

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24

BOARD OF DIRECTORS MEETING
22ND DISTRICT AGRICULTURAL ASSOCIATION
DEL MAR FAIRGROUNDS
2260 JIMMY DURANTE BOULEVARD
DEL MAR, CALIFORNIA 92014

TUESDAY, FEBRUARY 11, 2025

--o0o--

Transcribed by:

QuickCaption, Inc.
3457 Arlington Avenue, Ste. 104
Riverside, CA 92506

--o0o--

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24

IN ATTENDANCE

OFFICERS:

- FREDERICK SCHENK, PRESIDENT
- MICHAEL GELFAND, 1ST VICE PRESIDENT
- MARK ARABO, DIRECTOR
- LISA BARKETT, DIRECTOR
- PHIL BLAIR, DIRECTOR
- KATHLYN MEAD, DIRECTOR
- DON MOSIER, DIRECTOR
- SAM NEJABAT, DIRECTOR

22ND DISTRICT AGRICULTURAL ASSOCIATION STAFF:

- CARLENE MOORE, CHIEF EXECUTIVE OFFICER
- TRISTAN HALLMAN, CHIEF COMMUNICATIONS OFFICER
- KATIE MUELLER, CHIEF OPERATIONS OFFICER
- DOUG LOFSTROM, INTERIM CHIEF ADMINISTRATIVE OFFICER
- DONNA O'LEARY, OFFICE MANAGER
- HENRY RIVERA, PRODUCTION DIRECTOR

22ND DISTRICT AGRICULTURAL ASSOCIATION COUNSEL

- JOSHUA CAPLAN, OFFICE OF THE ATTORNEY GENERAL

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24

OTHER PRESENTERS:

MARIA RODRIGUEZ MOLINA, SANDAG DIRECTOR OF MEGA
PROJECTS, BORDER, AND GOODS MOVEMENT

ROB STEWART, PRESIDENT/CEO OF VALUE MANAGEMENT
STRATEGIES

DANNY VEEH, SANDAG REGIONAL PLANNING PROGRAM
MANAGER

KEITH GREER, SANDAG DEPUTY DIRECTOR,
ENVIRONMENTAL COMPLIANCE AND CLIMATE

DUSTIN FULLER, 22ND DAA SUPERVISING
ENVIRONMENTAL PLANNER

PAUL BLANEY, 22ND DAA DIRECTOR OF SALES AND
RENTALS

JOSH RUBINSTEIN, PRESIDENT & COO, DEL MAR
THOROUGHBRED CLUB

MIKE ERNST, EXECUTIVE VP & CFO, DEL MAR
THOROUGHBRED CLUB

SHAUN BEARD, SENIOR VP OF FOOD & BEVERAGE, ASM
GLOBAL

JAMIE HOUTMAN, GENERAL MANAGER, PREMIER FOOD
SERVICES

BRAD MASON, 22ND DAA DIRECTOR OF FACILITIES

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24

PUBLIC COMMENTERS :

- LORI SALDAÑA
- BONNIE CROKER
- CARLA HAYES
- ALLISON PRATER
- MARTHA SULLIVAN
- CHAUN REYNOLDS
- PATTY SHENKER
- LYNN FREUDENBERG
- DREW CADY
- CAMILLA RANG
- JOHN STAHL
- SHIRLI WEISS
- KRISTI BECKER
- JEWEL EDSON
- TERRY GAASTERLAND
- TRACY MARTINEZ
- MARK RITTENBAUM
- ASHLEY JONES
- AMY CHESHIRE

1 [Meeting called to order at 1:30 p.m.]

2 PRESIDENT FREDERICK SCHENK: Good afternoon,
3 everyone. We have a full house, except not Joyce today.
4 Okay. Right. Yeah. So why don't we, we'll start with the
5 roll call. And then as others who will be joining us come
6 in, we'll acknowledge them on the record.

7 MS. O'LEARY: Okay. President Schenk.

8 PRESIDENT FREDERICK SCHENK: Here.

9 MS. O'LEARY: Vice President Gelfand.

10 VICE PRESIDENT MICHAEL GELFAND: Here.

11 MS. O'LEARY: Vice President Rowland has an excused
12 absence.

13 Director Arabo.

14 Director Barkett.

15 MS. BARKETT: Here.

16 MS. O'LEARY: Director Blair.

17 MR. BLAIR: Here.

18 MS. O'LEARY: Director Mead. Not here yet.

19 MS. O'LEARY: Director Mosier.

20 MR. MOSIER: Here.

21 MS. O'LEARY: And Director Nejabat.

22 MR. NEJABAT: Here.

23 PRESIDENT FREDERICK SCHENK: All right, thank you,
24 all. We do have a quorum. But I understand that Directors

1 Mead and Arabo will be joining us. So we'll get started.

2 And we'll -

3 MS. O'LEARY: Director Mead will be 10 minutes late
4 so start without.

5 PRESIDENT FREDERICK SCHENK: Thank you.

6 And do we have an ETA on Director Arabo?

7 MS. O'LEARY: [Off mic]

8 PRESIDENT FREDERICK SCHENK: Okay. Well, he was here
9 earlier today and the doughnuts are here. Just as
10 important as Mark himself, we have his doughnuts. So he's
11 well represented.

12 I want to welcome everybody today to the February
13 11th, 2025, 22nd DAA Board meeting. We have a busy
14 agenda. So I want to get started. We're going to start
15 with the Consent Calendar, our first order of business.
16 There is a correction to the agenda. We are going to pull
17 Contract 25-002 for crowd management and security
18 services, as we're awaiting the outcome of a protest that
19 was filed last week. So we can't address that until that
20 issue is further addressed.

21 Do we have any member of the public in the room or
22 online that wish to see an item removed or put over on
23 the consent calendar? Please let us know.

1 MS. O'LEARY: There is a public comment, Lori Saldaña.

2 PRESIDENT FREDERICK SCHENK: I understand. We're going
3 to get to that. I just wanted to first - all right.

4 So we're going to move to public comment then, since
5 there is nobody asking that anything -- well, let me ask
6 are there any Board Members who wish to have anything
7 pulled?

8 Yes. I couldn't hear you, I'm sorry.

9 >> [Off mic]

10 PRESIDENT FREDERICK SCHENK: We will get to that.

11 Okay. So...

12 Welcome, Director Arabo. If you want to just
13 acknowledge after you've seated that you're present.

14 Thank you.

15 MR. ARABO: Sorry for that. Present.

16 PRESIDENT FREDERICK SCHENK: We, Mr. Arabo, we just
17 are on public comment. There is no - okay.

18 Ms. Saldaña, I see that you are visiting us remotely.
19 Was there anything that you would like to have pulled
20 from the Consent Calendar?

21 LORI SALDAÑA: I didn't have anything to be pulled,
22 no. I had a question but I've since resolved that.

23 PRESIDENT FREDERICK SCHENK: Okay. So I will then

1 entertain a motion for approval of the Consent Calendar.

2 MR. RIVERA: Bonnie Croker has her hand up.

3 MS. MOORE: Online.

4 PRESIDENT FREDERICK SCHENK: Okay. Yes. Good
5 afternoon.

6 MS. MOORE: It looks like you're muted.

7 BONNIE CROKER: Can you hear me now?

8 PRESIDENT FREDERICK SCHENK: Yes, thank you.

9 BONNIE CROKER: Thank you. I just wanted to add to the
10 public comment section some information about the
11 financial woes within the horse racing industry. Because
12 I know you're--

13 PRESIDENT FREDERICK SCHENK: And when we get to that
14 we will invite you to speak to that.

15 BONNIE CROKER: Oh, I'm sorry. I thought I was able to
16 with public comment.

17 PRESIDENT FREDERICK SCHENK: It's okay. No worries.

18 BONNIE CROKER: Okay.

19 PRESIDENT FREDERICK SCHENK: But when we get to that
20 please let us know that you wish to address us.

21 All right, so I'll entertain a motion to approve the
22 Consent Calendar.

23 MR. GELFAND: So moved.

1 MR. BLAIR: Second.

2 PRESIDENT FREDERICK SCHENK: All right. It's been
3 moved and seconded, Gelfand and Blair. Any discussion?
4 Seeing, hearing none, let's vote on the Consent Calendar
5 please.

6 MS. O'LEARY: President Schenk.

7 PRESIDENT FREDERICK SCHENK: Aye.

8 MS. O'LEARY: Vice President Gelfand.

9 MR. GELFAND: Aye.

10 MS. O'LEARY: Director Arabo.

11 MR. ARABO: Aye.

12 MS. O'LEARY: Director Barkett.

13 MS. BARKETT: Aye.

14 MS. O'LEARY: Director Blair.

15 MR. BLAIR: Aye.

16 MS. O'LEARY: Director Mosier.

17 MR. MOSIER: Aye.

18 MS. O'LEARY: Director Nejabat.

19 MR. NEJABAT: Aye.

20 PRESIDENT FREDERICK SCHENK: All right. We'll move on
21 to public comment for items not on the agenda. And as a
22 reminder this item is to speak on matters that are not on
23 today's agenda. And the Board will not engage, will not

1 debate. We will listen. Please wait until we take up the
2 matter that is on the consent, that is on the agenda if
3 you wish to speak to something other than this, which is
4 not on the agenda topic. So I know that's sort of
5 circuitous, but I hope you understand that we're not
6 going to be talking now about DMTC, fair ops or any of
7 the other items that are on the agenda today.

8 Each member of the public is limited to 2 minutes.
9 And we're going to start with those that are present in
10 the room. Is there anybody who would like to address the
11 Board with regard to matters that are not on the agenda?
12 Please queue up and you have 2 minutes. And I'm going to
13 ask that as you are coming up or preparing from online,
14 that I've said this before, I would -- we would all
15 appreciate you monitoring yourselves. We monitor it as
16 well. I loathe to cut people off. But look, we have a lot
17 of people here and online. And so we really want to make
18 sure that everybody is respectful to each and every other
19 speaker. So at two minutes you may be midsentence but we
20 are gonna be cutting you off. So please try to look at
21 your notes, think about what you want to say, and make
22 sure that your most salient points are frontloaded so
23 that you are not unfortunately cut off should you go

1 beyond the two minutes.

2 Please go right ahead.

3 CARLA HAYES: Hi. I'm Carla Echols-Hayes. Good
4 afternoon. I come with good tidings from Horsepark. It is
5 wonderful. We are going to have our first dressage show
6 which is always small because it's a very limited public
7 sport. And we have more horses than we had at Del Mar
8 National last year. And that is huge. That is an amazing
9 thing. The other thing I really want to tell you about is
10 we have the friends of Del Mar Horsepark website. Which I
11 sent to all of you. It has every single event at
12 Horsepark on it. So you, if you want to bring people over
13 to see 100 jumper show or something, please, you've got
14 the information.

15 And the last thing is that I want to give a special
16 shout-out to Katie, Katie Mueller. Because I'm hearing
17 all these great things from Pam Walthers at HITS who is
18 their general counsel, as well as Jo Norick. She and I,
19 and I'm quoting Pam. She said, "It's so wonderful, Katie
20 calls back immediately, she works with us, and it feels
21 like a true public/private partnership."

22 Katie, thank you very much. That's it.

23 PRESIDENT FREDERICK SCHENK: Great, thank you very

1 much. Appreciate it. And within two minutes. That was
2 great.

3 Anybody else from the seated audience who would like
4 to address? All right, seeing none. I'm going to go to
5 our callers. Our first person who asked to speak is
6 Allison Prater. I hope I pronounced it correctly. Or
7 Prater. You are welcome to correct me.

8 ALLISON PRATER: Yes, it's Prater. Thank you so much.

9 PRESIDENT FREDERICK SCHENK: Sure.

10 ALLISON PRATER: I would like to just talk about from
11 Ray Paulick on February 4th, publisher of the Paulick
12 Report, which reports on the horse racing industry. The
13 comments read running from Golden Gate Fields to Santa
14 Anita Park to Gulfstream Park is the track's owner the
15 Stronach Group. Company founder Frank Stronach loved
16 horses and racing but was also sadly about the properties
17 he bought. For the most part his race track purchases
18 were properties that had great value outside of horse
19 racing. Belinda Stronach who now runs the company doesn't
20 have the same love of horses and racing as her father,
21 few people do. She has to look at the family-owned
22 company as a business not as an avocation.

23 In the face of the horse racing industry metrics,

1 it's just practical business to be looking to get out.
2 Fifty U.S. horse racing tracks closed since 2000, 30 of
3 them since 2013. Wagering down 57% since 2003 adjusted
4 for inflation. And number of trainers is down 58% since
5 2000, polls down 58% since 1990. It's time to look at
6 other things for the race track.

7 Thank you so much for your time.

8 PRESIDENT FREDERICK SCHENK: Thank you very much.

9 Next is Martha Sullivan.

10 Ms. Sullivan.

11 MARTHA SULLIVAN: Good afternoon. This is Martha
12 Sullivan.

13 The Stronach Group operating as horse racing owns
14 Santa Anita Park and owned Golden Gate Field before it
15 closed in June of 2024. Stronach is claiming increased
16 wagering handle in the first several weeks of Santa
17 Anita's 2025 race meet. But in reality, Santa Anita Park
18 had 32% more races last week than 2024. But wagering was
19 only up 24%. If you add in Golden Gate Fields, Stronach
20 2024 California horse racing wagering handle, its 2025
21 California handle was actually down from 2024.

22 Further, even with 10% more races in January 2025
23 than in 2024, Santa Anita Park's wagering handle was down

1 4%. Again, add in Golden Gate Field and the first racing
2 plus Stronach California handle was down 29.6% from 2024
3 and down 29% from 2023. And by the way, U.S. 2024
4 inflation rate is 2.9%. Thank you.

5 PRESIDENT FREDERICK SCHENK: Thank you, Ms. Sullivan.

6 Going to acknowledge Director Mead has joined us. And
7 if you would just for the record, Director Mead, just
8 knowledge yourself.

9 MS. MEAD: Kathlyn Mead, here.

10 PRESIDENT FREDERICK SCHENK: Thank you.

11 Our next speaker is Chaun Reynolds.

12 CHAUN REYNOLDS: Hello. I was signed up for item 4, is
13 this item 4?

14 PRESIDENT FREDERICK SCHENK: Yes, it is. It's public
15 comment for items not otherwise found on the agenda.

16 CHAUN REYNOLDS: All right. All right. From the past
17 Paulick Report, which reports on horse racing industry
18 dated February 5th, the Florida decoupling bill passes
19 with a wide margin. Representative Brad Yeager,
20 Republican District 56, pointed out that the Florida full
21 crop like the full crop nationally has been on the
22 decline for 20 years. The trend did not stop when the
23 state allocated money to purses[indiscernible]said

1 Representative Anderson, author of the bill. I love the
2 races. I love the track. And I love the animal. I'm a
3 horse owner myself, and I've been involved in various
4 racing partnerships for over a decade and a half. I love
5 the industry. The reality is that it's an industry that's
6 declining. It's not just declining in the state of
7 Florida, it's declining nationwide. If anything is to go
8 by, you can kiss horse racing in Florida goodbye.

9 Wednesday's hearing of the horse - of the Florida horse
10 industries and professional activities subcommittees was
11 not Florida horse racing finest moment. The subcommittee
12 voted 12-4 to pass the decoupling bill with two members
13 excused. This bill would remove the requirements for
14 racetracks to run a minimum number of live races in order
15 to operate casinos which many in the industry predict
16 will bring an end of the thoroughbred racing at
17 Gulfstream Park. The decoupling will also apply to Tampa
18 Bay Downs per an amendment to the bill filed and approved
19 by the subcommittee today that would allow the old
20 [indiscernible] track to separate its cardroom permits
21 from live racing. There's a lot to unpack about what went
22 wrong. After weeks of back and forth about who agreed to
23 what and when regarding the support of the bill among the

1 Gulfstream Park Horsemen. The group declared February 3rd
2 that it was unanimously against decoupling but neglected
3 to send an employee lobbyist or board member to the
4 meeting to express that. Thank you much for your time.

5 PRESIDENT FREDERICK SCHENK: Thank you very much.

6 Next is Patty Shenker.

7 PATTY SHENKER: Hello? Can you hear me?

8 PRESIDENT FREDERICK SCHENK: Yes, we do.

9 You have your two minutes.

10 PATTY SHENKER: Okay, so sorry. Patty Shenker.

11 Horse Racing Nation the industry's press added
12 important context to the Santa Anita's claim from a
13 February 8th story. The Stronach Group statement read,
14 and I quote, Santa Anita Park has been and continues to
15 be the industry's leader in horse care and safety
16 reforms. As was reported in the media last year, Santa
17 Anita Park concluded the winter spring meet with a nearly
18 perfect safety record of 99.7%. Making it one of the
19 safest racing venues in North America. That figure did
20 take into account the tragic deaths on the track but
21 somehow did not factor in the seven training fatalities
22 during the same period. In addition, the Stronach Group
23 reports that there have been four racehorse deaths since

1 the current meet began on December 26th. Whereas the
2 California Horse Racing Board reports six horse deaths
3 there since December 26th, with nine deaths total in
4 California since December 26th. This is the classic
5 discrepancy in reporting of horse deaths and misleading
6 the public that the Stronach Group is now being sued for
7 and it needs to stop. We Californians and all who care
8 about these horses deserve to know the truth. Deserve to
9 know the exact number of horses who lose their lives
10 either on the track or in training. No legitimate sport
11 would tolerate the untimely deaths of four, oh, yeah,
12 six, of its athletes in just these six weeks of
13 competition at just one venue. Thank you very much.

14 PRESIDENT FREDERICK SCHENK: Thank you.

15 Next speaker is Lynn Freudenberg please.

16 LYNN FREUDENBERG: Hello?

17 PRESIDENT FREDERICK SCHENK: Yes, you are our speaker.

18 LYNN FREUDENBERG: Okay. Perfect. Thank you so much.

19 I have also two articles from different -- from the
20 industry publications. The first one is entitled "With
21 Breeding Season Poised to Begin, California Breeders
22 Weigh-in on the Year Ahead." And this is published in the
23 [Indiscernible]. It says the quote is, "The California

1 horse racing industry claims it directly contributed over
2 \$4.5 billion to the state's economy and over 77,700 jobs.
3 But in comparison, California in 2024's gross domestic
4 product equaled \$4.1 trillion. And then jobs in 2024
5 California was 18,338 with 100 of civilian employment."
6 The second is an article from the L.A. Times. And it's
7 entitled, "why California horse racing is struggling to
8 secure its future." For the most part, the politicians in
9 California have done little to support the racing
10 industry. Instead focusing more on horse safety than
11 horse racing. Governor Gavin Newsom and late Senator
12 Dianne Feinstein both were outspoken during 2019 crisis
13 of horse deaths at Santa Anita. How are we going to get
14 Sacramento to like horse racing, trainer Bob Baffert
15 asked rhetorically while speaking on a panel in Tucson
16 with fellow hall of famer Todd Pletcher. He quotes, "it's
17 such a big state, and yet that question is something I
18 wish I had an answer to. Unless we can find some other
19 way to increase the purses like Churchill Downs, Oak
20 Lawn, New York, we've got difficulties. What California
21 has to offer is the weather. It's a great place to get
22 horses ready and it comes down to how can we get
23 California to like horse racing." Thank you.

1 PRESIDENT FREDERICK SCHENK: Thank you.

2 Bonnie Croker.

3 BONNIE CROKER: Yes, good afternoon. And I appreciate
4 the time here. I think I was confused and was raising my
5 hand for the wrong comment before. But anyway, let me
6 proceed so I don't take more time. Louis Seya and his
7 family are behind one of racing's most successful
8 stories. The owners of Arkansas Oak Lawn park were the
9 first to put historical horse racing machines at their
10 track. The facility does a great local business and holds
11 prominent races but even Seya sees the opportunity for
12 success in California as limited. You look at California,
13 he says, and unless they come up with a solution to
14 increase purses I don't think they survive in five years.
15 I don't see how that happens or at least on the level
16 they are currently running it at. I think they have a
17 tremendous head wind in front of them. Racing leaders in
18 California under the leadership of the main tracks --
19 excuse me, my notes have disappeared, so I'm not going to
20 take any more of your time. But I was just going to say
21 that a lot of the leadership with some of the main tracks
22 have their opinions about this but they don't get
23 together and relate as a group. So there's a lot of

1 misdirection that needs a lot of redirection if you want
2 to keep it as a viable sport. Which I hope you don't of
3 course because I'm very against horse racing. Thank you
4 so much for your time.

5 PRESIDENT FREDERICK SCHENK: Thank you, Ms. Croker.
6 Lori Saldaña.

7 LORI SALDAÑA: Yes, thank you. I'd like to suggest
8 that the fair board ask for a report from the
9 Thoroughbred Club on their plans to address the climate
10 impacts related to training and racing at the facility.
11 We know that increased heat puts additional stress on the
12 horses as well as the people training those horses and
13 also crowds, people who are attending events.

14 So is there a climate resiliency plan in place or under
15 development to manage higher temperatures, higher
16 humidity, other stress factors that could impact the
17 people in the fair, in the stands as well as the people
18 participating in the racing. And a similar question for
19 addressing and planning for increased fire risk for
20 training facilities located in San Diego County. These
21 wildfires can put trainers, firefighters and horses at
22 risk if they're responding to a facility that doesn't
23 have the latest fire suppression sprinkler systems

1 installed. And that was an issue a few years ago. And I'm
2 curious if that has been accomplished. If some of the
3 concerns led to changes in those facilities.

4 And finally, how does the fairgrounds under the state's
5 climate action initiatives, how do you reconcile
6 increasing longer transportation distances with emission
7 increases related to that. So as more horses travel
8 longer distances to compete at Del Mar, how does that as
9 a state-owned facility, your state-managed facility,
10 conform with the Greenhouse Reduction Act AB32 and
11 subsequent changes to emissions standards in the State of
12 California? Has anyone done an analysis and done an
13 assessment and if so, should that we the Thoroughbred
14 Club. And if not, I suggest it would be the Thoroughbred
15 Club to do an analysis of that. And it also adds to the
16 stress on animals, handlers, and could have an additional
17 climate change impact. So those are my comments related
18 to changes in the industry and specifically --
19 [Indiscernible]

20 MS. O'LEARY: Ms. Saldaña, your time is up.

21 PRESIDENT FREDERICK SCHENK: Thank you.

22 Are there any other members of the public who would like
23 to speak to items not on the agenda that have not already

1 spoken?

2 All right, seeing none. We're now going to go into
3 executive session. The time is about, we'll call it 1:58.

4 MS. MOORE: [off mic]

5 PRESIDENT FREDERICK SCHENK: 1:52?

6 MS. MOORE: [off mic]

7 PRESIDENT FREDERICK SCHENK: Okay. Thank you. 1:52.

8 And pursuant to the authority of the Government Code
9 Section 11126 A, B and E the Board of Directors will meet
10 in closed executive session on items described on today's
11 agenda. I really hope that we will be back within 20 to
12 25 minutes. So we will be adjourned from the public
13 meeting and we will reconvene once we conclude our closed
14 executive session. Thank you.

15 [Adjourned to closed executive session at 1:52 p.m.]

16 [Returned from closed executive session at 2:26 p.m.]

17 PRESIDENT FREDERICK SCHENK: We're good. Okay. Well, I
18 want to welcome everybody back. Thank you for your
19 patience. The time is about, we'll call it 2:26. And
20 we've returned from closed session, the 22nd DAA Board of
21 Directors considered the advice of counsel on items
22 listed on the closed session portion of the agenda. We
23 have nothing to report out. We'll now turn to general

1 business.

2 And with that, we're going to be starting with item
3 7A. The presentation by the San Diego Association of
4 Governments, SANDAG, of the LOSSAN rail realignment
5 values analysis study. And as a reminder, this is an
6 informational item. We're not taking action today. I want
7 to thank you thank SANDAG and their consultants for
8 joining us today to present on this important item. In
9 the interest of time and respect for our presenters, I'm
10 going to ask the Board to take note of the questions but
11 that you please refrain from asking them until the
12 presentation has been completed. And with that, I'll
13 recognize our presenters joining us via Zoom from value
14 management strategies and those here in the audience.
15 Welcome.

16 MARIA RODRIGUEZ MOLINA: Thank you. My name is Maria
17 Rodriguez Molina. I'm the director for Mega Projects,
18 Border and Goods Movement. Thank you for having us here
19 and I want to say thank you for everybody that
20 participated from the 22nd District in our value analysis
21 process. As you know, the LOSSAN rail corridor is an
22 incredibly important rail connection for the San Diego
23 region, the State of California, and connecting Los

1 Angeles, San Diego, and San Luis Obispo. After completing
2 a planning study in 2023 and gathering public interest at
3 the Notice of Preparation draft environmental impact
4 report that was released in June 2024, we receive a lot
5 of comments. And we saw there was room for relooking and
6 doing additional studies. And invite our stakeholders and
7 partners into this conversation. So today, I'm here to
8 give an update on what we learned from the value analysis
9 study. And what the staff recommendation is that we will
10 be taking to the board of directors on February 28th. I'm
11 here with my colleagues Danny Veeh, Regional Planning
12 Program Manager; Keith Greer, our Deputy Director of
13 Environmental Compliance and Climate; and Rob Stewart,
14 online, the president and CEO of the Value Management
15 Strategies.

16 After releasing the Notice of Preparation last year
17 we received 1,500 comments. And hearing from our board,
18 we recognized that there was room for doing more
19 analysis. That is why we invited the stakeholders from
20 the coastal cities, related agencies and participated in
21 this study that we started in September. I want to
22 introduce Rob, he's with VMS. He has facilitated over the
23 past 35 years 800 VA studies. And he leads the VA studies

1 program for Caltrans. So I'll just turn it over to him
2 and then the rest of the team will complete the
3 presentation. Thank you.

4 ROB STEWART: Great. Thank you for the introduction.

5 So I'm going to walk us through an over view of the
6 process and then talk about some of the outcomes. Next
7 slide. So as was mentioned, the decision was made to
8 initiate a value analysis study and invite the direct
9 participation of our various stakeholder groups to take
10 part in that, with the idea that we could work together
11 and identify alternative concepts that could address the
12 various challenges that are part of this project. And
13 through this process, we were able to develop a value
14 analysis study report, which really summarized the team's
15 findings. Next slide.

16 So for those that are not familiar with the process,
17 value analysis follows something called the value
18 methodology, which is a systematic process that is used
19 by a multi-disciplinary team led by a qualified VM
20 facilitator to improve the total value of a project.
21 Alternatively, it could be a product process service or
22 really anything. And the key takeaway here is through the
23 analysis of function. So what the various elements of the

1 project are supposed to achieve, what they're supposed to
2 do. Next slide.

3 When we think about value, I want to make sure that
4 we're all thinking about it holistically. Some folks tend
5 to associate value analysis with cost reduction. And
6 certainly cost is one element. But more importantly, we
7 wanted to focus on performance and outcome, so really
8 addressing the core functions of the project. Also,
9 thinking about schedule and being mindful of risk and
10 uncertainty. So really it's kind of the blend of all
11 those things when we talk about value. Next slide.

12 So our study process spanned over a period of about
13 three months or so. It began with our kind of our
14 preparation phase, which took the form of an orientation
15 meeting. So we had folks representing the different
16 stakeholder groups participate in an initial kickoff
17 meeting. And then we also had a site visit. And as a part
18 of that effort one of the things that was noted was the
19 desire by many of the stakeholder groups to revisit the
20 project objectives that were originally presented in the
21 Notice of Preparation. And so that led us to do as we
22 kind of moved into our workshop, our first week of the
23 workshop, to invite those folks back and spend a little

1 time discussing and identifying suggestions and how we
2 might modify or improve on the language relevant to the
3 project objectives.

4 So as we move through the first week of the workshop,
5 we analyzed the various functions of the projects and
6 what the different alignments and the original NOP
7 considered. And that helped us, the team, really get a
8 better understanding of where the opportunities were and
9 where we wanted to focus our creative energy. And so, the
10 team then engaged in a number of different creativity
11 exercises to generate a large number of ideas. We then
12 had a mid-point review presented kind of a short list of
13 the best ideas to our stakeholder groups and received
14 some feedback. And then in the following week we
15 continued to develop those top ideas into value analysis
16 alternative concepts. We had an outbrief to our
17 stakeholders in October, just presenting the findings of
18 the effort. And then we had a feedback meeting in
19 December to elicit feedback and to try to get some
20 traction on which direction we wanted to go. Next slide.

21 So as was mentioned, who are these stakeholders.
22 Well, the coastal communities and a number of different
23 entities. And you can see here, these are a list of the

1 different groups that participated. A couple of them
2 opted not to participate in the study but really we asked
3 for folks with more kind of on the technical side of
4 these groups to attend so that they could participate
5 directly in the value analysis process. And the technical
6 representatives from these groups were further supported
7 by additional subject matter experts, knowledgeable in
8 things like tunnels and environmental design and things
9 of that nature. Next slide. So just to reiterate, the
10 study, or the -- really the goal of the project was to
11 maintain and enhance passenger and freight service along
12 the San Diego segment of the LOSSAN rail corridors. Next
13 slide.

14 So as I mentioned, one of the first activities we
15 engaged with the group was revisiting the objectives that
16 were originally identified in the NOP. And through that
17 process we were able to develop seven objectives which
18 incorporated much of the original concepts but suggested
19 some additional changes to help clarify and focus them.
20 So the first one is looking at improving rail service
21 reliability by minimizing risk from climate change,
22 including consideration of sea-level rise, flooding and
23 the stability of the coastal bluffs. Number two is to

1 maintain passenger rail service to Solana Beach and
2 Sorrento Valley and accommodate direct rail access to the
3 22nd District Agricultural Association while minimizing
4 disruptions to passenger and freight service during
5 construction. Number three was to minimize impacts to
6 existing homes, businesses, tourism, and major economic
7 generators, including the Del Mar Fairgrounds and
8 transportation facilities during and after construction.
9 Four, avoid and/or minimize negative effects and where
10 possible, enhance biological, cultural, and recreational
11 resources of national, state, or local significance,
12 including publicly owned parks, recreational trails,
13 beaches, wetlands, ecological reserves, wildlife or water
14 fowl refuges and any publicly or privately owned historic
15 site or eligible for listing on the national register of
16 historic places. Number five, help meet the goals of the
17 regional plan and the California State Rail Plan by
18 increasing passenger and freight train capacity, further
19 reducing travel times, improving reliability and
20 considering existing and planned investments. Six,
21 improve coastal access and safety by eliminating at-grade
22 railroad crossings and minimizing points of interaction
23 between rail and all other modes of transportation. And

1 seven, demonstrate good public stewardship by delivering
2 the projects in a timely way that considers prior
3 investments, construction, right-of-way, operations and
4 maintenance costs. So with those objectives in mind, the
5 team went about developing alternative concepts for
6 further consideration.

7 So through that process, we initially generated
8 approximately 205 ideas that were directed at various
9 functional areas of the project. From that, we were able
10 to narrow that down to about 26 concepts that we, the
11 team, took a closer look at and continue to further
12 scrutinize and from that we landed with about 16 value
13 analysis alternatives, which included 13 new alignment
14 alternatives as well as the three alignments that were
15 initially identified in the NOP. And so the team really
16 focused on those. We developed more technical analysis of
17 those, sought to identify a range of potential costs to
18 implement those ideas and the like. Next slide.

19 So this map shows really the 16 alignment
20 alternatives that were identified in the value analysis
21 report. You can see that we've kind of got some clusters
22 here. We've got the colored dots that represent various
23 options relative to where a north portal might be

1 located. And you can see the triangles represent possible
2 south portals and of course the interconnecting lines
3 represent various alignments. Things were studied such as
4 an all I-5 alignment, alignments that ran along the
5 bluffs, and a number of different possibilities. So one
6 of the takeaways from this was that although the report
7 identified 16 specific alternatives, there was some
8 flexibility or variability in considering mixing and
9 matching different north and south portal options with
10 different alignments. So in some ways there were actually
11 more possible alternatives beyond the 16 that were kind
12 of formally presented. Next slide.

13 So this is a list of the initial 16 that were
14 identified. And you can see we've identified ranges of
15 cost, those numbers are in billions. Some you can see
16 were quite expensive. Others less so. And so this is kind
17 of where we landed. I'll note that the line items 4 and 7
18 represent concepts that could possibly be matched with a
19 number of different alignment options. And so they didn't
20 have any specific costs associated with them. Next slide.

21 So in addition to these 16 alternatives, there were a
22 number of different additional ideas that the team
23 identified and articulated in the report. And these are

1 things that could potentially interface with any of the
2 alternative concepts. And they really revolved around
3 ways to minimize community and ecological impacts to
4 provide some community betterments and also to challenge
5 some of the original project assumptions. Next slide.

6 So we had, as I mentioned, we had a feedback meeting
7 in late December. And that was an opportunity for our
8 stakeholder groups to reconvene after they had the
9 benefit of looking through the report and provide some
10 feedback. Some of the things that we gleaned from that
11 meeting was feedback relative to alignments and portals.
12 We got feedback on the draft objectives, which I shared
13 earlier. As well as just some of the content of the value
14 analysis study report. No consensus was reached on
15 specific alternatives to carry forward into the
16 environmental phase. But there was some consensus on key
17 themes, which we'll kind of dive into next. So the big
18 takeaway here is you know, what did we learn? What did we
19 get out of this exercise? And so beyond the value of
20 having all those folks representing their respective
21 cities and agencies rolling up their sleeves, getting a
22 lot more involved and understanding some of the
23 tradeoffs, some of the technical challenges. There were

1 some key themes that emerged as a result of the effort.
2 And so I think these first three are probably the most
3 critical. They included minimizing effects to private
4 properties, including subservice easements. And again,
5 I'm talking about the alternatives and ideas were really
6 kind of, you know, you could almost organize them along
7 these themes. So we had a number of concepts that really
8 focused on that first bullet. The second was to find ways
9 to minimize disruptions to key economic generators, such
10 as Del Mar Fairgrounds. And the third was really to
11 demonstrate public stewardship by minimizing conflicts
12 with prior and ongoing investments. And I'm primarily
13 speaking of investments to the existing LOSSAN Corridor,
14 ones that are both planned and have been sunk. Next page.

15 In addition, there was some other maybe secondary
16 themes or other themes they came up to the surface. There
17 was a lot of interest in considering alignments located
18 under Crest Canyon, or Camino del Mar or along I-5, with
19 the idea that those were all opportunities to reduce
20 impacts to private properties and subsurface easements.
21 Alignments that do not require portals, including an
22 option that might entertain keeping the railroad tracks
23 on the bluffs. Minimizing risk from climate change just

1 recognizing that we have a very dynamic climate. And
2 there are a number of different challenges emanating from
3 that that we needed to be mindful of. Minimizing negative
4 effects on biological resources and communities. And then
5 considerations on the cost of constructing and
6 maintaining the project as well as looking at ways that
7 we could potentially reduce the maximum speed of the
8 alignment to allow for greater flexibility in terms of
9 considering different pathways. So those were some of the
10 key takeaways. And these themes are represented in the
11 various alternatives that the team identified.

12 So with that, I'm going to hand this over to our
13 folks from SANDAG to share with you all some of their
14 recommendations based upon their own technical review of
15 the report and the findings.

16 MARIA RODRIGUEZ MOLINA: Thank you, Robert.

17 As you heard from Robert, during the VA analysis, we
18 learned a lot. And we developed those 16 -- the VA team
19 developed those 16 concepts. But what's really important
20 from the slides that Robert covered are the three key
21 themes: Minimize impacts to private properties,
22 including subsurface easements; minimize disruptions to
23 economic generators such as Del Mar Fairgrounds; and

1 demonstrate public stewardship by minimizing conflicts
2 with prior and ongoing investments. We took these themes
3 and all of the prior studies and came up with four
4 alignments that we would like to recommend to our board
5 of directors on February 28th. So those four are the San
6 Dieguito Bridge to I-5 Knoll, then under Crest Canyon
7 under Jimmy Durante to I-5 Knoll, then the under Camino
8 del Mar, and finally, Del Mar Bluff's double track
9 reinforced. As part of the environmental document we
10 always study the no-build option so that's also one that
11 will be looked at. The staff recommendation will also
12 include the goal and objectives review for the project.
13 But now I'm going to pass it onto Danny so he can
14 describe each one of the alternatives.

15 DANNY VEEH: Thanks, Maria.

16 Okay, so at the conclusion of the VA, staff has taken
17 those lessons learned and those key themes to develop
18 these preliminary draft proposed alternatives. So I just
19 wanted to emphasize that these are still in development.
20 And we are continuing to make refinements. But let's
21 review the lines starting from the top of the slide,
22 which are in no particular order. So starting with the
23 yellow line, this is the San Dieguito Bridge to I-5

1 Knoll. In the north, this line ties in into the south end
2 of the San Dieguito Double Track Bridge, makes a curve to
3 cross over Jimmy Durante Boulevard on an elevated
4 structure along San Dieguito Drive and the edge of the
5 San Dieguito Lagoon.

6 The elevated structure continues to the southeast
7 entering a tunnel portal near Racetrack View Drive. Then
8 the tunnel continues under I-5 to the I-5 Knoll portal
9 along the edge of the Los Peñasquitos Lagoon and connects
10 with existing tracks in Sorrento Valley. This proposed
11 alternative aims to minimize impacts to the fairgrounds,
12 preserves prior and ongoing investments, and avoid going
13 under homes by following existing transportation
14 corridors.

15 Okay, so next the blue line, so this is the under
16 Crest Canyon. So in the north, so this line it's the
17 same, it connects to the southern end of the San Dieguito
18 Double Track bridge. Then dives down into a trench with
19 a portal under Jimmy Durante Boulevard. This line is
20 different than prior alignments as it more closely
21 follows under Crest Canyon to reduce the number of
22 subsurface easements. It's similar but not identical to
23 several of the concepts identified in the VA study. The

1 tunnel would then resurface at the I-5 Knoll portal and
2 connect with the double track in Sorrento Valley

3 All right. The pink line, so this is the under
4 Jimmy Durante, or yeah, the under Camino del Mar, so
5 that's in the north side. It connects to the southern end
6 of the San Dieguito Double Track Bridge. And then dives
7 down into a trench with a portal under Jimmy Durante
8 Boulevard. The underground alignment more closely follows
9 under Camino del Mar to reduce the number of subsurface
10 easements. And this is similar to concepts that were
11 identified in the value analysis. And the alignment then
12 surfaces at the Torrey Pines Road west portal in the
13 south. And this was a concept that was identified in the
14 value analysis. And then the double track would continue
15 along a bridge and berm along the Los Peñasquitos Lagoon
16 following the existing railroad corridor to Sorrento
17 Valley.

18 All right. And now the green line. So this is the Del
19 Mar Bluff's double track reinforced. So this line
20 maintains the current alignment and adds double track
21 along the bluffs and through Los Peñasquitos Lagoon with
22 bluff reinforcement in more robust seawalls. So starting
23 near the Camino del Mar overcrossing, the alignment adds

1 a double track just to the east of the existing single
2 track along the bluffs. This alignment keeps rail in
3 existing right-of-way, but requires more substantial
4 seawalls and bluff stabilization to ensure long-term
5 resiliency. It also requires a grade separation at coast
6 Boulevard with tracks under the roadway. The double
7 track, as I mentioned, would continue along bridge and
8 berm, all the way across Los Peñasquitos Lagoon following
9 the railroad corridor and connecting at Sorrento Valley.
10 And this was a concept that was identified in the VA
11 study. The no build is also important to highlight as it
12 would require continued bluff stabilization beyond the
13 existing work that's currently underway to protect that
14 existing single-track alignment in the long term. It
15 would not add double track along the bluffs or with
16 LOSSAN, that's the no build. That would just remain. So
17 staff are continuing to refine these preliminary draft
18 proposed alternatives.

19 And I'm going to pass it along to Keith Greer, our
20 Deputy Director of Environmental Compliance, who can talk
21 about where we're going next. Off to Keith.

22 KEITH GREER: Thank you. First of all, I'd like to
23 appreciate all the tremendous amount of input we've

1 gotten on this project today. And one of the first steps
2 we need to do as we start the environmental process is to
3 figure out what we're analyzing. So that's the purpose
4 here. What is the range of alternatives, that's the
5 jargon, to look at as we produce an environmental
6 document. So we're just in the early days. We have to do
7 a series of technical reports and then take those
8 technical reports and put them into an environmental
9 document. But I want to give you kind of a roadmap to
10 where we're headed.

11 So over the next two weeks, SANDAG is going to make
12 this exact same presentations to the city of Solana Beach
13 tomorrow night and the City of Del Mar next Tuesday
14 night. We also have two opportunities for the public to
15 engage with staff directly. One is at a community office
16 hours at Solana Beach from 3 to 6 on February the 13th.
17 And again next week we'll have a public information
18 session from 6 to 7:30 at the Del Mar Town Hall.

19 We'll take all this information. We'll be going to
20 the SANDAG Board on February 28th. We will be asking the
21 SANDAG Board to provide feedback on the goals and
22 objectives of the VA study that you saw today. And give
23 us direction on which alternatives we should carry

1 forward into environmental analysis. As shown here, there
2 will be public input opportunities of the board. And then
3 we go into a series of technical reports, about 12 to 18
4 months of looking at various technical things such as
5 geology and biology and cultural resources to frame. Then
6 the future environmental impact report, which will come
7 in about 30 months from now so.

8 So the other thing I wanted to mention is that we
9 have a desire to create just one document that will cover
10 both the state requirements, which is what SANDAG is
11 responsible for; and the federal requirements. That
12 document is called an Environmental Impact Report,
13 Environmental Impact Statement, or EIR/EIS. And that
14 requires us to collaborate with our state and federal
15 partners to find that to that federal lead agency. So
16 we're making headway on that issue. We hope that the
17 environmental process will come together and we'll be
18 able to produce one document in about 30 to 36 months
19 from now.

20 So in closing, I'd just like to thank all of the
21 staff from the 22nd Ag District who sat with us at the VA
22 study as well as all the other VA participants. Many are
23 in the room right now. It really helped to be a

1 collaborative process to bring forward what we have
2 today. So thank you very much.

3 PRESIDENT FREDERICK SCHENK: Thank you.

4 Are there any other presenters?

5 Wow, that was very helpful, informative. And a sigh
6 of relief from the Board. I would represent to you and
7 from the 22nd DAA that priority was not given to digging
8 right outside this room. So we wish you all the best. But
9 I am going to invite the Board if there is any questions
10 or comments briefly. Yes?

11 MR. BLAIR: My question is more semantic. You talk
12 about tunneling and then dredging or tunneling and --
13 they both end up underground, it's just how they got
14 there, is that --

15 MARIA RODRIGUEZ MOLINA: Do you want to explain the
16 trench?

17 MR. BLAIR: Trenching.

18 DANNY VEEH: That's right. Yeah, I mentioned
19 trenching. What that means is you know, as we transition
20 from at grade to below grade we need to be deep enough,
21 the tracks can't just, you know, go down the stairs. They
22 got to -- they got to ramp down, right? And so it's a
23 trench in order to transition from the surface to the

1 underground alignment before you can put cover on top or
2 it's bored tunnel where's there's no surface impacts.

3 MR. BLAIR: So none of these involve digging a trench,
4 putting railroad and then filling it in?

5 DANNY VEEH: Right. Yeah, that's correct. So the --
6 yeah, all the tunnel alignments that we're proposing are
7 bored tunnels so there's not, so we're not digging from
8 the --

9 MR. BLAIR: [multiple speakers - indiscernible]

10 DANNY VEEH: Tunnel-boring machine. Yeah. So just the
11 start at the transition for the portals.

12 MR. BLAIR: Thank you.

13 DANNY VEEH: Mm-hmm.

14 PRESIDENT FREDERICK SCHENK: Thank you. Any other
15 questions from the Board?

16 Michael.

17 MR. GELFAND: You showed in one of the slides the
18 pricing estimates for all of the 18 or 16 alternatives.
19 Can you tell us what the pricing estimates are for these
20 four estimates or alignments?

21 MARIA RODRIGUEZ MOLINA: We are still working on it.
22 Especially on the yellow line that you saw, it was not
23 one that we fully studied during the value analysis. So

1 we have the technical teams working on it and they
2 promised they will have it done by the report date, which
3 is February 21st.

4 MR. GELFAND: Okay.

5 MARIA RODRIGUEZ MOLINA: So we will present that at
6 the Board.

7 MR. GELFAND: The other alternatives, the three are
8 which numbers on this slide?

9 MARIA RODRIGUEZ MOLINA: They are close to some of
10 these ones.

11 MR. GELFAND: Yeah.

12 MARIA RODRIGUEZ MOLINA: Team, do we know?

13 DANNY VEEH: [off mic] like number 12 is the bluff.

14 MR. GELFAND: Stabilizing the bluffs, so okay. So
15 that's --

16 DANNY VEEH: [off mic] kind of mixed and matched. It's
17 not -- can't really like draw one -- [off mic]

18 MR. GELFAND: Yeah, that one, although the initial
19 construction costs may be low, the ongoing maintenance
20 costs may be significantly higher. And then the Camino
21 del Mar alignment?

22 MARIA RODRIGUEZ MOLINA: We have a 3.9 to 5.2.

23 But we're refining that for this specific alignment,

1 that's over there, number 5.

2 MR. GELFAND: Number 5. 3.9 to 5.2. Okay. And the
3 Crest Trail alternative?

4 MARIA RODRIGUEZ MOLINA: The Crest Canyon one --

5 MR. GELFAND: Is that number 6?

6 [off mic]

7 MR. GELFAND: Okay.

8 MARIA RODRIGUEZ MOLINA: 15.

9 MR. GELFAND: Similar to 15. Okay.

10 MARIA RODRIGUEZ MOLINA: No?

11 [off mic]

12 MARIA RODRIGUEZ MOLINA: Crest Canyon, I think it's
13 number 1. Similar to number 1.

14 MR. GELFAND: All right.

15 And --

16 [off mic]

17 MARIA RODRIGUEZ MOLINA: Okay.

18 MR. GELFAND: And just to confirm what our president
19 suggested, all of these alignments begin east of the San
20 Dieguito river -- [multiple speakers]

21 MR. GELFAND: The new bridge that is proposed to be
22 built hopefully soon.

23 MARIA RODRIGUEZ MOLINA: That is correct.

1 PRESIDENT FREDERICK SCHENK: Director Mead.

2 MS. MEAD: Apologies if I -- there we go. Hi. I may
3 have missed this. And it may be on your timeline. But as
4 I was following it I identified all of the process for
5 getting public notification and interest information to
6 them. But I didn't quite understand when and how a
7 decision is made.

8 MARIA RODRIGUEZ MOLINA: Do you want to talk about
9 the preferred alternative?

10 KEITH GREER: All right, I will try not to belabor
11 this. So after the environmental impact report is
12 crafted, we go to the SANDAG Board and the SANDAG Board
13 will ultimately take action on what the -- what they want
14 to approve. Whatever these alternatives they look at they
15 will approve it.

16 MS. MEAD: So you are taking four and they'll approve
17 one of them?

18 KEITH GREER: Yeah, during that process though as
19 we're getting ready to do the draft we'll go and say
20 which one is the staff recommendation? What should we
21 propose? And that will be the proposed project. The other
22 terms will be alternatives but the SANDAG Board will have
23 the opportunity to select anything that they see in the

1 environmental document.

2 MS. MEAD: Okay. Thank you.

3 KEITH GREER: Thank you.

4 MS. MEAD: And then just one add-on question. And you
5 talked about this 36-month period of time. Do these --
6 does this pricing consider that inflation area period of
7 time for, so this is building it out in the future, not
8 at today's prices.

9 KEITH GREER: Yeah, that's correct.

10 MS. MEAD: Thank you.

11 MR. GELFAND: Clarify in terms of process. The first
12 step in -- it says SANDAG Board 2025. At that point, the
13 SANDAG Board is going to decide which of these five
14 alternatives to study in the EIR?

15 KEITH GREER: That's correct.

16 MR. GELFAND: So it might be all five, it might be a
17 subset of the five?

18 KEITH GREER: Or they could choose something else.

19 MR. GELFAND: Or something else. Then you do the 30
20 month plus EIR and then they select an alternative.

21 KEITH GREER: In order for us to move the
22 environmental process we have to know what we're
23 analyzing so we need a footprint. And that's the first

1 step, what we're going to the SANDAG Board on.

2 MR. GELFAND: Thank you.

3 MS. MOORE: Yes, and that date is just to confirm is
4 February 28 --

5 KEITH GREER: That's correct.

6 MS. MOORE: Is when it will be before the SANDAG
7 Board.

8 PRESIDENT FREDERICK SCHENK: Again, thank you, all.

9 Are there any members, any members of the public that
10 would like to speak on this issue that are in the room?

11 Okay.

12 Why don't you queue up at the microphone.

13 DREW CADY: My name is Drew Cady. I'm a Del Mar
14 resident for 30-plus years. I'd like to ask SANDAG if
15 they would be willing to answer this. At what point did
16 they decide that double tracking the bluff was an option?
17 Because my sense is that this was an option all along but
18 it wasn't brought up until very much the 11th hour. And
19 I'm completely shocked that you would consider doing
20 further emboldening of that poor, crumbling bluff to
21 build a double track down there. I live right there. I
22 know how fast it's crumbling. We've all watched it tumble
23 to the beach for years now. And it's accelerating each

1 year. And I can't fathom that this would even be under
2 consideration. Because you are talking about putting
3 probably millions of tons of concrete along that bluff
4 line. This is the last bluff that isn't completely
5 developed right down to the bluff in north county. With
6 some areas in Carlsbad as well. But it breaks my heart to
7 hear that you would even consider that option. And
8 frankly, I feel like Del Mar's being thrown under the
9 truck right now. I don't even understand why Solana Beach
10 is being considered here because every single proposal
11 that's been made here suggests that it must go on an
12 imaginary bridge that's going to yet be built in the
13 future, supposedly. And nothing really will occur until
14 you're well past the fairgrounds and tumbling into Del
15 Mar. No matter what the --

16 MS. O'LEARY: Sir, your time is up.

17 PRESIDENT FREDERICK SCHENK: Thank you very much.

18 DREW CADY: Thank you.

19 PRESIDENT FREDERICK SCHENK: And just so that we're
20 clear, this is public comment. We're not engaging in
21 debate here. There will be another forum, I'm sure,
22 before SANDAG where you are, the public is welcome to ask
23 those and other questions as well. This is for public

1 comment. We will not be responding. And I will not be
2 inviting anybody else to respond to your questions or
3 your observations.

4 Please go ahead.

5 CAMILLA RANG: This is not my first rodeo here. Good
6 afternoon, directors. I'm Dr. Camilla Rang. A long-term
7 resident of Del Mar. Del Mar just like the fairgrounds
8 wants to protect your revenue, Solana Beach wants to
9 protect their revenue. Also Del Mar wants to protect Del
10 Mar citizens. We will not under any circumstances accept
11 eminent domain. All the routes that SANDAG has presented
12 except for a new route, the yellow line that we have
13 never seen before seems to not take any homes. So let's
14 look into that one, I guess. What happened with route "A"
15 is something that we wonder because that's what we were
16 prepared for. We wanted the fairground and Solana Beach
17 to talk to SANDAG so that they would reimburse for lost
18 revenue. The bluff that is just to say that you won't
19 have to do eminent domain on the bluff that may have
20 worked on the paper. Have you even been there? You know
21 you can hardly walk between the [indiscernible] house and
22 the single railroad that is there right now. Take that
23 piece of double tracking the bluff and just throw it

1 where it belongs in the garbage can. And let's look into
2 it alternatives that do not kick people out of their
3 homes in the middle of a housing crisis. Thank you.

4 PRESIDENT FREDERICK SCHENK: Thank you.

5 if you'd like to speak, you are welcome queue you up.

6 JOHN STAHL: John Stahl. Live in Del Mar 30 years and
7 have been following this rail realignment issue for the
8 last several years quite intently. I watched your board
9 meeting of last June before deciding to come here today
10 to get a better understanding of how the fairgrounds sees
11 the matter. I was thinking instead of calling it item 5,
12 it should have been called the bash route 8 hour. It also
13 seems that the city of Solana Beach and the fairgrounds
14 have decided to form a partnership to put all the pain
15 and loss of community on the City of Del Mar. I heard
16 some rather outrageous claims that the fairgrounds would
17 have to shut down for likely more than 10 years and the
18 southern half of Solana Beach would be destroyed. Losing
19 50 homes in the north end of Del Mar to eminent domain
20 will forever change the character and beauty of that
21 city. Elevating the current trestle eight feet will
22 destroy scenic views for visitors to the fairgrounds
23 forever. The proposed trestle was not needed by all 16

1 options in the VA and could become a bridge to nowhere
2 and an embarrassment to the creditability of the
3 organization. Hold off on construction of the trestle
4 until the route has been vetted and decided. This is just
5 common sense. Let me give you the analysis from a Del
6 Marian point of view. This proposed double track trestle
7 is 19th Century thinking. We need a 21st Century vision.
8 Route 8 does not involve eminent domain, protects scenic
9 views, restore the two lagoons to a more environmentally
10 preserved state, and creates a six-acre park at the south
11 end of Solana Beach. Why would you not want to utilize
12 the already existing Solana Beach trench to unify the
13 city instead of separating it forever with a double
14 track. You could start at the south end of the project
15 and remove all material from that portal. The fairgrounds
16 and Solana Beach would not even come into play until
17 about 80% of the project was completed. Modern
18 engineering is a marvel.

19 Let's use it and create a solution that works for all
20 stakeholders.

21 MS. O'LEARY: Sir, your time is up.

22 PRESIDENT FREDERICK SCHENK: Thank you. Good
23 afternoon.

1 SHIRLI WEISS: Good afternoon. My name is Shirli
2 Weiss.

3 I'm a long-time resident of Del Mar. I've also
4 practiced law for over 40 years in California. There is a
5 profound disconnect between the objectives and the
6 recommendations. The objectives clearly recognize that it
7 is valuable to avoid eminent domain, that it is valuable
8 to minimize the impact on the community. Del Mar, Del Mar
9 is the community that is profoundly impacted by these
10 recommendations. And they overwhelmingly point toward
11 eminent domain or vibration and noise that will disturb
12 and change that town forever. Let me say this Del Mar
13 residents oppose eminent domain and will insist that Del
14 Mar's leaders support alignments that do not force our
15 neighbors to sell their hard earned and much-loved homes
16 to the government. Eminent domain destroys neighborhoods,
17 displaces families, yanks children out of schools,
18 deprives homeowners of the right to pass their homes onto
19 their children and grandchildren. Excuse me.

20 PRESIDENT FREDERICK SCHENK: I'll credit you with the
21 time. Take your time.

22 SHIRLI WEISS: And to add insult to injury it coerces
23 a premature and even unnecessary hefty tax on sale. Money

1 that cannot then be used to reinvest in a new home. I beg
2 you to consider the impact on Del Mar on some of these
3 alignments. They are cruel. Just cruel. We're doing this
4 for private, for-profit freight trains. Thank you.

5 PRESIDENT FREDERICK SCHENK: Thank you.

6 KRISTI BECKER: Good afternoon. My name is Kristi
7 Becker. And I'm the deputy mayor of Solana Beach. I
8 wanted to come here today and I wanted to thank SANDAG
9 for their work on the values analysis study and bringing
10 together the technical experts from each jurisdiction and
11 stakeholder to brainstorm modifications to the three
12 alternatives previously proposed in the Notice of
13 Preparation last May. Earlier this year, the Del Mar and
14 Solana Beach City Councils along with the 22nd DAA Board
15 adopted an agreement and joint resolution. The SANDAG
16 staff recommended alternatives meet the general intent of
17 the resolution to address the LOSSAN rail segment that
18 presently exists within the City of Del Mar.

19 Consistent with the resolution the proposed, and more
20 importantly, the recommended alternatives presented by
21 SANDAG staff today reflect a clear project description,
22 are based on technical information, and minimize, if not
23 avoid, serious impacts on our communities. The

1 alternative presented by SANDAG in section 4.2 of the
2 values analysis and shared today as part of the
3 alternatives that they are looking into further for
4 recommendation to their board would adjust alternative 14
5 formerly Alternative A to provide a better design that
6 would alleviate the need to tunnel under parts of Solana
7 Beach and the fairgrounds and would maintain the bridge
8 replacement at San Dieguito Lagoon and the specials
9 platform that is fully funded and soon will go out to
10 bid. Instead, this alternative would start at the
11 southern end of the fairgrounds and with an at or above
12 grade rail and tunneling charter path to I-5 and down to
13 Sorrento Valley. This alternative as well as the
14 alternative to keep the rail on the bluff would not only
15 avoid going under homes in both Del Mar and Solana Beach,
16 but according to values analysis study would be among the
17 lowest cost solutions. These alternatives would also
18 ensure impacts to a regional revenue generator like the
19 fairgrounds are minimized.

20 MS. O'LEARY: Your time is up.

21 KRISTI BECKER: If nothing else, our region should be
22 continuing to looking for ways to minimize -- [multiple
23 speakers]

1 PRESIDENT FREDERICK SCHENK: Thank you for your time.

2 Appreciate it. Thank you.

3 KRISTI BECKER: And we should all work together at all
4 those things. Thank you.

5 PRESIDENT FREDERICK SCHENK: Thank you.

6 Good afternoon.

7 JEWEL EDSON: Good afternoon. I'm Jewel Edson. Solana
8 Beach City Council member and a board member of the North
9 County Transit District, SANDAG, and LOSSAN. I
10 participated in certain value analysis meetings. Spent my
11 weekend digesting the 261-page values analysis study. And
12 I'm here today to listen to SANDAG's presentation, like
13 you, and to continue to soak it all in. I was
14 disappointed that Del Mar's rotational mayor choose to
15 violate the September 24th joint resolution adopted by
16 our two cities and the 22nd DAA by continuing to advocate
17 for Alternative 14, formerly NOP Alternative A by
18 engaging with the media over the weekend. I would like to
19 thank SANDAG for yesterday's press release which adds
20 clarity regarding the alternatives staff is now studying.
21 Thanks.

22 PRESIDENT FREDERICK SCHENK: Thank you very much.

23 Are there any other members of the public who are

1 present who would like to speak? If not, I'm going to
2 move on to the online participants. All right, seeing
3 none.

4 Ms. Sullivan, would you like to address the Board
5 with regard to item 7-A?

6 MARTHA SULLIVAN: Thank you very much for calling on
7 me. I don't have anything. Thanks.

8 PRESIDENT FREDERICK SCHENK: All right. Very well.

9 Ms. Saldaña, do you wish to address the Board on this
10 topic, 7-A?

11 LORI SALDAÑA: Yes, thank you. I hope that the
12 fairgrounds has done some type of adaptation and planning
13 assessment as other agencies located in coastal areas
14 have done. And the State of California has been doing
15 climate change assessments and has found that in regards
16 to rail alignments, and by the way there was no
17 PowerPoint added to the agenda as a link or a document.
18 So I would appreciate having that added in the future for
19 those of us following remotely.

20 In returns of alignments, you can spend a little now
21 and end up spending a lot more later. When you start
22 losing the tracks and interrupting passenger and travel
23 and freight service as well. As others who have noted,

1 you know, I grew up, I lived my entire life here along
2 coastal San Diego and various communities. The bluffs are
3 crumbling at an increased rate. And in northern San Diego
4 County according to most recent reports Del Mar
5 identified the coastal rail corridor tracks as being
6 vulnerable even under relatively low levels of sea-level
7 rise. This is from nearly 10 years ago. This is a report
8 from 10 years ago. So it's good to see that this is --
9 you are taking action, that you are educating the public
10 and others about this. But the fact is we're behind the
11 curve on action. And unless you are aligning as far away
12 from coastal areas, because estuaries are also of value
13 to our community. They are valuable for fisheries, for
14 other purposes. Loss of them will also impact these
15 communities. You need to move this as far east as
16 possible. And the money you spend now will dwarf in
17 comparison to what you spend if you do this in a
18 piecemeal basis and move it and keep it too close to the
19 coast over time. Thank you.

20 PRESIDENT FREDERICK SCHENK: Thank you, Ms. Saldaña.
21 We will post to our website after the meeting. We'll take
22 the PowerPoint and post.

23 We're moving onto item 7-B, which is an update on

1 SANDAG's bridge replacement and special events platform
2 project. This is also an information-only item. We'll not
3 be taking any action on it today. For your information,
4 the staff will report -- it begins on page 10. And I
5 think our staff will be presenting this.

6 So I'm going to turn it over to our CEO Carlene
7 Moore.

8 MS. MOORE: All right. And while our supervising
9 environmental planner makes his way to the podium for
10 this presentation. This is just a reminder for this
11 board, this project has been decades in the making for
12 us. And it is one that absolutely aligns with regional
13 public transportation goals as well as the district's
14 goals. So our team has actively been working on this
15 project for decades as well with the SANDAG team, also
16 the California Department of General Services and other
17 stakeholders to keep it on track.

18 PRESIDENT FREDERICK SCHENK: So to speak.

19 MS. MOORE: Pun intended. So as you are -- but as
20 we're aware there have been efforts to slow or even stop
21 this fully funded project from moving forward. The only
22 reason as we just heard with regard to the LOSSAN rail
23 realignment project, the only thing that would render

1 this obsolete would be to, in essence, would be
2 Alternative A, now 14 in the report or potentially
3 Alternative 10. Because none of the other, of the 16
4 alternatives that are even contained in the report, 14 of
5 those would not be impacted by this particular project.
6 So -- and the five that are moving forward are after this
7 project so it would also not. And so with that, we have,
8 as I mentioned, our supervising environmental planner
9 Dustin Fuller here to share more with us about the
10 project, where things are at, and for us to get a sneak-
11 peek idea of when we can expect to start having direct
12 rail service to our various events and activities at the
13 fairgrounds. So thank you, Dustin.

14 DUSTIN FULLER: All right. Thank you. So yeah, this
15 project does align with our environmental stewardship
16 goals. Reduces GHG gases, reduces vehicular traffic in
17 and around the area and reduces demand for parking.

18 As mentioned by Carlene and in the staff report,
19 we've been working on this project since 2009. I started
20 in 2008, so this is one that I've been touching this
21 whole time. It's finally nice to see it coming to
22 fruition, I hope. Didn't think it ever would. So this is
23 the current project schedule. In June of this year SANDAG

1 hopes to take this project to the Transportation
2 Committee for construction funding allocation. That's a
3 key deadline. I don't know exactly but I think it affects
4 the ability for the project to get funding if we don't
5 make that deadline. In December 2025 they hope to award
6 construction. I'm sorry, they also want to take it out to
7 bid in June of 2025. In December, they hope to award
8 construction. In early 2026 is the beginning of
9 construction. It's about a four-and-a-half-year project
10 if it starts in early 2026. You're looking at mid-2030 as
11 a completion.

12 So this kind of shows an aerial of the project. You
13 can see the span on the bottom in white. That's the
14 double track area. The special events platform is
15 identified there as well as the bridge replacement
16 portion. This just gives a different view of the same
17 thing. But key to this is on the South Side there is a
18 blue line that is for a new fire main that would service
19 that platform. And then at the top, there's that reddish,
20 orange is a new electrical line for SDG&E for servicing
21 of that platform.

22 So this shows the construction staging areas and
23 easements. The green area is the staging and lay down

1 area. The orange areas align with those electrical and
2 waterlines that I mentioned earlier. And then, the red
3 line, you can kind of see it. That depicts an 18-foot
4 sound blanket to protect basically the thoroughbreds from
5 the sounds of construction. This is just a rendering.
6 This is a thousand-foot platform. It accommodates 10
7 cars. And it is fully ADA compliant. This is on the left
8 is looking west from our red lot out in or assume our
9 west over the proposed platform. And then some shots of
10 what it could look like up on top. Very minimal, low-
11 level lighting. This is a visual simulation of the new
12 proposed bridge. Of note on there is a trail on the south
13 side that could be used to access the beach, kind of an
14 extension of the Coast to Crest Trail.

15 So yes, as Carlene mentioned, we've been working with
16 Department of General Services on right-of-way
17 certification and the right of entry and the temporary
18 construction permits. We're working with the California
19 Construction Authority who has -- kind of their role is
20 to inspect what's built and to inspect the plans prior to
21 construction. And then the California State -- Division
22 of State Architects office. Sorry, I always get that
23 wrong. Is also involved in reviewing the plans.

1 Again, just to re-emphasize the schedule here. I
2 think the key point here is we want to make that June
3 2025 Transportation Committee for construction funding
4 allocation. And I'm available for questions. Although I
5 bet some of these guys over here might have better
6 answers.

7 PRESIDENT FREDERICK SCHENK: Thank you, Dustin.

8 DUSTIN FULLER: Yes.

9 PRESIDENT FREDERICK SCHENK: At this time I'm going to
10 invite members of the public if anybody would like to
11 address us on this specific topic, please queue up at the
12 podium.

13 JEWEL EDSON: Hello, again. Jewel Edson. As a board
14 member of NCTD, SANDAG, and LOSSAN, I understand the
15 critical need for the immediate replacement of the 108-
16 year-old San Dieguito Lagoon Rail Bridge. The bridge is
17 long past its useful life and must be replaced now, not
18 10 or 20 years from now. The bridge associate -- the
19 bridge associated double tracking and at grade
20 fairgrounds special events platform project was designed
21 and funded not only to answer the critical need to
22 replace the bridge but also to align with the regional
23 needs and goals. This project including the at-grade

1 special events platform has much to offer. Once built, it
2 will serve to harden transportation infrastructure by
3 increasing frequency and reliability along the rail
4 corridor. It will also have positive impacts on the
5 environment through the reduction of GHGs as fairground
6 attendees choose to, I'm sorry, choose the convenience --
7 sorry, of public transportation over cars, which will
8 reduce congestion and traffic for our cities and improve
9 local air quality. Thank you.

10 PRESIDENT FREDERICK SCHENK: Thank you.

11 Hello, again. Good afternoon.

12 CAMILLA RANG: Good afternoon, again. Camilla Rang,
13 Del Mar. The platform by the fairground is a great idea
14 and you should have had it a long time ago. We in Del Mar
15 are not asking you to stop the trestle, just to postpone
16 it one extra year until the route is decided. You will
17 get a platform regardless whether it will be under or
18 above ground. But right now is the most wrong time of
19 them all. One year before the route is decided. And then
20 I read that the construction will not be finished until
21 2030. So what if it's finished at 2031 instead?

22 It's on complete time collision with the train
23 relocation. Let's say that SANDAG decides to make route A

1 work for everyone, then what? You're going to stop the
2 construction of the trestle in the middle of the
3 construction over the very sensitive lagoon and then
4 demolish it and destroy the lagoon again? It's not good.
5 Not to mention the horrific waste of \$368 million tax
6 dollars.

7 All we're asking is for you to wait starting the
8 construction until a decision has been made. In the
9 meantime, negotiate with SANDAG to provide shuttles from
10 their train station to the fairground. And you know that
11 this is not only about the trestle, it's the beginning of
12 the route that is threatening to take down 50 homes in
13 Del Mar. So please wait until we know that it's actually
14 needed. And when you have it make also sure that that
15 platform has a station that the public can use to go to
16 the beach or for the watermark housing. From what I
17 understand, it's only to get into the fairgrounds, so
18 open that station up. Thank you.

19 PRESIDENT FREDERICK SCHENK: Thank you.

20 Any other members of the public that would like to
21 speak? We'll get to online in a moment.

22 CARLA HAYES: Hi. We support the trestle. All of the
23 presentations that I have seen about it talk about the

1 access to the beach as well as access to the fairgrounds.
2 These things have been clear for quite a while. I don't
3 understand the confusion here. Because it's a very, very
4 good thing. And I agree for once with Ms. Rang that it
5 should have been done a heck of a long time ago. Thank
6 you very much.

7 PRESIDENT FREDERICK SCHENK: Thank you. Anybody else
8 who is sitting here in the audience that would like to
9 address the Board on this subject?

10 With that, I'm going to turn it to the online
11 participants.

12 And Ms. Sullivan, would you like to address the
13 Board with regard to 7B, bridge replacement and special
14 events rail platform?

15 MARTHA SULLIVAN: Yes, thank you. This is Martha
16 Sullivan. I just want to make a point that the 30-foot
17 sound blanket that was described to protect the
18 thoroughbreds from construction noise. You can protect
19 the thoroughbreds much, much better by not racing them.
20 Thank you.

21 PRESIDENT FREDERICK SCHENK: Thank you.

22 Ms. Saldaña.

23 LORI SALDAÑA: Yes. The delay is waiting for the mute

1 -- the unmute button to appear. For those who are
2 listening. It just seems that there are some questions
3 about the alignment that will be answered relatively
4 quickly considering the timelines of this project. And I
5 would encourage the Board to take a breath here and see
6 what these alignment discussions lead to. Likewise, look
7 at some of the studies that are being done on
8 infrastructure disruptions from existing sea-level rise.
9 That's taking place in other cities around the coastal
10 areas of California. I have yet to see anything done
11 locally. But anytime you have pressure from sea level on
12 groundwater, it disrupts infrastructure. And I think that
13 this might be a case where you could approve in haste and
14 repent at leisure as it opens the Board not only to
15 additional construction costs but potentially litigation
16 costs depending on the direction things are going. But I
17 would look very carefully at how infrastructure is
18 already being disrupted by existing sea level changes and
19 could be and could further disrupt what the Board is
20 considering today. Thank you.

21 PRESIDENT FREDERICK SCHENK: Thank you. All right.

22 I'm going to turn it back over to our CEO.

23 MS. MOORE: I just -- one thing I wanted to just

1 clarify for the Board is when Dustin was speaking to the
2 schedule and was showing the lay-down space, easements
3 and so forth is that the construction schedule has been
4 done in partnership, not only with us and SANDAG but also
5 the Del Mar Thoroughbred Club. That's part of the reason
6 why in terms of the length of time that this will be--
7 that this would be occurring. And, but I also just want
8 to remind the Board that while we'll have an opportunity
9 to really celebrate this, you know, just milestone
10 achievement in terms of when there's a groundbreaking on
11 it and so forth. We also need to be thinking, you know,
12 the middle of 2030 is not very far away. And this is
13 going to create, and was mentioned by some of our public
14 speakers, it's going to be creating a new way in which
15 people come to the fairgrounds. A new doorway, a new
16 front door, if you will have it. We need to be thinking
17 about two front doors to the fairgrounds, that off of
18 Jimmy Durante Boulevard and starting to plan for you
19 know, not only just the special events platform itself
20 but then how people are greeted coming into the
21 fairgrounds for the experiences that they'll have. So
22 we'll have some creative ideas and things like that
23 coming here in the future.

1 PRESIDENT FREDERICK SCHENK: Thank you very much. All
2 right.

3 We're going to move onto item 7C. Which is to discuss
4 and vote, this is a vote, on whether the District CEO
5 should continue or discontinue affordable housing
6 discussions with the City of Del Mar under the exclusive
7 rights negotiating agreement entered into between the
8 District and the City of Del Mar. You can find this
9 report on page 18 of the packet. And I'm going to ask our
10 CEO to provide a brief overview in a moment. But before
11 that, I believe we had some confusion over the proper
12 procedure for taking items at our last meeting so I want
13 to clarify. So under Robert's Rules the Board will wait
14 to discuss the item and ask questions only after a matter
15 has been moved and seconded. All right. So that means
16 unless we have a point of order or a point of
17 clarification on a particular item as it's being
18 introduced, we're going to move directly to public
19 comment. And after the comment, I will then invite a
20 motion and a second. And once we -- and if we have that
21 we will begin the discussion but not until then. And
22 Board Members may ask any questions they have at that
23 time. Motions can be amended or withdrawn during the

1 course of the discussion with the consent of the body.

2 So to reiterate, here's the procedure on the action
3 item. The item is going to be read into the record. Then
4 there will be public comment offered. Then the chair will
5 entertain, I will entertain as the chair, a motion and a
6 second. Then if it is moved and seconded, we will open it
7 up to questions and discussion within the Board itself.
8 And finally, once we've completed discussion, we will
9 move for a vote. If there's a call for the question,
10 there's a different process. But I'll discuss that if and
11 when that becomes necessary. All right. So And of course,
12 if there's no motion and no or if there's a motion and no
13 second then we'll simply move on to the next item for
14 topic of discussion.

15 So with that in that little, short rendition of
16 Robert's Rules of the applicable Robert's Rules, I'm
17 going to turn it over to Carlene Moore.

18 MS. MOORE: All right. Thank you.

19 So as you'll recall at the request of the City of Del
20 Mar officials that last year we, the 22nd DAA, entered
21 into good faith -- or really two years ago, entered into
22 good faith discussions and negotiations with the city on
23 their state imposed affordable housing needs. So that

1 really, this is really a conversation. It goes back much
2 longer but sort of officially in 2023. And then, and
3 throughout, with the previous presentations that we just
4 had, there's been a little bit of a history. And starting
5 in August of 2023, then city council member Terry
6 Gaasterland introduced and advocated for a LOSSAN rail
7 realignment route through the fairgrounds. This has now
8 become the right otherwise known as Alternative A or in
9 the new report coming out, Alternative 14. As we have --
10 as we have stated throughout this, this is a route that
11 would render a significant portion of the fairgrounds
12 unusable for years. Current construction estimates are 7
13 to 10 years. And I don't know about anybody else but
14 anybody doing a home remodel I think knows even a project
15 as simple as that does not usually go according to the
16 timeline. So it really places, you know, anything that
17 impacts us in that way places this organization at risk
18 of insolvency.

19 But then in December of 2023 the City of Del Mar
20 Council amended its guiding principles that they had just
21 adopted I believe the month before. Which then, and you
22 can find that on page 18 of your packet. So they added a
23 guiding principle specific to the fairgrounds that with

1 regard to a study of a potential fairgrounds rail
2 alignment SANDAG must respect and protect the
3 operational, economic, environmental and planning needs
4 of the 22ND DAA and of the proposed Del Mar housing
5 program on the fairgrounds. And as a key stakeholder, the
6 22ND DAA must be proactively engaged by SANDAG throughout
7 the process.

8 So then fast forwarding to April of 2024. At the
9 city's request, we entered into the exclusive negotiating
10 rights agreement with the city, otherwise referred to as
11 the ENRA. In June of '24 we were then surprised at the
12 inclusion of this Alternative A. A route that had
13 previously been studied and previously had been ruled out
14 and dismissed as for a number, a variety of reasons
15 including the expense of it, the environmental impacts of
16 it and so forth. And that was in the Notice of
17 Preparation, again, that was mentioned in a previous
18 presentation on the LOSSAN rail realignment project.
19 Around that same time in June is when the new CEO of
20 SANDAG arrived, Mario Orso. And then in the fall, as you
21 heard, the value analysis study process began. So, and we
22 did, we participated in that process very actively. And,
23 but last month in anticipation of the study's release

1 coming out, Del Mar city officials sent a letter to
2 SANDAG requesting delay of the bridge replacement double
3 tracking and special events platform project. This is not
4 consistent with the guiding principle that was adopted in
5 December of 2023. It also seems to be ostensibly about
6 keeping Alternative A or 14 alive. As there really is not
7 another viable project to the solution. And I say
8 "viable" because Alternative 10 that's in there, which is
9 the complete relocation of the tracks, the cost alone,
10 the coordination, it would otherwise render all of the
11 coastal stops, not just Del Mar and Solana Beach,
12 irrelevant. So with that, then about two weeks ago now
13 Mayor Gaasterland was once again advocating for
14 Alternative A in an interview with KPBS. And then just as
15 recently as this past weekend following the release of
16 the study, Mayor Gaasterland was once again advocating
17 for the alignment now labeled, like I said, as
18 Alternative 14, which again, jeopardizes our ability to
19 operate and remain a viable and thriving community
20 gathering place and a business that also drives revenue
21 to the City of Del Mar. But I think I -- when I say this
22 I say this for us entirely as an organization in that we
23 understand that the fears over potential impacts to

1 homeowners of this rail realignment project. But our job
2 here is to think about the best interest of the 22ND DAA.
3 And for the greater San Diego County community that we
4 serve, and that we are striving to serve for decades and
5 future generations to come. So with that, given the ebbs
6 and flows of chatter that have been happening around
7 this, it also, and drives a lot of questions by this
8 board as well of what are we doing in terms of strategic
9 planning, Master Site Planning. When we don't know, is it
10 affordable housing, is it a train coming through the
11 fairgrounds. What kind of disruption does that create for
12 us in our planning process. And so, with that, this
13 request is for the board to, again, to consider whether
14 or not staff should continue to invest time and other
15 resources into those negotiations and conversations at
16 this time. And I want to be clear on that in terms of, at
17 this time. Because the larger question remains of, how do
18 we continue to plan for the fairgrounds of the future
19 while this still looms. And then I just want to add as a
20 note to that as a reminder SANDAG's press release, their
21 board meeting will be on February 28th. So this request
22 is something that I -- while we're going through this
23 process, potentially for this Board to be considering on

1 monthly basis.

2 PRESIDENT FREDERICK SCHENK: Thank you.

3 At this time I will entertain public comment. If
4 there is anybody in the audience who would like to
5 address the Board.

6 You're welcome to queue up. Thank you.

7 TERRY GAASTERLAND: Yeah, Well, thank you for laying
8 out the timeline and the history. Good afternoon. My name
9 is Dr. Terry Gaasterland, Mayor of Del Mar. Rotating
10 mayor this year. Yes, we take turns in Del Mar but I am
11 the mayor.

12 Thank you for the opportunity to speak. I want to
13 start off by acknowledging the concerns expressed in the
14 agenda report for this item about comments I made in the
15 press regarding LOSSAN Realignment Project. As an elected
16 representative of the city, I and my fellow council
17 colleagues must strike a balance between advocating for
18 our residents and communities and maintaining strong
19 relationships with our fellow cities and our community
20 partners, including the fairgrounds.

21 Recognizing the serious concerns about NOP, that's
22 the June 24th Alternatives A, B, and C, yes, the city
23 took steps and partnerships with the fairgrounds in

1 Solana Beach to push SANDAG to work hard to find
2 solutions to relocate the rail line that work for all of
3 us. I stand behind that. And as a city representative and
4 SANDAG board member, I have and will continue to advocate
5 for that.

6 In fact, yesterday we saw for the very first time --
7 I got a call from the executive director of SANDAG
8 yesterday morning, and he was really happy to be able to
9 tell me that the SANDAG staff are thinking outside,
10 outside the value analysis parameters. I truly believe
11 that pushing for Alignment A, which had been in the
12 various studies, so the tracks go lower in the trench. In
13 my ideal world, it would go underneath the fairgrounds
14 and never touch the fairgrounds. Go under the river and
15 over to I-5. The existence of Alignment A and really
16 thinking about it is what may well have now given birth
17 to this Yellow Alignment. So I'll pick back up with my
18 remarks, I'm particularly encouraged.

19 PRESIDENT FREDERICK SCHENK: Mayor, your time is up.
20 But out of deference to you, can you finish it up in 30
21 seconds.

22 TERRY GAASTERLAND: I can try.

23 PRESIDENT FREDERICK SCHENK: Because I did the same

1 thing with Solana Beach. And I held them to 2 minutes.

2 MR. CAPLAN: I would just say, if you're going to
3 provide the mayor with 30 additional seconds, you will
4 need to provide every member of the public, remote or in-
5 person, with that same 30 second additional time.

6 PRESIDENT FREDERICK SCHENK: All right. Then I'm going
7 to cut you off. And I apologize, Terry. We do need to
8 keep -- I'll be happy to have a conversation with you and
9 we'll digest further. Or if you want to submit something,
10 please submit so that we can have it. Thank you. And my
11 apologies. Look, this is not something that I take a lot
12 of pleasure in. But I did cut off - no, I can't do that.
13 So out of respect for what I did with Solana Beach, I've
14 got to do with Del Mar.

15 I'm not happy, but that's the way it has to be
16 unfortunately.

17 Doctor, please go ahead.

18 CAMILLA RANG: That's okay. Thank you.

19 It's a sad day standing here before you today
20 contemplating to retaliate against Del Mar for not
21 wanting to have homes taken by SANDAG. We all know that
22 the trestling question is nothing but the beginning of a
23 rail realignment that will take eminent domains in Del

1 Mar. It is sad, childish and egotistical to hold us
2 hostage by threatening to stop affordable housing
3 discussions with Del Mar for protecting families from
4 having to walk away from their homes. You, and everyone
5 should stand by us and fight for us. Instead you have
6 chosen to fight against us.

7 First, the reason why Del Mar was hit with a huge
8 amount of affordable housing quota for such a small town
9 is because of all the seasonal jobs at your business, at
10 the fairgrounds. It's only right you step up and take
11 some responsibility for that. Okay.

12 Second, you are retaliating against the wrong people.
13 The people that will suffer are your seasonal workers who
14 are snubbed of affordable housing closer to the
15 fairgrounds. You are retaliating against Solana Beach
16 because the second you hit that pause button Del Mar has
17 no other option than upzoning North Bluff to high density
18 housing to reach our affordable quota. Del Mar will not
19 suffer from that but Solana Beach will. They are the ones
20 who will take the brunt of the construction and all the
21 extra traffic that follows.

22 You are retaliating against nature because nature
23 will be the biggest loser when the North Bluff is

1 upzoned. We have tried as much as possible to withstand
2 the pressure to upzone North Bluff much for the sake of
3 Solana Beach but also for nature. But again, that would
4 be unavoidable consequences of you withdrawing from
5 affordable housing discussions on your grounds. Thank
6 you.

7 PRESIDENT FREDERICK SCHENK: Thank you.

8 SHIRLI WEISS: Hello, again. I'm Shirli Weiss. I'm a
9 long-term resident of Del Mar.

10 The California legislature has stated in a recent
11 law, quote, the property known as the Del Mar Fairgrounds
12 is owned by the State of California and managed by a
13 Board of Directors of the 22nd District. As a state
14 agency, the 22nd District should support state policies.
15 California has declared a housing crisis and requires Del
16 Mar like other cities to help create a number of low-
17 income housing units. Del Mar Fairgrounds employees have
18 contributed to this number of units, so it is only fair
19 that the fairgrounds contribute units on the state
20 property to the solution. The housing mandate must be
21 treated as separate from Del Mar's and the fairground's
22 positions on rail realignment routes and should not be
23 linked.

1 We need to be free to advocate to SANDAG and to
2 others, courts if necessary, our position with respect to
3 eminent domain. We're doing what you would do if your
4 home was at stake and what Solana Beach would do if
5 eminent domain threatened their homes. We're fighting for
6 our neighbors and for the survival of our town. Del Mar
7 is the city most profoundly affected by the rail
8 realignment and gets nothing for it except for an already
9 ruined bluff in the meantime and destructive sea walls.

10 We hope that you will - we hope that the fairgrounds
11 will not retaliate against Del Mar City Council and its
12 citizens by refusing to help solve the housing problem,
13 which the fairgrounds business help create because Del
14 Mar argues for its citizens in the rail realignment
15 debate.

16 That would be unfair. It would be beneath you as
17 directors and as stewards of --

18 MS. O'LEARY: Ms. Weiss, your time is up.

19 SHIRLI WEISS: And the state agency. [multiple
20 speakers]

21 PRESIDENT FREDERICK SCHENK: Thank you very much.

22 SHIRLI WEISS: --unlawful. Thank you.

23 PRESIDENT FREDERICK SCHENK: Good afternoon.

1 TRACY MARTINEZ: Good afternoon. I'm going to talk
2 very fast to get this in. Thank you for the opportunity
3 to speak with you today on this important matter. If you
4 haven't met me before, my name is Tracy Martinez. And I'm
5 the Deputy Mayor of Del Mar and also the housing liaison.

6 Let me start by saying that the City of Del Mar
7 greatly appreciates our longstanding partnership with the
8 Del Mar Fairgrounds. As mentioned in the staff report for
9 today's Board item, the city and district have made good
10 progress on doing work to determine whether and where
11 affordable housing may be possible on district property
12 since we entered into the exclusive negotiating rights
13 agreement last spring.

14 City and district staff are currently coordinating to
15 secure consultants to help supplement feasibility studies
16 and expand this cycle to housing acceleration program
17 grant funds by March of 2026. These studies include
18 vulnerability assessment, which will produce hydraulic
19 modeling and sea-level rise vulnerability analysis to
20 facilitate an understanding flood conditions under a
21 variety of scenarios and assist the identity and site
22 opportunities and constraints on the fairgrounds
23 property. This is valuable work which is required by the

1 Coastal Commission for approval on affordable housing and
2 any other future land uses on the fairground property,
3 which is largely located in the floodplain or floodway.

4 Other important studies to be completed will
5 complement the fairground's master and strategic planning
6 efforts including CEQA opportunities and constraints
7 analysis, housing site visibility analysis,
8 transportation due diligence analysis, and water and
9 sewer capability analysis. These feasibility studies
10 totaling over \$500,000 will mutually benefit the city and
11 district and will be paid for by this half grant fund
12 secured by the city. There will be no cost to the
13 district.

14 Achieving state mandate housing is challenging
15 particularly for a small coastal town like Del Mar. The
16 number of housing units that the city is required to
17 provide for under the six cycle housing element has
18 nearly doubled as a result of the fairgrounds seasonal
19 and part-time jobs.

20 MS. O'LEARY: Ms. Martinez, your time is up.

21 PRESIDENT FREDERICK SCHENK: Deputy Mayor, thank you
22 very much.

23 Look, I had said earlier, and I think I was pretty

1 clear that I was going to give people 2 minutes to try to
2 do your best to get the -- many of you have sit on boards
3 and on city councils so you know about time limits and
4 constraints. So thank you for your time, Deputy Mayor.

5 Who is our next speaker?

6 MARK RITTENBUAM: Yes. I'm Mark Rittenbaum, a resident
7 of Del Mar. I also serve on the planning commission. And
8 I would just like to -- in the city. I'd just like to
9 echo some of the comments and finish some of the comments
10 by the mayor and councilmember. Concluding the first
11 remarks, achieving state mandated housing is challenging
12 particularly for a small coastal town like Del Mar.
13 Pausing housing efforts with the city at this time is
14 unnecessary and does not benefit the city or the
15 fairgrounds or the surrounding communities or those in
16 the need of housing. And I just urge you to think
17 carefully about the unintended consequences of this.

18 I'd also like to take a fork in the road and step
19 back on option A because it keeps getting referred to.
20 And I'm concerned that the fairgrounds and the Board may
21 think that citizens, while I speak for myself, are
22 advocating for something that would severely impact the
23 fairgrounds. We are not looking, I'm not looking to pass

1 on Del Mar's problems to Solana Beach or to the
2 fairgrounds. What I think we all are seeking is to
3 minimize impacts to communities both during and after
4 construction. Something that would devastate the
5 fairgrounds would also devastate the City of Del Mar and
6 its tax dollars.

7 Alternative A as originally proposed was not
8 something that the citizens of Del Mar were advocating
9 for. It was a surprise to us when the NOP came out. And
10 when we say -- you hear us saying we're advocating
11 continually for Alternative A, I think that's a misnomer
12 and it's doing a disservice to the city when citizens say
13 that. We are looking for alternatives that minimize the
14 impact to all of us, and not just shove problems onto
15 others. The cities and the fairgrounds --

16 MS. O'LEARY: Sir, your time is up.

17 PRESIDENT FREDERICK SCHENK: Thank you very much.

18 MARK RITTENBUAM: -- get your comments in but I got my
19 comments in. Thank you.

20 PRESIDENT FREDERICK SCHENK: I appreciate your best
21 efforts there. We really do.

22 Good afternoon.

23 CARLA HAYES: Good afternoon. Now I am reading a

1 letter from Laura De Marco who serves on the Finance
2 Committee and the City of Del Mar, long-term Del Mar
3 resident. I'm going to go fast okay.

4 The City of Del Mar's financial strengths, as we just
5 heard, depends on the fairgrounds. Advances it's -- since
6 the '50s. Reducing our community's high wildfire risk by
7 undergrounding energized overhead power lines, also
8 depends on measure Q sales tax revenue from the
9 fairgrounds. That's why the Del Mar City Council formally
10 adopted a guiding principle that the operations cannot be
11 impacted by SANDAG's proposed rail realignment. We cannot
12 afford the disruptions of fairgrounds events, the life
13 blood of both the 22nd DAA and Del Mar. The city and our
14 community support the fairgrounds rail platform to
15 improve public access and reduce traffic and parking
16 congestion.

17 As Director Blair previously shared at your July
18 meeting, the \$7 to \$9 billion dollar cost of the
19 potential rail realignment route bisecting the
20 fairgrounds is prohibitively expensive. You could also
21 make it infeasible politically by choosing an affordable
22 housing site and its proposed path for the City of Del
23 Mar to build. This affordable housing development will

1 help attract and retain your lower-income employees who
2 will no longer face long commutes that cost a lot at \$5 a
3 gallon of gas. An added bonuses at the end of the ground
4 lease, this is interesting, the rental units would revert
5 to the 22nd DAA and become one of your most valuable
6 assets. Annual rental revenues of at least \$1.8 million
7 would help meet your master plan goals, provide stable
8 pandemic and recession proof income, [multiple speakers]
9 the 22nd DAA. Thank you very much. I almost got through.
10 Thank you.

11 PRESIDENT FREDERICK SCHENK: Good effort. Thank you.

12 ASHLEY JONES: I'm kind of winging this a little bit
13 because I've been asked to finish up comments.

14 PRESIDENT FREDERICK SCHENK: That's fine.

15 ASHLEY JONES: I wasn't planning to speak. Ashley
16 Jones, City Manager, City of Del Mar. I've seen many of
17 you before.

18 PRESIDENT FREDERICK SCHENK: Welcome.

19 ASHLEY JONES: Thank you. So I'm going to finish up
20 the comments of our deputy mayor.

21 As she stated earlier, Governor Newsom has declared a
22 state of emergency for the state regarding housing. We
23 started to talk about this a little bit. The number of

1 housing units in the City of Del Mar that we're required
2 to provide nearly doubled as a result of seasonal and
3 part-time jobs at the fairgrounds. That's not your fault.
4 That's not the city's fault. That was the methodology
5 that was used. But it did have a significant impact on
6 the city and the number of housing units that we have to
7 produce. Keeping that in mind, efforts to develop
8 affordable housing on fairground's property have been
9 strongly supported at the local, county, state level.
10 With our mutual representatives at every level supporting
11 this project, including senator state Catherine -- state
12 Senator Catherine Blakespear, Assemblywoman Tasha
13 Boerner, county board of supervisors. We remember we had
14 a big press conference here in the support of that along
15 with the city of Solana Beach. The city understands and
16 shares the fair board's concerns.

17 Solana Beach is concerned and many of the other
18 stakeholders regarding the LOSSAN rail realignment
19 project. Relocating the rail line to an inland location
20 within a built environment makes it nearly impossible to
21 achieve without significant impacts to the entire
22 surrounding area. No alignment that's been talked about
23 will leave any of us unscathed. The construction, the

1 long-term impacts, it will affect all of us. Varying
2 degrees depending on the alignments but that's something
3 that we have to remember. All of the proposed alignments
4 said present serious adverse impacts to public and
5 private property, businesses, homeowners, tourism, public
6 safety, sensitive environmental areas, and the regional
7 economy for all of us. Please understand that the city
8 stands by the council adopted guiding principles and the
9 resolution with the fairgrounds and Solana Beach that has
10 not changed. In closing, we are strongest when we stand
11 together and ask SANDAG to look for a solution that works
12 for everyone.

13 PRESIDENT FREDERICK SCHENK: Thank you so much.

14 ASHLEY JONES: Thank you.

15 PRESIDENT FREDERICK SCHENK: Appreciate you're getting
16 it done just at the wire.

17 Are there any other members of the public who would
18 like to address?

19 Good afternoon.

20 AMY CHESIRE: Hello. My name is Amy Cheshire. I'm a
21 10-year resident of Del Mar. I'm going to finish Terry --
22 Mayor Terry Gaasterland's remarks. From my point of view,
23 the Board is in a position to continue to allow the ENRA

1 to continue until the environmental analysis for
2 relocation options is completed. We will then know better
3 the real facts about the impacts of construction on the
4 operations of the fairgrounds. After that, you can make a
5 better decision whether to discontinue the ENRA. Thank
6 you.

7 PRESIDENT FREDERICK SCHENK: All right. Thank you.
8 Appreciate that.

9 JEWEL EDSON: Hi again. Just wanted to mention that I
10 share the concerns and disappointment regarding the
11 guiding principles and joint resolution not being
12 followed. But I don't believe that the entire City of Del
13 Mar is not following those principles. So for that
14 reason, I fully support the DAA continuing discussions
15 with Del Mar regarding affordable housing under the ENRA
16 and respectfully mention that the Board might consider
17 including support for the bridge replacement and at-grade
18 special events platform as discussion points.

19 PRESIDENT FREDERICK SCHENK: Thank you. Are there any
20 other members of the public who have not spoken that wish
21 to speak? Or who haven't spoken but would like to fill in
22 for those who were cut off from speaking? Okay. I
23 appreciate the laughter but this is a serious issue. And

1 I want to make sure that everybody has their 2 minutes.
2 So are there any other members who would like to address
3 the Board at this time? All right, I'm going to go to the
4 online members of the public.

5 Martha Sullivan.

6 MARTHA SULLIVAN: Hello again. This is Martha
7 Sullivan. And I previously expressed my very strong
8 support for considering the citing of -- hopefully will
9 be some low-income housing on the fairgrounds. I
10 understand the stresses that are going on. And maybe it's
11 the strategic thinking that's going on. I don't see the
12 need to discontinue the District's discussion with the
13 City of Del Mar about this. But certainly the CEO can get
14 further direction from the board. So I understand that.
15 Hopefully, that will come out of today's item. But
16 please, there's really no need to discontinue discussion.
17 Thank you.

18 PRESIDENT FREDERICK SCHENK: Thank you, Ms. Sullivan.

19 and I see that Ms. Saldaña, you are also identified
20 as someone who wishes to speak on this topic. Please go
21 ahead.

22 LORI SALDAÑA: Yes, thank you. I encourage you to
23 continue with this discussion. And work out the other

1 items in a parallel path while you are engaging in
2 conversations about adding housing. The fact is that the
3 fair and the Thoroughbred Club contribute to seasonal
4 hospitality and tourism-based economy for the area. And
5 unfortunately, that also drives a conversion of full-time
6 housing to short-term vacation rentals and it drives up
7 costs in other ways. So affordable housing is in short
8 supply throughout San Diego. Not only because of this
9 conversion, but -- to short-term rentals but wages in
10 hospitality and tourism are often not as high to keep up
11 with the cost of living. So this insecurity, housing
12 insecurity is -- impacts people throughout San Diego. But
13 we are seeing it impacting workers in every industry,
14 every profession. And we're seeing record-breaking
15 numbers of homelessness throughout the region. So we need
16 more housing in every part of San Diego. If you have
17 concerns about these other issues, continue those
18 discussions parallel to the housing discussions. But
19 don't let those other items disrupt a desperately needed,
20 especially given this is state lands and the state does
21 have an interest in building affordable housing for
22 California residents. Thank you.

23 PRESIDENT FREDERICK SCHENK: Thank you.

1 I don't see any other names. Are there any others
2 online who wish to address? All right.

3 I want to thank all of you for your very important
4 input.

5 At this point I will entertain a motion.

6 [off mic]

7 PRESIDENT FREDERICK SCHENK: Okay. We good? Director
8 Gilbert. Director Gelfand. Gelfand, yes. Michael Gelfand,
9 you raised your hand first.

10 And then Mark Arabo would be the second, if there is
11 one.

12 MR. GELFAND: Wait until he hears the motion.

13 PRESIDENT FREDERICK SCHENK: I don't know -- I don't
14 know what the motion is going to be.

15 Director Gelfand.

16 MR. GELFAND: I would like to preface the motion by
17 saying that as a member of the Board of the DAA I know I,
18 and I think the rest of the Board, really wants to work
19 cooperatively with adjacent cities in all regards,
20 including the issue of affordable housing. However, we
21 had a joint resolution that has not just been
22 disregarded, it's been blatantly contradicted. This is
23 not retaliation, this is a response to a betrayal.

1 And so for that reason, I move to direct the CEO to
2 temporarily -- temporarily -- discontinue discussions
3 with the City of Del Mar under the ENRA regarding its
4 request to host affordable housing on the 22nd DAA
5 property, until such time as the Board can consider this
6 item again at our next meeting, on the March 25 Board
7 meeting.

8 PRESIDENT FREDERICK SCHENK: All right. A motion's
9 been made by Director Gelfand. Is there a second to that?

10 MR. ARABO: Yeah, I would second it.

11 PRESIDENT FREDERICK SCHENK: All right, there's been a
12 motion made. And a second by Director Arabo.

13 Any discussion? I'm going to start on my far left
14 with Director Blair.

15 MR. BLAIR: [off mic] I don't see -- [off mic] I don't
16 see what stalling for a month matters. I mean, this is
17 very important to the City of Del Mar to know that this
18 conversation is going on so they can report back to the
19 state. I think there's another motion that can be
20 nebulous but show that bygones are bygones and we're
21 ready to -- we're willing to continue the discussion of
22 the issue. I think this sounds too draconic right now.

23 MR. NEJABAT: I guess it's been around two years that

1 we've had these discussions and from a fiduciary point as
2 a District director -- as a District director to have
3 exclusive negotiations with both public and private
4 entities, I don't see the upside for the District in that
5 so.

6 PRESIDENT FREDERICK SCHENK: Director Mead.

7 MS. MEAD: Thank you. I too am concerned that the
8 motion is too narrow to hold the discussions for a month.
9 I suspect that in a month there might be a conversation,
10 maybe one by the time you look at organizations. So I
11 just can't support this if we're looking at just
12 withholding discussions for a month.

13 PRESIDENT FREDERICK SCHENK: Well, Director Gelfand,
14 do you want to -- [multiple speakers]

15 MR. GELFAND: -- comment again.

16 PRESIDENT FREDERICK SCHENK: Yeah, okay. That's fine.
17 No comment. Don?

18 MR. MOSIER: Yeah. I don't see the point of pausing
19 discussions this briefly. And I'd like to comment that I
20 think the current mayor of Del Mar has often spoke --
21 presented her own views rather than the council views. I
22 think that sort of clouds the interpretation of this
23 motion. I think that we need to consider -- we do have an

1 obligation to provide affordable housing. We've got a
2 process that's been started. And despite my
3 disappointment with many of the statements that Del Mar
4 has made and the letter they sent to SANDAG, I think
5 there's a greater good to pursuing the issue of
6 affordable housing if it can be made to work on this very
7 difficult site.

8 PRESIDENT FREDERICK SCHENK: Thank you.

9 Director Arabo.

10 MR. ARABO: You know, I think, I thank everyone for
11 coming out and speaking. I think everyone's on board for
12 helping with as many affordable housing units as
13 possible. I agree with Director Gelfand, this is
14 absolutely not retaliation. There was a deal. We had a
15 deal. And Del Mar broke the deal. Simple as that. We have
16 an obligation to the district. To protect the district
17 and take care of the district. I hope -- I don't know if
18 Director Gelfand would amend it. Maybe longer, not put a
19 timeline, maybe get other -- I don't know if Director
20 Mead would enjoy that or not. So we could give the staff
21 more deference to be able to get everyone on the same
22 page.

23 I do think for the City of Del Mar, I mean, we've

1 seen on this board great developments, for example,
2 Seaside Ridge come in and say we'll give you affordable
3 housing. And then they have issues or not. And I've
4 always been puzzled with, we could look at housing in the
5 fairgrounds. But look at everything. Look at the
6 development, another development. That part confuses me.
7 I do hope this would be shorter than a month. I hope we
8 resume talks as soon as possible. But for the lens I'm
9 looking at it is we had a deal, Del Mar broke the deal.
10 And I hope we can fix it.

11 MR. GELFAND: Yeah. I would just like to say that the
12 reason it's worded the way it is, is it's the briefest
13 possible pause in the potential negotiations. If the City
14 of Del Mar wants to do what the joint resolution said and
15 support alternatives that don't completely and totally
16 disrupt the operation of the fairgrounds, we'll continue
17 talking to them about affordable housing here. But they
18 stabbed us in the back basically and canceled the deal by
19 supporting Alternative A. And so there should be no
20 consequences to that? The motion enables us in one month
21 to renew the negotiations. All the City of Del Mar has to
22 do is support what SANDAG proposed today, for example. So
23 it's really simple and very quick to renew the

1 discussions under the terms of this motion.

2 PRESIDENT FREDERICK SCHENK: In my -- no, no, no.
3 I'll -- go ahead.

4 [off mic]

5 PRESIDENT FREDERICK SCHENK: So regardless of the
6 outcome of this vote today, I think everybody gets a
7 sense of the concern. And whether we postpone for 30 days
8 or not, I'd say if the question presented was, are we
9 pleased, are we happy, are we accepting of Del Mar's
10 apparent change in perspective from one meeting, one
11 conversation to another between me and certain people
12 sitting out in the audience. I think you'd see a
13 unanimous resolution. So I would caution those that are
14 observing not to take any great exaltation in a defeat of
15 this motion, if that's what's going to happen. Because
16 the underlying issue remains. The concern is still there.

17 And I certainly, you know, appreciate the comments
18 about, you know, legacy and housing and how these things
19 affect citizens of Del Mar. This was not our issue. This
20 was presented to us. And as good neighbors, we've
21 endeavored to try to accommodate our neighbors. And the
22 sense that you're hearing is -- from some and I bet from
23 everyone except for the timing of the 30 days, the sense

1 is there's been a betrayal. And that is not a very
2 welcoming notion to those of us sitting here who are
3 trying to make sure that not just the City of Del Mar but
4 the entire county of San Diego and in fact the entire
5 state, their interests are well represented in the
6 decisions that we make. So I'll let you have the last
7 comment if you wanted to.

8 MS. MEAD: A question, given that you went through the
9 Robert's Rules of Order in the beginning but I have not
10 committed them to memory. What is the process for either
11 offering a friendly amendment before the vote is --

12 PRESIDENT FREDERICK SCHENK: You're welcome to. And it
13 has to be accepted by both the movement and the second.

14 MS. MEAD: Okay. Thanks. So that could just be done.

15 I'd like to offer a friendly amendment that we
16 suspend the exclusive negotiating agreement and instead
17 discuss affordable housing on campus at a timeframe that
18 is appropriate for us as it relates to our strategic
19 planning. So we drive the discussion as it relates to our
20 strategic plan.

21 MR. GELFAND: I wouldn't oppose that.

22 MR. BLAIR: I'm sorry, Michael, what -- [multiple
23 speakers]

1 MR. CAPLAN: The only comment I'd want to make,
2 Director Mead, is I think that the motion does need to
3 provide some level of authority from a legal perspective
4 to Carlene and her team. And so long as that motion
5 provides clear direction on what authority, if any, the
6 Board is delegating regarding affordable housing
7 discussions either with the City of Del Mar or with other
8 organizations or if the board is effectively telling
9 their employee you have no delegated authority to discuss
10 affordable housing with anybody, including the city until
11 the Board takes some future action.

12 MS. MEAD: Thank you for that clarification. And my
13 amendment would do just that. It would suspend the
14 exclusive ENRA conversation until such time that our
15 executive comes back to the Board and says that this
16 conversation about affordable housing is in alignment
17 with the pacing of our strategic planning.

18 PRESIDENT FREDERICK SCHENK: Yes?

19 MS. BARKETT: Just sitting back and listening and
20 gathering everyone's comments. I really do, Kathlyn,
21 think that that's what this motion does. It brings it
22 back in one month at our next meeting for us to have that
23 conversation with Carlene. And even, you know, submit our

1 own individual, you know -- you know, ideas to her, notes
2 to her. And then, a month is 30 days. It's short. It's
3 not something that we can't all live with. That's for
4 sure.

5 MS. MEAD: Unfortunately, I would disagree. That's not
6 how I see this. I see that to say that it's for 30 days
7 and that it depends on the action from the mayor or the
8 representatives from the City of Del Mar, looks like it's
9 at least in my estimation and the comments that we
10 received, a tit for tat. And rather, I would rather have
11 our strategic plan drive when we have the discussion as
12 opposed to a change of opinion.

13 MS. BARKETT: Right and I agree with that. The problem
14 is that timeline could even be longer than this timeline.

15 MS. MEAD: [off mic]

16 MS. BARKETT: Yeah, but in reality then I don't think
17 that's fair to the city to be honest. And you know, when
18 we look at the comments, when I look at something that
19 comes out of this and the statements that were made by
20 the mayor, I, you know, and this is quoted from her in
21 the newspaper, not from us, this is an outside source. It
22 is troubling. And that's why I think we need and to be
23 honest, the comments that were even stated here I found

1 offensive. And so, I would like to sit back and just
2 personally myself and really assess everything. And give
3 us a 30-day break for all of us, even for staff to
4 collate on this. And come back at our March meeting and
5 then give her the authority to -- [multiple speakers]

6 MR. GELFAND: Point of information.

7 PRESIDENT FREDERICK SCHENK: Look, [multiple speakers]

8 MR. GELFAND: Procedural question.

9 PRESIDENT FREDERICK SCHENK: Okay. Well, you've been
10 offered a friendly amendment.

11 MR. GELFAND: Well, so my --

12 PRESIDENT FREDERICK SCHENK: You can accept it or not.

13 MR. GELFAND: Right. So what I want to know is if I
14 accept it, does that motion go to discussion and vote or
15 do we need this -- a second?

16 Or -- [multiple speakers]

17 PRESIDENT FREDERICK SCHENK: No, it has to have the
18 second of Director Arabo.

19 MR. GELFAND: It has to have a second also. Yeah,
20 based on what I've heard I'm not so sure I want to
21 support the motion.

22 PRESIDENT FREDERICK SCHENK: Okay, so that kills that
23 undertaking.

1 MS. MEAD: [off mic] Call the question?

2 PRESIDENT FREDERICK SCHENK: No, if I call the
3 question then I need to have a super majority on the
4 vote. Look up Robert's Rules. All right. So we're going
5 to keep discussion going until there is no further
6 discussion rather than -- but if you want to call the
7 question then we have to vote on a call of the question.

8 MR. GELFAND: Can I make another comment?

9 PRESIDENT FREDERICK SCHENK: Yes.

10 MR. GELFAND: Okay, so again, we're not -- this motion
11 doesn't create an open ended, "we're not talking to Del
12 Mar about housing forever unless the Board acts." This is
13 a one-month stop in which the City of Del Mar can
14 straighten up what it is they are doing relative to us
15 and these alignments. All they've got to do is say we
16 don't like a plan that goes through the fairgrounds.
17 That's all they have to do, which is what's in the joint
18 resolution. They can do that in the next 30 days and then
19 we start talking again. [multiple speakers]

20 PRESIDENT FREDERICK SCHENK: All right, but let me
21 just -- let me go back to -- if you want to call the
22 question, I need a second. And then what happens is I
23 have to have a super majority to end discussion. So if

1 you want to do that, that's up to you. I'm not going to
2 stop you from calling the question.

3 MS. MEAD: No, I understand that.

4 PRESIDENT FREDERICK SCHENK: Okay.

5 MS. MEAD: When you went over the rules of Robert's
6 Rules of Order earlier -- [multiple speakers]

7 MS. MEAD: You said, I'll explain calling the question
8 later.

9 PRESIDENT FREDERICK SCHENK: And now, I'm -- now, I
10 just did. [multiple speakers]

11 Okay.

12 MS. MEAD: Thank you.

13 PRESIDENT FREDERICK SCHENK: Did I get it right?

14 Okay. Good. All right.

15 MR. BLAIR: Michael, could you repeat the motion?

16 MR. GELFAND: I move to direct the CEO to temporarily
17 discontinue discussions with the City of Del Mar under
18 the ENRA regarding its request to host affordable housing
19 on the 22nd DAA property until such time as the Board can
20 consider this item again at the March 2025 board meeting.

21 PRESIDENT FREDERICK SCHENK: Now, is there any further
22 discussion? Hearing none, we will vote. And it's not on
23 the call, it's on the actual vote.

1 Okay. Donna.

2 MS. O'LEARY: President Schenk.

3 PRESIDENT FREDERICK SCHENK: Aye.

4 MS. O'LEARY: Vice President Gelfand.

5 MR. GELFAND: Aye.

6 MS. O'LEARY: Director Arabo.

7 MR. ARABO: Aye.

8 MS. O'LEARY: Director Barkett.

9 MS. BARKETT: Aye.

10 MS. O'LEARY: Director Blair.

11 MR. BLAIR: No.

12 MS. O'LEARY: Director Mead.

13 MS. MEAD: No.

14 MS. O'LEARY: Director Mosier.

15 MR. MOSIER: No.

16 MS. O'LEARY: Director Nejabat.

17 MR. NEJABAT: Aye.

18 PRESIDENT FREDERICK SCHENK: All right. The motion

19 carries.

20 I want to thank everybody for their thoughtfulness,

21 both those in attendance and the Board. And you now have

22 your marching orders at least until the next board

23 meeting. All right. We're going to move on.

1 We'll take a five-minute break and then we'll
2 reconvene.

3 [Break taken]

4 [Board reconvened at 4:25 p.m.]

5 PRESIDENT FREDERICK SCHENK: All right. I'd like to
6 get us to reconvene, please. All right. We took a short
7 break. And we are back on the record. We are shy Director
8 Mead. But her things are still here so I know she's --
9 she's -- and here she is. Great.

10 All right, we're reconvening. The time is 4:25. We're
11 going to move onto item 7-D, our Financial Committee
12 Report. The committee's monthly report can be found on
13 page 27 of the board packet. And following an
14 informational update, we have two action items for
15 consideration. First, I believe our staff will be
16 providing an update on Nilforushan Equisports events, the
17 installment payment agreement, which I think we're
18 current on. So with that, I'm going to turn it over to
19 Carlene Moore.

20 MS. MOORE: Great. Thank you. So this is in follow-up
21 to last month's item. And I'm going to invite our sales
22 and rentals director Paul Blaney to join to provide an
23 update on this. But I do want to share with the board

1 that just prior to today's board meeting starting in in
2 addition to Nilforushan being current on the payments
3 that were due. So if you recall paid -- made the \$50,000
4 payment at last month's meeting. He paid the difference,
5 the balance that was due on that. But he also dropped off
6 his payment that would be due this coming Saturday. So we
7 are -- he is following what he said, which was said to us
8 after the meeting, which was to withdraw his request to
9 have those payments suspended and plans to continue to
10 move forward. That being said, I have Paul joining us
11 today because there was a lot of information and then
12 maybe misunderstanding of some of that information that
13 was represented at last month's meeting. So there is a
14 report in your packet beginning on page 34, pages 34
15 through 39. And Paul, as the member of our team who works
16 closest with all of our promoters on their various events
17 here on the fairgrounds, is just here to provide some
18 brief background and hopefully just clarification for
19 you.

20 PAUL BLANEY: Thank you. Yeah. My name is Paul
21 Blaney. I'm the sales and rentals director. So really
22 what that is I'm in charge of our events and our
23 concessions. So during the fair if you like to shop or if

1 you like to eat, and I know you guys like to eat, that
2 that goes through me during the fair. And then outside of
3 the fair, I'm in charge of all the year-round events that
4 we have outside the fair and the live meets.

5 So I've known Ali for quite some time. Well before
6 the horse shows. He did a few things over here. And I've
7 been here since 1998 with all of our events. And if you
8 didn't get a chance to see what Ali did in the arena, it
9 was phenomenal. I mean, he really put on the most
10 amazing, spectacular event that I've ever seen at the
11 fairgrounds in our arena. I was out there every day. I
12 told Ali I had the best office in the country. I would
13 take my laptop, go out to a show, sit down and work and
14 watch a show while I was working. And it was truly
15 spectacular.

16 After the 2024 event, he came to the Board, as you
17 know, and he wanted us to forgive his debt, about
18 \$297,000. And so after last week's board meeting, this
19 was a couple of weeks ago, I met with Ali. And he
20 withdraw his request to have his debt forgiven. He made a
21 second payment. His first payment was \$50,000. He made
22 another payment to me a couple of weeks ago to cover the
23 balance of his first installment plan. And then today he

1 made another payment for \$62,000. And he has told me that
2 he wants to make good on his debt. He's not asking for
3 forgiveness of his debt. He has -- he would like to
4 return in 2026 and come back. He cited some issues with
5 some drainage and some roofing problems, which kind of
6 led to his request to have his debt forgiven. We've been
7 in discussions with him. We have done our part in trying
8 to have him come back and return. We offered him a
9 contract reducing the rental and stall agreement by
10 \$310,000 to come back. That's more than the debt that he
11 owed us. So we're kind of more than doing our part to
12 have him come back. I would love for him to return. And
13 he's really looking forward to the future and moving on.
14 And so he has withdrawn his request. And I'm just up here
15 to provide an update on our discussions over the last
16 month.

17 PRESIDENT FREDERICK SCHENK: Great. Thank you.

18 Are there any questions from the Board?

19 Director Gelfand. Oh, Director Mead. I will start,
20 you know what, I should start from my left. [multiple
21 speakers]

22 PRESIDENT FREDERICK SCHENK: I'm going to be
23 consistent, yes.

1 MR. BLAIR: I do have -- \$300,000, was that because of
2 the leak in the roof was our responsibility and the
3 drainage was our responsibility?

4 PAUL BLANEY: No.

5 MR. BLAIR: No, okay.

6 PAUL BLANEY: And just to speak about the roof and
7 the drains. There's two roofs. The arena was built in
8 1990, and there's an older roof that is over the
9 bleachers. And that roof had some conduit on it and it
10 had some bolts securing those conduits into the old roof.
11 And over the years, those bolts rusted out during his
12 2023 and our staff went up and replaced those bolts. And
13 we sealed up the holes. And so we did the repairs on our
14 own on the roof that is above the bleachers. The other
15 roof was started construction in 2008 and it was finished
16 in 2009. And it was at a price tag of \$15.3 million
17 dollars. So the roof that covers the floor is new. It's
18 in great shape. It's in great condition. It was very
19 expensive for us to do. And that's the roof -- so when we
20 talk about the roof, there's two different roofs over the
21 arena.

22 [off mic]

23 PAUL BLANEY: Yeah, there we go. Yeah, so the center

1 one with the skylight, that's our \$15.3 million dollar
2 roof. And then there's the side roofs on the east and
3 west. That's the roof that's over our bleachers, and
4 that's part of the original roof. So that's kind of the
5 issues that we had with the roof. And regarding the
6 drainage, I'll have to explain something to you. We --
7 there's an area on our grounds where we have a drain
8 that's 1 foot above sea level. And we have to keep it
9 plugged because during our fair we have ocean water,
10 during high tides, that comes into our property. We are
11 at a very, very, very low topography. The average pitch
12 of a roof, just to give you an idea, the ratio, it's
13 called 4:12. So for every 12 inches of linear feet, you
14 need 4 inches of height to cover proper drainage. The
15 drain that's over in our arena, we're at 7 feet above sea
16 level. It travels 1,500 feet to two discharge points. One
17 goes to these charcoal filters so that we can clean it.
18 And then it travels to another discharge point where we
19 have these banker tanks that it fills the tanks and then
20 it overflows and then fills the tanks, so that the
21 sediments are kept down on the bottom. The elevation that
22 we would need for proper drainage on that 4:12 ratio is
23 500 feet from our arena to the ocean. We have 2 feet, it

1 goes from 7 feet above sea level down to 5 feet above sea
2 level. So we're not at an elevation where our drains
3 drain. It doesn't matter how many experts around the
4 world that want to fly in to take a look at our
5 floodplains but we're training water into water. And we
6 can only pump so much.

7 I've talked to Ali about some other solutions.
8 There's a compound that he'd like to add onto the dirt so
9 that when the water eventually does reside it hardens and
10 so that it's not just a big mud pit. There's some other
11 things that he's looking at trying to do. But this
12 information was disclosed to Ali back in 2023. We did
13 walk around with him. We gave him idea. But you don't
14 really have a full understanding of how bad it is back
15 there. We've never done a horse show in the arena during
16 our winter months. We had some shows. The San Diego
17 Sockers were here for three years. We've done some
18 concerts and some other shows. But nothing with the use
19 of the warm-up arenas or in the stables. And so we told
20 him it's cold, it's wet, it's muddy, it rains. You know,
21 the warm-up arenas are not covered. But you have to kind
22 of go through it to really get a good understanding of
23 how bad the conditions are. And so he went through that

1 in 2023. And after knowing those conditions in 2023, he
2 asked for a five-year agreement from 2024 and beyond. And
3 so he continued to have his other shows. And he would
4 like to come back in 2026. So that our -- and in regards
5 to we did give him some concessions in 2023. We gave him
6 a \$30,000 credit. We asked for documentation on how much
7 did you spend on the speaker. How much did you spend on
8 your labor around our expo center. We -- if you're going
9 to make a claim, we'd like some -- we'd like a receipt.
10 Proof of payment. We didn't get any documentation but
11 just as, you know, a good faith to continue the
12 relationships we gave him a \$30,000 credit for his first
13 show. He came back in 2024. And so we're not looking at
14 reducing that amount as, you know, that we're responsible
15 for the damages. He is responsible for when it rains. And
16 he knows.

17 MR. BLAIR: Did you say \$300,000 or \$30,000?

18 PAUL BLANEY: Yeah, so we gave him in 2023, we gave
19 him a \$30,000 credit.

20 MR. BLAIR: Okay, what about the 300.

21 PAUL BLANEY: So the \$300,000 was our effort to have
22 him come back this year. We sent him a contract reducing
23 our rental for the grounds and the stables and we reduce

1 that amount about \$310,000 from his original five-year
2 agreement.

3 MR. BLAIR: How much was the five-year agreement?

4 PAUL BLANEY: The five-year agreement was \$560,000 so
5 we dropped that down to \$250,000 per year.

6 MR. BLAIR: So \$2.5 million and you gave him \$300,000?

7 PAUL BLANEY: Yeah. So yeah, for him to come back in
8 20 -- this year --

9 [off mic]

10 PAUL BLANEY: Yeah, we offered him a significant
11 reduction for him to come back on a one-year agreement by
12 reducing our stall and our rental rate by \$310,000.

13 MR. BLAIR: Okay.

14 PRESIDENT FREDERICK SCHENK: All right. This is not an
15 action item. This is just information. Any further
16 questions?

17 MS. MEAD: Yes, please. Thank you.

18 First, I just want to commend staff for working with
19 mister, whose name I can't pronounce.

20 MS. MOORE: Call him Ali.

21 MS. MEAD: Ali. Thank you. I would look at the name
22 but I turned the page. Just simply because I really
23 appreciate the fact that you said you can disclose all of

1 this but until you live it, especially as Director Mosier
2 reminded us, these 100-year storms, and now 10-year
3 storms. And so, life has changed for us. And I just
4 commend you for working with him to try to be fair. I
5 think that's important.

6 My question is, did we invite Mr. Nilforushan, Mr.
7 Ali to come to today and speak?

8 Because --

9 PRESIDENT FREDERICK SCHENK: I can tell you he was
10 here. He handed me the check but he had an obligation --

11 MS. MEAD: He did.

12 PRESIDENT FREDERICK SCHENK: So he left. He handed me
13 the check as I was walking in.

14 MS. MEAD: Thank you. That was just important to me
15 because it was such a passionate plea last month, and now
16 we're telling his story from him. So thank you very much.
17 As long as he was invited.

18 PRESIDENT FREDERICK SCHENK: Oh, yeah.

19 MS. MEAD: Thank you.

20 PRESIDENT FREDERICK SCHENK: All right. Lisa.

21 And then we'll end up with Michael.

22 MS. BARKETT: [off mic]

23 MS. MOORE: Microphone.

1 MS. BARKETT: Thank you, Paul. I just have a quick
2 question. So back in 2023, and I applaud you for being
3 honest with him. Letting him know what aspects he could
4 face. But do we in our contractual setting put in
5 anything to that effect saying, you have acknowledged
6 that we have told you that this could happen, this could
7 happen, this could happen. And make them sign to that
8 acknowledgment so there's no question of, you know, is it
9 our fault, is it his fault.

10 PAUL BLANEY: We do.

11 MS. BARKETT: Okay.

12 PAUL BLANEY: It's paragraph 5 on page number 2.

13 [multiple speakers]

14 PAUL BLANEY: Yes. Yeah. We're covered.

15 PRESIDENT FREDERICK SCHENK: Is it like a force
16 majeure.

17 PAUL BLANEY: That's our indemnity, which is
18 paragraph 6. But paragraph 5, it was written by Josh that
19 -- because I've dealt with leaks. Beyond Van Gogh and our
20 Wyland Center and O'Brien Hall. This isn't the first time
21 that we've had this issue. So yes, they are -- we do have
22 a signature signed off that they are responsible for any
23 leakage, breakage. And I could read the whole paragraph.

1 [multiple speakers]

2 MS. BARKETT: Any damage to what they bring in?

3 Like the carpeting, the stereo systems, speakers.

4 PAUL BLANEY: Correct.

5 MS. BARKETT: Thank you. Great.

6 PRESIDENT FREDERICK SCHENK: Okay. Michael.

7 MR. GELFAND: I don't know if I'm allowed to make a
8 statement versus asking a question. But I'll do it in the
9 form of a question. [multiple speakers]

10 First of all, I think at last month's meeting there
11 were some misunderstandings presented to the public that
12 I want on the record to be clarified. Number one, there
13 were photos of rain and flooding and water. And it was
14 presented in such a way that it seemed like it applied to
15 the 2024 event as opposed to '23 and those pictures were
16 2023. And even before 2023, Mr. Nilforushan knew that
17 there was a risk of flooding. Even with the pictures that
18 you saw, he choose to come back in 2024. Again, there was
19 rain, but he knew about it going in. I think we were
20 made, we the DAA, were made to look like somehow we were
21 irresponsible because of that flooding. And we were not.
22 And I want that, you know, just communicated on the
23 record.

1 MS. MOORE: So you are asking us to confirm that the
2 photos were from 2023. Yes.

3 MR. GELFAND: Okay. Next, there was an implication
4 that there was bad communication by our staff with Mr.
5 Nilforushan. I do not believe that was true. I think
6 there was good, consistent communication on our part, on
7 Paul's part and Carlene's part and the rest of the staff
8 consistently. Would you two agree with that?

9 PRESIDENT FREDERICK SCHENK: Hence the question.

10 PAUL BLANEY: Yes.

11 MS. MOORE: Yes.

12 PAUL BLANEY: Yes. Confirmed.

13 MR. GELFAND: Okay. Next, I'd like to clarify that in
14 the motion that I made it talked about legal action. That
15 could have been as simple as sending it to collection.
16 Not necessarily going to court over \$259,000. And
17 finally, as an example of our desire to actually work
18 effectively with Ali's organization the \$560,000 rental
19 cost, which had been negotiated for the use of that
20 facility going forward, we were willing to discount by
21 \$310,000 in an effort to get him back.

22 And the last thing I'll say is that I attended the
23 event in 2024. I thought it was incredible. It was like a

1 world-class thing. I was proud to be a member of the
2 board of the DAA when I attended that event. So my hats
3 off to Ali for doing it. And all I wanted to do was have
4 the DAA get paid based on the negotiated agreement that
5 Mr. Nilforushan had with us to provide timed payments.
6 And he is now living up to that. So whatever we did, it
7 worked.

8 PRESIDENT FREDERICK SCHENK: Carlene, would you want
9 to have a final comment or we --

10 MS. MOORE: No, I don't think so.

11 PRESIDENT FREDERICK SCHENK: Great. I'm going to go to
12 the public. Any members of the public that would like to
13 address the Board?

14 Online, we have -- I don't see anybody online who
15 indicated a desire but I may have been missing it. Is it
16 --

17 [off mic]

18 PRESIDENT FREDERICK SCHENK: We got it. We have Lori.
19 Lori, I'm sorry. [multiple speakers]

20 MR. RIVERA: And I have a hand up. Bonnie Croker.

21 PRESIDENT FREDERICK SCHENK: Okay. Ms. Saldaña, I
22 apologize.

23 LORI SALDAÑA: Thank you. It's a little hard for us to

1 visualize. We can't see some of the information that's
2 being shared in the room at times. I don't know if you
3 had photos of the facility. But in any case, I'm -- in
4 light of conversations that this board has had for some
5 time about and as was described by staff of sea level,
6 the challenges of flooding and operating in a coastal
7 zone. I am concerned about the liability going forward.
8 And not just the inconvenience but the potential
9 liability if there is any harm from these conditions that
10 have been described. And as one of the Board Members
11 mentions what has been in the past considered a 100-year
12 storm event, we're facing an atmospheric river coming
13 this way that's threatening us with flooding events
14 within the next 48 hours. So why is the Board willing to
15 take a chance and lease a facility with known flood risk,
16 not just at risk for the people engaging in the contract
17 but in case of something happens that requires first
18 responders to evacuations, whatever, why continue with
19 this elevated risk in this coastal zone. That's my
20 question about this going forward, not necessarily this
21 agreement you are negotiating now. Thank you.

22 PRESIDENT FREDERICK SCHENK: Thank you, Ms. Saldaña.
23 I'm not going to comment. I just want you to know in

1 terms of what we were looking at because you're not
2 physically here, we're looking at a wall in the room.
3 That has sort of like a drone-shot of the fairgrounds.
4 That's what we're -- so it's not anything that was a
5 PowerPoint. We're just looking literally at one of the
6 walls.

7 Is there anybody else who would like to address us on
8 this subject?

9 [off mic]

10 PRESIDENT FREDERICK SCHENK: Bonnie. Bonnie Croker.

11 BONNIE CROKER: Yes, thank you.

12 PRESIDENT FREDERICK SCHENK: Good afternoon.

13 BONNIE CROKER: Good afternoon, again. Thank you. --
14 so much.

15 I'm addressing the financial feasibility regarding
16 the continuance of horse racing in California.

17 The horse racing industry --

18 PRESIDENT FREDERICK SCHENK: Bonnie.

19 BONNIE CROKER: Yes.

20 PRESIDENT FREDERICK SCHENK: I'm sorry. I'm gonna cut
21 you off.

22 BONNIE CROKER: Okay.

23 PRESIDENT FREDERICK SCHENK: This is not topical.

1 Thank you.

2 Is there anybody else that would like to address the
3 issue of 7-D, which is the -- an update on the Equisport
4 Events payment agreement. All right, seeing none, hearing
5 none. We're going to move on.

6 Next is 7-D-1, which is a discussion and vote on
7 whether to restructure or refinance the Del Mar Race
8 Track Authority revenue bonds series 2015. You can find
9 the committee reports on pages 40 and 41 of the board
10 packet. And I'm going to call on our Finance Committee
11 chair, Vice President Gelfand to provide a brief summary
12 of that.

13 MR. GELFAND: Okay. I will refer everyone to the Board
14 packet. Because it goes into detail about this. But the
15 Finance Committee was introduced to the DAA's
16 representatives who help us determine how to deal with
17 our bonds. And there was a question as to whether or not
18 they should be refinanced in April because at that time
19 they can be refinanced. And there was some financial
20 modeling that was presented to us, et cetera. The
21 committee asked them to do a financial analysis of not
22 refinancing them and just leaving it as is. They came
23 back recently to our most recent Finance Committee

1 meeting and informed us that actually we were better off
2 leaving things as they are. And so because of that, I
3 would move that we do that. We do not at this time
4 refinance the bonds.

5 MR. BLAIR: I'll second.

6 PRESIDENT FREDERICK SCHENK: Okay. I'm going to -- I
7 was going to -- I should've had public comment before. I
8 thought you were just going to be-- [multiple speakers]

9 MR. GELFAND: Sorry about that.

10 PRESIDENT FREDERICK SCHENK: Just giving an overview.

11 MR. GELFAND: Oh, okay. I'll withdraw the motion
12 temporarily.

13 PRESIDENT FREDERICK SCHENK: I appreciate that. So I
14 will entertain comments from those that are sitting here.
15 If no one from the audience, I will invite members of the
16 public who are online to address us on 7-D-1. So I see
17 Allison Prater. In that order, it's Ms. Prater and then
18 Ms. Sullivan and then Chaun Reynolds in that order. And
19 then we'll get to the rest. Ms. Prater.

20 ALLISON PRATER: Hi, thank you. I'd like to quote
21 something from the L.A. Times on February 2nd. If Santa
22 Anita were to stop racing, let's say Del Mar adds three
23 more weeks, would Del Mar want to do it. Probably not

1 because it's going to make those days that they already
2 have less special. But if the industry is saying that
3 they need to do it then Del Mar is going to have to step
4 up. Del Mar -- [multiple speakers]

5 PRESIDENT FREDERICK SCHENK: Ms. Prater, this is not
6 the topic. This is with regard to the refinancing of the
7 Del Mar Race Track Authority. I think you're trying to
8 address the next -- perhaps the next topic but that's not
9 this one. So if --

10 ALLISON PRATER: Okay.

11 PRESIDENT FREDERICK SCHENK: I apologize --

12 MS. MOORE: [off mic]

13 PRESIDENT FREDERICK SCHENK: It's item G.

14 ALLISON PRATER: That's okay.

15 PRESIDENT FREDERICK SCHENK: Okay, so I don't mean to
16 cut you off but I do need to have speakers who are
17 addressing the topic that we are about to vote on. All
18 right, so you are supposed to try to give us some insight
19 into your perspective.

20 ALLISON PRATER: Okay.

21 PRESIDENT FREDERICK SCHENK: With regard to 7-D-1 --

22 ALLISON PRATER: Okay.

23 PRESIDENT FREDERICK SCHENK: It's pages 40 and 41 of

1 the packet. I'll invite you to review that and then I'll
2 invite you to come back if you'd like to speak to that.

3 Ms. Sullivan, you're next with regard to 7-D-1.
4 Revenue bonds is the topic.

5 MARTHA SULLIVAN: Hello, again. This is Martha
6 Sullivan. I think that this board needs to really be
7 looking at this opportunity to restructure the bonds as a
8 very opportune time to get down to planning for the end
9 of horse racing in California. In the face of the
10 following horse racing industry metrics, is just
11 practical business to look at getting out. The number of
12 ownership entities is down 46% since 2004. The number of
13 trainers is down 58% since 2000. Race horse births are
14 down 58% since 1990. Wagering is down 57% since 2003
15 adjusted for inflation. And there's been 50 U.S. horse
16 racing tracks closed since 2000. 30 of them since 2013.
17 The horse racing press Horse Racing Nation on February
18 3rd reported, quote, the Stronach Group stepped up its
19 apparent efforts to get out of the race -- horse racing
20 business. John Cherwa of the Los Angeles Times reported
21 that Stronach hired Keith Brackpool, a former executive
22 of the company and chairman of the California Horse
23 Racing Board, to explore the possible sale of the

1 company's first division in its Santa Anita Park and
2 Gulfstream Park track. Again, you need to be using this
3 opportunity to restructure the bond. To prepare the
4 agency that you're chartered to lead for the end of horse
5 racing in California. Thank you.

6 PRESIDENT FREDERICK SCHENK: Thank you.

7 Chaun Reynolds, please.

8 CHAUN REYNOLDS: I'm sorry. I think I misclicked. I'm
9 ceding my time on this issue.

10 PRESIDENT FREDERICK SCHENK: All right. Thank you.

11 Lynn Freudenberg.

12 LYNN FREUDENBERG: Hi there. I'm going to comment on
13 the next item. Sorry.

14 PRESIDENT FREDERICK SCHENK: That's fine. Thank you.

15 Ms. Croker. Bonnie Croker. On 7-D-1.

16 MR. RIVERA: I don't see her in the queue any longer.

17 PRESIDENT FREDERICK SCHENK: All right.

18 Lori Saldaña. 7-D-1. Would you like to share your
19 thoughts?

20 LORI SALDAÑA: Yes, thank you. As Martha Sullivan was
21 mentioning, we're seeing a decline in wagering. We're
22 seeing a decline in horse racing in many other facilities
23 that are either reducing the number of horses competing

1 or have closed their facilities all together. If I were
2 looking at an industry and determining what is a smart
3 investment, I don't think it would be horse racing today.
4 And what you have done is obligated yourselves to an
5 industry that is apparently on the decline. I haven't
6 seen any reports indicating otherwise. So if you were
7 able to restructure the bonds at this time in a more
8 favorable position for the fairgrounds, it seems like
9 otherwise you're counting on horse racing to continue at
10 the rate that they have been for previous cycles. But
11 every indication is that that is not going to be the case
12 going forward. So from a fiduciary perspective, are you
13 doing the best thing for this agency to guarantee that
14 these bonds will be paid off at the time that you were
15 anticipating. Or is this an opportunity to basically have
16 the present value of money outweigh the future risk that
17 the entire industry is presenting according to numerous
18 reports. Not only in California but around the country,
19 so what are you basing this on. I'm just curious, are
20 there some other reports that haven't been mentioned
21 today that show that this is -- there's some basis for
22 optimism that things will, if not improve, maintain at
23 the current financial levels. I'm curious what other

1 reports any of you can cite to counter what Martha
2 Sullivan and others have mentioned. Thank you.

3 PRESIDENT FREDERICK SCHENK: Thank you very much I
4 don't see any other callers. So with that, I will turn it
5 over to Vice President Gelfand.

6 MR. GELFAND: Okay, so just to be clear, the bonds are
7 in the amount of \$30,690,000 dollars. This is on page 40
8 of your report. if you read the report, you'll understand
9 that we owe that money regardless of whether there is
10 racing or not. The only question really before us, and
11 before the Finance Committee, was what's the best way to
12 handle the payoff of that money. Is it to refinance it
13 now or is it to keep the current bonds in place. So we
14 did consider all of this. And kept our fiduciary duty in
15 mind. And with that, it is our recommendation that we do
16 not refinance the bonds at this time. And that is my
17 motion.

18 PRESIDENT FREDERICK SCHENK: All right. Is there a
19 second?

20 MR. NEJABAT: Second.

21 PRESIDENT FREDERICK SCHENK: Nejabat. All right,
22 Nejabat was the second. It was quiet. I couldn't hear
23 where, I heard the voice but I couldn't tell from --

1 MR. GELFAND: He's very soft-spoken.

2 PRESIDENT FREDERICK SCHENK: That's all right. So,
3 moved by Vice President Gelfand. Seconded by Director
4 Nejabat. Any further discussion amongst the Board? Seeing
5 none. We'll take a vote.

6 MS. O'LEARY: President Schenk.

7 PRESIDENT FREDERICK SCHENK: Aye.

8 MS. O'LEARY: Vice President Gelfand.

9 MR. GELFAND: Aye.

10 MS. O'LEARY: Director Arabo.

11 MR. ARABO: Aye.

12 MS. O'LEARY: Director Barkett.

13 MS. BARKETT: Aye.

14 MS. O'LEARY: Director Blair.

15 MR. BLAIR: Aye.

16 MS. O'LEARY: Director Mead.

17 MS. MEAD: Aye.

18 MS. O'LEARY: Director Mosier.

19 MR. MOSIER: Aye.

20 MS. O'LEARY: Director Nejabat.

21 MR. NEJABAT: Aye.

22 PRESIDENT FREDERICK SCHENK: The motion carries. All
23 right. We're going to move onto item 7-D-2. Consideration

1 and vote to approve policies as recommended. 4.04
2 financial stewardship 4.05 financial reserves, 6.02 event
3 ticket purchase, and 6.03 cashless fair operations. You
4 can find the draft report and draft policies on pages 42
5 in the packet, beginning on 42. And as a reminder, the
6 draft policies were also included on last month's agenda
7 and board packet. I'll invite anyone from public to speak
8 on this.

9 I think, Ms. Saldaña. Ms. Saldaña, would you like to
10 speak to this? This is 7-D-2.

11 LORI SALDAÑA: Yes, thank you. In the interest of time
12 I'll pass on 7-D-2. Thank you.

13 PRESIDENT FREDERICK SCHENK: Thank you. All right.

14 With that, I will entertain a motion.

15 MR. GELFAND: Okay. And let me just preface this by
16 saying that I've been on many boards and the financial
17 management of nonprofits and boards like this rarely
18 really take good financial responsibility and create and
19 maintain reserves. And I'm really thrilled to be able to
20 make this motion and move this organization in a really
21 fiscally responsible direction. So with that, I move to
22 approve policies 4.04 financial stewardship, 4.05
23 financial reserves, 6.02 event ticket purchase, and 6.03

1 cashless fair operations and to establish the reserve
2 fund starting balance at 11 and a quarter million
3 dollars, which is based on 50% of the target amount
4 identified on page 43 of the meeting packet. With a goal
5 to fully fund the reserve within 10 years.

6 PRESIDENT FREDERICK SCHENK: Thank you. That's
7 ambitious and I appreciate that, that drive.

8 Is there anybody who would like to second that?

9 Dr. Mosier is a second. Very well.

10 Any discussion amongst the Board?

11 Director Blair.

12 MR. BLAIR: Policy 6.03 cashless fair operations. Are
13 our vendors okay with that, is that controversial or not?

14 MS. MOORE: So this really affects our food vendors.
15 And 80% of what they take in is done by credit card at
16 this time. And if you recall at last month's meeting, we
17 have reverse ATMs where people put cash in and get a card
18 in exchange.

19 MR. BLAIR: [Off mic]

20 MS. MOORE: And so, yes, and it's the direction that -
21 so with that our vendors our aware.

22 I don't know, Katie, if you have anything further to
23 add to it.

1 MR. BLAIR: Is this controversial to them?

2 [Multiple speakers]

3 MS. MOORE: No, it's consistent, and it's becoming
4 more and more consistent in the industry.

5 [Multiple speakers]

6 MR. BLAIR: Thanks. Okay. I don't know --

7 PRESIDENT FREDERICK SCHENK: Director --[multiple
8 speakers]

9 MR. BLAIR: I think it's a good idea. I just wondered
10 how controversial it was.

11 PRESIDENT FREDERICK SCHENK: Director Mead. I just saw
12 your hand up.

13 MS. MEAD: Thank you. I would like to raise a question
14 regarding policy 4.04, financial stewardship. And make a
15 recommendation at this time, I believe, before -- to
16 consider pulling this document and/or consider changing
17 the other documents. I have raised this question several
18 times since we came out of COVID. And that is that as our
19 budget has increased, now knocking on the door of \$90
20 million dollars, I absolutely believe it is time for us
21 to consider having a chief financial officer at the
22 fairgrounds. I am concerned that too much responsibility
23 is in the hands of our chief executive without a chief

1 financial officer, that is supporting an organization of
2 this size. So I just really believe that if we're talking
3 about good financial stewardship we should be considering
4 a chief financial officer as part of this packet.

5 PRESIDENT FREDERICK SCHENK: Any other comments?

6 MR. ARABO: Yeah, I agree with Director Mead. I think
7 that's very -- I don't know what the process of that is
8 of how we do that to have a chief financial officer. I
9 don't know if that's what the process is.

10 MS. MEAD: I don't know if we assign that to either
11 the Finance Committee to study or the Personnel Committee
12 to study. Clearly, we have to look at what the position
13 description would look like, the cost. But I do think
14 that it's time for us to consider this as part of a good
15 financial stewardship and separation of duties which I
16 think is crucial.

17 MR. CAPLAN: And I would just recommend whichever
18 committee for a future discussion this is handed off to
19 to please consult with our office because there are
20 statutory limitations on the ability of this board to
21 hire employees. And so you do have a authority to hire a
22 CEO and general manager. It's a question whether you have
23 authority to hire anybody else. And so that should be

1 part of the committee's review process, our legal
2 limitations on this board's ability to hire a second
3 employee.

4 PRESIDENT FREDERICK SCHENK: But we can have the
5 Finance Committee assess the need.

6 MR. CAPLAN: Of course. Yes.

7 PRESIDENT FREDERICK SCHENK: Okay.

8 MR. ARABO: The way I understood it, it wasn't to
9 hire, it was more to create a position to where it will
10 follow the rules and protocols. Maybe next agenda may be
11 as an agenda item added. I don't know if that's what
12 Director Mead is asking. I don't know if it's an agenda
13 item or in the committee. I don't know. It's a great
14 idea.

15 MS. MEAD: [off mic] responsibility in the hands of
16 our CEO.

17 MS. MOORE: Can I just clarify something in terms of
18 the policies that you approve, which is that the CEO is
19 the employee that you have as the Board. If you look at
20 any of our policies it speaks to the responsibility that
21 I have to then delegate further down in the organization.
22 So this is not -- I mean if you're really to then go
23 through all of the policies we've been establishing, that

1 would be a lot for any one person in that but it gives me
2 that guidance as your employee of the expectations, what
3 I am ultimately responsible for. Not necessarily the
4 positions that are then carrying out those duties and
5 functions.

6 PRESIDENT FREDERICK SCHENK: But I think the question
7 is, is there a need for that?

8 MR. GELFAND: I see there being two separate issues
9 here. One is whether our organization in general needs a
10 CFO. And that is certainly something that can be looked
11 at, analyzed, considered and brought back to the Board.
12 The second is the motion before us. And I would suggest
13 that what these four policies do is actually constrain
14 the CEO. And force the CEO to adhere to financial
15 parameters that make the organization stronger.

16 MS. MEAD: Thank you, Michael. And I really appreciate
17 that. I didn't know because items have to be agendized
18 where I could raise this question that I've been wanting
19 to raise for some time. And it seems to be now that we're
20 looking at fiscal responsibility, which is, yes, the
21 responsibility of the CEO. But fiscal responsibility is
22 one of the number one responsibilities of the board of
23 directors. And so I do believe that now that we have this

1 open discussion, I would agree with you. If all the
2 policies are written to say this delegates a response or
3 we delegate to the CEO who further delegates, I'm cool
4 with it. But I just don't want to lose this discussion
5 anymore. Thank you.

6 PRESIDENT FREDERICK SCHENK: Yeah.

7 MR. ARABO: I had a couple of questions. I want to
8 thank the committee for, it's almost a rainy-day fund or
9 a summer fund so thank you for establishing it. It's a
10 huge step forward.

11 MR. GELFAND: We get rainy days?

12 MR. ARABO: You know, we do.

13 [Multiple speakers]

14 PRESIDENT FREDERICK SCHENK: Just look over there.

15 MR. ARABO: Thank you very much.

16 I do have a question on what triggers opening it. I
17 see, some parts I see the Board, the CEO could do it in
18 six months tell the Board. What's the thought process?
19 Because when we first spoke about it as board, I remember
20 it was like this is truly a rainy-day fund to only be
21 triggered if there's the organization needs it to, I
22 don't know how it -- is it explained where the Board
23 triggers it or the CEO?

1 MR. GELFAND: Well, there's different mechanisms here.
2 One is, we've got an emergency. And the CEO's got to
3 spend money fast. And in that scenario, the CEO comes
4 back to the Board very quickly to announce that they have
5 done it and the plan to replenish that account.
6 There is another whole situation which is more like a
7 like a pandemic. Where, oh, my goodness, we are facing a
8 closure of the fairgrounds for a year or an indefinite
9 period of time. And so one of these policies creates a
10 fund that could literally allow us to operate, although
11 on a limited scale, but kind of like we did in the
12 pandemic, without outside funds coming in. So there's two
13 levels, kind of the quick emergency and then the long-
14 term emergency that are both accommodated in these
15 policies.

16 MR. ARABO: Great.

17 MS. BARKETT: [off mic] I can't see where but there's
18 something about six months to replenish.

19 MS. MEAD: Yeah.

20 MS. MOORE: Page 52. So, and following last month's
21 meeting and the discussions that the Board had, one of
22 the things is we split apart. Before, it referenced
23 reserves and replenishment meaning the capital

1 replenishments versus reserves. And we split those apart.
2 Capital replenishments being for the facility upgrades,
3 the capital expenditure plans that we have and set forth
4 and separately the reserves.

5 And with the reserve, well, let me rewind. The
6 capital replenishment fund would be -- could be allocated
7 on an annual basis through our budget approval process,
8 the capital expenditure budget or for long-term planning.
9 And then separately, the replenishment or the reserve
10 fund is one where it can be accessed in both ways.
11 The emergency, for example, that Director Gelfand just
12 spoke of as well as by the Board. So it isn't just that
13 the CEO has access to those funds, but the Board could
14 also take action to access those funds. And the
15 restriction, the six-month restriction in terms of
16 payback is on the CEO. So again, creating those
17 restraints around the access and for how long.

18 MS. BARKETT: [off mic] But if the funds are borrowed
19 for longer than six months or amounts greater than 50%
20 requires approval.

21 MS. MOORE: Exactly. Yes.

22 MR. ARABO: And then for the committee, the fund,
23 rainy-day fund or the reserve fund, is the committee then

1 going to see if it's invested in treasuries or what's it
2 going to do? Does the committee decide how you are going
3 to --

4 MS. MOORE: So actually we identified in the just in
5 the committee report that the investment policy is next
6 to come.

7 MR. ARABO: Okay. Perfect. Excellent.

8 MS. MOORE: We aren't quite there yet.

9 MR. ARABO: Great. Thank you. And the last one. I know
10 as a Board we decided to study this ticket processing
11 fee. Anything in this that limits, I know the study is
12 not out, we haven't had feedback, limits the ability when
13 we sell a ticket? I know or to sell food, limit that
14 ability to pass on a surcharge. I know we're still
15 studying it.

16 MR. GELFAND: There is nothing in this policy that
17 would limit our ability to make decisions about that in
18 the future.

19 MR. ARABO: Great. Amazing work. I'm so happy you
20 established this.

21 PRESIDENT FREDERICK SCHENK: And Mark, thank you for
22 bringing some of these to our attention, which was you
23 know from your encouragement.

1 MR. ARABO: Thank you.

2 PRESIDENT FREDERICK SCHENK: All right. I think we've
3 heard from the Board. Any other comments? Hearing no
4 more, we'll take a vote.

5 MS. MEAD: [Off mic} I have one.

6 PRESIDENT FREDERICK SCHENK: Okay.

7 MS. MEAD: I'm sorry. I would just like to understand.
8 I don't want to make a motion within a motion so we need
9 to take this first. But then I don't want to lose who's
10 responsible for assessing the need for a CFO.

11 MR. CAPLAN: Well, the only issue is the Board can't
12 vote on [multiple speakers]

13 MS. MEAD: Something that's not agendized.

14 [Multiple speakers]

15 MR. CAPLAN: But it sounds like the Finance Committee
16 has heard what you have to say.

17 MS. MEAD: Okay.

18 PRESIDENT FREDERICK SCHENK: That's what I said
19 earlier. I think we'll assign to the Finance Committee to
20 report back to us.

21 MS. MEAD: Okay. Got it. Thank you.

22 PRESIDENT FREDERICK SCHENK: With that, we'll take a
23 vote.

1 MS. O'LEARY: President Schenk.

2 PRESIDENT FREDERICK SCHENK: Aye.

3 MS. O'LEARY: Vice President Gelfand.

4 MR. GELFAND: Aye.

5 MS. O'LEARY: Director Arabo.

6 MR. ARABO: Aye.

7 MS. O'LEARY: Director Barkett.

8 MS. BARKETT: Aye.

9 MS. O'LEARY: Director Blair.

10 MR. BLAIR: Aye.

11 MS. O'LEARY: Director Mead.

12 MS. MEAD: Aye.

13 MS. O'LEARY: Director Mosier.

14 MR. MOSIER: Aye.

15 MS. O'LEARY: Director Nejabat.

16 MR. NEJABAT: Aye.

17 PRESIDENT FREDERICK SCHENK: The motion carries. Thank
18 you all very much on many different levels. Thank you.

19 All right. We're going to move onto 7-E. Is that
20 correct? Yes, 7-E. All right. It is the Master Site Plan
21 Public Engagement Committee report. It's an information
22 only item, not to take action on it. But I'll recognize
23 Director Blair to provide us with a verbal report please.

1 MR. BLAIR: [Off mic] If you remember that zig-zaggy-

2 MS. MEAD: Microphone.

3 MR. BLAIR: If you remember that zig-zaggy drawing,
4 well that's sort of the route for our committee. And if
5 you recall we hired Southwest Strategies months ago to
6 guide us on the public part of getting feedback and
7 input. And we had a meeting last week with Mark and I
8 there and had some really good conversation. I think
9 Southwest will do a great job for us and has lots of
10 steps that we'll be sharing with you that encourage input
11 from the entire county but sort of valuing those who have
12 attended events here and weighting that a little bit.
13 Some is outreach calls. Some are, a good idea Mark has a
14 QAR code -- QAR, right?

15 PRESIDENT FREDERICK SCHENK: QR code.

16 MR. BLAIR: Where's the "A?" Where'd that go? -- on
17 our tickets for people who are definitely attending to
18 give them the opportunity to answer 5 or 10 questions,
19 not a half hour sort of thing. The reality is --
20 [chuckling] -- ingrained that a lot the tickets are
21 online. So we'll look at a way that maybe when they buy
22 their tickets online, they can still do that. The point
23 is getting input from people, horse racing and fair, that

1 attend events onsite because they will be more
2 knowledgeable about their input than maybe somebody who
3 has never been here or lives out of town. So quarterly
4 updates on this. But we were pleased with the discussion
5 and the next steps. And it's very laid out and we'll be
6 back with you.

7 PRESIDENT FREDERICK SCHENK: Thank you.

8 Any questions from the Board?

9 Director Barkett.

10 MS. BARKETT: Yes. Are you offering any incentives for
11 doing a survey?

12 MR. BLAIR: Well, there were a couple of discussions
13 that, you know, somebody -- cozies, is that what you
14 call-- [multiple speakers]

15 MS. MOORE: We did koozies during the fair.

16 MR. BLAIR: I mean, I don't know what it would be. I
17 mean, if you are doing something online --

18 >> [Multiple speakers]

19 MS. MOORE: [Off mic] We're still working out the
20 details on it.

21 MR. BLAIR: Hopefully, they care enough about giving
22 us input then they get a free pen or something.

23 MS. BARKETT: That incentivizes the younger generation

1 especially.

2 [Off mic]

3 MS. BARKETT: Right. Exactly.

4 MR. MOSIER: Phil, any updates on the task force that
5 they were recruiting?

6 MR. BLAIR: That's the next step, and they're still
7 putting that together.

8 MR. MOSIER: They're still doing that.

9 MR. BLAIR: Professionals and technical skills as sort
10 of a sounding board.

11 MR. MOSIER: Yes.

12 MR. BLAIR: That's on there.

13 PRESIDENT FREDERICK SCHENK: Director Arabo.

14 MR. ARABO: I had a comment with Director Barkett. I
15 think they're exploring something meaningful to get as
16 much response rate. We have a million customers.

17 PRESIDENT FREDERICK SCHENK: I think it's doughnuts.

18 MR. ARABO: Doughnuts. We'll donate them.

19 PRESIDENT FREDERICK SCHENK: Thank you, all.

20 MR. GELFAND: Question.

21 PRESIDENT FREDERICK SCHENK: Oh, sure.

22 MR. GELFAND: Are they on schedule? You know, we had
23 the candy land swervy thing. Is it on schedule?

1 MR. BLAIR: They are. And stuff starts happening now.

2 It's been very quiet but now stuff starts to happen.

3 MR. GELFAND: Well, there's a phase where they are
4 going out to city councils and the board of supervisors
5 and governmental entities. That's happening next.

6 MR. BLAIR: Yeah. And we had a discussion about some
7 of them, one of us should go speak as a board member. And
8 others maybe a professional from Southwest.

9 [Multiple speakers]

10 MR. BLAIR: There may be a time where we want the
11 chair of the Board to speak on behalf because it's the
12 City of San Diego or it's the county board of supervisors
13 or EDC or the Chamber of Commerce or San Diego Tourism
14 Authority, so there's organizations, there's governmental
15 bodies and then there's sort of private sector major
16 organizations.

17 MR. GELFAND: Right.

18 PRESIDENT FREDERICK SCHENK: Just so you know, I do
19 speak to rotary clubs quite often. I haven't been invited
20 to come to speak to city council but I do go to rotary.

21 MR. BLAIR: Rotary clubs.

22 PRESIDENT FREDERICK SCHENK: Any other --

23 MS. MOORE: And next month Southwest Strategies will

1 be here to provide the quarterly update of progress that
2 we're having. Because our, you know, various committees
3 that have different touch points in terms of this entire
4 process.

5 PRESIDENT FREDERICK SCHENK: I'll invite members of
6 the public, is there anybody who would like to address us
7 topically on item 7-E?

8 I see, I think Ms. Sullivan. Would you like to
9 address the Board?

10 MARTHA SULLIVAN: Hello, again. I think I signed up
11 for this just to repeat my refrain to please be sure that
12 you're including advocates for animal welfare and rights
13 in your consultation. Thank you.

14 PRESIDENT FREDERICK SCHENK: Thank you.

15 Ms. Saldaña.

16 LORI SALDAÑA: Correct me if I'm wrong. I'm going
17 through the packet very quickly here. I don't see 7-E as
18 a separate report item for public engagement. Is this
19 something that was not included as a part of the packet?

20 MS. MOORE: It was not included because that meeting
21 just took place Friday after the packet had come out.

22 MR. BLAIR: It was a verbal report.

23 MS. MOORE: So it was listed as a verbal report.

1 PRESIDENT FREDERICK SCHENK: I said it was a verbal
2 report.

3 LORI SALDAÑA: Okay. So in the interest of -- I mean,
4 you've had some time since then to even do an addition to
5 the packet that is published. I would say, what are the
6 specific measurable outcomes that you can track back,
7 speaking as someone who was previously in charge of
8 outreach activities for the nation's largest outdoor
9 retail co-op. And we had some very specific measurable
10 goals. And so when we put money into an endeavor to bring
11 in new potential customers to our stores, and ideally to
12 turn them into members of our co-op -- and this is REI
13 for those who aren't familiar with the outdoor retail
14 industry. Then We would track the outcomes in some
15 measurable ways to see if we were getting the biggest
16 bang for the bucks that we were putting into those
17 programs. So I -- that may be part of the committee's
18 discussion. Without a written report, I can't tell. But
19 that is certainly something that when you are doing
20 public engagement and you have specific outcomes that you
21 would like to achieve, then how are you measuring whether
22 or not you are achieving them? That would be my question
23 to the committee. And perhaps next time it could be

1 provided in a written report. Thank you.

2 PRESIDENT FREDERICK SCHENK: All right. We're going to
3 move on to item 7-F, fair ops. I can report that we don't
4 have an action item today. Next month we will be
5 reporting out on announcing Grandstand, Paddock and The
6 Sound line-ups. Our footprint is broadened. You can find
7 what information brings you up to speed as of today is on
8 page 62 and 63 of the packet. But next month, we'll have
9 a bigger reveal. Any questions from the Board?

10 Yes, Lisa.

11 MS. BARKETT: Yes, so just out of curiosity, does the
12 Belly Up oversee that? It says we oversee it on those,
13 The Sound during the fair.

14 MS. MOORE: We do oversee it. No, if you recall, the
15 managing promoter RFP that we put out specifically carved
16 out the operations of The Sound during the fair to us.

17 MS. BARKETT: Thank you.

18 PRESIDENT FREDERICK SCHENK: And we're going to have
19 some really interesting talent that we're going to be
20 bringing in. Yes?

21 MR. GELFAND: Since you are still working on filling
22 the bill, more rock and roll.

23 PRESIDENT FREDERICK SCHENK: Gee, you know, I hadn't

1 thought about that. Okay, my mantra is more rock and
2 roll.

3 [off mic]

4 PRESIDENT FREDERICK SCHENK: Yeah. Right. All right.
5 Any comments from the public?

6 Ms. Saldaña. Lori, I have you listed as wanting to
7 speak on this.

8 LORI SALDAÑA: I'm not -- I'm waiting to be unmuted.
9 Hello.

10 MS. MOORE: We can hear you.

11 PRESIDENT FREDERICK SCHENK: We hear you, Lori.

12 LORI SALDAÑA: Oh, I'm sorry. I didn't realize that
13 you had kept me unmuted. Thank you. I was waiting for the
14 prompt.

15 My question is probably answered in the state
16 documents down below, concerns about the potential for
17 avian flu. And I'm wondering if you will be following the
18 department of -- CDFA's recommendations. I'm sure you
19 will be for safety. But I'm also wondering if you will be
20 displaying the posters and educational materials
21 referenced in their documents and provided at events to
22 use in public displays to help educate fairgoers about
23 why they are not seeing the same animals on display that

1 they have seen in past fairs.

2 PRESIDENT FREDERICK SCHENK: All right. Thank you, Ms.
3 Saldaña. Yeah, that will be discussed shortly.

4 All right. Any other members of the public? Seeing
5 none, hearing none.

6 We're going to move on to 7-G, DMTC Liaison Committee
7 report. And these are two action items. And they start on
8 page 64 of the packet. I'd like to note that we have a
9 small clerical correction referencing the date that of
10 DMTC's opening day. It is Friday, July 18th, not June,
11 because that would put us right in the middle of the
12 fair. And away they don't go.

13 So our first action item is 7-G-1. Consideration and
14 vote to approve the 2025 operating budget of the DMTC.
15 With that, I'm going to turn it over to our DMTC Liaison,
16 Committee Chair Mark Arabo to introduce those who will be
17 speaking on this.

18 MR. ARABO: Sure. Yeah. Thank you very much, President
19 Schenk.

20 We had a great meeting with Director Barkett and CEO
21 Moore with the DMTC. We're very excited that this year
22 we're going to be opening on a Friday, which is huge and
23 getting as much -- capturing as much revenue as possible.

1 We look at the horse racing with two lenses. We want to
2 be the safest, safest horse race track in America. And so
3 safety is our number one thing.

4 And the second thing is how do we increase revenue
5 for the district. Remember, there is a business
6 principle, 80/20 principle where 20% of your business
7 brings 80% of your revenue. And that's a good example for
8 the district. I mean, if you look at our finances from
9 the committee, in 2024 the district received \$9.45
10 million dollars from DMTC. In 2025, we're expected to
11 receive the district is, \$9.72 million dollars. So really
12 it's two things driving everything, it's the fair and the
13 horse racing, DMTC.

14 So I want to thank Josh for coming. We want to see as
15 more and more participation from the Board, it's really
16 critical that folks from DMTC and their board and folks
17 from Breeders' Cup when they come this year, see us
18 attend. Per the operating agreement, you know, we have a
19 -- it's a shared use director's room. We want to honor
20 all the Board Members that have come before us since
21 1936. And we're talking to -- we've asked CEO Moore to
22 direct --- to create a somewhat almost, not a plaque but
23 a wall to show everything board of director from the

1 district from beginning to now. Because there's so much
2 rich legacy for the district we want to make sure we
3 honor them in our board of directors room.

4 Other ideas for Board Members to be active. We could
5 visit the Paddock between races. Board Members could
6 present the trophy during Winner's Circle. We can engage
7 with horse owners, trainers during pre-race activities
8 and engage with industry stakeholders and legislatures.

9 We also want -- we're looking at potentially visiting
10 different sites throughout the country to see best of
11 class and how we could bring it to Del Mar. The DMTC
12 we're looking at a potential trip in April 2025 to
13 Kentucky for the Keeneland Race Track. This would be,
14 each Board Member would pay for their own expenses with
15 their own money. And we hope everyone could attend. Just
16 to see what we could do to raise the bar, raise revenue,
17 and make sure it's the safest race track in America.

18 With that being said, my short time on the Board I've
19 been very fortunate to meet several folks in the race
20 track, racing industry. And they hold Del Mar in the
21 highest regard. And we should be very proud of having
22 that reputation that we've earned every single year.

23 And I want to introduce Josh Rubenstein over to the

1 Board to discuss about what he thinks and he looks
2 forward to for 2025. And the committee is very bullish on
3 horse racing. We do not share the sentiment that it is a
4 dying industry. We could see by the finances to the
5 district last year, like I said, \$9.4 million dollars was
6 paid to the district from DMTC. This year \$9.72 million
7 dollars we will receive from DMTC. We have to hold
8 everyone to the highest safety standard, but give them as
9 much support as we can to make sure they thrive.

10 Josh, you want to talk about the operating budget?

11 JOSH RUBINSTEIN: Yeah. Thank you, Director Arabo. And
12 yes, we've blown past the afternoon, so good evening,
13 District directors and staff.

14 As Director Arabo said, in 2024, horse racing at the
15 fairgrounds provided a return of \$9.5 million dollars to
16 the District in the RTA. The total economic impact from
17 horse racing at the fairgrounds last year was
18 approximately \$300 million dollars for the local
19 community. I should add I'm getting over a cold so
20 apologies for my voice.

21 Our 2025 summer season is a 31-day race meet from
22 July 18th through September 7th. The fall season is 14
23 days from October 30th through November 30th. And, of

1 course, we're once again proud to host the Breeders' Cup
2 on October 31st and November 1st. This will be the fourth
3 time in nine years that Del Mar has hosted the Breeders'
4 Cup. And that's really a testament to this world-class
5 facility we have and also the support that the local
6 community provides for horse racing.

7 In 2024, due to the fair closing a bit later than
8 tradition, we chose to open on a Saturday. Which is, as
9 Director Arabo said, one day later than our traditional
10 opening which has been a Friday for, I believe, the last
11 12 years. And that was due to give us an extra day of
12 transition from fair operations to racing. However, after
13 experiencing the transition of '24 and working with
14 district staff on enhancing preplanning efforts, we will
15 be able to resume opening on a Friday in 2025. And that's
16 important because it adds an additional premium day, so
17 we're three days for opening weekend as opposed to two.
18 That will enhance racetrack revenues including food and
19 beverage, which falls directly to the district.

20 Also, in 2025, the California racing industry is
21 transitioning to a single circuit in which all racing
22 will be conducted at the south tracks. That's Del Mar,
23 Santa Anita, and Los Alamitos. Previously there were two

1 parallel meets between north and south. This single-
2 circuit structure will redirect wagering revenues
3 generated in the north to support live racing in the
4 south. So for Del Mar the net benefit will be
5 approximately \$1.4 million dollars to our operation in
6 2025. With a similar amount going to support our purses.
7 In addition, many stables that race in the north have
8 transitioned to the south, thus increasing horse
9 population.

10 Our 2025 budget projects horse racing at the
11 fairgrounds will provide the district and the RTA with
12 \$9.72 million dollars, including approximately \$1.5
13 million dollars from our hosting of the Breeders' Cup
14 this fall. Our budget increase of 3% or \$270,000 dollars
15 as compared to 2024 is largely due to the Friday opening
16 with the additional premium day as I mentioned on opening
17 weekend and redirection of wagering revenues.

18 We are very appreciative of the support we get from
19 this Board and District staff on making horse racing at
20 Del Mar, as Director Arabo said, one of the top industry
21 events worldwide. As was the case in '24, we will present
22 our marketing and promotions plan to the Board at the May
23 meeting. We're happy to answer any questions you have on

1 the budget, our operations or the racing industry in
2 general.

3 But I would like to mention one additional point. The
4 next item on the agenda is a request not to have a
5 concert on the fair's closing day to assist with the
6 transition from fair operations to racing. However, based
7 on recent discussions with district staff, we are
8 confident that the transition for operations can be
9 accelerated to meet our July 18th deadline, our excuse
10 me, July 18th opening. Without the request not to have a
11 concert on July 6th. Obviously, it's not my call what
12 this Board hears in terms of agenda items. But I know
13 it's been a long day so we wanted to provide this
14 information to you before the agenda item. With that,
15 happy to answer any questions.

16 PRESIDENT FREDERICK SCHENK: Thank you.

17 I'm going to go to public comment. And then we'll
18 maybe have you back, Josh, to respond to questions of the
19 Board. And then we'll bring a motion if there is one.

20 All right, so with regard to public comment, Ms.
21 Prater.

22 ALLISON PRATER: Hello, again. You say horse racing
23 industry is not a dying industry. And I would beg to

1 differ. Joe Morris, a former head of West Coast Racing
2 for the Stronach Group and currently the senior vice
3 president of racing for Cesar's Entertainment. Points to
4 a particular problem. The formula to building handle and
5 having a successful meet is you need the stock, Morris
6 said. I don't think they can fix the problem. 30 years
7 ago there were 20 to 25 major farms in California, now
8 there are just a handful. So where are you going to get
9 the product. The cost of living is such that it's hard to
10 go out there if you're a trainer and put your help up and
11 things like that. When Santa Anita's owners closed Golden
12 Gate, one of their plans was to start rebuilding all the
13 barns at Santa Anita. 19 months after the announcement
14 there was no appreciable construction on the barns. I
15 don't see them ever getting the product, Morris said. Can
16 Del Mar get enough to ship in. I don't know. If you don't
17 have product, you don't have racing. So now you're racing
18 short fields and less races. And the gamblers know that's
19 not what they need. They want more races and full fields.
20 In 1990 there was 44,143 horses foaled in North America,
21 which includes Canada and Puerto Rico. In 2023 it was
22 down to an estimated 18,500. The foal crop has declined
23 the last eight years. It sounds like a dying industry to

1 me. Thank you very much.

2 PRESIDENT FREDERICK SCHENK: Thank you.

3 Ms. Sullivan.

4 MARTHA SULLIVAN: This is Martha Sullivan again. I'm
5 going to quote from John Cherwa's February 2nd report in
6 the L.A. Times. And hopefully, you will reconsider being
7 bullish on horse racing. Quote, the problems with racing
8 did not just crop up, the decline has been going on for
9 quite some time. Cal Sinatra, 60, has been around horses
10 since he was 12 years old. He grew up in the business and
11 was the vice president of racing at Parks Racing in
12 Pennsylvania, president and general manager of the
13 Maryland Jockey Club, which was owned by Stronach Group.
14 And chief executive of Equibase, a company that supplies
15 racing specifics. He's currently a consultant for the
16 Horse Racing Integrity and Safety Authority. So what does
17 Sinatra have -- so does Sinatra have any hope for
18 California? From Sinatra, quote, under the current domain
19 I would say no. Horses aren't coming to California. In my
20 estimation as an east coaster they killed off the north,
21 which is where most of your farms are. So now what are
22 you going to do to supply California with horses bought
23 from Kentucky. That doesn't seem right. End quote.

1 California did not get to this position overnight. Some
2 of the wounds were self-inflicted. Other problems and the
3 most difficult to solve deal with the changing sports
4 landscape and the gulf between people who view horses as
5 pets and those who view them as livestock. The Stronach
6 Group driven by a racing interest in Southern California
7 played a game of Sophie's choice, deciding it needed to
8 kill racing in Northern California to save racing to the
9 south, end quote, from the L.A. Times article. You've
10 heard from me about this for quite a while now. It's not
11 just me saying this stuff anymore. This is the Los
12 Angeles Times - [multiple speakers]

13 PRESIDENT FREDERICK SCHENK: Ms. Sullivan, we
14 appreciate your input.

15 Our next speaker is Chaun Reynolds.

16 CHAUN REYNOLDS: Thank you. The tribal nation's
17 control of California gaming is well established both
18 legally and culturally in 1988. Congress passed the
19 Indian Gaming Regulatory Act and ceded all authority over
20 gaming on tribal lands to the states on which they
21 reside. California in turn passed laws that allowed only
22 five types of gambling. There are Indiana casinos which
23 are allowed to have Las Vegas style table games except

1 roulette and slot machines, clubs, charitable gambling,
2 church bingo, state lottery, and parimutuel wagering
3 connected to horse racing.

4 In 2000, voters passed Proposition 1A, which
5 exclusively gave the right to use slot machines to the
6 tribes. In 2004, a state ballot initiative that would
7 have allowed the expansion of non-tribal gaming was
8 defeated 84% to 16%. So it seems that the law is on the
9 side of the tribes but the racing interests say that
10 historical horse racing gaming machines are not a game of
11 chance but skill and connected to the parimutuel hub. The
12 problem is that everything about the HHR screams slot
13 machines. Multiple people with knowledge of the situation
14 told the Times there's been no formal contact between the
15 tribes and racing interests to find common ground. We're
16 very concerned about the possible efforts to bring HHR
17 gaming machines to California, said James Siva, chairman
18 of the California Nation Indian Gaming Association. These
19 machines would seem to violate tribal exclusivity, as
20 they operate as de facto slot machines. While these
21 machines have features that are cosmetically different
22 from slot machines on both the front and back ends for
23 players the difference is imperceptible. In the past few

1 years, the Attorneys General in the states of Oregon and
2 Arizona quelled efforts in their respective states to
3 install these machines at non-tribal gaming facilities.
4 Thank you very much.

5 PRESIDENT FREDERICK SCHENK: Thank you.

6 Lynn Freudenberg.

7 LYNN FREUDENBERG: Hello.

8 PRESIDENT FREDERICK SCHENK: Yes.

9 LYNN FREUDENBERG: Hello.

10 PRESIDENT FREDERICK SCHENK: Yes, please, it's your
11 turn.

12 LYNN FREUDENBERG: Okay, great, thank you. Okay, I
13 just want to make sure you can hear me. Okay, I'm
14 commenting from an article that was in the Paulick Report
15 on February 6th. And it was entitled, "Are There Horses?"
16 Northern California fairs face key question about the
17 live racing in 2025. Dana Stower, the board chair of CARF
18 told a Humboldt County fair board members, CARF, no
19 longer -- could no longer provide equipment or auxiliary
20 services to member fairs because of the negative impact
21 of the Golden State racing meet. CARF is in the process
22 of reconstructing to support interest affairs that have
23 brick and mortar satellite wagering facilities, Stower

1 said. The reconstruct -- the restructuring includes
2 selling of equipment and reducing staff. She also further
3 says, "We are in crisis." She -- adding that the decline
4 in racing at the Northern California fairs has been
5 ongoing for over -- for 25 years. Rebecca Bartling who
6 retired in December as a chief executive officer of the
7 Sonoma County Fair updated the Humboldt County Fair board
8 on whether racing in Santa Rosa will return. She quotes,
9 what the Sonoma County Fair board voted on was to pivot
10 away from horse racing unless they did a caveat, which
11 there was something very specifically that changed in the
12 industry regarding horse or financials that would make us
13 running a race meet financial viability, Bartling said.
14 And then she went onto say, they would reconsider but at
15 this point we are pivoting away from horse racing. I want
16 to make that very clear. End of quote. Then further --
17 another quote says, a press release from the Sonoma
18 County Fair confirmed that it is suspended seeking live
19 racing in 2025. This is a very difficult decision that
20 was made by the Sonoma County Fair Board of Directors
21 with great care and concern for the economic viability of
22 the fair. The press released from current CEO and former
23 COO Matthew Daley states, quote, we remain indebted to

1 the legacy of racing in the industry. We are deeply
2 saddened --

3 MS. O'LEARY: Ms. Freudenberg -- [multiple speakers] -
4 - your time is up. [multiple speakers]

5 PRESIDENT FREDERICK SCHENK: Thank you for your input.

6 Next speaker is Lori Saldaña. Ms. Saldaña, you have 2
7 minutes.

8 LORI SALDAÑA: Thank you. And I do appreciate the very
9 thorough report that's been laid out here. I don't know
10 that I agree with all of the assumptions they are making.
11 For example, the regional and national economies are
12 expected to remain relatively strong when the largest
13 city in the area is facing a quarter-billion-dollar
14 deficit and a lot of our other major employers are
15 considering layoffs. And the federal government is going
16 through upheavals. But maybe this report was generated
17 prior to some of the upheavals we've been seeing over the
18 last 10 days.

19 In any case, it's clear that we are running out of
20 horses to compete. And I understand that there's an
21 incentive for owners to bring them into California. But
22 that costs money. And it also impacts of course all of
23 the transportation and greenhouse gas emissions and

1 everything else when you're moving any large, profitable
2 item around, in this case, live animals. It also adds
3 stress to the animals. And I don't know that they race as
4 well considering that they are being moved-- actively
5 moved throughout the state more than they have been in
6 the past. So there's many indications that this industry
7 is struggling.

8 And that's why going back to the bond refinancing, I
9 hope that you are taking a look at not only they're very
10 optimistic, but anytime you go to as this is essentially
11 a sales presentation, anytime you go to a sales
12 presentation of course they are going to give you the
13 most optimistic outlook for their product. And there are
14 many other outlooks that are not nearly so optimistic.
15 Again, this goes back to your fiduciary responsibility as
16 a board. And I hope that you are looking at information
17 beyond what is in this report as rosy an outlook as it
18 is, it reminds me of the days of irrational exuberance in
19 the market before we've had restructuring and serious
20 challenges in our own -- in other markets.

21 MS. O'LEARY: Ms. Saldaña, your time is up.

22 PRESIDENT FREDERICK SCHENK: I want to thank all of
23 you for your comments.

1 Director Arabo, would you -- are you intending to
2 move --

3 MR. ARABO: Yeah, and I just have a quick question for
4 Josh Rubinstein. The question is, I know we're studying
5 it and we want to learn as much as we can before we do
6 the motion. In regards to credit card surcharges and
7 fees, how does DMTC handle that? Because we're trying to
8 gather as much data as possible. I know what you're
9 obviously -- what you're doing is in compliance and how
10 do you -- and how do you handle it and give me some
11 background on it. Is there savings? Is there not?

12 JOSH RUBINSTEIN: Sure. In 2024 for a ticketing
13 processing fee online, an online order we charge \$6 per
14 transaction, and a phone order \$10. That generated just
15 over \$204,000 dollars in '24, which for the most part
16 offset credit card fees. Moving forward to 2025, our new
17 ticket provider is SeatGeek. And with SeatGeek and their
18 enhanced technology we will be able to add 3% to all
19 ticketing transactions, which again, essentially wipes
20 out our obligation on the credit card fees.

21 MR. ARABO: Got it. And they ensure all compliance and
22 everything?

23 JOSH RUBINSTEIN: Correct.

1 MR. ARABO: Got it. Okay. And with that, thank you for
2 the report. And I move to approve the 2025 budget.

3 PRESIDENT FREDERICK SCHENK: Thank you. Are there any
4 comments from the Board?

5 We'll start with -- [off mic]

6 MR. MOSIER: Second.

7 PRESIDENT FREDERICK SCHENK: Second from Dr. Mosier.
8 Any comments from the Board?

9 MR. BLAIR: Being new, I'm just curious. 9.5 and 9.7
10 million sounds like a lot. We seem to be comparing to the
11 last full year before COVID. What was the number of --
12 what was the income the fair got in that year?

13 JOSH RUBINSTEIN: In terms of what year?

14 MS. MOORE: 2019.

15 MR. BLAIR: Pre-COVID. I'm not sure what --

16 JOSH RUBINSTEIN: It depends on the year. It would
17 bounce back, you know, between -- somewhere between \$9
18 and \$11 million dollars as a range.

19 MR. BLAIR: Was the 11 closest -- I mean, what are we
20 at 9.7 and it was 11-ish or 9-ish?

21 MIKE ERNST: Excuse me. I'm Mike Ernst, the chief
22 financial officer. In the years prior to COVID we were in
23 the 7 to \$8 million dollar range of a net return from

1 racing.

2 PRESIDENT FREDERICK SCHENK: Thank you.

3 Sam? No?

4 MS. MEAD: No question.

5 PRESIDENT FREDERICK SCHENK: Going around the
6 horseshoe here.

7 MR. GELFAND: I'd just like to point out, of the 9
8 million dollars, about six is from food and beverage. The
9 rest is, you know, direct from horse racing. The other
10 thing I'd like to point out to people who've spoken,
11 we're not talking today about the future of horse racing
12 at Del Mar. We have a multi-year agreement with the
13 Thoroughbred Club, which we're in no position to discuss
14 today. What we're discussing today is simply the budget,
15 which I support.

16 PRESIDENT FREDERICK SCHENK: Any other comments from
17 the Board?

18 MR. ARABO: Yeah, with the food and beverage, it's an
19 important comment. But they wouldn't be eating a
20 hamburger or a salad if there wasn't horse racing. So
21 it's part of the overall contributions they make to the
22 District.

23 PRESIDENT FREDERICK SCHENK: All right. Hearing no

1 other discussion, we'll vote on approving the operating
2 budget for the DMTC for 2025.

3 MS. O'LEARY: President Schenk.

4 PRESIDENT FREDERICK SCHENK: Aye.

5 MS. O'LEARY: Vice President Gelfand.

6 MR. GELFAND: Aye.

7 MS. O'LEARY: Director Arabo.

8 MR. ARABO: Aye.

9 MS. O'LEARY: Director Barkett.

10 MS. BARKETT: Aye.

11 MS. O'LEARY: Director Blair.

12 MR. BLAIR: Aye.

13 MS. O'LEARY: Director Mead.

14 MS. MEAD: Aye.

15 MS. O'LEARY: Director Mosier.

16 MR. MOSIER: Aye.

17 MS. O'LEARY: Director Nejabat.

18 MR. NEJABAT: Aye.

19 PRESIDENT FREDERICK SCHENK: In light of -- the motion
20 carries unanimously. In light of the earlier input from
21 Josh Rubinstein, we're going to be pulling off the agenda
22 item 7-G-2 as not being needed. And therefore, there will
23 be no vote and no comment on it as it's being pulled.

1 I'm going to move onto item 7-H-1. The Audit &
2 Governance Committee report. You can find the report
3 beginning on page 94 of the packet. Our deputy AG
4 presented on this item last month you'll recall. So if
5 there's anyone in the room that would like to speak on
6 this, you're welcome to do that. Seeing none. I only have
7 one person queued up online, and that's Ms. Saldaña.

8 LORI SALDAÑA: Yes, thank you. I was actually looking
9 at the previous item until you bypassed it there. So I
10 realize this meeting is going longer maybe than you would
11 prefer. But pulling something off is an interesting
12 approach. I -- so I'm just reading over these bylaws that
13 are being proposed, the amendments. And -- I'll withdraw
14 my comments on this item in the interest of time once
15 again.

16 PRESIDENT FREDERICK SCHENK: All right. Thank you.
17 We will entertain a motion by Director Nejabat.

18 MR. NEJABAT: I move to consider and to vote now on
19 the amendments for the bylaws.

20 PRESIDENT FREDERICK SCHENK: Okay. Is there a second?

21 MS. MEAD: Second.

22 PRESIDENT FREDERICK SCHENK: Who got in there first?
23 Director Mead got in there first. I feel like a game show

1 host here. All right. It's been moved and seconded. Thank
2 you. Any discussion by the Board? Seeing none. We'll take
3 a vote.

4 MS. O'LEARY: President Schenk.

5 PRESIDENT FREDERICK SCHENK: Aye.

6 MS. O'LEARY: Vice President Gelfand.

7 MR. GELFAND: Aye.

8 MS. O'LEARY: Director Barkett.

9 MS. BARKETT: Aye.

10 MS. O'LEARY: Director Arabo.

11 MR. ARABO: Aye.

12 MS. O'LEARY: Director Blair.

13 MR. BLAIR: Aye.

14 MS. O'LEARY: Director Mead.

15 MS. MEAD: Aye.

16 MS. O'LEARY: Director Mosier.

17 MR. MOSIER: Aye.

18 MS. O'LEARY: Director Nejabat.

19 MR. NEJABAT: Aye.

20 PRESIDENT FREDERICK SCHENK: The motion carries. And
21 just in response, the other item was pulled because it
22 was moot, not because we didn't want a member of the
23 public to speak on something that we weren't going to

1 need to vote on. And with that, I'm going to turn it back
2 over to our CEO for the executive report.

3 MS. MOORE: All right, I'm going to give this very
4 quickly. But I first want to invite up to the dais here,
5 the senior vice president of food and beverage of ASM
6 Global, otherwise known to us as Premier Food Services,
7 to come on up. Because I'm just really pleased to make an
8 introduction of our new GM.

9 SHAUN BEARD: Thank you. Thank you, Carlene. Good to
10 see everybody again. I just want to give you a little bit
11 of background and I'll introduce you to our new general
12 manager of food and beverage.

13 But when we started off on looking for the, you know,
14 the perfect candidate, we spent a lot of time with staff,
15 Carlene and Katie, to find out what's going to be that
16 perfect person, right. And we knew that we wanted to have
17 somebody with a lot of great experience from around food
18 and beverage, not just in one particular area. Someone
19 that could really bring a lot of things from the industry
20 in. Which is really important to I think all of us. But
21 the other thing that was important, too, and this was
22 kind of on our wish list and I didn't know how we're
23 going to pull this one off, but we said the person needs

1 to kind of understand San Diego too. Because it's not
2 like Oklahoma, it's not like Arizona, it's not like
3 Oregon, it's San Diego. It's got a little bit different
4 vibe to it all. And we needed to kind of find that match.
5 So we did a nationwide search for over two and a half
6 months to kind of whittle down these candidates. And we
7 finally got down to the top, you know, two candidates.
8 And we did, again, more and more search. And I don't
9 think I gave Carlene and Katie all the details. But the
10 good news is our candidate, which I'll introduce you to.

11 Jamie, why don't you come on up.

12 I'll let him get into some of the details on some of
13 the background. You'll kind of see how this whole thing
14 came together. But thank you for your trust in running
15 your food and beverage. And yes, food and beverage is
16 important, you're right. I sit there and listen to
17 everything everyone says and it's great to be a part of
18 such a dynamic group of leaders and a facility such as
19 Del Mar. I'm going to turn it over to Jamie, our new
20 general manager of food and beverage.

21 JAMIE HOUTMAN: Thank you very much. I certainly don't
22 feel whittled, just so we can start off on the right
23 page. I'll just quickly say that I've got about 30 years

1 of experience in food and beverage pretty much in every
2 type and variation that you've ever had throughout
3 Southern California, Mammoth Lakes, Vancouver British
4 Columbia. And I'm just coming from the Houston Rockets in
5 Houston. So, and in the interest of driving revenue and
6 driving efficiencies and also living in a safe and
7 sustainable environment, I've got a little bit of all of
8 that kind of underneath my umbrella. Certainly have
9 driven sales to new heights in multiple locations, mainly
10 over the last four years with the arena in Houston. So as
11 far as the efficiencies of both driving revenue and doing
12 it in a smart manner with, you know, the clean and
13 coastal San Diego Del Mar in mind, I have got all that
14 kind of underneath my baby umbrella or my bald head.
15 However you look at it. Excited. I mean, I've been doing
16 this a long time and as soon as I saw this opportunity it
17 was something that I didn't take lightly having been in
18 San Diego for about 20 years. It's a very exciting
19 opportunity. So I certainly look forward to working with
20 everybody and showcasing that we can do a Premium level
21 of operation and continuing to increase, not just for the
22 breeders but you know, across-the-board for pretty much
23 everything. So thanks very much.

1 PRESIDENT FREDERICK SCHENK: Thank you. Well, welcome.
2 Cheers. Welcome back.

3 JAMIE HOUTMAN: Thank you. Yeah, thank you. Thank you
4 very much.

5 PRESIDENT FREDERICK SCHENK: Carlene.

6 MS. MOORE: Thank you. Yes, and so we've got a very
7 brief presentation on our WFA awards. All right, just
8 pull up the slide then. We'll make this quick. You guys
9 just pull up the slide. All right, yay! We got 40
10 awards. We are in the division of mega fairs. And really
11 importantly, I want to highlight our featured award for
12 best use of artificial intelligence, which was our
13 dynamic bees over here that you see at the right. In
14 terms of utilizing that with our Daily Buzz that we put
15 out to our staff, vendors, with the internal updates. So
16 we were recognized as the best of the best in the
17 industry for kind of the first use of AI within it.

18 PRESIDENT FREDERICK SCHENK: Was the one on the left
19 Niv and the other Idia?

20 [Laughter]

21 MS. MOORE: With that, anything else you want to add
22 to it, Tristan?

23 TRISTAN HALLMAN: Well, this is -- you know, this was

1 kind of our first foray into using AI for anything, which
2 I think is obviously new to the fair industry. We're --
3 we've continued to -- this was sort of a -- arose from a
4 need for internal communications and became a fun little
5 side part of this. But we've actually continued doing
6 these on a weekly basis for our full-time staff. So very
7 proud of that. We're obviously gone beyond the use of
8 just cartoon bees for AI. But that's an evolving
9 technology and it's evolving use for our fair so.

10 MS. MOORE: But similar to all bees, Paul N. Busby
11 from last year is deceased.

12 TRISTAN HALLMAN: Just like the Duolingo owl, which I
13 found out died today. Yes, but it will be back. The Daily
14 Buzz will be back in 2025.

15 PRESIDENT FREDERICK SCHENK: Well, congratulations to
16 the entire team.

17 MR. GELFAND: Can I ask a question? Was the use of
18 artificial intelligence in the animation of the cartoon
19 characters?

20 MS. MOORE: Yes.

21 MR. GELFAND: Okay. It didn't involve like the copy in
22 the newsletter or --

23 MS. MOORE: No.

1 [Laughter]

2 MS. MOORE: I also then want to just update. If you
3 recall, each February I update you on our annual spend on
4 standard agreement 23-021 for on-call environmental
5 services. This was an agreement that we entered, a
6 multiyear agreement we entered into back in May of 2023.
7 In 2023 our total spending, which again, it started in
8 May, was \$518,282. In 2024, our total spend on that was
9 \$818,298 dollars. So just an update to it. If you recall,
10 because we estimate for the purposes of that contract and
11 it's a five-year agreement, we have to estimate that
12 amount so there was the request to report back to an
13 annual basis on the spend.

14 I also want to just invite up very quickly Brad
15 Mason, our facilities director. We wanted to give just a
16 brief update with regard to our facilities condition
17 assessment report and the progress on that. This is a
18 report that's been in the works for a couple of years,
19 and Brad's just going to speak to it for a moment in
20 terms of where we're at and what to expect.

21 BRAD MASON: Good evening. The facility assessment
22 project was launched in 2023. The report was to help the
23 district understand the condition of the property and to

1 be able to create long-range forecasting for capital
2 improvements as well as general maintenance. The district
3 partnered with the California Construction Authority,
4 otherwise known as CCA, who engaged a vendor, Bureau
5 Veritas, to conduct the assessment on behalf of the
6 district which covers over 80 buildings and 300 acres.
7 Upon reviewing the approximate 600-page document when I
8 started with the district it became clear that some of
9 the buildings had not been assessed in sufficient detail.
10 As well as discrepancies in building information such as
11 square footages, construction dates, and cost forecast.
12 Efforts to get the detail of the report was complicated
13 with staff turnover with CCA, with Bureau Veritas, as
14 well as the District. We have currently met with CCA to
15 address these concerns. We are collaborating with CCA and
16 Bureau Veritas to reassess the under reported areas.

17 Additionally, we are working to provide greater
18 clarity on other aspects of the report. We understand the
19 importance of this document and we want to ensure that we
20 have the most accurate information to help the Board make
21 informed decisions regarding future capital improvements.
22 We anticipate bringing back the completed report to the
23 Board in 90 days as well as recommendations for an

1 addendum to the contract to increase information on the
2 assessment that was underrated portions of the property.

3 MS. MOORE: Thank you.

4 PRESIDENT FREDERICK SCHENK: Any brief comments from
5 the Board?

6 MR. ARABO: Very brief. I don't know if it's in this
7 subject but maybe for the next meeting if we could talk
8 about the Don Diego, the statue when we first enter. I
9 drove by today. It's very worn down. The plaque on it, no
10 one could read. I remember seeing it when I was a young
11 kid and it was like almost a historical site where it's
12 at --

13 PRESIDENT FREDERICK SCHENK: It's overgrown --

14 MR. ARABO: -- the next meeting, if we could agendize.
15 [multiple speakers] I don't know if it's facilities or
16 not but -- [multiple speakers]

17 PRESIDENT FREDERICK SCHENK: Some update from
18 facilities on the maintenance -- [multiple speakers]

19 BRAD MASON: For the next meeting?

20 PRESIDENT FREDERICK SCHENK: Yeah.

21 BRAD MASON: Of course.

22 PRESIDENT FREDERICK SCHENK: That would be great.

23 Thank you for that.

1 Any other comments or questions?

2 Carlene, anything further?

3 MS. MOORE: I'm going to postpone -- the Coast to
4 Crest Trail updates to next month in the interest of time
5 and having lost our presenter on that. And I just wanted
6 to point out having let him go, just for the night, not
7 permanently. But the -- also too, it was referenced and
8 in your packets on pages 111 to 115 is more information
9 that continues to come out with regard to the bird flu
10 impact on poultry and cattle shows. And I just wanted to
11 reiterate that we are following the guidance. Our team
12 remains very actively involved in the meetings at CDFA
13 and the state veterinarian continue to have, including
14 educational materials and things of that nature. So it's
15 obviously an ongoing and developing situation. But
16 there's just a lot of information that's also contained,
17 again, in the information in your packet.

18 PRESIDENT FREDERICK SCHENK: And I suspect there'll be
19 more on that in fair ops.

20 [multiple speakers]

21 MR. MOSIER: Can I just comment on the bird flu issue?
22 It's gotten a lot more complicated in the last week.
23 First, CDC has been shut down from reporting on bird flu.

1 So the only way you can find out about what's going on is
2 through academic institutions. There's been now a bird
3 flu that's transmitted to cats. And that infection is
4 lethal.

5 [off mic]

6 MR. MOSIER: In cats. Cats. Domestic cats. House cats.

7 PRESIDENT FREDERICK SCHENK: Not human.

8 MR. MOSIER: Well, no, but it's another vector to
9 infect humans. There's also been two new strains of bird
10 flu, one in ducks and one in cattle. So there are now
11 three circulating strains of bird flu. And again, there's
12 no human-to-human transmission yet but we have the worst
13 normal flu epidemic in many years.

14 PRESIDENT FREDERICK SCHENK: Yes.

15 MR. MOSIER: And so the chance of a bird flu getting
16 into a human and then recombining with the standard flu
17 strains is higher than it's ever been.

18 PRESIDENT FREDERICK SCHENK: And no inoculations yet.

19 MR. MOSIER: There is a vaccine that has been
20 developed against H5N1 but it's not readily available.
21 You have to -- if there was a flu pandemic you'd have to
22 scale up virtually immediately. And that is a traditional
23 vaccine grown in eggs and takes a long time to scale up.

1 So you -- what would have to happen would be like in
2 COVID, an mRNA vaccine would have to be rapidly developed
3 and distributed.

4 MS. BARKETT: [off mic] Can we eat eggs? Are eggs
5 okay?

6 PRESIDENT FREDERICK SCHENK: Michael.

7 MR. MOSIER: Raw milk is bad --

8 [multiple speakers - off mic]

9 MS. BARKETT: [off mic] Yeah, no raw, but eggs okay?

10 MR. MOSIER: Eggs are okay if they are --

11 [Indiscernible]

12 [multiple speakers - off mic]

13 MS. MOORE: We're postponing that to next month.

14 [multiple speakers - off mic]

15 MS. MOORE: I will share that with you.

16 [multiple speakers - off mic]

17 PRESIDENT FREDERICK SCHENK: Don, anything further to
18 share?

19 MR. MOSIER: No, sorry.

20 PRESIDENT FREDERICK SCHENK: Any other bad news?

21 All right. Number 9, we've got the matters of
22 information. Please see that there between page 116 and
23 196 involving correspondence and contracts executed per

1 our CEO's delegation of authority. I will entertain a
2 motion to adjourn.

3 MS. MOORE: [off mic] No, you had-- I'm sorry, you had
4 two public commenters signed up for the executive report.

5 PRESIDENT FREDERICK SCHENK: Ah we did. We did.

6 Ms. Sullivan, you are first. I apologize. Your turn,
7 Ms. Sullivan.

8 MARTHA SULLIVAN: Hi, this is Martha again. I know
9 you're in a rush to wrap up, as am I. I do want to ask
10 that the executive, the CEO try to provide like the
11 spending reports. That should be in writing. Unless it's
12 buried somewhere back up there at the end and I didn't
13 see it. That should be in writing. And I also want to
14 very much thank, Dr. Mosier, for being able to offer his
15 expert information and analysis on the bird flu status.
16 Thank you very much.

17 PRESIDENT FREDERICK SCHENK: Thank you, Ms. Sullivan.
18 And I share your and applaud Dr. Mosier's knowledge and
19 even though it's a little dark but it's -- even at this
20 late hour it's something worth sitting and waiting to
21 hear about.

22 Ms. Saldaña, you are going to be our last speaker of
23 the night.

1 LORI SALDAÑA: Well, yes. Thank you. Thanks for the
2 update on the status of information regarding avian flu.
3 At the federal level, I think the State of California is
4 doing a better job and that's why I asked the question
5 earlier, will the fair board be exploring and maybe this
6 is for the next meeting, taking materials provided by the
7 state to do public information. Because it seems that
8 we're not getting that from the federal level. And then,
9 how can the public get this information that the
10 executive director has presented prior to the verbal
11 report and I think. And I think I've asked this question
12 at previous meetings. So you went through very quickly a
13 Power Point about the coastal trail, didn't follow that
14 at all because it went by so fast. So in the interest of
15 transparency and providing the public with this
16 information ahead of time, can you please explain, do we
17 need to specifically request that separately from the
18 packet. How are you providing that to members of the
19 public. And so that we can understand what it is you're
20 going through at the time you're doing your verbal
21 report. Thank you.

22 MS. MOORE: Just to clarify for everyone, as I said at
23 the start of my executive report, we were actually moving

1 past the Coast to Crest Trail update. We'll provide that
2 at next month's meeting.

3 PRESIDENT FREDERICK SCHENK: Thank you.

4 Ms. Saldaña, you still had a little bit of time left.

5 No, she's done? All right.

6 Well, thank you, Ms. Saldaña.

7 And with that, I will now entertain a motion to
8 adjourn

9 MR. GELFAND: So moved.

10 PRESIDENT FREDERICK SCHENK: I'll take it by
11 acclimation. We are adjourned.

12

13

14 [Meeting adjourned at 5:59 p.m.]

15

16

17

18

19

20

21

22

23

24

CERTIFICATE OF TRANSCRIBER

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22

I, Antha A. Ward, do hereby certify that the 22nd District Agricultural Association Board of Directors Meeting was transcribed from audio by me; that said digital audio recording of said proceedings are a true and accurate record to the best of my knowledge, skills, and ability; that I am neither a member for, related to, nor employed by the District in which this was taken; and, further, that I am not a relative or employee of any member or staff employed by the District hereto, nor financially or otherwise interested in the outcome of this action.

Antha A. Ward
QuickCaption, Inc.

--o0o--