop Planning and Scheduling Facilitation of Workshops	November 1, 2024
1.1.3	Documentation of Workshop Findings	November 15, 2024
1.2.1, 1.2.2, 1.2.3	Provide solution recommendations Identification of Suitable PPM Solutions Recommendation Report	November 22, 2024
1.3.1, 1.3.2, 1.3.3	Develop an implementation roadmap Design of Training and Onboarding Strategy Presentation of Findings and Recommendations	December 2, 2024
	Weekly Progress Reports	November 8, 2024 to December 31, 2024
	Draft Report	November 20, 2024
	Final Report	December 31, 2024

### 3. PROGRESS REPORTS:

- A. Not later than **November 8** and during the life of this Agreement, the Contractor shall provide a written weekly progress report to the District describing activities undertaken, accomplishment of milestones, and any problems encountered in the performance of the work under this Agreement, and delivery of intermediate products, if any.
- B. The Contractor shall submit to the District for approval the reports containing the results of the work performed in accordance with the schedule of this Exhibit.
- C. Not later than **November 20**, the Contractor shall submit to the District a copy of a draft report describing the work performed pursuant to this Exhibit for review and comment.
- D. Within one (1) week of receipt of the draft report, the District will submit final comments to the Contractor.

## **EXHIBIT A SCOPE OF WORK**

- E. Not later than **December 31, 2024** the Contractor shall submit to the District for approval one electronic final report containing the results of the work performed and addressing the comments submitted to the Contractor by the District.
- F. The report shall not be considered final until accepted and approved by the District.

### **4. Contractor Responsibilities**

- A. Contractor will use its own equipment and software.
- B. Contractor will maintain regular communication with District regarding work and strategy.
- C. Contractor will use Contractor's Microsoft Teams account to host online meetings, or District can provide access to a comparable online meeting software upon request.
- D.

### **5. District Responsibilities**

- A. District will provide timely access to necessary documentation and stakeholders.
- B. District will ensure stakeholders are available for workshops and provide timely feedback as needed.
- C. District will provide Contractor with access to existing documentation and any examples of current state deliverables to support the requirements generation process.
- D. District will grant Contractor with a user license and adequate access to any District managed software required for implementation.

**STANDARD AGREEMENT**

STD 213 (Rev. 04/2020)

AGREEMENT NUMBER

**24-053**

GL ACCOUNT NUMBER (If Applicable)

**515500-02**

1. This Agreement is entered into between the Contracting Agency and the Contractor named below:

CONTRACTING AGENCY NAME

**22<sup>nd</sup> District Agricultural Association / Del Mar Fairgrounds**

CONTRACTOR NAME

**45<sup>th</sup> District Agricultural Association / Imperial Valley Fairgrounds**

2. The term of this Agreement is:

START DATE

**June 1, 2024**

THROUGH END DATE

**August 1, 2024**

3. The maximum amount of this Agreement is:

**\$13,000.00****Thirteen Thousand Dollars and Zero Cents**

4. The parties agree to comply with the terms and conditions of the following exhibits, which are by this reference made a part of the Agreement.

Exhibits	Title	Pages
Exhibit A	Scope of Work	1
Exhibit B	Budget Detail and Payment Provisions	1
Exhibit C*	General Terms and Conditions (GIA 11/2022)	1
Exhibit D	Preventing Storm Water Pollution	1
Exhibit E	22nd DAA Resource Conservation Policy	1

Items shown with an asterisk (\*), are hereby incorporated by reference and made part of this agreement as if attached hereto. These documents can be viewed at <https://www.dgs.ca.gov/OLS/Resources>

IN WITNESS WHEREOF, THIS AGREEMENT HAS BEEN EXECUTED BY THE PARTIES HERETO.

**CONTRACTOR**

CONTRACTOR NAME (if other than an individual, state whether a corporation, partnership, etc.)

**45<sup>th</sup> District Agricultural Association / Imperial Valley Fairgrounds**

CONTRACTOR BUSINESS ADDRESS

**200 East 2<sup>nd</sup> Street**

CITY

**Imperial**

STATE

**CA**

ZIP

**92251**

PRINTED NAME OF PERSON SIGNING

**Alan Phillips**

TITLE

**Chief Executive Officer**

CONTRACTOR AUTHORIZED SIGNATURE

DATE SIGNED

**EXHIBIT A  
SCOPE OF WORK**

**SERVICES OVERVIEW:**

1) The 45<sup>th</sup> District Agricultural Association (45<sup>th</sup> DAA) agrees to provide the following services:

- Tiffinie Macias shall assist in auditing concessionaires' sales activity during the 2024 Fair at 22<sup>nd</sup> District Agricultural Association (22<sup>nd</sup> DAA). Auditing tasks include:
  - Conducting cash register tagging and validation prior the start of the San Diego County Fair
  - Entering daily concessionaire sales reports in the Rent Calculator workbook
  - Conducting cash register sales audits, cash register tapes audits, and field audits to review sales data and detect errors and inaccuracies
  - Auditing concession sales daily POS transactions and ensuring accurate record of sales, tender types, and other related activity
  - Validating daily sales reports and monitoring variances
  - Collecting data to detect deficient controls, duplicate effort, fraud, or non-compliance with policies and procedures
  - Assisting in problem solving, researching, investigating, and resolving discrepancies or issues
  - Preparing detailed reports on audit findings
  - Ensuring policies, mechanisms, and guidelines around sales and revenue comply with industry practice and regulatory standards
  - Performing other related duties as assigned or requested when needed

2) The 22<sup>nd</sup> District Agricultural Association agrees to provide:

- Computer equipment, work space, and internet as necessary to perform tasks
- Private rented trailer for accommodation throughout the term of the agreement

3) The project representatives during the term of this agreement will be:

Requesting Agency: 22 <sup>nd</sup> District Agricultural Association	Providing Agency: 45 <sup>th</sup> District Agricultural Association
Name: Carlene Moore, Chief Executive Officer	Name: Alan Phillips, Chief Executive Officer
Phone: (858) 755-1161	Phone: (760) 355-1181

Direct all inquiries to:

Requesting Agency: 22 <sup>nd</sup> District Agricultural Association	Providing Agency: 45 <sup>th</sup> District Agricultural Association
Section/Unit: Finance	Section/Unit: Administration Office
Attention: Michael Sadegh, Director of Finance	Attention: Tiffinie Macias, Business Assistant II
Address: 2260 Jimmy Durante Blvd. San Diego CA 92014	Address: 200 East 2nd Street Imperial, CA 92251
Phone: (858) 755-1161	Phone: (760) 355-1181
Email: <a href="mailto:msadegh@sdfair.com">msadegh@sdfair.com</a>	Email: <a href="mailto:tiffinie@ivfairgrounds.com">tiffinie@ivfairgrounds.com</a>

SCO ID:		
State of California-Department of General Services <b>STANDARD AGREEMENT</b> STD 213 (Rev. 04/2020)	AGREEMENT NUMBER	PURCHASING NUMBER (if applicable)
	R2400401/24-054	N/A

**1. This Agreement is entered into between the Contracting Agency and the Contractor named below:**

**CONTRACTING AGENCY NAME**

22nd District Agricultural Association/Del Mar Fairgrounds

**CONTRACTOR NAME**

Department of Human Resources

**2. The term of this Agreement is:**

**START DATE**

July 1, 2024

**END DATE**

June 30, 2025

This Agreement shall not be considered fully executed until approved by 22nd District Agricultural Association/Del Mar Fairgrounds

**3. The maximum amount of this Agreement is:**

\$5,000.00

Five Thousand Dollars and Zero Cents

**4. The parties agree to comply with the terms and conditions of the following exhibits, which are by this reference made a part of the Agreement.**

EXHIBITS	TITLE	PAGES
Exhibit A	Scope of Work	3
Exhibit B	Budget Detail and Payment Provisions	2
Exhibit B, Attachment 1	Medical Program Rates	1
Exhibit C*	General Terms and Conditions	GIA 11/2022
Exhibit D	Special Terms and Conditions For Interagency Agreements	2

*Items shown with an asterisk (\*), are hereby incorporated by reference and made part of this agreement as if attached hereto.*

These documents can be viewed at <https://www.dgs.ca.gov/OLS/Resources>

*IN WITNESS WHEREOF, THIS AGREEMENT HAS BEEN EXECUTED BY THE PARTIES HERETO.*

**CONTRACTOR**

**CONTRACTOR NAME (if other than an individual, state whether a corporation, partnership, etc.)**

Department of Human Resources

CONTRACTOR BUSINESS ADDRESS	CITY	STATE	ZIP
1515 S Street, Suite 500N	Sacramento	CA	95811
PRINTED NAME OF PERSON SIGNING	TITLE		
Helen Fairchild	Chief Operating Officer, Administrative Services Division		
CONTRACTOR AUTHORIZED SIGNATURE		DATE SIGNED	

**STATE OF CALIFORNIA**

**CONTRACTING AGENCY NAME**

22nd District Agricultural Association/Del Mar Fairgrounds

CONTRACTING AGENCY ADDRESS	CITY	STATE	ZIP
2260 Jimmy Durante Boulevard	Del Mar	CA	92014
PRINTED NAME OF PERSON SIGNING	TITLE		
Carlene Moore	Chief Executive Officer		
AUTHORIZED SIGNATURE		DATE SIGNED	
CALIFORNIA DEPARTMENT OF GENERAL SERVICES APPROVAL		EXEMPTION, IF APPLICABLE	

EXEMPT PER SAM 1215  
(Interagency Agreement under \$1,000,000.00)  
Page 73

## **EXHIBIT A** **SCOPE OF WORK**

### **1. BACKGROUND**

The Department of Human Resources (CalHR or Contractor) will provide **22<sup>nd</sup> District Agricultural Association/Del Mar Fairgrounds** with Medical Evaluation Program services.

### **2. LOCATION**

Services will be performed virtually with headquarters at the following location:  
1515 S Street, Suite 500N, Sacramento, CA 95811

### **3. CONTACT INFORMATION**

The Project Representatives during the term of this agreement will be:

**22<sup>nd</sup> District Agricultural Association/Del Mar  
Fairgrounds**

**Department Of Human Resources (CalHR)**

Name: Leslie Schutz

Michele Villados

Address: 2260 Jimmy Durante Blvd.  
Del Mar, CA 92014

1515 S Street, Room 500N  
Sacramento, CA 95811

Phone: 858-792-4293

(916) 909-2801

E-mail [lschutz@sdfair.com](mailto:lschutz@sdfair.com)

[michele.villados@calhr.ca.gov](mailto:michele.villados@calhr.ca.gov)

Direct all contract inquiries to:

**22<sup>nd</sup> District Agricultural Association/Del Mar  
Fairgrounds**

**Department Of Human Resources (CalHR)**

Name: Angel Ramsey

Vince Clements

Phone: 858-792-4263

916-324-4180

Fax:

E-mail [aramsey@sdfair.com](mailto:aramsey@sdfair.com)

[admin.contracts@calhr.ca.gov](mailto:admin.contracts@calhr.ca.gov)

Accounting and/or Fiscal Contact:

**22<sup>nd</sup> District Agricultural Association/Del Mar  
Fairgrounds**

**Department Of Human Resources (CalHR)**

Name: Accounts Payable

Accounts Receivable

Phone: 858-755-1161

N/A

Fax: 858-794-1083

(916) 327-0568

E-mail [accountspayable@sdfair.com](mailto:accountspayable@sdfair.com)

[accounts.receivable@calhr.ca.gov](mailto:accounts.receivable@calhr.ca.gov)

Contract representatives may be changed by written notice to the other party without requiring an amendment.

#### **4. RESPONSIBILITIES OF CALHR**

The Department of Human Resources' (CalHR) Medical Program provides the following:

- A. Statewide policy direction applicable to all state hiring authorities for pre-employment medical examinations of candidates for State Civil Service positions based on individual consideration of the candidate's capability to perform the essential functions of the position in accordance with the Americans with Disabilities Act (ADA) and California Fair Employment and Housing Act (FEHA).
- B. For all positions subject to a pre-employment medical exam: The CalHR Medical Officer, if requested, will provide consultation to hiring authorities regarding post-offer medical screening. Consultations may cover a range of topics, including but not limited to:
  - 1) Evaluation of physical attributes that may impact safe and effective performance of specified essential functions;
  - 2) Types of medical examinations that would correlate to specific essential functions; and
  - 3) Clarification of medical information included as part of an initial or second opinion medical report. The Medical Officer will not offer an opinion of a second opinion.
- C. For peace officer positions: The CalHR Medical Officer applies expert knowledge of occupational medicine and POST medical guidelines to provide a medical opinion as to whether the candidate is able to safely and effectively perform the essential job duties, as well as to identify any job-related limitations. This does not relieve the hiring authority of the obligation to engage in an interactive reasonable accommodation discussion with the candidate, as necessary.

In performing this role, the CalHR Medical Officer:

- 1) May request additional information, examination, or testing, if necessary, to determine whether job-specific limitations may exist;
  - 2) Will provide the hiring agency with a completed POST 2-363 Medical Suitability Declaration form either certifying the candidate or determining if they are unable to certify the candidate to perform the essential functions of the job as described in the duty statement and in accordance with ADA, FEHA, and POST medical guidelines;
- D. The CalHR Medical Officer is available to provide consultation to the hiring authority regarding the medical findings. However, CalHR's involvement shall not relieve the hiring authority of its responsibility for ensuring that hiring decisions under its jurisdiction comply with the ADA, FEHA, and any other rules and regulations regarding equal employment opportunity.

- E. The CalHR Medical Officer will review mandatory reinstatements associated with medical termination, demotion, or transfer as appropriately referred by the State Personnel Board.
- F. The CalHR Medical Officer may provide testimony in administrative hearings to clarify the professional pre-employment medical opinions provided to state hiring agencies.

## **5. RESPONSIBILITIES OF HIRING DEPARTMENTS**

- A. The hiring authority is responsible for ensuring that hiring decisions comply with the ADA and FEHA, including reasonable accommodation and the opportunity for a second opinion, and other rules and regulations regarding equal employment opportunity.
- B. For peace officer candidates: The hiring authority is responsible for providing completed forms via File Transfer Protocol (FTP) secure electronic submission to the Medical Program including:
  - 1) Conditional Offer of Employment (signed by candidate);
  - 2) HIPAA Release (signed by candidate);
  - 3) Duty Statement;
  - 4) POST Form 2-253 Medical Examination Report – Peace Officer (most current form; previous revisions are not acceptable); and
  - 5) POST Form 2-252 Medical History Statement – Peace Officer (most current form; previous revisions are not acceptable).
- C. When the hiring authority requests a consultation, they are responsible for providing CalHR with the following:
  - 1) The topic of the consultation, and
  - 2) If it involves an individual non-peace officer candidate, also send any necessary documents, fully redacted, to remove any personally identifiable information.





# Funding Contract 1

California Construction Authority  
1776 Tribute Road Suite 220  
Sacramento, California 95815  
Phone: (916) 263-6100

**Project:** 022-24-595634 - Del Mar Grandstand Fire Panel Replacement  
2260 Jimmy Durante Blvd  
Del Mar, California 92014  
Phone: 858-792-4202

## IPA - Grandstand Fire Panel Replacement

<b>FUNDING SOURCE:</b>	22nd District Agricultural Association 2260 Jimmy Durante Blvd. Del Mar, California 92014	<b>CONTRACTOR:</b>	California Construction Authority 1776 Tribute Road, Suite 220 Sacramento, California 95815
<b>ARCHITECT/ENGINEER:</b>		<b>DATE CREATED:</b>	02/27/2024
<b>CONTRACT STATUS:</b>	Approved	<b>CREATED BY:</b>	Krystal Toledo (California Construction Authority)
<b>EXECUTED:</b>	No	<b>DEFAULT RETAINAGE:</b>	0.0%
<b>START DATE:</b>	02/27/2024	<b>SIGNED CONTRACT RECEIVED DATE:</b>	
<b>SUBSTANTIAL COMPLETION DATE:</b>		<b>ORIGINAL SUBSTANTIAL COMPLETION DATE:</b>	
<b>ESTIMATED COMPLETION DATE:</b>	02/27/2025	<b>ACTUAL COMPLETION DATE:</b>	

**DESCRIPTION:**  
Replacing all fire alarm control equipment and field devices serving the Grandstand.

### ATTACHMENTS:

**TERMS:** This Individual Project Agreement ("IPA") is entered into this **Tuesday, February 27, 2024**, by and between the California Construction Authority ("CCA"), a Joint Powers Authority, and the **22nd / DAA San Diego County Fair ("Fair")**. CCA and Fair are referred to as the "parties" and individually referred to as a "party."

Whereas CCA and Fair desire to enter into this IPA to specify how CCA will perform certain project services for Fair.

Now, therefore, the parties agree as follows:

1. **Master Project Agreement Incorporated.** All terms and conditions of the Master Project Agreement between the parties dated August 17, 2016, are incorporated herein by this reference.
2. **Scope of Services.** CCA shall perform the services and work set forth in the Scope of Services ("Services"), attached hereto as "Scope of Work" and incorporated herein, for the identified project ("Project").
3. **Not to Exceed Amount.** Payment by Fair under this IPA shall be the amount of **Five Hundred Fifty Four Thousand Five Hundred Sixty-Seven, and 13/100 Dollars (\$554,567.13)**, or as later modified in writing between the parties.
4. **Project Budget; CCA Fees.** The Schedule of Values, including CCA fees, is included and incorporated herein. Fair agrees to pay CCA for the Services in accordance with the Schedule of Values.
5. **Project Budget Funds.** Fair shall place the Project Budget funds into the Project Fund Account held by CCA. CCA shall administer the Project Fund Account in accordance with the terms of this IPA and CCA policy.

Fair shall forward the following funds to CCA for the Project Fund Account:  
**Five Hundred Fifty Four Thousand Five Hundred Sixty-Seven, and 13/100 Dollars (\$554,567.13)**



# Funding Contract 1

- CCA shall provide the Fair with accounting reports of Project funds, at completion of project following reconciliation, or upon request of the Fair, if required.
- 6. **Termination.** Either party may terminate this IPA by giving the other party 30 days prior written notice of termination and completing any non-revocable obligations. Upon termination of this IPA, Fair shall compensate Authority, in accordance with the Project Budget, for all Services performed prior to termination including compensation for all non-revocable obligations. Notice of such termination shall be given in accordance with Section 11 (Notice) of the Master Services Agreement.

**SCOPE OF WORK:** The Fair's designated Project is the **"Grandstand Fire Panel Replacement"** The site of the Project is at San Diego County Fair, 2260 Jimmy Durante Blvd, Del Mar CA, 92014 ("Fair")

Upon receipt of signed IPA, CCA will perform the following services and work:

1.
  1. CCA will retain a qualified engineer to prepare fire alarm plans suitable for SFM review and approval.
  2. CCA will obtain all Fire Marshal permits in accordance with the fire alarm systems.
  3. CCA will conduct the Bid Solicitation for the project. CCA will prepare and coordinate the bid documents, manage the bid solicitation, RFC process, job walk, and bid openings. The Bid Documents include contracting information and technical specifications for bidding purposes. Bid Documents are prepared based on information supplied by the Fair; and a scope of work determined by CCA in cooperation with the Fair. For the proposed solicitation effort, a separate Bid Document will be prepared, with a single job walk and bidding opening event.
  4. Based upon the formal bidding process, CCA will create an addendum to the original IPA contract with actual costs to engage the contractor to conduct the construction work in accordance with approved plans and scope.
  5. CCA will provide project management and administration services associated with the project design, bidding, and construction process.

The performance of CCA's scope of services inures to the benefit of the Fair. To provide these services, CCA may engage third parties. Additionally, known, and unknown third parties may be affected by the performance of this IPA. Therefore, the Fair agrees to reimburse CCA for all costs and expenses incurred in connection with the Project or arising out of the performance of this IPA, including, but not limited to, all costs and expenses arising out of claims asserted by third parties against CCA. The Fair shall not reimburse CCA for costs and expenses incurred as a result of CCA's sole, active negligence or willful misconduct.

Should a dispute arise and either party is required to institute any action or proceeding to enforce any provision of this IPA or for damages by reason of an alleged breach of any provision hereof, the prevailing party shall be entitled to receive all costs and expenses (including reasonable attorneys' fees and disbursements) incurred by such prevailing party in connection with such action or proceeding. CCA will take no further action until the Fair accepts the terms and conditions of this IPA. CCA represents and warrants that it has the statutory and/or legal authority to enter into contracts with general contractors for the express and specific purpose of performing the work identified in the IPA. CCA further represents and warrants that it has the statutory and/or legal authority to enter into this IPA with the Fair.

Items not included in the proposal are any permits or fees for services required by other governmental agencies or public or private entities. CCA will not provide indemnification or evidence of errors or omissions insurance to the Fair. The administration fee comprises project management and inspection fees (scope of services).

The total project management fees are stated below. Please note the breakout of the allocation of fee costs and conditions.





# Funding Contract 1

**Five Hundred Fifty Four Thousand Five Hundred Sixty-Seven, and 13/100 Dollars  
(\$554,567.13).**

#	Budget Code	Description	Amount
1	01-100.4. CON Construction Contract	Construction Contract	\$396,828.00
2	01-110-10.1. DD Design Development Contingency (1%)	Design Contingency	\$3,968.28
3	01-110-10.2. CD CD Contingency (1%)	Design Contingency	\$3,968.28
4	01-110-10.3. BD Bidding Process Contingency (0.5%)	Design Contingency	\$0.00
5	01-110-20.4. CON Construction Project Contingency	Construction Contingency	\$39,682.80
6	01-140-10.1. DD Project Management (2%)	Construction Project Management Fees (%)	\$7,936.56
7	01-140-10.2. CD Project Management (2%)	Construction Project Management Fees (%)	\$7,936.56
8	01-140-10.3. BD Project Management (1%)	Construction Project Management Fees (%)	\$3,968.28
9	01-140-10.4. CON Project Management (7%)	Construction Project Management Fees (%)	\$27,777.96
10	01-150.4. CON Equipment/Materials/Supplies	Special Purchasing	\$0.00
11	01-200-10.1. DD Professional Services - Architecture (4%)	Architect	\$15,873.12
12	01-200-10.2. CD Professional Services (4%)	Architect	\$15,873.12
13	01-200-10.3. BD Professional Services (0.5%)	Architect	\$0.00
14	01-200-10.4. CON Professional Services (2%)	Architect	\$7,936.56
15	01-200-20.1. DD Professional Services - Engineering (4%)	Engineer	\$0.00
16	01-230-10.2. CD Agency Review Fees (0.5%)	Plan Review	\$1,984.14
17	01-230-30.4. CON Inspections (2%)	Inspections - Construction	\$0.00
18	01-230-40.4. CON Special Inspections (greater of 2% or \$2,400)	Inspections - Special	\$7,936.56
19	01-240-10.1. DD Travel (.5%)	Travel	\$1,984.14
20	01-240-10.2. CD Travel (.5%)	Travel	\$1,984.14
21	01-240-10.3. BD Travel (.5%)	Travel	\$1,984.14
22	01-240-10.4. CON Travel (1%)	Travel	\$3,968.28
23	01-240-50.1. DD Printing/Misc. Office Supplies (0.25%)	Misc	\$992.07
24	01-240-50.2. CD Printing/Misc. Office Supplies (0.25%)	Misc	\$992.07
25	01-240-50.3. BD Printing/Misc. Office Supplies (0.25%)	Misc	\$0.00
26	01-240-50.4. CON Printing/Misc. Office Supplies (0.25%)	Misc	\$992.07
<b>Grand Total:</b>			<b>\$554,567.13</b>

DS DS DS DS

**22nd District Agricultural Association**  
 2260 Jimmy Durante Blvd.  
 Del Mar, California 92014

**California Construction Authority**  
 1776 Tribute Road, Suite 220  
 Sacramento, California 95815

DocuSigned by:  
  
 80DEC11CC20A1F3  
**SIGNATURE**

3/25/2024  
**DATE**

DocuSigned by:  
  
 78397559533A45C  
**SIGNATURE**

3/25/2024  
**DATE**

DocuSigned by:  
  
 577C0778832807C  
**SIGNATURE**

3/25/2024  
**DATE**



California Construction Authority  
1776 Tribute Road Suite 220  
Sacramento, California 95815  
Phone: (916) 263-6100

# FCO #001

Project: 022-24-595634 - Del Mar Grandstand Fire Panel Replacement  
2260 Jimmy Durante Blvd  
Del Mar, California 92014  
Phone: 858-792-4202

## Funding Change Order #001: FCO 01 - Grandstand Fire Panel Replacement

TO:	22nd District Agricultural Association 2260 Jimmy Durante Blvd. Del Mar, California 92014	FROM:	California Construction Authority 1776 Tribute Road, Suite 220 Sacramento, California 95815
DATE CREATED:	9/24/2024	CREATED BY:	Krystal Toledo (California Construction Authority)
CONTRACT STATUS:	Approved	REVISION:	0
REQUEST RECEIVED FROM:	Krystal Toledo	LOCATION:	
DESIGNATED REVIEWER:	Kristie Riddlesperger (California Construction Authority)	REVIEWED BY:	
DUE DATE:	09/25/2024	REVIEW DATE:	09/25/2024
INVOICED DATE:		PAID DATE:	
REFERENCE:		CHANGE REASON:	Actual Construction Cost
PAID IN FULL:	No	EXECUTED:	No
ACCOUNTING METHOD:	Amount Based	SCHEDULE IMPACT:	
SIGNED CHANGE ORDER RECEIVED DATE:			
FIELD CHANGE:	No	CONTRACT FOR:	1:IPA - Grandstand Fire Panel Replacement
		TOTAL AMOUNT:	\$18,392.31

DESCRIPTION:  
CE #004 - FCO 01 - Grandstand Fire Panel Replacement

This is a Funding Agreement Change Order 01 for the Grandstand Fire Panel Replacement Project at the Del Mar Fairgrounds in the amount of **Eighteen Thousand Three Hundred Ninety-Two and 31/100 (\$18,392.31)**.

The additional funds requested in this Funding Change Order 01 is to allocate for the cost of the Door Holder Replacement including installation, labor, and equipment.

**All other aspects of original Funding Agreement remain the same.**

### ATTACHMENTS:

[IPA - Grandstand Fire Panel Replacement Executed.pdf](#), [Del Mar Grandstand CO#1 Door Holder \(revised\) - Proposal.pdf](#)

### CHANGE ORDER LINE ITEMS:

#	Budget Code	Description	Amount
1	01-100.4. CON Construction Contract	Construction Contract	\$18,392.31
Grand Total:			\$18,392.31



FCO #001

The original (Contract Sum)	\$554,567.13
Net change by previously authorized Change Orders	\$0.00
The contract sum prior to this Change Order was	\$554,567.13
The contract sum will be increased by this Change Order in the amount of	\$18,392.31
The new contract sum including this Change Order will be	\$572,959.44
The contract time will not be changed by this Change Order.	

Initial DS  
BM MC

22nd District Agricultural Association  
2260 Jimmy Durante Blvd.  
Del Mar, California 92014

California Construction Authority  
1776 Tribute Road, Suite 220  
Sacramento, California 95815

DocuSigned by:  
  
89DEC11CC20A45B  
SIGNATURE 10/1/2024  
DATE

Signed by:  
  
78767D53C12A45C...  
SIGNATURE 9/26/2024  
DATE

DocuSigned by:  
  
577C3778134047C...  
SIGNATURE 10/3/2024  
DATE

STATE OF CALIFORNIA  
**SPONSORSHIP AGREEMENT**  
(Rev 11/19)

AGREEMENT NUMBER

**SPO-25-020**

1. This Agreement is entered into between the State Agency and the Sponsor named below:

STATE AGENCY'S NAME

**22<sup>nd</sup> District Agricultural Association**

SPONSOR'S NAME

**Davis Elen Advertising for the San Diego Toyota Dealers**

2. The term of this Agreement is: **April 15, 2025 – April 14, 2026**

3. The amount of this Sponsorship Agreement is: **\$192,500.00 Net Contract Price**

4. The parties agree to comply with the terms and conditions of the following exhibits which are by this reference made a part of the Agreement.

**Exhibit A – Sponsorship Terms**

**Exhibit B – Insurance Requirements**

Sponsor agrees to provide a valid Certificate of Insurance indicating a minimum \$1,000,000 coverage for General Liability, Automobile Liability and Workers Compensation, in accordance with Insurance Requirements attached herewith and made part of this Agreement.

**IN WITNESS WHEREOF, this Agreement has been executed by the parties hereto.**

**SPONSOR**

SPONSOR'S NAME

David Elen Advertising for the San Diego County Toyota Dealers

BY (Authorized Signature)



DATE SIGNED

PRINTED NAME AND TITLE OF PERSON SIGNING

ADDRESS

7750 El Camino Real, Ste. 2F  
Carlsbad, CA 92009

**STATE OF CALIFORNIA**

AGENCY NAME

**22<sup>nd</sup> District Agricultural Association**

BY (Authorized Signature)



DATE SIGNED

PRINTED NAME AND TITLE OF PERSON SIGNING

**Carlene Moore, CEO/General Manager**

ADDRESS

2260 Jimmy Durante Blvd  
Del Mar, CA 92014-2216

GL 431-102-00



**SPO-25-020**

**Davis Elen Advertising for the San Diego Toyota Dealers  
Exhibit A - Sponsorship Terms  
2025 San Diego County Fair**

1. This sponsorship agreement ("Agreement") includes the terms and conditions to which Davis Elen Advertising for the San Diego County Toyota Dealers ("Sponsor") has agreed to in providing products and/or services during the 2025 San Diego County Fair ("Fair"), produced by the 22nd District Agricultural Association, a California state institution ("State", "District" or "22<sup>nd</sup> DAA"). The cost of this sponsorship is \$192,500.00 net contract price.
2. A list of privileges and rights afforded to Sponsor is included herein. Sponsor must sign this Agreement and return it to the Del Mar Fairgrounds no later than December 1, 2024.
3. Sponsor shall make payment of the sponsorship in total when the Agreement is signed, or no later than May 1, 2025.
4. Sponsor shall not enter into any third-party promotions without prior written authorization from the 22<sup>nd</sup> DAA.
5. Without the prior written consent of the 22<sup>nd</sup> DAA, this Agreement shall not be assigned or transferred by Sponsor to any other party either in whole or in part.
6. To the fullest extent permitted by law, Sponsor shall defend, indemnify, and hold harmless the State of California, the 22nd District Agricultural Association aka Del Mar Fairgrounds/San Diego County Fair, and their respective agents, directors, and employees (collectively the "State") from and against all claims, damages, losses, and expenses, of every kind, nature and description (including, but not limited to, attorney's fees, expert fees, and costs of suit), directly or indirectly arising from, or in any way related to the performance or nonperformance of this Agreement, regardless of responsibility of negligence; by reason of death, injury, property damage, or any claim arising from the alleged violation of any state or federal accessibility law, statute or regulation, (including but not limited to, the Americans With Disabilities Act, and/or any state, local, successor, or comparable provision of law) however caused or alleged to have been caused, and even though claimed to be due to the negligence of the State. Provided, however, that in no event shall Sponsor be obligated to defend or indemnify the State with respect to the sole negligence or willful misconduct of the State, its employees, or agents (excluding the Sponsor herein, or any of its employees or agents.)
7. This Agreement does not constitute a partnership, joint venture, or principal-agent relationship between the parties. The Sponsor, and the agents and employees of Sponsor, in the performance of this Agreement shall act in an independent capacity and not as officers or employees or agents of the District or the State of California.
8. Where the terms of this Agreement or the 22<sup>nd</sup> DAA's documents are more specific, or are inconsistent or in conflict with the provisions, terms, and conditions set forth in a proposal by Sponsor or Sponsor's documents, both parties agree that the terms set forth in 22<sup>nd</sup> DAA's documents shall supersede and take precedence over Sponsor's proposal or Sponsor's documents.
9. It is agreed by the parties that the laws of the State of California shall govern and in the event of litigation that the proper place of venue is in San Diego, California.
10. It is agreed by the parties that this Agreement constitutes the complete and entire Agreement between the parties. No amendments, alterations, or other variations of the terms of this Agreement shall be valid unless made in writing and signed by the parties.
11. In the event the Sponsor breaches the terms of this Agreement, the 22<sup>nd</sup> DAA shall be entitled to recover, in addition to any other damages and remedies that they may be entitled to, all costs incurred in enforcing this Agreement, including attorney's fees.
12. Unless otherwise expressly authorized herein, the parties agree that this is a non-exclusive Agreement. The parties also expressly acknowledge and agree that the 22<sup>nd</sup> DAA may enter into agreements with other Sponsors and/or Sponsors offering the same or similar services or products during the term of this Agreement.

13. In all circumstances, Sponsor shall be solely responsible for damage to, or loss of, Sponsor's property, including without limitation all vehicles, equipment, materials, products, and supplies, except to the extent caused by the sole negligence or willful misconduct of the 22<sup>nd</sup> DAA. Inadequate protection or security cannot be considered negligence of the 22<sup>nd</sup> DAA.
14. Sponsor and Sponsor's employees shall dress uniformly and shall be courteous, efficient, and neat and clean in appearance at all times. Identification as Sponsor's employee will be prominently always displayed. Sponsor understands and agrees that 22<sup>nd</sup> DAA management, at its sole and absolute discretion, may determine that a person or agent utilized by Sponsor in the performance of this Agreement, due to his or her appearance, conduct, or demeanor may be unacceptable to the 22<sup>nd</sup> DAA, this includes overly aggressive sales tactics, if it is determined that such appearance, conduct, or demeanor is detrimental to State's operations. Sponsor agrees to immediately correct the behavior or remove such person or agent from operations arising out of this Agreement. Determination by State management regarding these matters shall be final. Sponsor agrees that it will not sell, exchange, or barter, or permit its employees to sell, exchange or barter, any ticket, admission, permit, or license issued by the 22<sup>nd</sup> DAA to the Sponsor or its employees.
15. Sponsor is authorized to sell or promote only those products or services specifically identified in this Agreement. If Sponsor sells or promotes any product or service not specifically identified in this Agreement, the 22<sup>nd</sup> DAA may, in its sole and absolute discretion, terminate this Agreement in accordance with Sections 15 and 16. If, during the performance of this Agreement, a dispute arises between the Sponsor and the 22<sup>nd</sup> DAA, which cannot be settled by discussion, the Sponsor shall, within eight hours of the incident, which gave rise to the dispute, submit a written statement to 22<sup>nd</sup> DAA. A decision by the 22<sup>nd</sup> DAA, in writing, shall be given to the Sponsor within four hours of receipt of such a statement, and shall be final and conclusive. The Sponsor shall continue to perform the requirements under this Agreement without interruptions during the dispute period.
16. The 22<sup>nd</sup> DAA reserves the sole and exclusive right to terminate this Agreement, with or without cause, in whole or in part, at any time by written notice to the Sponsor. The Sponsor shall promptly submit its claim for any prorated fees within 24 hours of the written notice of termination to the 22<sup>nd</sup> DAA to be paid to the Sponsor. If the Sponsor has any vehicles, equipment and materials on 22<sup>nd</sup> DAA property, the Sponsor must remove this property within 24 hours of the written notice of termination.
17. Further, if Sponsor is found by a court of law to be in violation of State or federal law regarding discrimination or harassment, or if Sponsor engages in business practices or activities deemed by 22<sup>nd</sup> DAA to be inappropriate or detrimental to the interests of the 22<sup>nd</sup> DAA, it is agreed that the 22<sup>nd</sup> DAA may immediately terminate this Agreement.
18. It is understood and agreed that neither the 22<sup>nd</sup> DAA nor Sponsor shall be liable to the other for any delay in or failure of performance, nor shall any such delay in or failure constitute default or breach of contract, if such delay or failure is caused by "Force Majeure." For purposes of this agreement, Force Majeure includes, but is not limited to, acts of God (such as earthquakes, floods, wildfires, hurricanes, volcanic eruptions, and other natural disasters that render performance impossible), war, riots, acts of public enemy, labor disputes that result in work stoppage, epidemics, pandemics, and governmental restrictions, appropriations, regulations or controls (except those reasonably foreseeable in connection with the uses contemplated by this Agreement) or other cause without fault attributable to and beyond the control of the party obligated to perform (except financial inability). Further, if either 22<sup>nd</sup> DAA or Sponsor will be delayed or prevented from the performance of any act required hereunder by reason of Force Majeure, performance of such act shall be excused for the period of the delay and the period for the performance of any such act shall be extended for a period equivalent to the period of such delay. If by reason of Force Majeure, performance is rendered impossible even if the period for performance is extended, this Agreement shall terminate. Except for delay or failure in performance caused by "Force Majeure," nothing in this Paragraph shall excuse Sponsor from prompt payment of any rent or any other charge required of Sponsor. Except as otherwise provided in this section or elsewhere in this Agreement or unless due by default of the 22<sup>nd</sup> DAA, if Sponsor shall for any reason



fail to occupy the 22<sup>nd</sup> DAA, no refund shall be made of any amounts paid by Sponsor to the District hereunder.

19. The parties agree that this Agreement shall be interpreted as if drafted by both parties.
20. The San Diego County Fair is a non-smoking event. Smoking is only allowed in designated areas. Please ensure that all Sponsors' employees, agents, and vendors comply with this policy.

21. **Responsibilities of Sponsor:**

- a. Setup, operate and maintain the Toyota displays at the 2025 San Diego County Fair.
- b. Include the Fair in Toyota dealers local advertising that promotes the weekday ticket offer to the public for either test drives or service appointments.
- c. Provide examples of all literature, samples, and merchandise to be distributed at the booth. These items must be pre-approved by the District's Sponsorship office.
- d. Provide a spot schedule to support the parts & service promotion. This will be valued at approximately \$40,000.
- e. Develop a Fair themed social media campaign around the 'best seat in the house' for the concert series. Details to be mutually decided.
- f. Provide all banners to be used, except for directional signage, permanent signs and speaker scrims.

22. **Responsibilities of the 22nd DAA:**

- a. Provide title sponsorship to the 2025 Summer Concert Series on the Grandstand at the San Diego County Fair.
- b. Include the Toyota logo/name and or the San Diego County Toyota Dealers in all advertising placed by the Fair that promotes the Summer Concert Series.
- c. Provide a 70' x 40' display space located directly at the south entrance to the Plaza de Mexico adjacent to the main avenue.
- d. Provide a promotion at every grandstand concert to place two Tundra trucks adjacent to the stage. Toyota can conduct an 'enter to win' sweepstakes to allow patrons to sit in these trucks for the show.
- e. Provide a space for a concept car to be displayed on a mutually determined schedule and location.
- f. Allow the solicitation of leads for Toyota's use at all provided display spaces.
- g. Provide the following signage:
  - i. Approximately 20.5' wide x 38' tall speaker scrims (1 each side, 2 total). Fair to produce.
  - ii. Two 4' x 8' banners across front of the grandstand stage, or include this size if the Fair produces the signage for the stage.
  - iii. Four 3' x 8' banners throughout the Fair.
  - iv. Toyota logo on all directional signs that list the concert series.
  - v. Toyota logo on the signs where the sponsors are listed at each entrance (total of 3) listing the evening's entertainment.
  - vi. Toyota logo on entrance sponsor signs at each of the 3 entrances.
  - vii. Toyota logo permanent sign on the south side of the Arena marquee for the duration of this agreement.
- h. Provide the following promotions:
  - i. Provide 4,000 tickets (valid on weekdays) for the Parts & Service promotion.
  - j. With the artist's management's approval, provide a meet & greet with each artist during the Fair. This will be for 4 people.

- k. Provide the opportunity to distribute Toyota bags on a mutually selected day inside the O'Brien gate. Toyota staff will distribute the bags.
- l. Provide a suite in the grandstand for approximately 75 people on mutually determined concert. The fair will provide 75 admission tickets and 35 single day parking passes. Any food and beverages can be ordered and paid by the Sponsor.
- m. The 22<sup>nd</sup> DAA will strive to work with Sponsor's PR agents to promote any athlete, media personality or celebrity that would appear in the Toyota booth.
- n. Include Sponsor's logo and link on all email newsletters where the Summer Concert Series is promoted.
- o. Include Sponsor's logo and link on the Fair's website for the duration of this agreement.
- p. Provide the following social media campaign:
  - 1. Davis Elen staff on behalf of the San Diego Toyota dealers to provide content calendar to Fair social team to collaborate on before the 2025 San Diego County Fair begins.
  - 2. Content calendar will include suggested content for posting/captions/dates of winning concert seats.
    - a. Promote the following social efforts of San Diego Toyota Dealers as part of the one post per week requirement (if the content is provided at least 5 days prior to the desired postdate) promotion of lounge/photo op area, giveaways.
  - 3. One dedicated post per week during the run of the 2025 Fair = 4 total
  - 4. Four Instagram stories promoting how to win Truck VIP concert seats = 4 total
  - 5. Option to re-share content when tagged by @sdtoyotadealers across social media platforms.
  - 6. All content must properly tag @sdtoyotadealers in post.
  - 7. Combination of platforms (Twitter, Instagram, Facebook) and combination of profiles (any/all SD Fair social media handles)
- q. Include the Toyota name on the front of all concert tickets bought on site.
- r. Include Sponsor's logo in rotation across the digital matrix boards in the main parking lot and Jimmy Durante Blvd. every day of the Fair in conjunction with all Summer Concert Series acts promoted on this board.
- s. Include Sponsor's digital ad in rotation across the Grandstand stages video boards each day of the Fair. The ad format can be a static slide, or video (without sound) for up to 30 seconds.
- t. No other automotive company, manufacturer or dealer will be promoted, displayed, or otherwise included on the grandstand stage or in association with the 2025 San Diego County Fair Summer Concert Series.
- u. No other automotive company, manufacturer or dealer will be promoted, displayed, or otherwise promoted no closer than 150' of the main Toyota display space at the 2025 San Diego County Fair.
- v. Provide 125 admission tickets, 30 single use parking passes, for each San Diego County Toyota dealer.
- w. Provide 80 single day parking passes, 8 season parking passes and 100 admission tickets, and 35 sponsorship badges (allowing unlimited admission) for staff working the display.
- x. Provide 150 tickets, 4 sponsorship badges, 4 season track parking passes and 100 single day track parking passes for Davis Elen/Toyota corporate personnel.
- y. Provide four (4) terrace tables to each Grandstand show. Requests for these tables must be received no later than forty-eight (48) hours prior to each show. Any request less than four-eight (48) hours will be accommodated with 'best available' seats at the time of the request.
- z. Provide one (1) box of six (6) seats, and one (1) box of four (4) seats to each Grandstand Show. Provide a ticket bank with 20 tickets. These can be used for any Grandstand show(s) based on availability.
- aa. At the conclusion of this agreement, Sponsor will have a 90-day option to renew this agreement on mutually agreed upon terms and financial conditions for the 2026 San Diego County Fair. During this period the Fair will not have any other discussions with any other automotive companies for the assets covered by this agreement.

STATE OF CALIFORNIA  
**SPONSORSHIP AGREEMENT**  
(Rev 11/19)

AGREEMENT NUMBER

**SPO-25-022**

1. This Agreement is entered into between the State Agency and the Sponsor named below:

STATE AGENCY'S NAME

**22<sup>nd</sup> District Agricultural Association**

SPONSOR'S NAME

**Winning Ways, Inc.**

2. The term of this Agreement is: **June 11 – July 6, 2025**

3. The amount of this Sponsorship Agreement is: **\$125,000.00**

4. The parties agree to comply with the terms and conditions of the following exhibits which are by this reference made a part of the Agreement.

**Exhibit A – Sponsorship Terms**

**Exhibit B – Insurance Requirements**

Sponsor agrees to provide a valid Certificate of Insurance indicating a minimum \$1,000,000 coverage for General Liability, Automobile Liability and Workers Compensation, in accordance with Insurance Requirements attached herewith and made part of this Agreement.

**Exhibit C – Licensee Handbook**

The Licensee Handbook is made part of this Agreement and Sponsor must comply with all terms and conditions contained in the Handbook unless provided for in writing by the District.

**IN WITNESS WHEREOF, this Agreement has been executed by the parties hereto.**

**SPONSOR**

SPONSOR'S NAME

**Winning Ways, Inc.**

BY (Authorized Signature)



DATE SIGNED

PRINTED NAME AND TITLE OF PERSON SIGNING

**Jake Haller**

ADDRESS

**1651 Greenwood Ways San Bruno, CA 94066**

**STATE OF CALIFORNIA**

AGENCY NAME

**22<sup>nd</sup> District Agricultural Association**

BY (Authorized Signature)



DATE SIGNED

PRINTED NAME AND TITLE OF PERSON SIGNING

**Carlene Moore, CEO/General Manager**

ADDRESS

**2260 Jimmy Durante Blvd Del Mar, CA 92014-2216**

**GL 405-100-00**

**SPO-25-022**  
**Winning Ways, Inc.**  
**Exhibit A - Sponsorship Terms**  
**2025 San Diego County Fair**

1. This sponsorship agreement (“Agreement”) includes the terms and conditions to which Winning Ways, Inc. (“Sponsor”) has agreed to provide products and/or services during the 2025 San Diego County Fair (“Fair”), produced by the 22nd District Agricultural Association, a California state institution (“State”, “District” or “22<sup>nd</sup> DAA”). The cost of this sponsorship is \$125,000.00.
1. A list of privileges and rights afforded to Sponsor is included herein. Sponsor must sign this Agreement and return it to the Del Mar Fairgrounds no later than December 1, 2024.
2. Sponsor shall make payment of the sponsorship in total when the Agreement is signed, or no later than May 1, 2025.
3. Sponsor shall not enter into any third-party promotions without prior written authorization from the 22<sup>nd</sup> DAA.
4. Without the prior written consent of the 22<sup>nd</sup> DAA, this Agreement shall not be assigned or transferred by Sponsor to any other party either in whole or in part.
5. To the fullest extent permitted by law, Sponsor shall defend, indemnify, and hold harmless the State of California, the 22nd District Agricultural Association aka Del Mar Fairgrounds/San Diego County Fair, and their respective agents, directors, and employees (collectively the “State”) from and against all claims, damages, losses, and expenses, of every kind, nature and description (including, but not limited to, attorney’s fees, expert fees, and costs of suit), directly or indirectly arising from, or in any way related to the performance or nonperformance of this Agreement, regardless of responsibility of negligence; by reason of death, injury, property damage, or any claim arising from the alleged violation of any state or federal accessibility law, statute or regulation, (including but not limited to, the Americans With Disabilities Act, and/or any state, local, successor, or comparable provision of law) however caused or alleged to have been caused, and even though claimed to be due to the negligence of the State. Provided, however, that in no event shall Sponsor be obligated to defend or indemnify the State with respect to the sole negligence or willful misconduct of the State, its employees, or agents (excluding the Sponsor herein, or any of its employees or agents.)
6. This Agreement does not constitute a partnership, joint venture, or principal-agent relationship between the parties. The Sponsor, and the agents and employees of Sponsor, in the performance of this Agreement shall act in an independent capacity and not as officers or employees or agents of the 22<sup>nd</sup> DAA or the State of California.
7. Where the terms of this Agreement or the 22<sup>nd</sup> DAA’s documents are more specific, or are inconsistent or in conflict with the provisions, terms, and conditions set forth in a proposal by Sponsor or Sponsor’s documents, both parties agree that the terms set forth in the 22<sup>nd</sup> DAA’s documents shall supersede and take precedence over Sponsor’s proposal or Sponsor’s documents.
8. It is agreed by the parties that this Agreement constitutes the complete and entire Agreement between the parties. No amendments, alterations, or other variations of the terms of this Agreement shall be valid unless made in writing and signed by the parties.
9. It is agreed by the parties that the laws of the State of California shall govern and in the event of litigation that the proper place of venue is in San Diego, California.
10. In the event the Sponsor breaches the terms of this Agreement, the 22<sup>nd</sup> DAA shall be entitled to recover, in addition to any other damages and remedies that they may be entitled to, all costs incurred in enforcing this Agreement, including attorney’s fees.
11. Unless otherwise expressly authorized herein, the parties agree that this is a non-exclusive Agreement. The parties also expressly acknowledge and agree that the 22<sup>nd</sup> DAA may enter into agreements with other Sponsors and/or Sponsors offering the same or similar services or products during the term of this Agreement.

12. In all circumstances, Sponsor shall be solely responsible for damage to, or loss of, Sponsor's property, including without limitation all vehicles, equipment, materials, products, and supplies, except to the extent caused by the sole negligence or willful misconduct of the 22<sup>nd</sup> DAA. Inadequate protection or security cannot be considered negligence of the State.
13. Sponsor and Sponsor's employees shall dress uniformly and shall be courteous, efficient, and neat and clean in appearance at all times. Identification as Sponsor's employee will be prominently displayed at all times. Sponsor understands and agrees that 22<sup>nd</sup> DAA management, at its sole and absolute discretion, may determine that a person or agent utilized by Sponsor in the performance of this Agreement, due to his or her appearance, conduct, or demeanor may be unacceptable to the 22<sup>nd</sup> DAA, this includes overly aggressive sales tactics, if it is determined that such appearance, conduct, or demeanor is detrimental to 22<sup>nd</sup> DAA's operations. Sponsor agrees to immediately correct the behavior or remove such person or agent from operations arising out of this Agreement. Determination by the 22<sup>nd</sup> DAA management regarding these matters shall be final. Sponsor agrees that it will not sell, exchange, or barter, or permit its employees to sell, exchange or barter, any ticket, admission, permit, or license issued by the 22<sup>nd</sup> DAA to the Sponsor or its employees.
14. Sponsor is required to comply with the rules and requirements contained in the Licensee Handbook, which is made a part of this Agreement by this reference. If the 22<sup>nd</sup> DAA determines, in its sole and absolute discretion, that Sponsor violated the rules or requirements of the Licensee Handbook, the 22<sup>nd</sup> DAA will provide Sponsor with written notice of the violation(s). If Sponsor fails to correct the violation(s) within 24 hours of delivery of the written notice, the 22<sup>nd</sup> DAA may terminate the Agreement, in its sole and absolute discretion, under Section 17 below.
15. Sponsor is authorized to sell or promote only those products or services specifically identified in this Agreement. If Sponsor sells or promotes any product or service not specifically identified in this Agreement, the 22<sup>nd</sup> DAA may, in its sole and absolute discretion, terminate this Agreement in accordance with Sections 15 and 17. If, during the performance of this Agreement, a dispute arises between the Sponsor and the 22<sup>nd</sup> DAA, which cannot be settled by discussion, the Sponsor shall, within eight hours of the incident, which gave rise to the dispute, submit a written statement to the 22<sup>nd</sup> DAA. A decision by the 22<sup>nd</sup> DAA, in writing, shall be given to the Sponsor within four hours of receipt of such a statement, and shall be final and conclusive. The Sponsor shall continue to perform the requirements under this Agreement without interruptions during the dispute period.
16. The 22<sup>nd</sup> DAA reserves the sole and exclusive right to terminate this Agreement, with or without cause, in whole or in part, at any time by written notice to the Sponsor. The Sponsor shall promptly submit its claim for any prorated fees within 24 hours of the written notice of termination to the 22<sup>nd</sup> DAA to be paid to the Sponsor. If the Sponsor has any vehicles, equipment and materials on State property, the Sponsor must remove this property within 24 hours of the written notice of termination.
17. Further, in the event that Sponsor is found by a court of law to be in violation of State or federal law regarding discrimination or harassment, or if Sponsor engages in business practices or activities deemed by the 22<sup>nd</sup> DAA to be inappropriate or detrimental to the interests of the 22<sup>nd</sup> DAA, it is agreed that the 22<sup>nd</sup> DAA may immediately terminate this Agreement.
18. It is understood and agreed that neither the 22<sup>nd</sup> DAA nor Sponsor shall be liable to the other for any delay in or failure of performance, nor shall any such delay in or failure constitute default or breach of contract, if such delay or failure is caused by "Force Majeure." For purposes of this agreement, Force Majeure includes, but is not limited to, acts of God (such as earthquakes, floods, wildfires, hurricanes, volcanic eruptions, and other natural disasters that render performance impossible), war, riots, acts of public enemy, labor disputes that result in work stoppage, epidemics, pandemics, and governmental restrictions, appropriations, regulations or controls (except those reasonably foreseeable in connection with the uses contemplated by this Agreement) or other cause without fault attributable to and beyond the control of the party obligated to perform (except financial inability). Further, if either the 22<sup>nd</sup> DAA or Sponsor will be delayed or prevented from the performance of any act required hereunder by reason of Force Majeure, performance of such act shall be excused for the period of the delay and the period for the performance of any such act shall be extended for a period equivalent to the period of such delay. If by reason of Force Majeure, performance is rendered impossible even if the period for performance is extended, this Agreement shall terminate. Except for delay or failure in performance caused by "Force Majeure," nothing in this Paragraph shall excuse Sponsor from prompt payment of any rent or any other

charge required of Sponsor. Except as otherwise provided in this section or elsewhere in this Agreement or unless due by default of the 22<sup>nd</sup> DAA, if Sponsor shall for any reason fail to occupy the 22<sup>nd</sup> DAA, no refund shall be made of any amounts paid by Sponsor to the 22<sup>nd</sup> DAA hereunder.

19. The parties agree that this Agreement shall be interpreted as if drafted by both parties.
20. The San Diego County Fair is a non-smoking event. Smoking is only allowed in designated areas. Please ensure that all Sponsors' employees, agents and vendors comply with this policy.
21. **Responsibilities of Sponsor:**
  - a. Operate and maintain the Winning Ways booths at the 2025 San Diego County Fair for all hours of operation for commercial exhibitors as listed in the Licensee handbook.
  - b. Winning Ways will solicit leads for and sell vacation packages for Wyndham Resorts.
  - c. Provide to the District's Sponsorship office prior to May 1, 2025, examples of all examples of all literature, samples, and merchandise to be sold or distributed during the Fair. Only District approved items may be sold or distributed by Sponsor.
  - d. Provide Sponsor's brand logo to the District's Sponsorship office upon request.
22. **Responsibilities of the 22nd DAA:**
  - a. Provide one space approximately 10' X 30' inside the Durante gate.
  - b. Provide one space approximately 10' X 30' located at the East end of the grandstand.
  - c. Provide one space approximately 10' x 30' located inside the Arena Gate.
  - d. Provide one space approximately 10 x 10' located inside the Arena Gate.
  - e. Provide one space approximately 10' x 30' on the main avenue.
  - f. At the above mentioned displays, all designated spaces will have electricity and lighting. The 22<sup>nd</sup> DAA will provide the canopies.
  - g. Provide name recognition on the main parking lot electronic marquee, each hour, 18 hours per day for the duration of the Fair.
  - h. Provide one hundred seventy-five (175) admission tickets for short term staff.
  - i. Provide Seventy Five (75) sponsor badges for staff, allowing unlimited entry to the Fair.
  - j. Provide fifteen (15) track season parking passes.
  - k. Provide one hundred (100) single day track parking passes valid any day of the Fair.
  - l. Provide one hundred (100) single day horse park parking passes valid any day of the Fair.
  - m. Provide a ticket bank of eight (8) Grandstand concert tickets. Requests are subject to availability.



## **Item 6-B, Finance Committee Report**

### **Background**

The Finance Committee ("the Committee") is charged by the Board Chair with the following:

- Reviewing and monitoring financial data and information pertaining to District.
- Reviewing the CEO's proposed budget prior to presentation to the Board.
- Making recommendations to the Board regarding financial matters, including day-to-day land use decisions, to improve District's financial health.
- Developing and amending recommended financial policies for Board consideration.
- Reviewing and recommending insurance policies and programs for board consideration.

### **Process/Approach:**

Accompanying this Committee Report are preliminary financial reports for 2024 through September 30. These reports are subject to change as the 22nd District Agricultural Association (District) works to review and close out the month.

The Balance Sheet is consolidated and inclusive of District, State Race Track Leasing Commission (SRTLCL), and Del Mar Race Track Authority (RTA). The Income Statement is inclusive of District programs and operations only.

As previously discussed, due to the proximity of the Board meeting dates to the end of the month immediately prior, there is approximately a six (6)-week lag between the financial report presentation and current activity. Therefore, the Committee reviews and presents financial reports to the Board from two months prior (March financials in May, April financials in June, etc.).

### **Executive Summary**

Overview: Through the first nine months of the year, District operations are performing better than expected by nearly \$4,569,000. A total savings of \$5,757,000 were achieved from reduced Payroll & Related Expense (\$1,613,000) and Professional Services (\$4,145,000) for the year.

### **Balance Sheet:**

Data for fiscal years 2022 and 2023 are included for comparison purposes to the current year, 2024.



- **Assets:**

- **Total Cash and Cash Equivalents:** District's unrestricted cash position continued to remain strong through the month of September. As a reminder, District began reinvesting back into facility maintenance and upgrades in 2024 — including asphalt, workspace renovations, fire suppression systems, and roof repairs — which may result in a reduction in Cash position by the year's end. As of the beginning of the year, District has funded \$4,028,000 toward such improvements.
- **Restricted Cash JLA:** In 2024, JLA auction proceeds were processed and paid in the month of August.
- **Restricted Cash RTA:** This reflects the cash available for the Race Track Authority bond obligations. This includes:
  - 1) Maintaining a reserve fund held in trust equivalent to one year's debt obligation;
  - 2) The current year's debt obligation;
  - 3) The minimum cash balance requirement for District (the equivalent of one year's debt obligation); and
  - 4) When applicable, surplus funds contributed that revert to District.

As a reminder, Net Horse Racing Revenues and/or Net Concession Revenues are transferred to the trustee by January 15 each year. The trustee makes withdrawals in April and October for the payment of the current year debt.

- **Accounts Receivable:** This account represents revenue items that have been earned, but cash has not been collected as of the balance sheet date. The Del Mar Thoroughbred Club is in the review process for its fair share of utilities used during the summer race season, approximately \$1,055,000; and a \$650,000 payment from Anheuser-Bush for sponsorship is expected during November 2024.

- **Liabilities:**

- **Deferred Revenue:** This consists of advance payments received for scheduled activities in the future, such as event rentals and the San Diego County Fair. As each event occurs, the revenue is realized in the same month as the event.
- **Accrued Employee Leave Liabilities:** This reflects the current value of the leave balances due to employees upon separation from District. Balances continue to be managed to remain within the state-mandated thresholds.
- **Long-Term and Short Term-Debt** Looking ahead for the

month of October, RTA will make a payment in the amount \$2,391,875 toward its existing revenue bond obligation (Principal \$1,585,000 & Interest \$806,875). In November, the District is scheduled to make a debt service payment to the Department of Goods and Services in the amount of \$258,268 (Principal \$176,632 & Interest \$81,635) toward its Energy Efficiency improvement loan obligation.

- **Footnotes:**

- **Footnote 7** reflects approximate balances of Long-Term Debt obligations. This information is updated as payments are made.

**Income Statement (All Programs & Operations):**

Revenues are recognized in the month in which they are earned while expenses are recognized in the month incurred. For example, revenues for the San Diego County Fair will be reflected in the June and July financial reports, while expenses for producing and preparing for the Fair are reflected in the months leading up to and after the Fair.

The first three columns of figures represent the month's activity — Actual, Budget, and Variance of Actual vs. Budget. The middle grouping of columns represents the year-to-date activity, while the last column presents the complete 2024 Operating Budget goals.

The overall net income activity for the month of September was higher than forecast despite revenue shortfalls due to the delay of KAABOO. These revenue shortfalls were offset by a considerable amount of savings in various expense categories.

The Sound continued its planned activities in September and produces eight events during the month, falling short of its forecast by two events. For the first nine months of the year, The Sound is trending 18 shows behind its forecast of 53 shows. Awareness of the venue is growing among artists, agents, and promoters. Though The Sound's contracted operator Belly Up will most likely not achieve the number of shows for the year anticipated in the budget (80), the shows produced so far have been well attended, and expectations are that the venue will operate near District's financial goals for the year.

Overall activity for the year through September has exceeded forecasts, in large part, due to the amount of cost savings that have mitigated revenue shortfalls, and by receiving the New Fair Funds (AB1499) in the amount of \$1,484,500 in January. The New Fair Funds were unanticipated at the time the budget was developed and approved and District is utilizing the New Fair Funds for a portion of the capital expenditure items this year.

- **Revenues:**

- **Total Operating Revenues** for the month fell short of expectations by 48%, or about \$2,580,000. The KAABOO festival had been forecasted to take place in the month of September; the event was delayed until 2025. This delay impacted budgeted Food & Beverage, Facility Rental and Parking revenues. For the year through September, total operating revenues fell lower than forecast by about 11% or \$8,519,000. As a reminder, during the original budget process, staff was challenged to exceed its initial fair-time revenue estimates by \$1,654,000 (Food & Beverage \$197,000, Admission \$525,000, Parking \$160,000, and carnival \$772,000).
  - **Concessions Revenues:** Food and Beverage sales were down versus the budget by 50%, or \$1,824,000. This was primarily because the FoodieLand and KAABOO events did not occur as budgeted during the month, and live racing-related food and beverage sales were lower than budgeted by \$657,000.
  - **Facility Rentals Revenues:** Up 19%, or \$1,244,118, versus the budgeted amount through September. However, the month of September alone was down by nearly 19% or \$201,000, versus the budgeted amount, due to the \$250,000 budgeted payment from KAABOO, which was offset in part by the addition of other events.
  - **Parking Revenues:** Down nearly 15%, or \$1,017,000, versus the budget through September. For the month of September, the revenues were lower than the forecast by nearly 87%, or \$519,000, because District had forecasted \$521,250 in parking revenues relating to the KAABOO.
- **Total Revenue:** Down 7%, or \$5,805,000, from the budgeted amount, through September.

- **Expenses:**

- **Total Operating Expenses** were lower than expected by nearly 38%, or \$1,940,000 for the month, partially due to the delay of KAABOO. Through the first nine months of the year, total operating expenses were lower than forecast by nearly 14% or \$10,501,000, though some of the savings may be due to timing differences between amounts budgeted and actual services performed.

- **Payroll & Related Expenses** are indicative of the ability to fill full-time, civil service vacancies within any given month as well as actual hours incurred versus those anticipated for temporary employees working during events. For the month, District is trending lower than the budgeted amount by 20%, or \$271,000. Through the nine months of the year, this element is lower than the budget by 10%, or \$1,610,000.
- **Professional Services** consists of a multitude of services, the largest being food and beverage. The actual timing of expenditures in this category may differ from the budgeted amounts, resulting in variances between the months during the year. For the month of September, this category is trending lower than forecast by nearly 54%, or \$1,652,000. Through the first nine months of the year, this category is lower than the budget by nearly 23%, or \$6,650,000. The accounting team is researching the savings in this category to determine if these savings will be realized for the year or are the result of timing issues when the budget was developed.
  - **Food and Beverage Expenses** as a subcategory of the Professional Services Expense is trending lower than the budget estimate by nearly 45%, or \$1,140,000, for the month. The delay of the KAABOO festival had a great impact on the cost savings for this category. Through the first nine months of the year, this element is lower than the budget by nearly 15% or \$2,506,000.
- **Facility related Expenses** for the month have exceeded the budget amount by nearly \$11,000 due to differences between anticipated utility costs and the actual amounts incurred. For the year, this category is lower than expected by 1.4%, or \$84,000.

### **Other Work by the Committee:**

#### **RTA Bonds Refinancing:**

The Committee has been monitoring conditions related to refinancing or restructuring the Del Mar Race Track Authority (RTA) Bonds since the pandemic. All bonds will be currently callable on April 1, 2025, providing the RTA, on behalf of the District and Commission, the opportunity to potentially restructure the revenue pledge to enhance the credit to provide overall savings and free up cash reserves for current projects.

As directed by the Board during the August meeting, District's CEO and Finance Director are continuing to work with the RTA's counsel, banker, and public finance firm to the bonds with the goal of returning with a recommendation to the Board regarding bond refinancing early next year.

### **Financial Policies:**

As District undergoes a multi-year financial planning process this Fall, particular attention has been given to the development of financial policies that strategically develop reserves and capital improvement funds.

As a reminder, the Board's authority to establish policies is derived from Food & Agricultural Code, Section 4051(a)(7), which authorizes District Agricultural Associations (DAAs) to "make or adopt all necessary orders, rules, or regulations for governing the activities of the association." Section 4051(a)(7) also provides that when a District Agricultural Association adopts an order, rule or regulation for governing its activities, the order, rule or regulation is exempt from California's Administrative Procedures Act. For reference, the Act governs state agencies in adopting, amending, and repealing administrative rules and regulations.

While the Department of Food and Agriculture (CDFA) provides policy oversight to District Agricultural Associations, including providing recommended rules and regulations for adoption, each District maintains the authority to adopt rules and regulations for governing its own operations and activities. Though DAAs are exempt from the Act, state agencies, including CDFA, are not. Were CDFA to adopt a mandatory rule or regulation that applied statewide to all District Agricultural Associations, CDFA would promulgate that rule or regulation in accordance with the Administrative Procedures Act.

Following the process previously established by the Board, the Committee is introducing the accompanying draft policies – 4.04 Financial Stewardship, 4.05 Financial Reserves, 6.02 Event Ticket Purchase, and 6.03 Cashless Fair Operations - to the Board at the November meeting for discussion and will take any input received back to the Committee or Chief Executive Officer for further consideration before bringing modifications back to the Board at a subsequent public meeting for additional feedback before finally presenting to the Board for consideration and approval.

### **Operating and Capital Expenditures Budgets:**

Reports for the 2025 Operating Budget (item 6-A-1) and Capital Expenditures Budget (item 6-A-2) accompany each agenda item for consideration.

**22nd DAA**  
**Consolidated Balance Sheet (DAA, RTA, RTLC)**  
**As of September 30, 2024**

	2024	2023	2022
<b>Assets</b>			
Cash	\$ 38,331,443	\$ 39,668,860	\$ 36,729,535
Restricted Cash - JLA	79,224	58,658	60,226
1 Restricted Cash - F&B Equipment Fund	51,157	46,467	304,550
2 Restricted Cash - RTA	11,630,428	12,672,212	11,962,989
<b>Total Cash and Cash Equivalents</b>	<b>50,092,251</b>	<b>52,446,197</b>	<b>49,057,300</b>
Accounts Receivable	2,431,425	1,349,723	1,790,426
Prepaid Expenses	737,137	670,444	731,846
3 Deferred Outflows Pension	5,298,571	5,298,571	5,298,571
<b>Total Current Assets</b>	<b>8,467,133</b>	<b>7,318,738</b>	<b>7,820,843</b>
Land and Land Improvements	45,166,113	45,166,113	35,011,899
Building and Improvements	217,564,033	217,564,033	196,936,242
Equipment	39,238,779	38,795,274	38,132,104
Capital Projects in Process	5,834,719	1,806,615	30,835,079
Accumulated Depreciation	(191,722,134)	(189,135,880)	(179,427,193)
<b>Total Capital Assets</b>	<b>116,081,510</b>	<b>114,196,154</b>	<b>121,488,131</b>
<b>Total Assets</b>	<b>\$ 174,640,895</b>	<b>\$ 173,961,089</b>	<b>\$ 178,366,274</b>
<b>Liabilities</b>			
Accounts Payable	7,147,698	8,256,875	8,940,510
Payroll Liabilities	1,023,035	727,928	441,206
Accrued Liabilities	1,642,608	1,896,271	1,988,326
Other Current Liabilities	776,586	202,777	1,817,778
5 Deferred Revenue	1,787,119	1,271,333	1,610,465
4 Current Long Term Debt	1,921,583	2,537,472	3,054,255
6 Accrued Employees Leave Liabilities	1,515,243	1,348,429	1,228,006
7 Long Term Debt	56,210,122	59,733,477	63,226,928
Reserve - F&B Equipment Fund	260,071	189,815	578,458
Reserve - JLA	43,292	36,607	16,305
3 Pension Liability	40,291,282	40,090,529	39,877,458
3 Deferred Inflows - Pension	1,754,199	1,754,199	1,754,199
<b>Total Liabilities</b>	<b>114,372,839</b>	<b>118,045,712</b>	<b>124,533,893</b>
<b>Net Resources</b>			
Contributed Capital	78,877,171	78,877,171	78,877,171
Less Contributed Capital to RTA	(34,358,470)	(34,358,470)	(34,358,470)
Net Resources - Unrestricted	11,515,553	11,783,919	(5,921,909)
Investment in Capital Assets	(3,891,786)	(3,891,786)	(3,891,786)
	52,142,468	52,410,834	34,705,006
Net Proceeds from Operations	8,125,587	3,504,543	18,500,811
<b>Total Net Resources</b>	<b>60,268,055</b>	<b>55,915,377</b>	<b>53,205,817</b>
<b>Total Liabilities and Net Resources</b>	<b>\$ 174,640,895</b>	<b>\$ 173,961,089</b>	<b>\$ 177,739,710</b>

- 1- Per Food & Beverage Services agreement, 1.50% of all Gross Revenues for unexpected or emergency expenses, including repair and maintenance of equipment.
- 2- Per bond Pledge Agreement, maintain Reserve account and District cash separately equal to at least Maximum Annual Debt Service.
- 3- Information provided by CDFA/State Controllers Office; results from changes in components of net pension liability; applicable to a future reporting period.
- 4- Current portion of long-term debt due within the next 12 months.
- 5- Advance payments for events/activities in the future.
- 6- Due to employees at time of separation for paid leave balances.
- 7- RTA Bonds \$30.7M; Ibank WQI \$6.2M; Ibank Sound \$13.0M; Premier \$1.5M; Energy Efficiency \$3.3M; CalPers SB84 \$1.5M.

**22nd DAA**  
**Income Statement**  
For the Period Ending September 30, 2024  
**DAA**

	September 2024			Year-to-Date			Full 2024
	Actual	Budget	Variance	Actual	Budget	Variance	Budget
<b>REVENUES</b>							
Admissions Revenue	0	0	0	11,711,024	13,649,053	(1,938,029)	13,649,053
Gates	0	0	0	11,711,024	13,649,053	(1,938,029)	13,649,053
Concessions Revenue	1,779,946	3,603,947	(1,824,001)	39,929,257	46,776,601	(6,847,344)	53,102,000
Food & Beverage Contra	1,776,092	3,600,297	(1,824,205)	17,278,518	21,715,606	(4,437,088)	27,994,405
Other Food & Beverage	0	0	0	4,612,594	4,944,911	(332,317)	4,944,911
Midway	0	0	0	17,925,379	20,060,139	(2,134,760)	20,060,139
Facility Rentals Revenue	838,029	1,038,738	(200,709)	7,900,883	6,658,252	1,242,631	8,896,646
Commercial	0	0	0	3,584,970	2,501,590	1,083,380	2,501,590
Racetrack	500,000	500,000	0	500,000	500,000	0	1,825,000
Leases Revenue	49,168	48,412	756	420,736	431,508	(10,772)	577,851
Program Revenues	96,079	652,700	(556,621)	6,528,449	7,494,846	(966,397)	8,149,861
JLA	0	0	0	44,391	22,500	21,891	22,500
Parking	75,200	594,000	(518,800)	5,701,881	6,718,546	(1,016,665)	7,303,861
Participation Fees	0	35,000	(35,000)	339,700	335,000	4,700	335,000
Satellite Wagering	20,879	23,700	(2,821)	442,478	418,800	23,678	488,500
<b>OPERATING REVENUE TOTALS</b>	<b>2,763,221</b>	<b>5,343,797</b>	<b>(2,580,576)</b>	<b>66,490,349</b>	<b>75,010,260</b>	<b>(8,519,911)</b>	<b>84,375,411</b>
Contributions	3,900	4,600	(700)	3,792,275	2,803,310	988,965	2,273,110
Government Funding	0	0	0	1,484,500	0	1,484,500	0
Sponsorships	3,900	4,600	(700)	2,293,770	2,799,810	(506,040)	2,269,610
Other Non-Operating Revenue	499,860	264,891	234,969	1,601,036	974,289	626,747	1,258,512
Interest Earnings	491,012	255,000	236,012	1,243,937	765,000	478,937	1,020,000
Reimbursed Costs	1,037,798	86,112	951,686	1,583,889	526,228	1,057,661	1,412,314
Prior Year Revenue	0	0	0	40,866	0	40,866	0
<b>NON-OPERATING REVENUE TOTALS</b>	<b>1,541,558</b>	<b>355,603</b>	<b>1,185,955</b>	<b>7,018,066</b>	<b>4,303,827</b>	<b>2,714,239</b>	<b>4,943,936</b>
<b>TOTAL REVENUE</b>	<b>4,304,779</b>	<b>5,699,400</b>	<b>(1,394,621)</b>	<b>73,508,415</b>	<b>79,314,087</b>	<b>(5,805,672)</b>	<b>89,319,347</b>
<b>EXPENSES</b>							
Payroll & Related Expense	1,054,075	1,325,937	271,862	14,571,822	16,181,217	1,609,395	20,021,458
Professional Developer	5,323	13,000	7,677	111,942	296,962	185,020	354,509
Professional Services Expense	1,417,009	3,069,447	1,652,438	22,203,631	28,853,714	6,650,083	35,271,131
Food & Beverage Expens	1,369,178	2,509,899	1,140,721	13,801,674	16,308,014	2,506,340	21,081,505
Insurance Expense	182,902	166,598	(16,304)	1,474,071	1,466,811	(7,260)	1,877,804
Facility & Related Expense	334,811	323,485	(11,326)	5,934,400	5,850,588	(83,812)	6,967,696
Equipment & Small Ware	3,495	6,000	2,505	139,080	330,000	190,920	330,000
Telephone & Internet	8,247	8,409	162	73,228	75,601	2,373	101,998
Repairs & Maintenance	37,305	45,941	8,636	915,828	594,069	(321,759)	748,456
Utilities	274,392	241,000	(33,392)	3,392,484	3,108,000	(284,484)	4,020,000
- Electricity	68,650	-	-	1,886,269	-	-	-
- Water	442	-	-	469,527	-	-	-
Supplies Expense	27,127	46,950	19,823	1,432,911	1,647,834	214,923	1,740,934
Marketing & Related Expense	2,856	5,000	2,144	1,238,605	1,469,150	230,545	1,499,150
Program Expenses	24,248	31,031	6,783	15,368,747	16,872,711	1,503,964	16,939,508
Prizes & Premiums	0	0	0	18,197	0	(18,197)	0
Artists & Entertainment	0	0	0	5,020,791	5,411,350	390,559	5,411,350
Midway Operator Expen.	0	0	0	10,020,194	11,117,754	1,097,560	11,117,754
Other Operating Expense	73,883	88,601	14,718	2,307,964	2,692,066	384,102	2,937,616
Bank & Service Fees	5,313	19,961	14,648	1,594,725	2,024,206	429,481	2,064,546
Interest Expense	68,575	68,640	65	635,228	636,360	1,132	841,570
<b>OPERATING EXPENSE TOTALS</b>	<b>3,116,912</b>	<b>5,057,049</b>	<b>1,940,137</b>	<b>64,532,151</b>	<b>75,034,091</b>	<b>10,501,940</b>	<b>87,255,297</b>
Other Non-Operating Expense							
Prior Year Expense	0	0	0	126,962	0	(126,962)	0
<b>NON-OPERATING EXPENSE TOTALS</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>126,962</b>	<b>0</b>	<b>(126,962)</b>	<b>0</b>
<b>TOTAL EXPENSE</b>	<b>3,116,912</b>	<b>5,057,049</b>	<b>1,940,137</b>	<b>64,659,113</b>	<b>75,034,091</b>	<b>10,374,978</b>	<b>87,255,297</b>
<b>NET INCOME (LOSS)</b>	<b>1,187,867</b>	<b>642,351</b>	<b>545,516</b>	<b>8,849,301</b>	<b>4,279,996</b>	<b>4,569,305</b>	<b>2,064,050</b>

Note: Positive variances in this report denote better than expected results for that element.

Note1: Government funding of AB-1499 was unanticipated; these funds are reserved for CAPX.

## Food & Beverage Report Sep-24

September 2024 Food Service Revenues were \$1,786,911. Budgeted Revenues for September 2024 were \$2,338,812

Net distribution to the District for September 2024 was \$472,318 or 26.4%. Budgeted distribution for September 2024 was \$1,058,144 or 29.7%.

Year-to-date 2024 distribution to the District is \$3,360,780 or 19.3%. The budgeted distribution for YTD 2024 was \$5,232,713 or 24.3%.

<b>Sep-24</b>	<b>2024 ACTUAL</b>	<b>%</b>	<b>2024 BUDGET</b>	<b>%</b>	<b>2023 ACTUAL</b>	<b>%</b>
TOTAL REVENUE	1,786,911	100.0%	3,568,043	100.0%	2,338,812	100.0%
TOTAL COGS	(248,765)	-13.9%	765,015	21.4%	379,942	16.2%
GROSS MARGIN	2,035,676	113.9%	2,803,028	78.6%	1,958,870	83.8%
TOTAL PAYROLL	1,246,931	69.8%	1,277,331	35.8%	1,321,008	56.5%
OPERATING EXPENSES	248,954	13.9%	316,390	8.9%	108,722	4.6%
NET PROFIT	539,791	30.2%	1,209,307	33.9%	529,140	22.6%
CLIENT DISTRIBUTION	472,317	26.4%	1,058,144	29.7%	462,998	19.8%

<b>YTD</b>	<b>2024 ACTUAL</b>	<b>%</b>	<b>2024 BUDGET</b>	<b>%</b>	<b>2023 ACTUAL</b>	<b>%</b>
TOTAL REVENUE	17,424,809	100.0%	21,518,727	100.0%	17,651,993	100.0%
TOTAL COGS	3,658,237	21.0%	4,674,531	21.7%	3,721,437	21.1%
GROSS MARGIN	13,766,572	79.0%	16,844,196	78.3%	13,930,556	78.9%
TOTAL PAYROLL	7,876,141	45.2%	8,494,328	39.5%	7,152,161	40.5%
OPERATING EXPENSES	2,049,539	11.8%	2,369,625	11.0%	1,914,663	10.8%
NET PROFIT	3,840,892	22.0%	5,980,243	27.8%	4,863,732	27.6%
Y-T-D CLIENT DISTRIBUTION	3,360,781	19.3%	5,232,713	24.3%	4,255,766	24.1%



## 22nd District Agricultural Association **Policies**

### **Policy 4.04: Financial Stewardship**

Date Adopted/Last Revised:

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Note: Capitalized terms not otherwise defined in this Policy have the meanings set forth in the Definitions section of Policy 1.01. Should any provision in this Policy contradict any provision of California law, California law shall control.

#### **Purpose**

The purpose of this Policy is to establish guidelines and expectations for the Board and CEO related to financial stewardship of the 22nd DAA and the ability to maintain operations, invest in Personnel, and enhance programs while simultaneously reinvesting into the design, construction, maintenance, and replacement of current capital assets and equipment to maintain the grounds and facilities in good working condition.

#### **Policy**

This Policy is designed to establish the process for developing and reviewing the organization's annual operating and capital investment budgets and monitoring performance to the financial plan. It is the Policy of the 22nd DAA that the Board is responsible for approving and overseeing the organization's financial plan to ensure that it is:

- Aligned with and supports the organization's purpose, mission, vision, values, and strategic objectives; and
- Financially sustainable, responsible, and compliant with all applicable laws and regulations.

The CEO is responsible for planning, coordinating, analyzing, preparing, and reviewing the operating and capital investment budgets in consultation with the Finance Committee and for making the final recommendation of the proposed financial plan to the Board.

The 22nd DAA must have an operating budget for each fiscal year—which runs from January 1 through December 31. As such, the Board must adopt a new budget on an annual basis. It is a best management practice to also have a capital investment plan and budget. The budget is a flexible document that provides a comprehensive framework of resource allocations for implementation of the 22nd DAA’s strategic initiatives for the fiscal year.

### **Monitoring Financial Performance**

The Finance Committee will review financial reports and analyses provided by the CEO each month showing the year-to-date revenue and expenditures and variation from budget estimates, indicating any significant deviations. An executive summary will accommodate the report to the Board detailing reasons for variations, what effect any variations will have on the budget forecasts, and recommendations for corrective action should that be required.

## 22nd District Agricultural Association **Policies**

### **Policy 4.05: Financial Reserves**

Date Adopted/Last Revised:

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Note: Capitalized terms not otherwise defined in this Policy have the meanings set forth in the Definitions section of Policy 1.01. Should any provision in this Policy contradict any provision of California law, California law shall control.

#### **Purpose**

The purpose of this Policy is to provide guidelines for the Board and CEO to use in making financial decisions to withstand economic variations while ensuring the long-term ability of the 22nd DAA to meet its mission, maintain core operations, and the Board's vision for the future is achieved.

The 22nd DAA will maintain reserves to achieve the following objectives:

- To create the ability for matching fund programs such as private/grants for master site plan development;
- To enable the organization to sustain operations through catastrophic conditions;
- To pay for one-time, nonrecurring expenses that will build capacity or provide long-term benefits;
- To provide an internal source of funds during seasonal deficits;
- To responsibly invest in its property and infrastructure.

The Reserve Fund is not intended to replace a permanent loss of funds or eliminate an ongoing budget gap. It is the intention of the 22nd DAA for reserves to be used and replenished within one year.

#### **Policy**

It is the Policy of the Board to establish minimum fund balances and reserve levels that assure the community that the 22nd DAA is maintained in sound financial condition including a Minimum Operating Fund Balance, Capital Replenishment Fund, and Reserve Fund.

Minimum Operating Fund Balance: The 22nd DAA shall maintain a Minimum Operating Fund Balance equivalent to at least double the average of total negative cash flow months in the preceding three years, excluding any amounts held in reserves or otherwise committed funds.

Capital Replenishment Fund: The 22nd DAA acknowledges that eventually, all structures and improvements will ultimately require replacement or upgrades. The useful life of each asset shall be tracked and reasonable reserves established to fund those projects when applicable.

Reserve Fund: The Reserve Fund is funds set aside by action of the Board of Directors. Its ongoing operation and oversight are the responsibility of the Finance Committee. The target minimum amount shall be an amount sufficient to keep the organization viable for eighteen months, during a catastrophic failure or fiscal hardship such as another global pandemic, natural disaster, year without a fair, etc. The Reserve Fund shall be equivalent to a minimum of 25% of ongoing annual operating revenues, excluding any amounts held in reserves or otherwise committed funds.

The Reserve Fund serves a dynamic role and will be reviewed and adjusted annually in response to internal and external changes.

### **Funding Reserves and Replenishment**

To establish the Reserve Fund, the Board shall designate \$## of existing accumulated liquid unrestricted net assets as the beginning balance of the Reserve Fund. The remaining amount is to be funded over the next ten (10) years through funding strategies incorporated into annual budget planning. The Reserve Fund and Capital Replenishment Fund will be funded annually from 50% of the surplus unrestricted operating funds after the Minimum Operating Fund balance is reached. The remaining surplus unrestricted operating funds may be used toward annual capital expenditures. The Board may from time to time direct that a specific source of revenue be set aside for the Reserve Fund.

The balance of the Funds will be included in the regular financial reports to the Board.

### **Investing**

The Reserve Fund will be funded and available in cash or cash equivalent funds, in accordance with the risk preferences, liquidity needs, and investment objectives of the 22nd DAA.

The Reserve Fund will be maintained in a segregated bank account or investment fund, in accordance with the organization's Investment Policy. Policies and procedures for handling deposits, reconciling statements, safeguarding access, etc. will be the same as for any of the organization's other bank accounts.

### **Shortfalls**

Once the fund balances have been achieved, if the Reserve Fund is and has been less than 90% of the target minimum amount for two consecutive years, the Board of Directors will adopt an operational budget with a projected surplus sufficient to rebuild the Reserve Fund to its targeted minimum amount over a prescribed period of time.

### **Accounting for the Reserve and Replenishment Funds**

The Reserve Fund and Capital Replenishment Fund will be listed separately in the unrestricted net assets section of the statement of financial position as “Board-Designated Reserve” and the status of borrowings from the Reserve Fund will be provided in financial reports to the Board.

### **Using Reserves or Replenishments**

The CEO will identify reasons for accessing the Reserve Fund and/or Capital Replenishment Fund and confirm that the use is consistent with the purpose as described in this Policy and as part of this process, will do the following:

- Analyze the reason for the needed funds;
- Assess the availability of any other sources of funds before using the Reserve Fund or Capital Replenishment Fund; and
- Evaluate the period that the funds will be required and then replenished.

In consultation with the Finance Committee, the CEO may access the Reserve Fund or Capital Replenishment Fund for purposes as outlined above, as long as sufficient funds are available to repay such usage within six months’ time. Any funds borrowed for longer than six months requires Board approval.

The CEO will inform the Board in writing if the Reserve Fund or Capital Replenishment Fund has been accessed, and such notification will include the analysis and determination for the use of funds and plans for refurbishment.

### **Report and Monitor Use of Reserve and Replenishment Funds**

The CEO is responsible for ensuring that the Reserve Fund and Capital Replenishment Fund is maintained and used only as described in this Policy and for maintaining records of the use of funds and plan for refurbishment. The CEO will provide regular reports to the Finance Committee and Board of progress to restore the fund to the target minimum amount.

## 22nd District Agricultural Association **Policies**

### **Policy 6.02: Event Ticket Purchase**

Date Adopted/Last Revised:

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Note: Capitalized terms not otherwise defined in this Policy have the meanings set forth in the Definitions section of Policy 1.01. Should any provision in this Policy contradict any provision of California law, California law shall control.

#### **Purpose**

Online ticketing platforms require a policy to establish clear guidelines that protect both the venue and the customer. By clarifying the terms and conditions associated with the ticket purchase to customers — such as refund and exchange policies, entry requirements, the authentication of the ticket payments, and ticket limits — the venue sets clear rules and guidelines that help manage ticketing transactions and expectations. As a result, customers understand ticketing rules and agree to ticketing rules and terms at the time of purchase, which can reduce confusion, potential disputes, and questions for the venue's customer care representatives.

Additionally, a clear ticketing policy protects the venue. By agreeing to the policy at the time of purchase, customers enter into an agreement that can help reduce issues that may occur, such as credit card disputes, refunds for cancellations, and disputes over ticket limits and validity of tickets.

The purpose of this Policy is to minimize risk, provide clarity to ticket-buyers, and protect the 22<sup>nd</sup> DAA and its customers from fraudulent consumer activities.

## **Policy**

The purchase of a ticket grants a revocable, non-exclusive, and non-transferable license to attend the specified event at the 22nd DAA. The CEO is authorized to develop and implement a disclosure to be acknowledged by the customer prior to each purchase that further addresses the items outlined in this Policy.

The license does not confer any rights beyond admission and is subject to all terms and conditions outlined in the disclosure.

Tickets must be presented for admission. The code on each ticket allows redemption of the item described.

All ticket sales are final. Lost or stolen tickets will not be replaced. The 22nd DAA does not offer refunds or exchanges except in cases where a concert or event is canceled or postponed, at which time ticket holders will be notified promptly of their options.

The 22nd DAA accepts major credit and debit cards for payment. All transactions are processed securely.

All information on orders must be valid and subject to verification.

Transactions shall be limited to a specific number of tickets for purchase per customer/household.

Tickets purchased through the 22nd DAA websites are intended for personal use only. The 22nd DAA does not endorse or support ticket purchases from third-party sellers.

The resale of tickets for profit or in violation of this Policy is strictly prohibited.

Tickets have no cash redemption value and cannot be exchanged for cash or any other items.

In the event of a pricing error, the 22nd DAA reserves the right to cancel orders placed at incorrect prices and either issue a refund or offer tickets at the correct price.

Ticketholders agree that they will not attempt to evade, avoid, or circumvent any refund prohibitions regarding the tickets purchased.

By purchasing a ticket, permission is granted to the 22nd DAA and its affiliates to use personal information for event-related communications, including ticketing, promotions, and updates.

By attending an event at the 22nd DAA, ticketholders consent to the use of their image, likeness, and voice in photographs, video recordings, or other media taken during the event.

The 22nd DAA reserves the right to refuse entry or eject any person who does not comply with 22nd DAA policies or engages in disruptive or inappropriate behavior. No refunds or exchanges will be issued in such cases.

All attendees are subject to search upon entry. Prohibited items, including weapons, and illegal substances may be confiscated. Failure to comply with security measures may result in denial of entry or ejection from the event. No refunds or exchanges will be issued in such cases.

The 22nd DAA is not responsible for any loss, injury, or damage to persons or property while attending the event. By purchasing a ticket, ticketholders agree to hold harmless and indemnify the 22nd DAA, its affiliates, and its employees from any claims arising out of their attendance.



## 22nd District Agricultural Association **Policies**

### **Policy 6.03: Cashless Fair Operations**

Date Adopted/Last Revised:

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Note: Capitalized terms not otherwise defined in this Policy have the meanings set forth in the Definitions section of Policy 1.01. Should any provision in this Policy contradict any provision of California law, California law shall control.

#### **Purpose**

Cashless operations, or electronic payment operations, deliver transactions that are seamless, frictionless, and low-cost and address a growing expectation amongst consumers for fast digital payments.

The purpose of this policy is to establish payment methods accepted at the San Diego County Fair for the enhancement of safety, security, theft-prevention, and guest experience while still providing equitable access to services, activities, and experiences at the San Diego County Fair.

#### **Policy**

Pursuant to this Policy, all 22nd DAA operations during the San Diego County Fair, including those provided by the 22nd DAA's contracted food and beverage operator, are limited to accept electronic forms of payment only (cashless operation).

Additionally, any independent operation at the San Diego County Fair that pays commission (percent of sales) to the 22nd DAA is required to accept electronic forms of payment only (cashless operation).

To maintain accessibility for all customers of the San Diego County Fair, the 22nd DAA shall provide a means for customers to exchange cash for an acceptable form of electronic payment.



## **Item 6-B-1, Finance Committee Report – 2025 Operating Budget**

*Consideration and vote on whether to approve the 2025 Operating Budget, including rates and out-of-state travel for employees and Board members  
[Action Item]*

The accompanying 2025 Operating Budget is presented as the financial operating plan for the year, including payment of the annual portion of principal on long-term debt obligations and investment into capital assets. The Operating Budget forecasts over \$4.1 million net proceeds from operations prior to payment of debt and capital expenses, and overall reinvestment required from the 2024 net operations or reserves in the amount of \$1.9 million after payment of the debt and capital investment.

The following information provides background for the assumptions made in the preparation of the 2025 Operating Budget along with insight into the methodologies taken. This format more easily guides decision-making and provides greater transparency into the operations and ongoing viability of District.

Beginning in 2021, District prepares the operating budget using Zero-Based Budgeting techniques and presents the information in a Program-Based format. District Programs have been identified as SDCF (San Diego County Fair), Rentals & Sales (non-fair events and activities), Horse Racing (Del Mar Thoroughbred Club and Satellite Wagering), The Sound, Resiliency Center (community emergency), and Administration + Overhead (everything else). The process continues to bring new opportunities for all levels of the organization to engage in planning the future from a ground-up approach.

Accomplishments in 2024:

- Continued to implement the responsible regrowth plan for staff development;
- Resumed equestrian activities at Horsepark;
- Opted to pay back the PPP Loan received at the start of the pandemic.

The 2025 Operating Budget reflects the ongoing commitment to responsibly regrow the organization in pursuit of the Board's strategic initiatives in the coming year.

### **Approach:**

As the name implies, zero-based budgeting starts with a zero balance on all revenue and expense accounts and then allocates resources based on Program necessity rather than budget history. District has realized a better understanding



of financial decisions over recent years utilizing this technique. For 2025, every revenue and expense assumption was carefully considered and reviewed in the context of the prior year's performance. The program-based format provides better understanding of, and insight into, revenues and expenses according to programs and functions instead of broad categories that cover multiple programs.

## **Program Assumptions**

This budget assumes revenues that District is confident in obtaining throughout 2025 and all anticipated expenses, including adjustments for projected inflation.

## **SAN DIEGO COUNTY FAIR**

This budget takes a comparative approach to prior year revenues, with a focus on increasing average daily attendance. The focus remains on enhancing the guest experience, providing for more mixed-use areas, and integrating agriculture throughout the Fair. Discounts are offered for advance purchase on Admission, Midway, and Parking to maintain accessibility of the Fair to all community members.

- 2025 Fair Theme – Summer Pet-tacular
- Fair Dates – June 11<sup>th</sup> to July 6<sup>th</sup>, closed on Mondays and Tuesdays
- Fair attendance goals – 60,000 per day (45,000 paid); increase average daily attendance by 2,000 people per day
- Fair Hours: Daily – 11 am to 11 pm; midway may operate until midnight
- Admission & Parking Rates:  
*Note: Advance Sale means purchased one day or more before redemption*
  - Admission:
    - Wednesday and Thursday
      - Advanced Sale: \$16 General Admission and \$13 youth/seniors/military
      - Day of: \$20 General Admission & \$17 youth/seniors/military
      - Fair Tripper: \$20 General Admission & \$17 youth/seniors
    - Friday, Saturday, and Sunday
      - Advanced Sale: \$20 General Admission and \$17 youth/seniors/military
      - Day of: \$25 General Admission and \$22 youth/seniors/military
      - Fair Tripper: \$25 General Admission; \$22 youth/seniors
    - Discounts:
      - Albertson's/Vons/Pavilions and Military: \$17 GA; \$14 Youth/Seniors
      - Kids: 5 & under free every day
      - Kids' Days: Youth 12 & under free every Friday
    - Definitions:
      - Kids: 5 & under

- Youth: 6-12
- Seniors: 62 & over
- Parking:
  - Advanced Sale Parking: \$16 and \$50 preferred @ fairgrounds
    - \$10 Horsepark
  - Day-of Parking: \$20 and \$55 preferred @ fairgrounds
    - \$10 Horsepark
- Midway Tickets & Wristbands:
  - Wristbands: \$55; advance sale discount of \$5; Pepsi promotional discount of \$5
  - Tickets: \$1.25 per
  - One additional wristband day (July 3)
- Other Rates

Ag & Ed Exhibitor Housing Rates	
Ag & Ed RV	\$105
Ag & Ed Jockey Quarters	\$85
Ag & Ed Extra Parking	\$60
Fairtime Housing Rates	
Fairtime RV*- Red Lot, West Lawn	\$1,315
Fairtime Jockey Quarters^	\$970
Fairtime Backstretch Parking	\$225
Fairtime Backstretch and Surf & Turf RV*	\$1,015
*includes 1 parking pass	^parking is <u>not</u> included
Commercial Space Rental Rates	
Avenue	\$4,120
Bing Crosby Hall	\$4,120
Exhibit Hall	\$3,865
Fairway & Thoroughfare	\$3,500
Gems & Minerals	\$3,555
O'Brien Hall	\$3,915
Seaside Pavilion	\$3,865
Concourse	\$3,500
Other	\$3,500
Clubhouse	\$2,780
Paddock 10x10	\$2,780
Durante/Arena/Livestock Way	\$2,060
Infield	\$1,550
Indoor Corners	\$515
Wyland	\$3,000
Concessions	
Deposit	\$5,000
Commission	25%
Add Ons	
Additional 20 amp hookup	\$280
Additional 30 amp hookup	\$350

Additional 50 amp hook up	\$560
Insurance through CFSA	\$300
Stock Truck with power	\$695
Stock Truck without power	\$345
Golf Cart Permit	\$178
Red Lot Parking	\$420

Revenues: Consists of program revenues including admission, midway, parking, concessions, food & beverage contract, etc. Variable revenues are forecasted based on the historic attendance patterns and per cap spending. Fixed revenues include commercial space and sponsorship.

### **Anticipated Revenues from San Diego County Fair: \$52,869,234**

Expenses: In tandem with the fiscally responsible approach to revenues above, associated expenses for the San Diego County Fair will provide a safe, enhanced guest experience at this annual family friendly event. Highlights of specific expenses fall into these broad categories:

- Marketing: Inclusive of digital ads and social media, radio, print, and television, including upgrades to the sandiegocountyfair.com website and media monitoring services;
- Midway: Payments to operators of rides and games; 52% of ride gross, 70% of game gross;
- Entertainment and Shows: Featuring 20 days of ground shows, strolling acts, stage performances, demonstrations, contests, fireworks, and more including national touring acts on the Grandstand Stage and tribute bands and rising stars on the Paddock Stage;
- Prizes & Premiums: Fondly referred to as premiums, also includes ribbons and other awards and is a cornerstone of the competitive exhibits and displays;
- Professional Services: With the priority on safety and security of all patrons, contracted services includes event security and law enforcement, marketing agency, talent booking agency, portable handwashing stations, off-site parking shuttle services, Premier's cost of goods sold, labor, and operations during the Fair, and other contracted services;
- Service Fees: Credit card fees calculated as a percentage of ticket sales for a contactless experience;
- Food & Beverage Contract: Reimbursement of expenses including labor and cost of goods sold to Premier Food Services for food and alcohol services.

### **Anticipated Expenses for San Diego County Fair: \$36,000,664**

Net Operations: The most profitable of all District programs, successfully producing the San Diego County Fair is paramount to self-sustaining operations.

**Anticipated Net Operations from San Diego County Fair, excluding Payroll: \$16,868,569, PLUS:**

**Anticipated Payroll to produce the San Diego County Fair: \$8,940,369, EQUALS:**

**Anticipated NET OPERATIONS from San Diego County Fair after payment of debt principal, including Payroll: \$7,928,201**

### **RENTALS & SALES (THIRD-PARTY EVENTS AND ACTIVITIES)**

Third-party promoter uses of the facilities for events and activities, including KAABOO and Horsepark, Surf & Turf Recreation campus operators such as tennis, swim, volleyball, and golf, as well as RV Park operations by District.

The budget forecasts a 5% increase in facility and equipment rental rates and the following rates for year-round RV operations:

Year-Round Camping Rates	
Location	Rate
Monthly*	
ST 25' or less	\$1,000
ST up to 30'	\$1,050
ST up to 40'	\$1,100
Nightly	
ST 30 amp less than 25'	\$61
ST 50 amp less than 25'	\$64
ST 30 amp up to 30'	\$66
ST 50 amp up to 30'	\$70
ST 30 amp up to 40'	\$77
ST 50 amp up to 40'	\$81
ST 50 am 40' concrete	\$105
Red Lot	\$77

\*historic tenants

Revenues: Consists of facility and equipment rental fees for events throughout the year such as consumer shows, trade shows, personal celebrations, Seaside Equestrian Tour, overnight RV parking fees, etc. A major addition to 2025 is the return of KAABOO.

**Anticipated Revenues from Rentals & Sales: \$6,916,528**

Expenses: Relatively minimum given that much of the program consists of managing the calendar outside of the Fair and horse racing seasons with activity provided by third-party promoters. The major expense category is Food & Beverage Contract which is reimbursement to Premier Food Services for labor and cost of goods sold for food and beverage services at third-party events.

## **Anticipated Expenses for Rentals & Sales: \$3,026,493**

Net Operations: Due to business model changes for District, non-fair use of the properties has risen to a substantial positive net contributing program, contributing significantly to the return to self-sustaining operations.

**Anticipated Net Operations from Rentals & Sales, excluding Payroll:  
\$3,890,074, PLUS:**

**Anticipated Payroll to support the Rentals & Sales activities:  
\$2,248,330, EQUALS:**

**Anticipated NET OPERATIONS from Sales & Rentals after payment of debt  
principal, including Payroll: \$1,641,744**

## **HORSE RACING**

### Revenues:

Live Race Meets: Per the terms of the Operating Agreement with the Del Mar Thoroughbred Club (DMTC), District will receive direct payments of \$1,425,000 in rent (an increase of \$200,000 over prior year), plus an additional \$600,000 with the return of the Breeders' Cup in 2025, along with reimbursement of direct expenses such as utilities and landfill charges during race meets and portions of phone and internet access charges, including labor and material expenses incurred by District for the live meets. Per the terms of the Pledge Agreement for the 2015 RTA Bonds, DMTC contributes 100% of Net Horse Racing Revenues from the prior year to the State Race Track Leasing Commission (SRTLCL) toward the current year's debt service. Through the Food & Beverage Contract with District, Premier Food Services provides all food and beverage services to the live meets. In the event Net Horse Racing Revenues fall short of the debt service payment, District contributes Net Concessions Revenues up to \$4,000,000 from its Food & Beverage Contract operation.

Satellite Wagering: District continues to operate off-track betting during the months in which there is no live racing at Del Mar. These revenues are reflected in 22<sup>nd</sup> DAA Sales and Wagering.

**Anticipated Revenues from Horse Racing (Live & Satellite):  
\$25,209,334**

Expenses: The major expense category is Food & Beverage Contract which is reimbursement to Premier Food Services for labor and cost of goods sold for food and beverage services during the live meets, followed by interest payments on the RTA Bonds. See loan details below for more information.

**Anticipated Expenses for Horse Racing (Live & Satellite): \$16,454,872**

Net Operations: District is reimbursed by DMTC for all expenses incurred for the live meets as well as receives a rent payment of \$1,825,000 in 2024, and retains 87.5% of the net from the food and beverage contract with Premier Food Services.

**Anticipated Net Operations from Horse Racing (Live & Satellite), excluding Payroll:**

**\$8,631,616, PLUS:**

**Anticipated Payroll to support the Horse Racing (Live & Satellite) activities:**

**none allocated at this time, EQUALS:**

**Anticipated NET OPERATIONS from Racing (Live & Satellite) after payment of debt principal, including Payroll: \$6,966,616**

### **THE SOUND**

Revenues: Solana Beach-based Belly Up manages the promotions of shows and other activities at The Sound on behalf of District, excluding during the San Diego County Fair. In 2025, District will receive \$8,190 or 10% of gross ticket sales, whichever is greater, per ticketed show and a sliding scale facility rent fee per private, non-ticketed event, based on contracted catering, and retains \$15 per parking ticket sold and all food and beverage receipts. For 2025, the total number of shows forecasted is 75, a 14% increase over 2024 and 40% increase since the inaugural year in 2023 as District heads into the third year of operation.

**Anticipated Revenues from The Sound: \$3,411,750**

Expenses: Primarily consisting of the Food & Beverage Contract which is reimbursement to Premier Food Services for labor and cost of goods sold for food and beverage services provided at ticketed shows and private events, and interest payments on the construction loans from California Infrastructure and Economic Development Bank, oftentimes referred to as IBank, and Premier Food Services. See loan details below for more information.

**Anticipated Expenses for The Sound: \$1,910,138**

Net Operations: Calculated after accounting for facility operational expenses such as janitorial supplies and landscaping.

**Anticipated Net Operations from The Sound, excluding Payroll:**  
**\$1,501,612, PLUS:**

**Anticipated Payroll to support The Sound activities:**  
**\$1,691,971, EQUALS:**

**Anticipated NET OPERATIONS from The Sound after payment of debt principal, including Payroll: (\$776,983)**



## **RESILIENCY CENTER**

Revenues: In the event District properties are activated in response to community need, revenues may be realized in the form of donations or reimbursements.

Expenses: Anticipates purchase of a nominal number of supplies to have on hand to operate for at least the first 24 hours of an activation as well as employee training. In the event District properties are activated, expenses may be realized, typically in the form of reimbursement and overtime costs.

**Resiliency Center operations are never anticipated to make a positive net contribution.**

## **ADMINISTRATION + OVERHEAD**

Comprised of overall organization operations and does not include direct revenues or expenses of other Programs.

Revenues: Includes leases for the Del Mar Fire Station and cell tower sites, sponsorship, rental payments from Surf & Turf Recreation Center operators, and interest earned for investments in the Local Agency Investment Fund (LAIF).

**Anticipated Revenues from Administration + Overhead: \$2,552,026**

Expenses: Costs that cannot otherwise be directly attributed to a specific Program, Administration + Overhead is inclusive of maintaining operations of the facility and organization, oftentimes in support of the various other Programs, such as Insurance, Professional Services, Repairs & Maintenance, and Utilities.

**Anticipated Expenses for Administration + Overhead: \$10,067,682**

Net Operations: Typically a cost center to be funded by Program operations.

**Anticipated Net Operations from Administration + Overhead, excluding Payroll: (\$7,515,656), PLUS:**

**Anticipated Payroll to support Administration + Overhead activities: \$6,372,824, EQUALS:**

**Anticipated NET OPERATIONS from Administration + Overhead after payment of debt principal, including Payroll: (\$14,488,286)**

## **Payroll Assumptions**

Payroll includes wages for three employment categories at District – Civil Service, Seasonal, and Temporary – and all related taxes, benefits, retirement, and workers compensation insurance. This budget anticipates filling 11 full-time Civil Service over the course of the year. In 2025, payroll has been fully allocated

across each of the Programs except overhead for Horse Racing. Allocating payroll significantly impacts understanding net operations of each program area.

Under Food and Agricultural Code section 3953, District Agricultural Associations are state institutions. As a state institution, District is required to participate in and follow CalHR policies for all Civil Service and Seasonal employees of District, including participating in the state's CalPERS pension program. Civil Service and Season employees of District are recipients of the same benefits as all other civil service employees of the State of California.

Civil Service employment is for full-time positions as defined in the Classification system through CalHR and consists of exempt and represented employees. Salaries, pensions, and benefit rates are determined by CalPERS and CalHR.

Seasonal employment is offered for a limited group of non-testing Classifications, including Maintenance Aide, Park Aide, and Senior Park Aide. Employees in this category can work up to 1,500 hours per year, participate in CalPERS retirement, and earn vacation and sick leave on a pro-rated basis for hours worked. Wages, pensions, and benefit rates are determined by CalPERS and CalHR.

Temporary employment is exclusive of the civil service system and is subject to California labor laws. Employees in this category are statutorily limited to 125 days of work per calendar year. Additionally, employees should be limited to less than 1,000 hours of work per fiscal year. Wages are determined by District, subject to minimum wage laws, and employees do not participate in benefit programs. Prior to AB 1499 (3/4 of 1% of gross sales on fairgrounds) and District's adoption of employment policies to be eligible for funding during the pandemic, District was exempted from overtime requirements for Temporary employees. Since adoption of those policies, District has had to relinquish the exemption to receive a portion of AB 1499 funds.

## **Out-of-State Travel Assumptions**

On September 13, 2023, Governor Newsom signed SB 447 into law authorizing GO-BIZ to establish the Building and Reinforcing Inclusive, Diverse, Gender-Supportive Equity Project (BRIDGE Project) to promote social equity, civil rights, and antidiscrimination through marketing and advertising campaigns, thus repealing AB 1887 which previously prohibited state-sponsored travel to states with laws that discriminate against individuals on their sexual orientation and gender expression.

The California Department of Food and Agriculture requires board approval for work-related out of state travel.

The Operating Budget assumes travel to other states for civil service employees and Board members for certain professional development opportunities and master site planning research that cannot be obtained in California, including:

- WFA Annual Conference & Convention

- Maintenance Mania
- IAVM Academy for Venue Safety & Security; VenueConnect; Venue Management School; Venue Operations Summit; and GuestX
- IAFE Annual Conference & Convention
- NICA
- IFMA
- Adobe and other software trainings
- Fair visits: Washington State Fair (Puyallup), State Fair of Texas (Dallas), New York State Fair (Saratoga)

Greater details will be provided during the budget presentation at the November Board meeting.

## **Long-Term Debt Obligations**

Debt Service: This category includes principal and annual fees for capital improvement project loans, energy efficiency loan, SB84 CalPERS loan, and bond obligations. The Water Quality Improvement loan from IBank originated in 2020 and will come to maturity in 2037. The Sound Renovation loan from IBank originated in 2019 and will come to maturity in 2048. The zero-interest Premier loan from ASM Global originated in 2020 and will come to maturity in 2040. The Energy Efficiency Loan from the Department of General Services (DGS) officially began on May 1, 2019, but DGS allowed a one-year deferral due to the pandemic and disruptions on District cash flows. Del Mar Racetrack Authority Revenue Bonds originated in 2015 and will mature in 2038.

On July 10, 2017, Governor Brown signed SB 84 into law, which had the effect of borrowing \$6 billion from the Pooled Money Investment Account to make a one-time supplemental payment to the California Public Employees' Retirement System as part of the 2017-18 fiscal year budget package. The intent of this one-time supplemental payment was to save the State money over the next few decades by slowing the pace of cost increases for the State's annual pension payments. Under SB 84, the Department of Finance developed a repayment schedule for principal and interest, and allocated the proportionate share to fairs for a total of \$9.9 Million. District's share of this obligation is \$3,403,924. To date, Department of Finance has not provided payment instructions, so District continues to carry the payable in Current Liabilities on the Balance Sheet.

## **Net Operations, including Payroll**

After calculating all operational revenues and expenses for 2025, including payroll, and before payment of the current year's portion of principal on long-term debt obligations, District anticipates realizing a positive net impact of \$4,120,421. After payment of the current year's principal, a positive net impact of \$1,268,993. And after reinvestment into the facility and capital equipment, an overall reduction in cash reserves of \$1,877,599.

RollUP		Financial Year 2025						Current	
	Programs =====>	SDCF	Rentals & Sales	Horse Racing	The Sound	Resiliency Center	A+O	BUDGET TOTAL 2025-V2	PRIOR YEAR BUDGET
GL #	REVENUES								
330000-	Government Grants	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 700,000	\$ 700,000	\$ -
350000-	Non-government Grant	-	-	-	-	-	-	-	-
401110-	Admissions	14,441,375	-	-	-	-	-	14,441,375	13,649,053
402110-	Participation (Entry) Fees	377,500	2,500	-	-	-	-	380,000	335,000
403110-	Midway	18,697,839	-	-	-	-	-	18,697,839	20,060,138
405100-	Commercial Exhibit Space	3,549,710	-	-	-	-	-	3,549,710	2,501,590
410010-	SRTLCL Pledged Revenue	-	-	3,178,688	-	-	-	3,178,688	2,508,000
410100-	Concessions	4,820,000	-	-	-	-	-	4,820,000	4,944,911
411100-	Food & Beverage Contract	4,826,060	1,020,640	17,780,769	2,013,975	-	-	25,641,444	27,994,405
412100-	22nd DAA Sales	27,675	-	99,545	-	-	-	127,220	102,545
420100-	Facility Rental Fees	544,765	3,265,739	18,500	675,900	-	-	4,504,904	4,570,056
421050-	Lease Revenue (Cell Towers)	-	-	-	-	-	606,000	606,000	577,847
431102-	Sponsorships	2,037,040	-	-	-	-	46,800	2,083,840	2,813,610
431101-	Contra Sponsor - Trade & CIK	(780,000)	-	-	-	-	-	(780,000)	(544,000)
440210-	Wagering	-	-	533,600	-	-	-	533,600	488,500
441100-	Race Track Operator Agreement	-	-	2,025,000	-	-	-	2,025,000	1,825,000
450100-	Parking Revenue	4,134,873	2,205,755	-	721,875	-	8,430	7,070,933	7,303,861
460100-	Reimbursed Costs	-	396,612	1,409,902	-	-	352,440	2,158,954	1,412,311
490100-	Miscellaneous Revenue	133,897	25,322	28,330	-	-	88,356	275,905	238,512
490180-	Donations	36,000	-	-	-	-	-	36,000	3,500
490205-	N/A (JLA USE ONLY)	22,500	-	-	-	-	-	22,500	472,500
491100-	Interest	-	-	135,000	-	-	750,000	885,000	1,020,000
	<b>Total Revenues</b>	<b>\$ 52,869,234</b>	<b>\$ 6,916,568</b>	<b>\$ 25,209,334</b>	<b>\$ 3,411,750</b>	<b>\$ -</b>	<b>\$ 2,552,026</b>	<b>\$ 90,958,911</b>	<b>\$ 92,277,339</b>
	EXPENSES								
510504-	Civil Service Overtime (Perm Staff Only)	\$ 199,300	\$ -	\$ 14,800	\$ -	\$ -	\$ 160,250	\$ 374,350	\$ 325,100
510511-	Recognition & Awards	334,000	-	-	-	-	8,000	342,000	863,250
515100-	Temporary Labor Services	91,500	-	-	-	-	62,000	153,500	150,400
520100-	Advertising & Marketing	1,247,000	-	-	-	-	45,000	1,292,000	1,279,500
530100-	Midway Operations	10,545,194	-	-	-	-	-	10,545,194	11,117,754
540100-	Entertainment	6,400,850	-	-	-	-	-	6,400,850	5,411,350
545100-	Repairs & Maintenance	238,850	-	-	12,000	-	815,202	1,066,052	743,460
550100-	Rental of Equipment	2,221,482	23,000	-	-	-	85,478	2,329,960	1,767,241
560075-	Contingency	-	-	-	-	-	-	-	5,000
560100-	Insurance	2,500	-	-	-	-	1,435,208	1,437,708	1,176,800
600100-	Professional Services	7,012,590	232,050	892,847	18,000	-	3,763,256	11,918,743	14,201,626
610100-	Promotional & Public Relations	122,375	-	-	-	1,000	11,800	135,175	219,650
620100-	Supplies	1,196,175	15,500	79,945	21,000	1,300	657,550	1,971,470	1,740,934
625100-	Dues, Subscriptions, Licenses & Permits	111,332	34,020	-	61,800	-	460,389	667,541	391,144

	Programs =====>	SDCF	Rentals & Sales	Horse Racing	The Sound	Resiliency Center	A+O	BUDGET TOTAL 2025-V2	PRIOR YEAR BUDGET
640100-	Professional Development (Training)	25,500	-	-	-	-	159,824	185,324	163,600
650100-	Travel & Transportation	44,000	1,800	-	-	-	90,184	135,984	190,909
670100-	Utilities	1,401,382	-	788,110	-	-	1,875,008	4,064,500	4,020,000
690100-	Miscellaneous Expense	31,205	-	-	-	-	6,000	37,205	31,500
690120-	Service Fees: Bank, Credit Card	1,475,203	136,757	2,000	20,309	-	34,425	1,668,694	2,078,546
695100-	Food & Beverage Contract	3,292,351	2,583,366	13,286,328	1,262,229	-	-	20,424,275	21,081,505
723000-	Capital Expenditure for Equipment	-	-	-	-	-	-	-	330,000
850200-	Loan Interest Expense	-	-	1,513,688	514,800	-	294,640	2,323,128	2,538,370
63????-	Office Expense	7,875	-	-	-	-	103,468	111,343	121,258
	<b>Total Specific Expenses</b>	<b>\$ 36,000,664</b>	<b>\$ 3,026,493</b>	<b>\$ 16,577,718</b>	<b>\$ 1,910,138</b>	<b>\$ 2,300</b>	<b>\$ 10,067,682</b>	<b>\$ 67,584,996</b>	<b>\$ 69,948,898</b>
	<b>Total Net Operating Budget by Program before Pa</b>	<b>\$ 16,868,569</b>	<b>\$ 3,890,074</b>	<b>\$ 8,631,616</b>	<b>\$ 1,501,612</b>	<b>\$ (2,300)</b>	<b>\$ (7,515,656)</b>	<b>\$ 23,373,916</b>	<b>\$ 22,328,442</b>
	<b>Payroll</b>								
510501	Wages - Civil Service & Seasonal	\$ 2,797,515	\$ 1,193,401	\$ -	\$ 842,172	\$ -	\$ 3,478,684	\$ 8,311,771	\$ 8,034,125
510502	Wages - Temporary	\$ 4,141,930	\$ 225,444	\$ -	\$ 259,105	\$ -	\$ 491,334	\$ 5,117,812	\$ 5,985,408
510506	Payroll Tax - All	\$ 288,055	\$ 100,531	\$ -	\$ 72,394	\$ -	\$ 290,637	\$ 751,618	\$ 741,570
510507	Payroll Emp Benefits - Civil Service & Seasonal	\$ 613,675	\$ 261,790	\$ -	\$ 184,742	\$ -	\$ 763,099	\$ 1,823,307	\$ 1,446,143
510508	Payroll Pension - Civil Service & Seasonal	\$ 845,129	\$ 360,527	\$ -	\$ 254,420	\$ -	\$ 1,050,910	\$ 2,510,986	\$ 2,570,920
560110	Workers Comp Insurance	\$ 254,064	\$ 106,637	\$ -	\$ 79,139	\$ -	\$ 298,160	\$ 738,000	\$ 701,000
	<b>Total Payroll Expense</b>	<b>\$ 8,940,369</b>	<b>\$ 2,248,330</b>	<b>\$ -</b>	<b>\$ 1,691,971</b>	<b>\$ -</b>	<b>\$ 6,372,824</b>	<b>\$ 19,253,494</b>	<b>\$ 19,479,166</b>
	<b>TOTAL OPERATING BUDGET</b>	<b>\$ 7,928,201</b>	<b>\$ 1,641,744</b>	<b>\$ 8,631,616</b>	<b>\$ (190,359)</b>	<b>\$ (2,300)</b>	<b>\$ (13,888,481)</b>	<b>\$ 4,120,421</b>	<b>\$ 2,849,276</b>
	<b>Debt Service-Principal Only</b>								
	Debt Service - Principal Only - WQI \$8.8M	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 423,105	\$ 423,105	\$ 411,000
	Debt Service - Principal Only - The Sound \$15.0M	\$ -	\$ -	\$ -	\$ 361,100	\$ -	\$ -	\$ 361,100	\$ 349,000
	Debt Service - Principal Only - Premier \$2.0M	\$ -	\$ -	\$ -	\$ 225,524	\$ -	\$ -	\$ 225,524	\$ 324,377
	Debt Service - Principal Only - Energy Efficiency \$3	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 176,700	\$ 176,700	\$ 172,500
	Debt Service - Principal Only - RTA Bond	\$ -	\$ -	\$ 1,665,000	\$ -	\$ -	\$ -	\$ 1,665,000	\$ 1,585,000
	<b>Total Debt Service - Principal Only</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,665,000</b>	<b>\$ 586,624</b>	<b>\$ -</b>	<b>\$ 599,805</b>	<b>\$ 2,851,429</b>	<b>\$ 2,841,877</b>
	<b>Total Cash Flow after Operations &amp; Debt Service</b>	<b>\$ 7,928,201</b>	<b>\$ 1,641,744</b>	<b>\$ 6,966,616</b>	<b>\$ (776,983)</b>	<b>\$ (2,300)</b>	<b>\$ (14,488,286)</b>	<b>\$ 1,268,993</b>	<b>\$ 7,400</b>
	<b>Capital Expenditure</b>								
	Capital Expenditure Cash Layout	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,146,592	\$ 3,146,592	\$ -
	<b>Capital Expenditures</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 3,146,592</b>	<b>\$ 3,146,592</b>	<b>\$ -</b>
	<b>Total Cash Flow after Operations, Debt Service &amp; Capital Expenditures</b>	<b>\$ 7,928,201</b>	<b>\$ 1,641,744</b>	<b>\$ 6,966,616</b>	<b>\$ (776,983)</b>	<b>\$ (2,300)</b>	<b>\$ (17,634,878)</b>	<b>\$ (1,877,599)</b>	<b>\$ 7,400</b>

Civil Service Classifications	# of Positions	Salary
Accounting Administrator I (Supervisor)	1	\$ 125,339
Accounting Administrator II	1	\$ 137,597
Accounting Analyst	3	\$ 160,374
Administrative Assistant I	3	\$ 211,756
Associate Accounting Analyst	1	\$ 77,440
Associate Governmental Program Analyst	3	\$ 268,619
Audio-Visual Specialist (Technical)	2	\$ 160,238
Carpenter I	1	\$ 60,304
Career Executive Assignment (CEA)	3	\$ 528,989
Custodian I	3	\$ 145,152
Custodian Supervisor I	1	\$ 46,166
Deputy Manager I	2	\$ 176,564
Electrician II	2	\$ 160,222
Equestrian Center Manager	1	\$ 108,921
Event Coordinator-DAA	4	\$ 264,390
Events Services Supervisor	4	\$ 406,778
Exhibit Supervisor	1	\$ 103,632
Exhibit Worker-CMSI	1	\$ 63,025
Graphic Designer III	2	\$ 192,528
Heavy Equipment Mechanic	1	\$ 82,240
Information Officer I (Specialist)	1	\$ 19,322
Information Technology Specialist I	2	\$ 257,796
Lead Security Guard	2	\$ 101,884
Maintenance & Ops Sup II	3	\$ 298,663
Maintenance Mechanic	2	\$ 159,012
Maintenance Worker, District Fairs	9	\$ 522,770
Marketing Specialist	1	\$ 101,417
Personnel Technician I	2	\$ 123,102
Plumber I	1	\$ 70,270
Plumber II	1	\$ 70,144
Secretary-Manager VII, DAA (CEO)	1	\$ 243,779
Security Guard	9	\$ 350,375
Service Assistant (Maintenance)	1	\$ 48,359
Staff Services Manager I	5	\$ 590,359
Staff Services Manager II (Managerial)	9	\$ 1,279,500
Supervising Environmental Planner	1	\$ 175,876
Telecom Systems Manager I (Supervisor)	1	\$ 132,439
Tractor Operator-Laborer	1	\$ 66,793
Warehouse Worker	1	\$ 56,284
<b>Total Civil Service Positions</b>	<b>93</b>	<b>\$ 8,148,418</b>
<b>Seasonal Classifications</b>		
Senior Park Aide	1	\$ 26,460
Park Aide	6	\$ 110,058
Seasonal Clerk	1	\$ 26,838
<b>Total Seasonal Positions</b>	<b>8</b>	<b>\$ 163,356</b>
<b>Total Positions &amp; Gross Wages</b>	<b>101</b>	<b>\$ 8,311,774</b>

Current Civil Service Headcount	83
Current Seasonal Headcount	8
<b>Civil Service Vacancies</b>	<b>10</b>

# 2025 Temp Labor Cost Schedule - Summary

22nd DAA

2025 San Diego County Fair - Temp Labor Cost Schedule - Summary		
GL 510502-##	Total Payroll with OT	OT Only
<b>Dept 00 - Admin</b>	<b>\$409,208</b>	<b>\$8,371</b>
**Dept 00 - Admin - Administration	\$ 27,398	\$ -
**Dept 00 - Admin - Ambassadors (2024 in Dep 20)	\$ 300,234	\$ 8,371
**Dept 00 - Admin - Guest Services (2024 in Dep 60)	\$ 81,576	\$ -
<b>Dept 02 - Finance</b>	<b>\$ 46,920</b>	<b>\$ -</b>
<b>Dept 04 - HR</b>	<b>\$ 70,947</b>	<b>\$ -</b>
<b>Dept 10 - Facilities</b>	<b>\$ 713,312</b>	<b>\$ -</b>
<b>Dept 20 - Public Safety</b>	<b>\$ 1,279,746</b>	<b>\$ 13,602</b>
**Dept 20 - Public Safety - Ambassadors (Moved to Admin) - (FY2025, Moved to Dep 00)	\$ -	\$ -
**Dept 20 - Public Safety - Security	\$ 114,528	\$ 1,733
**Dept 20 - Public Safety - Transportation	\$ 204,650	\$ 5,582
**Dept 20 - Public Safety - Public Safety	\$ 142,186	\$ 6,287
**Dept 20 - Public Safety - Parking Attendant	\$ 400,042	\$ -
**Dept 20 - Public Safety - Traffic Control	\$ 418,340	\$ -
<b>Dept 30 - Marketing</b>	<b>\$ 64,236</b>	<b>\$ -</b>
<b>Dept 40 - Production</b>	<b>\$ 343,998</b>	<b>\$ 55,938</b>
**Dept 40 - Production - Cart Based	\$ 86,649	\$ 22,185
**Dept 40 - Production - OTB	\$ 22,848	\$ -
**Dept 40 - Production - Production	\$ 234,501	\$ 33,753
<b>Dept 50 - Other Events &amp; Sales</b>	<b>\$ 67,048</b>	<b>\$ -</b>
<b>Dept 60 - Ag &amp; Education</b>	<b>\$ 1,164,263</b>	<b>\$ 30</b>
**Dept 60 - Ag & Education - Admin Office Staff	\$ 89,608	\$ -
**Dept 60 - Ag & Education - Creative Youth	\$ 20,160	\$ -
**Dept 60 - Ag & Education - Desing in wood	\$ 62,225	\$ -
**Dept 60 - Ag & Education - Exhibit Design	\$ 38,302	\$ 30
**Dept 60 - Ag & Education - Fine Art	\$ 76,680	\$ -
**Dept 60 - Ag & Education - Flower Show	\$ 68,510	\$ -
**Dept 60 - Ag & Education - Food Story	\$ 109,648	\$ -
**Dept 60 - Ag & Education - Garden Show	\$ 84,279	\$ -
**Dept 60 - Ag & Education - Gems & Mineerals	\$ 50,090	\$ -
**Dept 60 - Ag & Education - Guest Services - Zero Cost Department	\$ -	\$ -
**Dept 60 - Ag & Education - Home Made	\$ 86,145	\$ -
**Dept 60 - Ag & Education - Livestock	\$ 133,835	\$ -
**Dept 60 - Ag & Education - Photography	\$ 79,070	\$ -
**Dept 60 - Ag & Education - Plant-Grow-Eat	\$ 15,948	\$ -
**Dept 60 - Ag & Education - Student Showcase	\$ 77,075	\$ -
**Dept 60 - Ag & Education - The Farm	\$ 75,209	\$ -
**Dept 60 - Ag & Education - Theme Exhibits	\$ 97,480	\$ -
<b>Dept 65 - Ticketing</b>	<b>\$ 958,135</b>	<b>\$ -</b>
**Dept 65 - Ticketing - Box Office	\$ 149,121	\$ -
**Dept 65 - Ticketing - Gate Admissions	\$ 94,765	\$ -
**Dept 65 - Ticketing - Gate Attendants	\$ 223,698	\$ -
**Dept 65 - Ticketing - Midway Cashier	\$ 338,698	\$ -
**Dept 65 - Ticketing - Parking Cashier	\$ 151,854	\$ -
<b>Total</b>	<b>\$ 5,117,812</b>	<b>\$ 77,941</b>

Sum \$ 5,195,753



## **Item 6-B-2, Finance Committee Report - 2025 Capital Expenditures Budget**

*Consideration and vote on whether to approve the 2025 Capital Expenditures Budget  
[Action Item]*

### **Background:**

The 22<sup>nd</sup> District Agricultural Association (District) has owned and operated the Fairgrounds since 1936 and has served as a community gathering place for millions of San Diegans and visitors annually.

However, the District's Fairgrounds and Surf & Turf campuses have begun to show signs of aging, which puts at risk the venues' ability to compete in the market for major events and attract and retain guests for existing events such as the annual San Diego County Fair.

The newest structures on the campus are now 24 years old. Most other structures on the campus range from the 1940s to 1990s. The biggest major renovation project in recent District history was for the opening of The Sound — the result of renovations to one of the newest existing District buildings that was previously used for Off-Track Betting — to create opportunities for additional year-round revenue-generating events.

Historically, District has financed capital expenditures through the issuance of long-term debt obligations, including bonds and loans through financial institutions and the Department of General Services. Currently, the principal and interest on debt obligations cost District about \$5.2 million per year — funds that would otherwise be available for maintenance and capital investments. This debt is on track to be fully paid after 2040, which will free-up those funds in the future.

Capital expenditure decisions in previous eras were also made without accompanying discernible plans for ongoing maintenance and care. As a result, District in recent years has contended with a litany of deferred maintenance issues, including leaking roofs, plumbing problems, aging infrastructure, elevator outages, cracked asphalt, structural deficiencies, failing equipment, and other issues. To this end, District's Board has committed to a goal of reinvesting at least \$5 million each year into capital needs, including for new equipment necessary to conduct efficient and effective operations.

District is also engaged in a master site planning process, and financial flexibility to make major decisions about the property will be key. Taking on new debt to



maintain structures for current venue needs — especially in the current high-interest environment — would make that more challenging.

### **2024 Budget Recap**

In 2024, the Capital Expenditures budget totaled \$8,269,776, including projects that carried over from the prior year.

In addition to various health and safety repairs, the budget included:

- Asphalt repairs: \$2,230,000
- Grandstand fire alarm system repair: \$600,000
- Grandstand escalator/elevator modification: \$500,000
- Roof repairs: \$500,000
- Surfside exterior stair replacement and deck coating: \$500,000
- Surfside Connection Center: \$1,126,776
- Exhibit Hall transformer and switchgear replacement: \$360,000
- Promenade design: \$150,000
- DMTC Executive Office HVAC replacement: \$474,000
- Utility Box Truck: \$100,000
- New Patrol Vehicle: \$38,000

In total, District completed — and intends to complete by year's end — \$4.8 million in investments in capital needs.

### **2025 Capital Expenditures Budget Highlights**

In addition to carryover from projects included in the 2024 budget following are among the projects prioritized for 2025:

- Grandstand railing replacements: \$225,000
- Surfside Connection Center: \$1,000,000
- Mission Tower repair of HVAC handling units: \$190,000
- Asphalt repairs for the infield, green lot, and midway area: \$1,000,000
- Surfside boiler replacement: \$50,000
- The Sound handrail repair: \$125,000
- O'Brien Hall painting: \$110,000

This plan meets District goals and addresses longstanding capital needs.

The recommended 2025 Capital Expenditures Budget of \$5,858,592 reinvests anticipated net revenue from 2024. Consistent with the approach to funding the 2024 capital expenditures plan through the net operations of the prior year, the 2025 plan is funded through multiple sources including \$106,094 received from the dissolution of the former Friends of the San Diego County Fairgrounds for investment into agricultural programs including a demonstration kitchen, \$2.6

million from the Del Mar Race Track Authority Bonds Surplus Account, and approximately \$3 million from 2024 anticipated net operations. In the event net operations from 2024 do not result in \$3 million surplus, it would be necessary to draw down District's reserves to completely fund the 2025 Capital Expenditures Budget.

The approach to reinvestment of reserves through the Capital Expenditures budget also provides District with myriad benefits, including:

- **Value:** These investments will provide value to the District in the short and long term by enhancing the guest experience and ensuring that facilities remain operational and competitive in the current business environment.
- **Control:** Without needing to work to obtain debt financing, District is better able to control costs, project phasing, and plan implementation.
- **Flexibility and stability:** Through this pay-as-you-go system, District can more nimbly plan for expenses related to capital needs and shift priorities as needed.
- **Responsibility:** District has budgeted responsibly and will maintain a reasonable amount of cash reserves.

Moving forward, District will also be utilizing its Facilities Condition Assessment Report to properly identify and plan for ongoing capital expenditure needs. This report is the first of its kind for District and will provide a guide for responsible reinvestment that protects District's assets, enhances the guest experience, and provides revenue growth opportunities.

**2025 Capital Expenditures Budget**

22nd District Agricultural Association

Priority - Risk Rank	Facility: Investment	2024 Budget	2024 Spend	Carryover from 2024	Increase Carryover & New Projects 2025	Total 2025 Budget
<b>Completed in 2024</b>						
2a	Grandstand: Fire Suppression System Repair	\$ 38,000	\$ 37,651	\$ 349	\$ -	\$ -
2b	Grandstand: Fire Alarm System	\$ 600,000	\$ 572,959	\$ 27,041	\$ -	\$ -
3	Plaza de Mexico: replace mastic in concrete	\$ 40,000	\$ 40,000	\$ -	\$ -	\$ -
DMTC	Stable Area: health & safety improvements	\$ 325,000	\$ 344,268	\$ (19,268)	\$ -	\$ (19,268)
DMTC	Stable Area: landscaping & irrigation	\$ 95,000	\$ 86,896	\$ 8,104	\$ -	\$ 8,104
DMTC	Stable Area: replace pumphouse back-up pump	\$ 10,000	\$ 10,000	\$ -	\$ -	\$ -
DMTC	Stable Area: shower repair & tiling in south barn areas	\$ 25,000	\$ 25,000	\$ -	\$ -	\$ -
DMTC-1	Grandstand: deck coating in dining/seating areas	\$ 15,000	\$ 15,000	\$ -	\$ -	\$ -
DMTC-1	Grandstand: repair and paint West fixed seating	\$ 66,000	\$ 66,000	\$ -	\$ -	\$ -
DMTC-1	Paddock: install curbs to hold pavers in place	\$ 50,000	\$ 50,000	\$ -	\$ -	\$ -
<b>Underway</b>						
1a	Culvert Repair: Horsepark at trail edge	\$ 150,000	\$ 4,121	\$ 145,879	\$ -	\$ 145,879
1b	Surfside: The Connection Center	\$ 1,126,776	\$ 1,126,776	\$ (0)	\$ 1,000,000	\$ 1,000,000
1c	Asphalt: Infield, Green Lot, & Midway	\$ 2,230,000	\$ 1,780,000	\$ 450,000	\$ 1,000,000	\$ 1,450,000
1d	Roof repairs: general	\$ 500,000	\$ -	\$ 500,000	\$ -	\$ 500,000
4a	Surfside: Mechanical Roof	\$ 113,000	\$ 106,335	\$ 6,665	\$ 94,000	\$ 100,665
4b	Surfside: replace exterior stairs and deck coating	\$ 500,000	\$ 429,000	\$ 71,000	\$ -	\$ 71,000
4c	Surfside: replace boiler	\$ 150,000	\$ -	\$ 150,000	\$ 50,000	\$ 200,000
4d	The Sound: Handrail repair	\$ 50,000	\$ -	\$ 50,000	\$ 125,000	\$ 175,000
5	Exhibit Hall: transformer and switchgear replacement	\$ 360,000	\$ -	\$ 360,000	\$ -	\$ 360,000
6	Promenade Design	\$ 150,000	\$ 143,875	\$ 6,125	\$ -	\$ 6,125
7	Mission Tower: repair 3 of 4 HVAC air handling units	\$ 25,000	\$ -	\$ 25,000	\$ 190,000	\$ 215,000
<b>Canceled</b>						
8	Surf & Turf: install utility sub-meters	\$ 66,000	\$ 1,942	\$ 64,058	\$ (64,058)	\$ (0)
<b>New for 2025</b>						
Funded	Education kitchen			\$ -	\$ 100,000	\$ 100,000
A	DMTC Executive Office Building: HVAC replacement	\$ 474,000	\$ -	\$ 474,000	\$ -	\$ 474,000
B	Replace Grandstand Railings			\$ -	\$ 225,000	\$ 225,000
C	Hacienda Room HVAC			\$ -	\$ 90,000	\$ 90,000
D	Surfside: replace Box Office HVAC			\$ -	\$ 10,000	\$ 10,000
E	Replace: Caballo HVAC			\$ -	\$ 25,000	\$ 25,000
F	HVAC Controls: GS, Caballo, Admin			\$ -	\$ 200,000	\$ 200,000
G	Replace: Jockey Kitchen HVAC			\$ -	\$ 30,000	\$ 30,000
H	Painting O'Brien Hall			\$ -	\$ 110,000	\$ 110,000
<b>Future Consideration</b>						
	Surfside-Arena fire wall	unknown	\$ -	\$ -	\$ -	\$ -
	Grandstand: escalator/elevator modification	\$ 500,000	\$ -	\$ 500,000	\$ (500,000)	\$ -
<b>Capital Facilities Projects Subtotal</b>		<b>\$ 7,658,776</b>	<b>\$ 4,839,823</b>	<b>\$ 2,818,953</b>	<b>\$ 2,684,942</b>	<b>\$ 5,476,505</b>
	<b>Equipment: New &amp; Replace</b>	<b>2024 Budget</b>	<b>2024 Spend</b>	<b>Carryover from 2024</b>	<b>Increase Carryover &amp; New Equipment 2025</b>	<b>Total 2025 Budget</b>
2024	Mechanic's Service Truck	\$ 50,000	\$ -	\$ 50,000	\$ (50,000)	\$ -
2024	5000 lb Forklift	\$ 20,000	\$ 10,775	\$ 9,225	\$ (9,225)	\$ -
2024	120' Boomlift	\$ 80,000	\$ 86,200	\$ (6,200)	\$ 6,200	\$ -
2024	Utility Box Truck	\$ 100,000	\$ -	\$ 100,000	\$ 10,000	\$ 110,000
2024	Patrol Vehicle	\$ 38,000	\$ 32,180	\$ 5,820	\$ 35,000	\$ 40,820
2024	Mobile Electronic Traffic Sign	\$ 26,000	\$ 30,053	\$ (4,053)	\$ -	\$ (4,053)
2024	Digital Radio System	\$ 250,000	\$ 32,070	\$ 217,930	\$ (150,000)	\$ 67,930
2024	Rigid Water Jetter	\$ 12,000	\$ -	\$ 12,000	\$ -	\$ 12,000
2024	Large Format Printer	\$ 10,000	\$ -	\$ 10,000	\$ -	\$ 10,000
2024	16x9 Fast Fold Screen	\$ 10,000	\$ -	\$ 10,000	\$ -	\$ 10,000
2024	10K Projector	\$ 15,000	\$ -	\$ 15,000	\$ -	\$ 15,000
1	Parking Trailer Replacement			\$ -	\$ 40,000	\$ 40,000
2	Surfside Generator automatic transfer switch			\$ -	\$ 40,000	\$ 40,000
3	Monitor for Underground Inspection Camera			\$ -	\$ 6,000	\$ 6,000
4	Security Camera Server			\$ -	\$ 7,000	\$ 7,000
<b>Capital Equipment Subtotal</b>		<b>\$ 611,000</b>	<b>\$ 191,278</b>	<b>\$ 419,722</b>	<b>\$ (65,025)</b>	<b>\$ 354,697</b>
<b>Total 2025 Capital Facilities &amp; Equipment Budget</b>		<b>\$ 8,269,776</b>		<b>\$ 3,238,675</b>	<b>\$ 2,619,917</b>	<b>\$ 5,858,592</b>
<b>Revenue Funding Source:</b>						
<b>Less 2021-2022 Bond Pledge Surplus</b>						<b>\$ (2,612,000)</b>
<b>Less One-Time Revenue Source</b>						<b>\$ -</b>
<b>Less Friends of SDC Fairgrounds funds</b>						<b>\$ (100,000)</b>
<b>Forecasted 2024 DAA Net Operations or Reserves</b>						<b>\$ 3,146,592</b>



## **Item 6-B-3, Finance Committee Report – Delegation of Authority for Contract Approval, Check Signing, and Credit Card Use**

### **Background:**

In accordance with compliance regulations and requirements of the California Department of Food & Agriculture, the 22<sup>nd</sup> District Agricultural Association (DAA) Board of Directors must determine the level of contract approval and check signing authority to delegate to the Chief Executive Officer (CEO) or her/his designee(s) and authorize credit card use.

The delegation may be given based upon dollar amount and/or type of contracts. For all contracts that do not fall under the delegation of authority, individual board approval and a formal board resolution must be done prior to entering into the contract. An Agreement is a document that has a legal effect, regardless of whether it is called a contract.

Additionally, the Board of Directors should decide the number of signatures necessary for checks up to \$15,000 and require that two persons sign checks for amounts above \$15,000.

### **Recommendation:**

#### **Contract Approval:**

The CEO has delegated authority to execute expense agreements without further authorization from the Board of Directors consistent with Policy 4.03, Contract and Procurement, including Interagency Agreements, Standard Agreements up to \$50,000, and Entertainment Agreements up to \$500,000, as long as these Agreements do not exceed a one-year term. Additionally, the CEO has delegated authority to execute revenue agreements without further authorization from the Board of Directors, up to \$250,000 consisting of Rental/Lease Agreements, Sponsorship Agreements, and Vendor Agreements, as long as these Agreements do not exceed a one-year term.

All such executed agreements are to be submitted to the Board of Directors for review at the subsequent meeting.

Individual Project Agreements (IPA) with California Construction Authority (CCA) require dual approval of the CEO and Board Chair. In the absence of the Board Chair, a Vice Chair can approve such an expense. Any IPA approved by the CEO and the Board Chair or Vice Chair shall be reported to the full Board at the next Board meeting.



**Expense Authority:**

The CEO is responsible for ensuring that the organization stays within the parameters of its approved budget during the year; the Board of Directors is responsible for providing oversight to the CEO. Through the Contract Approval delegation, the CEO is authorized for expenses for contracts that were previously approved by the Board of Directors. The CEO has delegated authority for payroll and related expenses within the approved budget, purchases and expenses that are otherwise categorically exempt from or exceptions to competitive bidding per Policy 4.03, and up to \$100,000 for other expenses within the approved budget made through purchases or competitive bidding.

For expenses below the \$100,000 limit, the CEO is responsible for developing and maintaining operating procedures that define signatory authority levels by position.

For expenses related to emergencies or construction change orders that exceed the delegated \$100,000 limit, approval for such expenses requires dual approval of the CEO and Board Chair. In the absence of the Board Chair, a Vice Chair can approve such an expense. Any expense approved by the CEO and the Board Chair or Vice Chair shall be reported to the full Board at the next Board meeting.

Splitting expenses or orders to avoid authority limits is unacceptable.

**Check Signing Authority:**

The CEO has authority as the first signer for checks up to \$15,000 and the other Executives shall serve as the authorized second signature on checks over \$15,000. In the absence of the CEO, signatures are required by two Executives or Board Officers on all checks.

The signatures of those authorized shall be officially recorded on bank signature cards.

**In the absence of the CEO:**

In addition, the Board authorizes the CEO to further delegate her/his signature authority authorizing individuals to conduct business on behalf of the 22nd DAA only when the CEO is absent. The delegating officer retains responsibilities for actions taken by individuals exercising delegated authority.

**Credit Card Authority:**

The CEO is authorized to maintain a corporate travel credit card for the purpose of conducting business on behalf of the 22nd DAA.

Additionally, the 22<sup>nd</sup> DAA participates in the State of California Department of General Services CAL-Card Purchase Card Program. It is a payment mechanism for the purchase of goods and services. The CEO is the CAL-Card Program Administrator for the 22<sup>nd</sup> DAA and has the delegated authority to develop and maintain operating procedures that authorize cardholders and define signatory authority levels by position and in compliance with the CAL-Card Program.

This Delegation of Authority is issued annually and expires on December 31, 2025.





## **Item 6-C, DMTC Liaison Committee Report**

### **Background:**

The DMTC Liaison Committee (the Committee) is charged by the Board Chair to:

- Meet with the Del Mar Thoroughbred Club (DMTC) on matters related to the horse racing industry and horse racing at the Del Mar Fairgrounds
- Review financial and contract performance by DMTC
- Report to the Board on the status of horse racing and making recommendations regarding matters pertaining to District's relationship with DMTC.

The Committee met recently to discuss the state of the horse racing industry and ideas for potential involvement of the 22<sup>nd</sup> District Agricultural Association (District) Board of Directors (Board) in DMTC-operated activities and events during future horse racing seasons. The Committee also discussed providing the Board with information and analysis on the long-term outlook of the horse racing industry, as well as its economic impact on San Diego County at a future meeting.

DMTC's annual fall season has resumed and runs Friday through Sunday – and on Thanksgiving Day – through December 1, 2024. The season began with the return of the Breeders' Cup World Championships, November 1 and 2, 2024.

The Breeders' Cup will also be returning to the Del Mar Fairgrounds and Race Track in 2025. Previously, the Del Mar Fairgrounds and Race Track hosted the Breeders Cup in 2017 and 2021. Representatives from DMTC will provide a preliminary recap of the 2024 Breeders' Cup World Championships at the November 12, 2024 Board meeting.

### **Recommendation:**

The Committee encourages all Board members to attend the fall race meet and reminds the Board that, per the Operating Agreement between the State Race Track Leasing Commission and DMTC, the Directors Room in the grandstand is a shared-use area for the Board and DMTC's Board of Directors during the racing season.

Board members wishing to bring guests to the races should provide names directly to DMTC for access.



## COVER STORY

# Fall horse races come to fairgrounds

*Welcoming inaugural Golden State meet, Pleasanton is epicenter of 'the best time for racing in Northern California'*



by **Dennis Miller**

21 hours ago



The historic horse track at the Alameda County Fairgrounds in Pleasanton is hosting the inaugural Golden State Racing fall meet, on Fridays through Sundays now until Dec. 15. (Photo by Chuck Deckert)

Pleasanton has flirted in the past with horse racing outside of the normal summer fair dates.

And there have always been thoughts about what it might be like to have racing throughout the year at the iconic Pleasanton track, the oldest one-mile dirt track in the United States.

This Saturday (Oct. 19), the chance to be a year-round racing facility gets real, as the inaugural Golden State Racing meet kicks off its 26-day fall meet at the Alameda County Fairgrounds.

“It’s an exciting time,” said Allen Aldrich, a longtime horse owner who was raised in Pleasanton. He is a very influential figure in California horse racing and was instrumental in bringing Golden State Racing to town.

The race meet is set Fridays to Sundays through Dec. 15.

That the race meet is even happening was a surprise to many and was certainly thought of as a long shot by more than a few people.

It all came together quickly after 1st Racing — a division of The Stronach Group (TSG) — finally made good in June on one of their threats that they were closing Golden Gate Fields in June.

The closing of Bay Meadows in 2008 left Golden Gate Fields as the lone year-round racetrack in the northern half of the state, and with that came the feeling of entitlement to whatever they wanted.

That was shown when TSG decided to consolidate all their operations in Southern California where they own Santa Anita Park and San Luis Rey Downs training center.

Their plan was simple: bring an end to live racing in Northern California, giving TSG a monopoly on horse racing in the state.

But instead of caving, the organizations in the north said, not so fast, and discussions about what could happen moved to what needs to happen and happen quickly.



Getting out of the gates at a past Alameda County Fair. (Photo courtesy Alameda County Fair)



Allen Aldrich. (Contributed photo)



The California Authority of Racing Fairs, the Northern California Fairs, and the horsemen of the area all came together and put together a plan.

That was the genesis of Golden State Racing.

“From the start, (TSG’s) plan was to close down racing in Northern California for the so-called benefit of the south,” said Larry Swartzlander, the executive director of CARF. “There was never any hesitation. The fairs are expanding to include GGF dates and push hard for improving the race quality in the north but work with the south.”

The first thing was to determine which venue would be used.

“We started not knowing where we would race,” Aldrich explained. “We asked Santa Rosa (they have an existing turf course), then Sacramento — (Pleasanton) was the last man standing.”

The biggest player in Golden State Racing is the Alameda County Fair. If they don’t buy-in 100%, it doesn’t happen. Jerome Hoban is the CEO of the Alameda County Fair and a big supporter of horse racing, which has been the key.

Hoban laid out the beginning of the Pleasanton plan.

“In March it was determined that it was too expensive, too much time, and there were contractual conflicts to take year-round racing to Cal Expo in Sacramento. That’s when the planning and logistic started,” Hoban said.

The first step was to procure more stalls. With Golden Gate Fields shutting down, horses needed to find homes. The facility in Pleasanton brought in more, increasing to around 1,000 stalls.

With the horses, trainers and the trainers’ teams taken care of, the bid was launched to get the Golden Gate Fields dates. Of course, TSG thought it would be easy to end NorCal racing.

What they didn’t factor was everyone coming together so quickly and unified to save racing in the northern half of California.



The historic horse track at the Alameda County Fairgrounds in Pleasanton is hosting the inaugural Golden State Racing fall meet, on Fridays through Sundays now until Dec. 15. (Photo by Chuck Deckert)

“The northern horsemen are totally unified,” Swartzlander said.

“The biggest plus is the horsemen are all together,” Aldrich added. “They want to do whatever it takes to make it work.”

The man charged with filling the races — Tom Doutrich, the racing secretary for both CARF and Golden State Racing — is blown away by everyone coming together so rapidly.

“This is the most unified I have seen it in my 30 years of being in the industry,” Doutrich said.

The unity, which is extremely rare in the horse racing world, seemed to hit home to the California Horse Racing Board.

After a contentious four-hour meeting in March, the CHRB awarded the 2024 fall racing dates previously held by Golden Gate Fields to Golden State Racing by a 6-0 vote.

Recently the 2025 dates for the first half of the year were also awarded to GSR, thus setting up racing in Pleasanton from Oct. 19 through the Alameda County Fair in 2025.

“The CHRB board recognizes the importance of breeding and successful racing in the north in order to maintain racing in California,” Swartzlander said.

Which brings us to Saturday and the opening day. Aside from a pair of short fall dates, Pleasanton has not had racing following the annual summer fair, and certainly has not had to run through the winter.

As far as the track itself is concerned, it will be fine, thanks in large part to track master Steve Woods. The track will be winterized, and Pleasanton won’t miss a beat in inclement weather.

The racing fans may be another thing.

“Racing is an all-weather sport,” Hoban said. “Our facility in Pleasanton is not weatherized and hosting crowds comfortably in the winter will be a challenge for customers. We do have a reasonably great climate all year long.”



A look at the fairgrounds racetrack from above. (Photo courtesy Alameda County Fair)

Doutrich knows at times it will be a challenge.

“People won’t be coming to the races in shorts and flip-flops, but we’ll get by,” Doutrich said.



There is the climate-controlled Sky Lounge that will be open every day, with seats available for purchase.

Aldrich also pointed out there will be the use of existing facilities.

“You’ve got the Farmhouse right next door,” he said of the attractively designed restaurant that is open during the fair. “We will bring in wagering machines and we have the TVs in there.”

Everyone agrees what the key will be for a successful first race meet.

“We need to fill races and establish the Golden State Racing brand as a recognizable nationwide premier racing entity,” Hoban said.

And to fill fields, you need horses to run.

“We expect near 1,000 horses in October,” Swartzlander said. “We thought that if we still had 700 horses it would be fine. Our goals are to raise purses, attract out of state horsemen and increase commissions.”

Doutrich has seen the willingness to all work together in the north a huge boost.

“This is the best time for racing in Northern California,” Doutrich said. “The horsemen have come together and are engaging. You need a product that everyone wants to bet.”

There is a purse structure of an average of \$170,000 a day, which was the last agreement set in place. By comparison, Golden Gate Fields was offering a purse structure of \$119,167 at the end of their time.

A big financial hurdle is the building of a turf course at Pleasanton. It is universally agreed that the turf course will be needed for long-term success.

“Already in process,” Swartzwelder said of the turf course. “It will be completed by mid-2026.”

Hoban is optimistic but was also more measured.

“Fundraising and an economic model needs to pan out to justify a turf track,” Hoban said. “It is definitely on our horizon and anticipated but the horse population will ultimately help make the determination of when.”

With everything coming together to get the race meet started, one of the obvious keys to success is getting people to the track regularly.

The Alameda County Fair excels in marketing and has rolled their success during the fair into setting up promotions for the race meet.

“We have a great team and have created promotions that will help bring new fans to the track,” said Wyatt Didericksen, the racing operations manager for the Alameda County Fairgrounds. “Opening day we have Oktoberfest!”



Alameda County Fair CEO Jerome Hoban is seen at center.  
(Contributed photo)

There is also a Wine Fest on Saturday for Nov. 2, the second day of Breeders’ Cup racing. The Trackside Terrace — a popular destination during the fair — is back, as is the Sky Lounge.

The Fan Cave, so popular during past fall meets in Pleasanton, is back again on the second level, allowing race fans to keep up with football games and other televised sporting events.

Sundays will feature \$5 beers and hot dogs, something that fits nicely with the Fan Cave.

What’s the future look like to all the parties as GSR heads into its initial weekend? In one year? In five years?

“We hope to be a smooth-running machine in one year, with an established brand and remain the oldest one-mile dirt track in the nation,” Hoban said, enthusiastically.

Didericksen echoed Hoban’s feelings.

“One year from now, we are back running with a larger barn area and an established brand name,” Didericksen said. “We hope to continue being an iconic facility that introduces new fans to our industry as well as letting those that love the sport continue to enjoy it here in Northern California.”

“In one year, we will know if the program will succeed,” Swartzlander said. “In five years, we will most likely be racing with Del Mar with The Stronach Group likely gone.”

Aldrich sees the possibility of a true Northern California circuit.

“I could see three-to-four-month boutique meets,” said Aldrich. “Run in Santa Rosa for one, then Sacramento, and in Pleasanton. The horsemen are more comfortable shipping their horses around Northern California.”

At the end of the day, Golden State Racing will need the support not only of the Northern California horsemen, but the greater Pleasanton and Bay Area communities.

Hoban sees that coming to fruition.

“We have a long history of racing and a very supportive community and surrounding region,” Hoban said.

One area to be affected by the racing dates is the Pleasanton Golf Center, located on the inside of the racetrack. There will be no golfing on Fridays to Sundays, with tee times limited to Mondays through Thursdays.

Monday times are available from 7 a.m. to dark, with Tuesdays to Thursdays having times from 10:30 a.m. to dark.

It’s uncharted waters for horse racing in Pleasanton, but Aldrich is optimistic.

“We don’t know what we don’t know,” Aldrich said. “We have plenty of events planned. The unity is something I have never seen up here, and we are in it for all the right reasons.”



Horse racing action at a past summer fair in Pleasanton. (Photo courtesy Alameda County Fair)



## **Item 6-D, Nominating Committee Report - Election of Officers**

*Consideration and vote to approve the slate of officers, effective November 15, 2024*

*[Action Item]*

### **Background:**

The Nominating Committee (the Committee) of the 22nd District Agricultural Association (District) is charged by the Board Chair to:

- Identify and recommend candidates for Board leadership positions and present to the Board for consideration.
- Identify potential candidates for the Governor's consideration for vacancies on the Board.

Per Policy 3.01, Board Composition and Officers, the Board will elect up to three of its members to fill the officer positions annually as outlined in Article III of the 22<sup>nd</sup> DAA Bylaws. Per this Policy, elected Board Officers are authorized to conduct bank transactions on behalf of the 22<sup>nd</sup> DAA. A copy of the policy accompanies this report.

### **Process/Approach:**

Consistent with Policy 3.09, Organizational Planning, the Board opted in 2023 to shift the election of officers to its October meeting so that transition in Board leadership coincides with the development of the next year's operating budget and Annual Operating Plan created by the CEO, and to support the Board Chair's responsibility to prepare and present to the Board in the fourth quarter of the calendar year an outline for the coming year's meetings and activities.

Recent practice has been for the Board Officers to serve two consecutive years, and the current Board Officers are just completing their first year of service which began in November 2023.

### **Recommendation:**

The Committee recommends the following slate of officers to serve a second consecutive term, effective November 15, 2024:

- Board Chair - Frederick Schenk
- First Vice Chair - Michael Gelfand
- Second Vice Chair – Joyce Rowland

## 22nd DAA Board of Directors Meeting Dates – 2025

Meetings are typically held the second Tuesday of the month at 1:30pm.


Meeting dates and times are subject to change.

MEETING DATE	MEETING NOTICE AND AGENDA POSTED
January 14	January 3
February 11	January 31
March 11	February 28
April 8	March 28
May 13	May 2
<i>June 10*</i> (NO MEETING)	
<i>July 8*</i> (NO MEETING)	
August 12	August 1
September 9	August 28
October 14	October 3
November 18**	November 7
December 9* ( <i>if needed</i> )	November 26

\* June, July, and December meetings are held only if needed

\*\* November 18 is the third Tuesday of the month to accommodate the Veterans' Day holiday



<div>California Department of Justice DIVISION OF LAW ENFORCEMENT Stephen Woolery, Chief</div> 		<b>INFORMATION BULLETIN</b>	
Subject:  <b>Notice Regarding Prohibition of Gun Sales on State Property</b>	No.  2024-DLE-12	Contact for information:  Bureau of Firearms (916) 210-2300	
	Date:  09/25/2024		

**TO: ALL CALIFORNIA LAW ENFORCEMENT AGENCIES**

The purpose of this bulletin is to update all California law enforcement agencies that California Penal Code section 27573(a), which prohibits the sale of firearms, firearm precursor parts, and ammunition on state property, is now in effect. Along with prohibiting the sale of firearms, firearm precursor parts, or ammunition on state property, section 27573(a) also prohibits the contracting of sales or authorization of sales. The law does not, however, prohibit offers for sale or advertising. Gun shows may lawfully occur on state property, as long as no firearms, firearm precursor parts, or ammunition are sold.

On September 25, 2024, the United States Court of Appeals for the Ninth Circuit issued its mandate in the consolidated cases of *B&L Productions, Inc. v. Newsom*, No. 23-55431, and *B&L Productions, Inc. v. Newsom*, 23-3793. The Ninth Circuit’s mandate vacates a previous district court order enjoining enforcement of California Penal Code section 27573(a).

Added by Senate Bill 915 (2022), California Penal Code section 27573(a) concerns state property, including all gun shows taking place on state property, and provides:

A state officer or employee, or operator, lessee, or licensee of any state property, shall not contract for, authorize, or allow the sale of any firearm, firearm precursor part, or ammunition on state property or in the buildings that sit on state property or property otherwise owned, leased, occupied, or operated by the state.

**Accordingly, effective immediately, firearms and ammunition may no longer be sold on state property or property otherwise owned, leased, occupied, or operated by the state. No exceptions are allowed for previously scheduled events.**

The Ninth Circuit’s mandate also allows California Penal Code section 27575(a), which prohibits the sale of firearms, firearm precursor parts, and ammunition specifically at any event at the Orange County Fair and Event Center, to take effect.

Added by Senate Bill 264 (2021), California Penal Code section 27575(a) concerns the Orange County Fair and Event Center and provides:

Notwithstanding any other law, an officer, employee, operator, lessee, or licensee of the 32nd

District Agricultural Association, as defined in Section 3884 of the Food and Agricultural Code, shall not contract for, authorize, or allow the sale of any firearm, firearm precursor part, or ammunition on the property or in the buildings that comprise the OC Fair and Event Center, in the County of Orange, the City of Costa Mesa, or any successor or additional property owned, leased, or otherwise occupied or operated by the district.

Similar laws prohibiting the sale of firearms, firearm precursor parts, or ammunition specifically at Del Mar Fairgrounds in San Diego County (California Food and Agricultural Code section 4158(a)) and Ventura County Fair and Event Center in Ventura County (California Penal Code section 27575.1(a)) also remain in effect.

Should you have any questions, please contact the Bureau of Firearms at (916) 210-2300.



**MEDIA CONTACT:**

Tristan Hallman  
Chief Communications Officer  
Del Mar Fairgrounds, 22nd DAA  
(858) 399-0221  
[thallman@sdfair.com](mailto:thallman@sdfair.com)

## **22nd DAA to repay federal loan**

*The loan was a lifeline to the cash-poor organization during the height of the pandemic; The 22nd DAA will now seek to become an industry leader in push for clarity about DAAs' status*

**DEL MAR, Calif. (Oct. 22, 2024)** — The 22nd District Agricultural Association's Board of Directors have agreed to repay a federal Paycheck Protection Program (PPP) loan that helped the organization survive the COVID-19 pandemic and associated shutdowns.

The 22nd DAA on Tuesday released the following statement on the matter:

"As an organization in the business of mass gatherings, the 22nd District Agricultural Association — which does not ordinarily receive taxpayer funding, generates millions of dollars in local and sales tax revenue, and provides an annual economic impact of more than \$680 million — was left devastated by the COVID-19 pandemic in 2020. Without a strong cash position to fall back on, the 22nd DAA was forced to take drastic measures, including laying off about 85% of its staff.

"To survive during a chaotic and confusing period when revenue sources were cut off, the 22nd DAA — like many other DAAs across the state — applied for federal aid through the newly established Paycheck Protection Program (PPP) after exhausting other possibilities. In its successful loan application for a \$4.7 million loan, the 22nd DAA explained the organization's unusual structure in a [detailed cover letter](#), which was a step above and beyond the requirements of the application. The bank approved the loan, and the Small Business Administration later forgave the balance, thereby converting it to a grant. During this time, the 22nd DAA, a well-known organization that has existed since 1891, was fully transparent about its pursuit, receipt, and forgiveness of the loan.

"The PPP program was a lifeline to the 22nd DAA and to many DAAs across California. We are very grateful that we received the loan, which enabled the Del Mar Fairgrounds and other 22nd DAA properties to continue to operate as a community gathering place in times

of celebration — and to serve as an emergency resource center in times of need. And after surviving the pandemic, the 22nd DAA is in its strongest financial position in recent history.

"However, several years after the loan was forgiven, we were surprised to learn that the local United States Attorney's Office had begun to question whether the 22nd DAA was technically eligible for a PPP loan under its interpretation of the 2020 CARES Act legislation. We have cooperated fully with the office's lengthy inquiry. While we maintain that the 22nd DAA was indeed eligible, the inquiry has made one thing abundantly clear: there is a lack of clarity about DAAs' standing as ill-defined 'state institutions' under the law and their eligibility for state and federal funding and grant programs. Going forward, we now plan to take a leadership role within our industry and work with our lawmakers to better clarify DAAs' status under state law and the federal tax code.

"Furthermore, to avoid the costs and risks of litigation, as well as unnecessary distractions, we have reached an amicable settlement with the U.S. Attorney's Office to repay American taxpayers, who rescued the 22nd DAA, with the full amount of the loan, plus interest and processing fees — a total of about \$5.6 million — without penalty.

"Our Board of Directors is confident this decision will allow the 22nd DAA to move forward and get back to doing what we do best: producing and hosting cherished events and activities that bring our diverse communities together."

*The following chart shows the 22nd DAA's cash position as of August 31, 2024, compared with its precarious position in May 2020, when accounts payable and deferred revenue far outpaced the available cash.*

Positions	Aug. 31, 2024	May 1, 2020
Cash	\$ 39,815,478	\$ 1,157,523
Restricted Cash	11,674,855	18,628,109
Current Assets	6,895,355	1,675,719
Capital Assets	114,875,236	124,144,525
<b>Total Assets</b>	<b>173,260,922</b>	<b>145,605,876</b>
Accounts Payable	12,177,485	7,127,398
Deferred Revenue	1,766,600	3,705,298
Long Term Debt	58,131,705	66,415,449
Restricted Funds	276,560	0
Pension Liabilities	42,027,291	38,989,417
Net Resources	58,881,282	29,368,314
<b>Total Liabilities &amp; Resources</b>	<b>173,260,922</b>	<b>145,605,876</b>

*Note: The loan repayment draws from the 22nd DAA's current cash position.*



## PRESS RELEASE

# Del Mar Fairgrounds Agrees to Pay \$5.6 Million to Settle Allegations Over Pandemic-Related Loan

Tuesday, October 22, 2024

### For Immediate Release

U.S. Attorney's Office, Southern District  
of California

[Kelly.Thornton@usdoj.gov](mailto:Kelly.Thornton@usdoj.gov)

SAN DIEGO – The 22nd District Agricultural Association (DAA), which owns and operates the Del Mar Fairgrounds in San Diego County, and Carlene Moore, the chief executive officer of the 22nd DAA, have agreed to pay \$5,664,015 to settle allegations that the 22nd DAA was not eligible for the \$4,713,700 Paycheck Protection Program loan that it obtained.

The 22nd DAA is governed by a nine-member board, all appointed by the governor of California. The Del Mar Fairgrounds, under the ownership and operation of the 22nd DAA, hosts various public events, including the annual San Diego County Fair and thoroughbred horse racing.

Congress created the Paycheck Protection Program, or PPP, in March 2020, as part of the Coronavirus Aid, Relief, and Economic Security (CARES) Act, to provide emergency financial support to eligible small businesses experiencing economic hardship caused by the COVID-19 pandemic. Although many small businesses were eligible for forgivable PPP loans, some businesses were not. Regulations provide that businesses ineligible for SBA loans include those considered “government-owned.” The United States contends that the 22nd DAA was government-owned and therefore not eligible to receive a PPP loan.

In May 2020, the 22nd DAA obtained a PPP loan in the amount of \$4,713,700 based on an application that Carlene Moore, then Deputy General Manager of the 22nd DAA, signed and certified for accuracy of eligibility. The loan was subsequently forgiven based on another application that Ms. Moore also signed and certified for accuracy. The 22nd DAA's loan and forgiveness of the loan resulted in the United States paying \$4,713,700 in loan principal plus \$97,890 in fees and interest to the bank that processed the loan.

"These loans were intended to provide critical relief to eligible businesses during a time of global crisis," said U.S. Attorney Tara McGrath. "This settlement upholds the integrity of the COVID-relief program and holds the DAA accountable for obtaining millions in taxpayer-funded benefits to which they were not entitled."

SBA's General Counsel Therese Meers stated, "The favorable settlement in this case is the product of enhanced efforts by federal agencies such as the Small Business Administration working with the U.S. Attorney's Office and the SBA's Office of Inspector General to pursue recovery from those who obtained essential government program funds they weren't eligible for."

This matter was handled by Assistant U.S. Attorney Joseph P. Price Jr.

The claims resolved by the settlement are allegations only, and there has been no determination of liability.

Anyone with information about allegations of attempted fraud involving COVID-19 can report it by calling the Department of Justice's National Center for Disaster Fraud (NCDF) Hotline at 866-720-5721 or via the NCDF Web Complaint Form at: <https://www.justice.gov/disaster-fraud/ncdf-disaster-complaint-form>

## Contact

Kelly Thornton, Director of Media Relations

*Updated October 22, 2024*

## Topics

**CORONAVIRUS**

**FALSE CLAIMS ACT**

## Component





*I Love a Clean  
San Diego*

# Coastal Cleanup Day Impact Report

Saturday, September 21 2024

The 40th Annual Coastal Cleanup Day hosted 100 sites across San Diego County. Below are the total stats from the single day event. Thank you for helping making this day possible.



**3,046**

Participating Volunteers



**86,006**

Pounds of Trash



**1,881**

Pounds of Recyclables



**21,053**

Pounds of Green Waste



**108,939**

Pounds of Debris Total



**35**

Average Pounds of Debris  
Collected Per Volunteer



**11,000+**

Cigarette Butts Recycled



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**Pls Share W/ Board Members & Sr Mgt Team of 22nd DAA**

---

**From** Martha Sullivan <[REDACTED]>

**Date** Tue 10/15/2024 11:14 AM

**To** Carlene Moore <cmoore@sdfair.com>; Donna O'Leary <doleary@sdfair.com>; Molly Arnold <marnold@sdfair.com>

Greetings! Please share this horse racing industry trade press report with the Board Members and Senior Management Team of the 22nd DAA, and also with the members and officers of the State Race Track Authority and the State Race Track Leasing Commission.

Thank You,

Martha Sullivan  
Imperial Beach

"Del Mar has sharply reduced overnight purses for its upcoming autumn meeting after a decline in business at the summer meeting that ended on Sept. 8.

"The track recently published a condition book detailing the proposed races for the 16-day fall meeting from Oct. 31 to Dec. 1.

"A maiden race will be worth \$54,000 this fall compared to \$61,000 in 2023, while the purse of a first-condition allowance race has been reduced from \$63,000 in 2023 to \$55,000 this year.

"The reductions affect lower-class races, too. A \$25,000 claiming race will have a purse of \$31,000, down from \$36,000 last year. A \$20,000 claiming race for maidens, the lowest class offered, will be worth \$19,000 compared to \$22,000 last year.

"Thoroughbred tracks throughout Southern California have reduced purses for more than a year because of declines in handle. Tracks in the state operate without a secondary source of revenues for purses, such as slot machines or casinos, that subsidize purses in a majority of states across the country.

"Del Mar cut purses in advance of its 2023 autumn meeting and again before its summer meeting earlier this year. As recently as the summer of 2023, Del Mar increased purses for some categories of races after a gain in business in the summer of 2022.

"The summer meeting that ended last month showed a decline in handle compared to the summer of 2023."

<https://www.drf.com/news/del-mar-cut-purses-ahead-autumn-meet>

## Del Mar to cut purses ahead of autumn meet

Steve Andersen | Oct 11, 2024



Like 69K

Share



Barbara D. Livingston

**Del Mar's 16-day autumn meet is set to run from Oct. 31 to Dec. 1.**

Del Mar has sharply reduced overnight purses for its upcoming autumn meeting after a decline in business at the summer meeting that ended on Sept. 8.

The track recently published a condition book detailing the proposed races for the 16-day fall meeting from Oct. 31 to Dec. 1.

A maiden race will be worth \$54,000 this fall compared to \$61,000 in 2023, while the purse of a first-condition allowance race has been reduced from \$63,000 in 2023 to \$55,000 this year.

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The reductions affect lower-class races, too. A \$25,000 claiming race will have a purse of \$31,000, down from \$36,000 last year. A \$20,000 claiming race for maidens, the lowest class offered, will be worth \$19,000 compared to \$22,000 last year.

Thoroughbred tracks throughout Southern California have reduced purses for more than a year because of declines in handle. Tracks in the state operate without a secondary source of revenues for purses, such as slot machines or casinos, that subsidize purses in a majority of states across the country.

Del Mar cut purses in advance of its 2023 autumn meeting and again before its summer meeting earlier this year. As recently as the

summer of 2023, Del Mar increased purses for some categories of races after a gain in business in the summer of 2022.

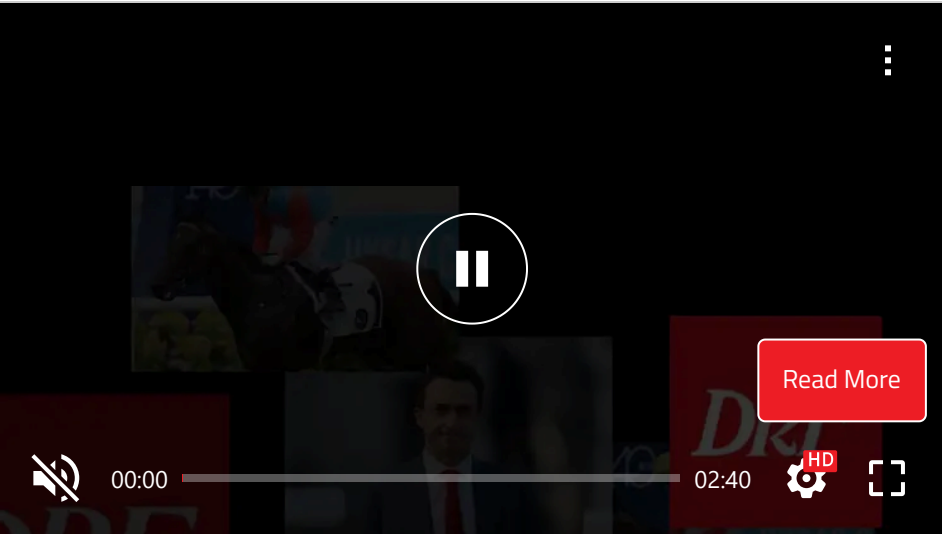
The summer meeting that ended last month showed a decline in handle compared to the summer of 2023.

The upcoming fall meeting at Del Mar includes the Breeders' Cup races on Nov. 1-2.

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**Pls Share with 22nd DAA Board, Sr Mgt Team, & SRTA/SRTLCL Board & Officers**

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**From** Martha Sullivan <[REDACTED]>

**Date** Wed 10/30/2024 8:03 AM

**To** Donna O'Leary <doleary@sdfair.com>; Molly Arnold <marnold@sdfair.com>; Carlene Moore <cmoore@sdfair.com>

Good Morning! Please share this ASAP with the Board Members and Senior Management Team of the 22nd DAA, as well as the Board Members and Officers of the State Race Track Authority and the State Race Track Leasing Commission.

Sports betting handle almost 9 times the [Horse Racing](#) betting handle in 3rd Qtr of 2024 ... "\$2.915 billion for the qtr was off 4.57% when compared w/ the 3rd qtr of 2023. "...legal sports betting handle for the 3rd-qtr...was up 6% to \$25.625 billion." <https://bloodhorse.com/horse-racing/articles/280760/different-stories-for-pari-mutuel-sports-wagering>

Thank You,

Martha Sullivan  
Imperial Beach

# Different Stories for Pari-Mutuel, Sports Wagering

A look at the Thoroughbred Racing Economic Indicators report for the third quarter suggests that the rising tide of sports wagering is not lifting the pari-mutuel boat.

Pari-mutuel wagering on United States races of \$2.915 billion for the quarter was off 4.57% when compared with the third quarter of 2023. While much of racing's handle struggles in recent years can be tied to a reduction in race days, that's not completely the case here, as the 4.57% decline far outpaced the 1.49% decline in third-quarter race dates to 1,189.

These struggles occurred during a quarter in which sports betting grew at least 6%, according to [legalsportsreport.com](https://legalsportsreport.com), which notes that its numbers in more recent months will likely increase as they become more complete. But even at the levels reported earlier this month, legal sports betting handle for the third-quarter months of July-September was up 6% to \$25.625 billion.

In explaining the growth, LSR noted several positive trends for sports betting.

"States that opened their industries during the first few years of the post-PASPA era have hit their stride by now, and the periodic launch of new markets is fueling an ongoing increase in the national totals," the site reported. "More than half of American adults now have access to regulated retail and/or online sports betting in their home state. And with a couple of the largest markets still closed to legal operators (California, Texas), the biggest months of United States sports betting are still on the horizon."

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At the Sports Wagering and Impact on Horse Racing Symposium presented by BloodHorse and Breeders' Cup in September 2018, experts noted the importance of having racing side by side on the online sports betting platforms—noting the sport's ability to provide content could be a strength. They also called on the sport to take a deep look at its takeout structure as low-takeout sports wagering would soon be widely available.

In the years since, neither objective has occurred. Some progress has occurred with major sports betting platforms such as FanDuel and DraftKings offering pari-mutuel wagering on apps that are a click away. And FanDuel allows a shared wallet for deposits into its sports betting and race betting. On takeout, racing has continued to funnel new players into a high-takeout structure that is exacerbated by the industry's welcoming of heavily rebated, high-volume computer-robotic wagering teams. New players quickly find out that pari-mutuel wagering is a far tougher game than fixed-odds wagers on sports.

But racing largely has shied from the fixed-odds model that would allow it to be available side by side with other sports. One would think the money rolling in to purses and tracks from added gaming would put the industry in position to at least try something new, *perhaps for a trial period?*, but that largely hasn't happened.

Horse racing saw a significant bump in pari-mutuel interest during the COVID-19 years as it was one of the few sports going during some of those months and it had the advance-deposit wagering platforms in place to allow off-track wagering. Handle saw a nearly 12% bump in 2021 to \$12.216 billion but it has declined each year since, down 0.9% in 2022 and 3.7% in 2023.

Through the first nine months of this year, pari-mutuel handle is down 2.89% to \$8,865,549,399. In this case the handle decline matches the 2.9% decline in race days.

Granted, it's hard to determine if there's a direct relationship between racing's losses and sports wagering's gains. What we do know is that in the years since sports wagering expansion began, there's been little desire in the industry to do much beyond the status quo. And under that status quo approach, racing is seeing the same performance, ranging from flat to slow decline, that it's seen in most years since 2004.

It still seems to me that the opposite—increased race wagering—should be taking place in this new era.

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