

BOARD OF DIRECTORS MEETING

22ND DISTRICT AGRICULTURAL ASSOCIATION

DEL MAR FAIRGROUNDS

2260 JIMMY DURANTE BOULEVARD

DEL MAR, CALIFORNIA 92014

(TELECONFERENCE)

TUESDAY, JANUARY 13, 2026

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1 IN ATTENDANCE

2 22ND DAA OFFICERS AND DIRECTORS PRESENT:

3 SAM NEJABAT, CHAIR

4 LISA BARKETT, VICE CHAIR

5 MARK ARABO, DIRECTOR

6 DONNA DeBERRY, DIRECTOR

7 MICHAEL GELFAND, DIRECTOR

8 KATHLYN MEAD, DIRECTOR

9 JOYCE ROWLAND, DIRECTOR

10 FREDERICK SCHENK, DIRECTOR

11 22ND DISTRICT AGRICULTURAL ASSOCIATION STAFF:

12 CARLENE MOORE, CHIEF EXECUTIVE OFFICER

13 KATIE MUELLER, CHIEF OPERATIONS OFFICER

14 TRISTAN HALLMAN, CHIEF COMMUNICATIONS OFFICER

15 MIKE SEYLE, CHIEF ADMINISTRATIVE OFFICER

16 DUSTIN FULLER, SUPERVISING ENVIRONMENTAL PLANNER

17 HENRY RIVERA, PRODUCTION DIRECTOR

18 MOLLY ARNOLD, ADMINISTRATIVE ASSISTANT

19 22ND DISTRICT AGRICULTURAL ASSOCIATION COUNSEL

20 JOSHUA CAPLAN, OFFICE OF THE ATTORNEY GENERAL

21 OTHER SPEAKERS:

22 PAUL ECKE III, DON DIEGO SCHOLARSHIP FOUNDATION

23 JOSH RUBINSTEIN, PRESIDENT & COO, DEL MAR

24 THOROUGHBRED CLUB

1 PUBLIC COMMENTERS:

2 MARTHA SULLIVAN

3 CHAUN REYNOLDS

4 ABIGAIL HAWTHORNE

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1 CHAIR NEJABAT: Good morning.

2 I hope everyone had a good holiday season.

3 Today is Tuesday, January 13th, 2026.

4 Sounds crazy saying that.

5 The time is 9:33 a.m.

6 I now call this meeting of the 22nd District Ag
7 Association Board of Directors to order.

8 Can we please get a roll?

9 MS. ARNOLD: Chair Nejabat.

10 CHAIR NEJABAT: Here.

11 MS. ARNOLD: Vice Chair Barkett.

12 MS. BARKETT: Here.

13 MS. ARNOLD: Director Arabo.

14 MR. ARABO: Here.

15 MS. ARNOLD: Director Blair is absent today.

16 Director DeBerry.

17 MS. DeBERRY: Here.

18 MS. ARNOLD: Director Gelfand.

19 MR. GELFAND: Here.

20 MS. ARNOLD: Director Mead is running a few minutes
21 late.

22 Director Rowland.

23 MS. ROWLAND: Here.

24 MS. ARNOLD: Director Schenk.

1 MR. SCHENK: Here.

2 CHAIR NEJABAT: Great.

3 We have a quorum.

4 We're going to move to the consent calendar.

5 With that, do we have any members of the public in
6 the room with us today that would like to speak on the
7 consent calendar, just the consent calendar item?

8 Seeing none.

9 We have no public speakers on Zoom.

10 Any request from board members to remove any
11 additional items from the consent calendar for further
12 individual discussion?

13 All right, seeing none.

14 Do I have a motion for approval on the consent
15 calendar?

16 Director Rowland.

17 Second, Director Schenk.

18 Can we please get a roll?

19 MS. ARNOLD: Chair Nejabat.

20 CHAIR NEJABAT: Aye.

21 MS. ARNOLD: Vice Chair Barkett.

22 MS. BARKETT: Aye.

23 MS. ARNOLD: Director Arabo.

24 MR. ARABO: Aye.

1 MS. ARNOLD: Director DeBerry.

2 MS. DeBERRY: Aye.

3 MS. ARNOLD: Director Gelfand.

4 MR. GELFAND: Aye.

5 MS. ARNOLD: Director Rowland.

6 MS. ROWLAND: Aye.

7 MS. ARNOLD: Director Schenk.

8 MR. SCHENK: Aye.

9 CHAIR NEJABAT: All right, great.

10 Motion carries.

11 Now moving onto public comment.

12 The board will not debate nor act on any comments
13 heard today.

14 If you are here to speak on an agenda item, please
15 wait until we take up that item.

16 Each speaker will be given 2 minutes to make their
17 remarks.

18 Do we have any public speakers in the room that
19 would like to speak on matters not on the agenda?

20 Public comment?

21 [indistinct chatter]

22 CHAIR NEJABAT: Perfect.

23 We have two Zoom speakers.

24 Chaun Reynolds, go ahead.

1 MS. MOORE: Is Mr. Reynolds in the queue?

2 MR. RIVERA: Yeah.

3 He's in the meeting right now.

4 He's still muted though.

5 CHAIR NEJABAT: As soon as --

6 MS. MOORE: MR. Reynolds, you're muted.

7 CHAIR NEJABAT: All right, we'll come back to him.

8 Martha Sullivan.

9 Martha Sullivan.

10 MARTHA SULLIVAN: Good morning, Martha Sullivan from

11 Imperial Beach.

12 Greetings of the new year.

13 A little over two years ago -- hello?

14 Hello?

15 MR. RIVERA: Stand by one second.

16 MARTHA SULLIVAN: Hello?

17 MR. RIVERA: Give me one second, Martha.

18 Try it one more time and we'll start your time over,

19 sorry.

20 CHAIR NEJABAT: Martha, go ahead, you have 2 minutes,

21 if you can hear us.

22 MARTHA SULLIVAN: I can hear you, can you hear me?

23 CHAIR NEJABAT: Yes.

24 MARTHA SULLIVAN: Thank you.

1 A little over two years ago, you enabled me and
2 others to hold a vigil on Homeless Persons' Memorial Day,
3 which is held on the longest night of the year on the
4 winter solstice.

5 It was a very impactful and memorable day, for which
6 we continue to be grateful to you.

7 I wish to share with you a quote of a San Diego city
8 council member from an L.A.

9 Times report published over 33 years ago, which
10 documents how very long San Diego County has had a large
11 population of homeless residents.

12 Quote, it astounds me that the city could mobilize
13 overnight and have all these officers available to evict
14 these people, end quote, he said.

15 Quote, the number of people and amount of resources
16 used to do this is astounding considering that we can't
17 even begin to solve the homeless problem.

18 The mayor says this was an illegal camp but what did
19 we accomplish by this.

20 We now have 60 to 70 people living in neighborhoods,
21 doorways and bushes causing problems and breaking more
22 laws.

23 They are out there breaking more laws than that
24 broke in that parking lot, end quote.

1 In 1996, the City of San Diego reported to the U.S.
2 Department Housing and Urban Development that there were
3 about 6,000 homeless residents in the city.

4 This is slightly more than what was reported for the
5 city for the point in time count almost a year ago.

6 We have made little progress in over 30 years in
7 reducing homelessness in San Diego County.

8 This must be faced as a moral failure it is on our
9 collective part.

10 Thank you.

11 CHAIR NEJABAT: Thank you.

12 Chaun Reynolds, 2 minutes.

13 CHAUN REYNOLDS: Terribly sorry, can you hear me now?

14 CHAIR NEJABAT: You can speak a little louder.

15 CHAUN REYNOLDS: Okay, how's this?

16 CHAIR NEJABAT: Perfect.

17 CHAUN REYNOLDS: All right.

18 A month ago, the Los Angeles Times published the
19 results of its deep investigation into California's fair
20 industry with the Del Mar Fairgrounds unflattering
21 features.

22 Quote, collectively the fairs bring in more than
23 \$400 million a year in revenue and many fairgoers see
24 them as priceless cultural events honoring California's

1 agricultural heritage in their local communities.

2 But despite their crucial role, the Times found the
3 state and county leaders overseeing these fairs have
4 often failed to step in even when problems are glaring or
5 have been denounced by auditors or judges.

6 The state Department of Food and Agriculture
7 oversees 52 of the local fairs through district and
8 agricultural associations.

9 An additional 22 plus the state fair and two citrus
10 fairs are in the state's network of fairs, meaning that
11 they receive some state funding but are overseen by local
12 governments and nonprofits.

13 There needs to be more accountability said John
14 Moot, a San Diego lawyer who represented a carnival
15 company that sued both San Diego and Orange County fairs,
16 both of which are overseen by the state.

17 Last year that carnival company, Talley Amusements
18 was paid \$500,000 by the San Diego County Fair to settle
19 a lawsuit that alleged that fair officials had engaged in
20 bid rigging when they went to handout a multi-million
21 dollar contract to run rides and games on the midway.

22 A San Diego County judge wrote that the evidence he
23 reviewed supports an inference of favoritism, fraud and
24 corruption as to the award of public contracts.

1 Although no such definitive findings are made
2 herein.

3 Thank you.

4 CHAIR NEJABAT: Thank you.

5 With that, we'll move on to the executive report and
6 then just go to closed session so everyone knows.

7 At this time, I would like to recognize CEO Carlene
8 Moore to provide her executive report.

9 MS. MOORE: All right.

10 Well, first up I would like to invite Paul Ecke, Jr.
11 up to the podium to present on behalf of the Don Diego
12 Scholarship Foundation.

13 Thank you, Paul.

14 PAUL ECKE: [off mic]

15 How about that?

16 That sounds better.

17 Okay, I am Paul Ecke, III.

18 Long time member of the Don Diego Foundation.

19 That's what I'm here to speak about today.

20 And we, some of you know that we've celebrated our
21 40th anniversary this year, which is a long time but
22 we've done a lot of great work over those 40 years and
23 we've enjoyed a great relationship with this board.

24 You know, we're not part of you but we're kind of

1 like a cousin, I guess.

2 And you know, we love that relationship.

3 It's really good for both of us I think.

4 So on our board, we have a few board members in this
5 room.

6 Fred, Mark, Lisa, and now Sam.

7 And you might remember Donna DeBerry, she's also on
8 our board now.

9 We're very excited and we've got a bunch of other
10 board members, I won't read those.

11 In the last 40 years we've awarded over \$4.1 million
12 in scholarships.

13 And that's gone to over 400 awardees.

14 And I want to point out that those are all those
15 awardees are related to the fair.

16 They are either 4-H-ers that show here, FFA members
17 that show here, grange, I guess vocational/educational
18 people, scholarship.

19 But everybody that gets a scholarship has to be
20 associated with the fair.

21 You can also show, you can exhibit at the fair or
22 you can be an employee at the fair.

23 All of those people that get a scholarship are
24 associated with this fair in some way.

1 And as I said, VOC ED is one of our newer
2 categories.

3 And we think that's going to be more important as
4 the years go on, because a lot of people are getting into
5 that these days.

6 Right now you can apply for a scholarship up until
7 March 30th.

8 After that close, as we have a selection committee
9 and then we review submissions.

10 We do it right here in this room.

11 It's a long day but super satisfying.

12 And for all of you who have done it, you know what
13 I'm talking about.

14 For me, it's super inspiring.

15 These kids and even older than kids, you know, every
16 time I think the world is going to you know where in a
17 hand basket, I interview these kid and I go, man, these
18 guys are so smart and they're so, you know, inspiring.

19 For me, it's inspiring.

20 And so, we're also looking forward to the line-up
21 for the fair, the concert line-up.

22 Most of you know that we do a gala during the fair.

23 And we associate it with a concert.

24 And so what we like to do is get a good concert that

1 we think will bring in people.

2 And then we buy tickets and then we do a gala.

3 Last year we did it on the, what's it called?

4 The Corona Veranda.

5 And that was very successful.

6 And we look forward to getting that line-up and so
7 then we can pick which one would be the best one.

8 And I'm hoping that all of you guys can attend as
9 well.

10 So we're excited about 2026.

11 We want to keep our relationship strong and vibrant.

12 And we appreciate all your help.

13 So thank you very much.

14 Happy new year.

15 MS. MOORE: Thank you.

16 And thank you, Paul.

17 My apologies for having referenced you as your
18 father in introducing you.

19 And just to remind board members as well, the garden
20 show is actually named after Paul's father, it's the Paul
21 Ecke Jr.

22 Garden Show.

23 So just want to acknowledge -

24 PAUL ECKE: You are not the only one that's done

1 that, believe me.

2 So that's why we named our son Max.

3 So thank you very much.

4 MS. MOORE: Thank you.

5 MS. BARKETT: Thank you, Paul.

6 Carlene, if I could.

7 I just want to commend you, Paul, because he's been
8 president of that board and also has chaired the
9 scholarship committee for, I mean --

10 PAUL ECKE: A while.

11 MS. BARKETT: A while, a long time.

12 And he really puts his heart and soul into it.

13 So I want to thank you for your commitment.

14 PAUL ECKE: It's worth it.

15 CHAIR NEJABAT: Thank you.

16 PAUL ECKE: Okay.

17 Thanks a lot.

18 MS. MOORE: Thank you.

19 PAUL ECKE: I will leave you guys to your business.

20 MS. MOORE: So I'm actually going to ask Tristan if
21 he can make his way up to the podium.

22 Just some brief operational announcements and then
23 move on into to our closed session.

24 I want to make the board aware that I have been

1 experiencing some technological issues and email issues
2 over the past several days.

3 And I.T. is working through it.

4 But until further notice, if you send me an email
5 please text me and let me know so we can go and look for
6 it.

7 Some messages might not be coming through along with
8 some other challenges.

9 But they are trying to work through that.

10 I also want to just -- a couple of housekeeping
11 items.

12 You have before you updated binders, including the
13 2026 Bagley-Keene Open Meeting Act guide from the
14 Department of Justice.

15 Reference materials, new binders, new covers, new
16 spines, all updated.

17 And we'll continue to keep that updated each month
18 as we move forward.

19 And then I also just want to put on every body's
20 radar for next month, during the budget process and even
21 over the course of last year in the fall we talked about
22 parallel site visits and we identified some for out-of-
23 state travel for the coming year.

24 And so next month we'll be bringing forward those to

1 the board.

2 But I want to put on your radar one of the first
3 ones is the Houston Livestock Show and Rodeo.

4 This is one of the biggest fairs, if you will.

5 Although, they will tell you they are the Houston
6 Livestock Show and Rodeo, carnivals and things like that.

7 And that is March 2nd through the 22nd.

8 And so be thinking about in terms of hopefully next
9 month's meeting we can narrow down to a time if any board
10 members would like to attend, we can arrange some
11 meetings and things like that while we're there.

12 That's the time period for that particular one.

13 Hmm?

14 The Houston Livestock Show and Rodeo is in Houston.

15 Sorry.

16 This is traveling to Houston for it.

17 If any of you follow the NFL, the Houston Texans
18 play -- the stadium that they play in is part of the
19 Houston Livestock Show and Rodeo grounds.

20 MR. SCHENK: So we lost the Chargers playing in the
21 arena here?

22 We could have had them.

23 Are there dates that are in mind that if you are
24 inviting the board to join, are there specific dates that

1 you have in mind?

2 MS. MOORE: I'm going to -- I will be reaching out to
3 you as board members sending out an email, ha-ha, given
4 that I just told you it's not working really great.

5 I might have Molly to do that.

6 But to reach out to you to find out prospective
7 dates so we could narrow that down to then bring forward
8 a recommendation by the February meeting.

9 It's March 2nd through the 22nd.

10 And then also you all received at your places today
11 an invitation to the Art of Banksy, the VIP preview
12 event, which is happening on January 29th.

13 If you would like to attend, please RSVP to Molly.

14 And we need you to RSVP by the 20th so we can submit
15 our complete list to the promoters.

16 You have cards at your stations.

17 And with that --

18 MR. GELFAND: What is the point of that show?

19 MS. MOORE: That show runs, this is similar to the
20 Beyond Van Gogh that we've had or the King Tut exhibit.

21 So it will be running through April with certain
22 days of the week in terms of ticket availability.

23 This is just for the VIP event, the invitation that
24 you currently have.

1 And of course, if you are interested, if you can't
2 make the VIP and you are interested in attending
3 otherwise, please just let us know.

4 And with that, I invited Tristan up to the podium
5 just to kind of give a brief update on where we're at in
6 scheduling additional fairgrounds 2050 open houses.

7 TRISTAN HALLMAN: Yes.

8 Thank you, Carlene.

9 I was worried you called me up here to ask how to
10 fix your emails.

11 So as a reminder, the fairgrounds 2050 open houses
12 event, they meant to raise awareness of our Master Site
13 Planning effort, give our community chances,
14 opportunities to come and engage in person.

15 High-level hopes and dreams were not into specifics
16 yet.

17 So this is preliminary market research and education
18 and engagement.

19 After we're done with these events just so you know,
20 we'll begin shifting toward the more technical
21 feasibility work and gathering input from the best minds
22 and having the board hear from that.

23 But at our November meeting just before
24 Thanksgiving, you asked us to consider doing another open

1 house in southeast San Diego.

2 So we're working on that.

3 That got us thinking, though, okay well, let's see
4 if there is anywhere else that we maybe didn't give the
5 same level of accessibility to.

6 So we identified three areas in total.

7 So we were going to do southeast San Diego.

8 We're looking at Carlsbad as well, coastal north
9 county.

10 And then we're also going to do around the area,
11 Miramar, Mira Mesa, Convoy District.

12 That was sort of when we drew circles around where
13 we had the open houses, that one was kind of on the edge
14 of three in terms of accessible.

15 So we're going to have three more.

16 And we're, you know, firming up dates for these
17 events.

18 Finding venues last time, that was the hardest part
19 is getting them scheduled.

20 Getting people to advertising them was relatively
21 easy comparatively.

22 So we're working to finalize the southeast San Diego
23 event.

24 We've applied for a venue in Carlsbad and we're

1 looking for the third venue as well.

2 So these are probably going to be February dates.

3 After February we need to kind of hunker down and
4 really focus on promoting the fair.

5 That's when we start rolling out announcements about
6 the fair programming.

7 One thing we worked really hard to do at these
8 sessions is separate the fair, people's input on who they
9 want to see on the grandstand or what kind of things they
10 would like to see from the Master Site Planning process,
11 which is much more, you know, land use future focused
12 versus we would like to, you know, have a discount to the
13 fair or get tickets somewhere.

14 So even in the fall we had that.

15 So we want useful feedback and participation.

16 And once we're done with all that, we'll also push
17 out an online survey so that if anyone was not able to
18 participate or didn't feel comfortable coming in person,
19 they have the opportunity to give us their input as well.

20 So yes.

21 MS. MOORE: Great.

22 Yes, did you have a question?

23 MS. DeBERRY: [off mic]

24 MS. MOORE: Oh, wait.

1 Use your mic.

2 MS. DeBERRY: I'm the only one in the room.

3 So as it relates to the southeastern San Diego, are
4 you working with any particular organization?

5 That's the first question.

6 And the second question is do you have a venue?

7 TRISTAN HALLMAN: The venue that we're talking about
8 a city recreation center venue.

9 I don't want to say it because we don't have a
10 contract.

11 MS. DeBERRY: That's fine.

12 TRISTAN HALLMAN: But in terms of the promotion for
13 the event, that's where we're going to look to partner
14 with organizations.

15 MS. DeBERRY: Okay.

16 So if you need - no, no, no, that's a good thing.

17 Because if you need help with that, I can certainly
18 recommend.

19 Southeastern San Diego is a very interesting place
20 and it really is about the relationships of the specific
21 organizations and who and all of that.

22 Otherwise you won't have a good showing.

23 So please allow if you are okay, to me to make
24 recommendations and some suggestions and introductions so

1 that you could have a really good turnout.

2 TRISTAN HALLMAN: Yes, absolutely.

3 That's something that we want to -- the turnout is -

4 -

5 MS. DeBERRY: Is everything.

6 TRISTAN HALLMAN: But we want to give them a date and
7 a place.

8 MS. DeBERRY: And then the second part of the
9 statement for me is the fact if you haven't signed that
10 contract yet for a venue, I certainly would like to make
11 a recommendation where I know people will show up.

12 And even partner with a particular meeting where I
13 know that southeastern San Diego community shows up.

14 So that could be like you could piggyback on that.

15 And they would actually enjoy it and really be, feel
16 much more included.

17 MS. MOORE: Yeah.

18 If - you don't have to do it right -- after this
19 meeting or something, if you will share that information.

20 MS. DeBERRY: Absolutely.

21 MS. MOORE: I would be happy to follow up on that.

22 And with that, even for all of the three locations
23 that Tristan was talking about, any ideas for partner
24 organizations and people to help promote the message as

1 well, please do share those with us.

2 TRISTAN HALLMAN: Yes.

3 That was very helpful to us the first time around
4 too in the fall.

5 MS. DeBERRY: When it comes to southeastern San
6 Diego, I can help you all the way down the line.

7 MS. MOORE: Thank you.

8 Just very briefly.

9 Not seeing Katie yet at this moment, but she was
10 just going to briefly update you on -- so next week a few
11 of our staff members will be traveling to the Western
12 Fairs Association, Conference and Convention.

13 It's kind of the last one of the conference season,
14 which tends to run November through January.

15 So they will be attending that.

16 And then last week I was at, so CDFA, Deputy
17 Secretary Michael Flores has reinstated his monthly
18 collaborative exchange meetings.

19 These are meetings of, in essence, my colleagues,
20 CEOs of the other fairgrounds throughout California, in-
21 person meetings.

22 Part of that is just bringing together this group of
23 peers for discussions with the Department of Food and
24 Agriculture.

1 Also offered in that is information, training
2 information and so forth that bring back, working to get
3 that I bring back to the team.

4 This week it was CalPERS and we learned some changes
5 around especially retired annuitants and things like
6 that.

7 Anyhow, so those are - well, they were scheduled for
8 the first Wednesday of every month, but now they've
9 changed the one for February.

10 Anyhow, I will keep you apprised of those as they do
11 occur.

12 And with that, that concludes my report.

13 CHAIR NEJABAT: Thank you.

14 Any questions?

15 MS. DeBERRY: Yep.

16 So a question for you.

17 Specific to that meeting, is there anything that you
18 could share at those meetings that would be relevant or
19 important for the board or you know just like you are
20 attending, what are the things that you learned or
21 something that we could do around the fair or even think
22 about?

23 I'm just curious.

24 MS. MOORE: Well, I would just say --

1 MS. DeBERRY: I'm not trying to put you on the spot.

2 MS. MOORE: And I can do that in terms of a more
3 detailed report.

4 A lot of it is really the relationship building that
5 Deputy Secretary Flores has been working on within this
6 industry and with the CEO.

7 So that's a big part of this.

8 But making, and then providing information.

9 You know a lot of the organizations are small staffs
10 so sometimes in the information can vary.

11 Sometimes it can be two people their staffs are,
12 some are larger like us.

13 And then there are those in the middle.

14 But sometimes the information that's being presented
15 is operational.

16 Sometimes it is a higher-level discussion.

17 It also can change.

18 They are working to map out what the upcoming topics
19 will be so that we have that information in advance.

20 But I'm happy to provide a more robust report from
21 that meeting for the board.

22 But it's at this time, it's not in terms of the
23 board information consideration really that hasn't been
24 the focus of it.

1 MS. DeBERRY: I don't even know if I'm suggesting
2 that.

3 It's more around when I attend industry meetings as
4 a CEO of an organization, I'm always looking whether it's
5 one person, two, 10, I don't care.

6 What I'm looking for is best practices.

7 Because when you're together, you are ideating
8 around things that could be something that you could
9 bring to the board to say hey, listen this one person
10 said this and I think it would be a good idea for us to
11 consider those things.

12 That's all.

13 MS. MOORE: Yes.

14 MS. DeBERRY: That's it.

15 MS. MOORE: Yeah, and so I'm happy to make that more
16 robust reporting going forward, and especially now that
17 we know this is occurring on a monthly basis.

18 CHAIR NEJABAT: All right.

19 MS. DeBERRY: I'm on fire.

20 CHAIR NEJABAT: I love it.

21 Anything else?

22 >> [indistinct chatter]

23 CHAIR NEJABAT: All right.

24 Seeing no members of the public in the room and

1 nobody signed up online that will conclude public comment
2 and the executive report.

3 So now we will move on to closed session, item
4 number 3.

5 The board will now take up matters described under
6 item 3 on the agenda.

7 As noted on the agenda, we intend to return around
8 10:30 a.m., the current time is 10 a.m.

9 And pursuant to the authority of Government Code
10 section 11126(a), (b), and (e) the Board of Directors
11 will meet in closed executive sessions on items described
12 on today's agenda.

13 [The board has recessed to closed session at 10:00
14 a.m.]

15 [The board has returned from closed session at 11:11
16 a.m.]

17 MR. RIVERA: The room is live.

18 Everyone, the room is live.

19 [The board reconvened into open session at 11:11
20 a.m.]

21 CHAIR NEJABAT: All right.

22 Okay.

23 All right.

24 The time is 11:11, that's a good sign.

1 And we have returned from our closed executive
2 session.

3 The 22nd DAA Board of Directors considered the advice
4 of counsel on the items listed on the closed session
5 portion of the agenda and nothing to report out.

6 With that, we are now on to our general business,
7 which consists of items listed under section 8 on our
8 agenda.

9 Before we get started, I have a note about our order
10 of business today.

11 As a reminder to the public, under Bagley-Keene
12 we're required to post our agenda 10 days prior to the
13 meeting and we do our best to anticipate the business
14 that the board will need to consider.

15 I am noting this because the Finance Committee was
16 unable to meet prior to today's meetings, so while there
17 is the monthly financial report from staff in the packet
18 today, we will not be taking up item 8-F at this meeting,
19 which is the Finance Committee report.

20 We look forward to providing a full report in
21 February.

22 With that, we'll now move on to item 8-A, the Audit
23 & Governance Committee report.

24 This is an information item only and the board will

1 not be taking action today.

2 The report can be found on pages 56 to 58 in your
3 packet.

4 Director Mead, do you have anything to add?

5 MS. MEAD: I do not.

6 CHAIR NEJABAT: Any discussion or comments from the
7 board?

8 No?

9 Seeing none.

10 Any members of the public in the room who wish to
11 speak on the item?

12 Seeing none.

13 We have one caller on the queue and that's Martha
14 Sullivan, 2 minutes.

15 MARTHA SULLIVAN: Martha Sullivan from Imperial
16 Beach.

17 Thank you, but I'm going to pass.

18 CHAIR NEJABAT: All right.

19 That concludes public comment on this informational
20 agenda item.

21 We are now on to item 8-B, which is the DMTC Liaison
22 Committee report.

23 This is an information item only.

24 The chair now recognizes Director Arabo for the

1 verbal report.

2 MR. ARABO: Thank you, Chair Nejabat.

3 The DMTC Liaison Committee met, myself and Vice
4 President Barkett and our CEO Carlene Moore and Josh
5 Rubinstein.

6 I prepared a handout for one of the items I'm going
7 to speak about today.

8 There's also extra handouts for the public.

9 At the end of the meeting I'll give a handout to you
10 so you can put it in the public record.

11 Before I talk, the handout's regarding the video
12 screens that this board approved last month, unanimously
13 approved last month.

14 And some of it is I was surprised to see item C on
15 here because we talked about the screens in our committee
16 report, but there might be some overlap and some of the
17 handout will address that item as well.

18 It's really one item, I'm surprised seeing it broken
19 up into two.

20 Before I get into the screen, I would like to say
21 that DMTC met with the committee and we're very bullish
22 about the bucking the trend and trajectory for horse
23 racing in general.

24 I believe last year for -- and I'll have Josh

1 Rubinstein at the end of our report to come and say a few
2 words about the success they've had and what they are
3 doing.

4 We always stress safety and efficiencies and drive
5 revenue for the district.

6 For the handout I'll jump into the screens and I'll
7 be pretty brief.

8 I want to be clear at the outset, I want to be very
9 respectful and not personal.

10 In December, this board approved unanimously 7-0,
11 modernization and replacement of video boards, designated
12 DMTC as the delivery lead and established a funding
13 framework.

14 Received after approval and today's packet reframes
15 the entire direction.

16 The committee did not see the documents before it
17 was put in the packet, nor would we approve of it because
18 it's out of the scope of what the board commissioned the
19 staff to do.

20 Instead of an implementation plan, we received a
21 document that seems to relitigate the scope and
22 emphasizes hypothetical barriers, procurement, permitting
23 and engineering are real obligations but they are reasons
24 to manage, not reasons to pause.

1 The Paddock boards can proceed immediately once the
2 bids are in and the process is followed.

3 And the remaining boards require sequencing, not
4 delay.

5 The board did not ask staff to reconsider the
6 project, we asked staff to support implementation.

7 My request is straightforward.

8 Convene the committee meeting aligned with DMTC as
9 delivery lead and return with a single execution, roadmap
10 and timelines.

11 I also wanted to add that we had a call with our
12 counsel, Josh Caplan, and we asked him to provide an
13 advisory regarding how we could streamline the
14 replacement of the video boards but make sure we're
15 always compliant and we dot all our Is and cross all our
16 Ts.

17 And I'd like to go over the handout as well.

18 The board approved a motion that authorized the
19 modernization of three existing video boards to enhance
20 customer experience, support horse racing, and increase
21 revenue opportunities and position Del Mar for future
22 premier events, replacement of screens, installation of
23 existing locations.

24 DMTC was designated as the lead for project delivery

1 working with staff.

2 And the district financial participation was capped
3 at \$3 million over five years.

4 Staff was directed to support implementation
5 consistent with procurement, CEQA, and permitting.

6 More importantly, the board did not authorize
7 reconsideration of scope, delay pending alternatives or
8 reevaluation of whether the project should proceed.

9 The authorization this board gave unanimously was to
10 implement.

11 What we see today in the packet, which is a surprise
12 to our committee, it reframes in my opinion, the approved
13 project as an information only item and introduces a
14 broad range of contingencies, alternatives, and
15 hypothetical obstacles that materially change the posture
16 from execution to reconsideration.

17 Characterizing the project as ongoing research
18 rather than implementation is presenting alternatives,
19 scopes, that reduce or defer the approved motion.

20 It aggregates risk without sequencing, timelines or
21 recommended paths forward, and emphasizes uncertainty
22 without acknowledging the approved funding framework.

23 I would like to go point by point.

24 The first point is the Paddock video boards.

1 As many on this board know, the Paddock video boards
2 is a like for like replacement of electronic equipment.

3 Does not require any construction or demolition or
4 structural modification.

5 From what I understand, there is no permitting or
6 CEQA issues identified and the Paddock boards is not
7 considered a public works project.

8 Despite being the simplest and fastest component,
9 the Paddock boards were not presented in the packet as an
10 immediate execution item.

11 These boards can, and after the bids are done and
12 follow those processes, it should proceed without delay.

13 Onto the 5-Points board, which is as you enter the
14 fairgrounds.

15 This is an expansion within an existing monument
16 sign, engineering, permitting, and construction
17 anticipated.

18 And complexity was known prior to the board
19 approval.

20 The staff report in the packet today emphasizes
21 difficulty but does not present a sequence execution
22 plan.

23 Complexity requires management, not deferral.
24 The grandstand video board.

1 It's a larger replacement requiring new structure
2 and foundations, requiring engineering, soil analysis,
3 and permits.

4 And we also have interaction with existing Verizon
5 lease, which is a known variable.

6 The report aggregates all potential risk without
7 prioritization of parallel processing.

8 Capital projects of this scale routinely address
9 these issues concurrently.

10 Procurement CEQA and public works requirements are
11 process obligations.

12 They are not barriers to initiating work, nor do
13 they require pausing execution absent a recommended path
14 forward.

15 The committee will meet again in January to come
16 back to the board to consider potential use of CMAS if
17 the board would like.

18 And that could be another way to streamline the
19 execution of the upgrading of signs.

20 CCA or DGS may also be used for construction and
21 inspection when required.

22 The board approval of procurement method can be
23 scheduled, not deferred indefinitely.

24 The core misalignment.

1 The board approved the what's, the who, the funding
2 framework and the urgency.

3 The post-approval materials in the packet today,
4 which the committee did not know of, reintroduces the
5 question of whether the project should proceed.

6 What we should do to the committee is affirm that
7 December 2025 motion that is still in effect, it was
8 passed unanimously 7 to 0.

9 DMTC is the designated delivery lead working with
10 staff.

11 Staff's role is compliance, facilitation, and
12 execution support and immediate components of what we can
13 do to proceed as soon as we can.

14 Remaining components require timelines, not
15 alternatives.

16 So we're hoping to take this issue up every month in
17 the DMTC Liaison Committee report.

18 And we want to provide the board a roadmap with
19 milestones and near-term execution and layout the long-
20 term construction steps.

21 This packet I'll give also to the chair to provide
22 for the public to see.

23 And each board member has their packet as well.

24 CHAIR NEJABAT: Thank you, Director Arabo.

1 Any discussion from the board?

2 MS. MEAD: Thank you.

3 Director Arabo, I have a quick question, and that is
4 that I understood that the pricing we were given was for
5 the three video boards for the procurement.

6 Can we actually get that pricing and breakdown the
7 project into individual parts, meaning I see your
8 document on the one on the board book identifies, for
9 example, in one of the locations that that one can move
10 forward.

11 But my understanding is that none of these can move
12 forward without all of them moving forward similarly, is
13 that correct or incorrect?

14 MR. ARABO: That is --

15 MS. MEAD: Procurement.

16 MR. ARABO: Yeah.

17 Procurement's perspective we're studying how to do
18 it.

19 The staff is looking at getting, from what we
20 understand, a committee, multiple bids in the process.

21 We might also come back next month to reconsider the
22 use of CMAS.

23 From what the committee understands, CMAS has never
24 been executed from this organization.

1 We'll get a more thorough readout of a lever that if
2 the board approves it, which they could use vendors that
3 are already state approved.

4 And they still need multiple quotes, but in some
5 instances it streamlines it.

6 We'll definitely get a more robust, the committee is
7 expecting to get a robust report about CMAS over the next
8 February meeting.

9 We're in search of different vendors than the ones.

10 We definitely want to make sure that we follow all
11 processes and procedures and compliances at the forefront
12 of everything we're looking at.

13 From what we understand from the one vendor that
14 there's no commitment yet, but from the quotes that DMTC
15 brought up, it's a package deal.

16 We want to see if they could stage the
17 implementation of it.

18 And we're still doing research on the cost if at any
19 time it exceeds that cost, we'll immediately let this
20 board know.

21 Because you know, we want to make sure we stay
22 within the exact motion that was approved by this board
23 in December.

24 So it's more factfinding.

1 We're very optimistic.

2 We've asked our counsel to come up with advisory of
3 one that is narrow to the scope of the motion, one that's
4 more broad, what the board could consider in the future.

5 And to get a roadmap for future boards.

6 It's very important from our committee to look at us
7 as future/former board members.

8 We want to do something that future board members
9 can act in a clear, concise path.

10 MS. MEAD: Thank you.

11 One follow-on comment.

12 My read of the document in the board book, and I
13 went back and looked at it in relation to your memo, I'm
14 not seeing what -- I guess I'm going to go out on a limb
15 with obstructionism.

16 I'm seeing similarly in the board book that the
17 process has begun as identifying opportunities or those
18 opportunities and potential issues.

19 Issues that we as a board could not be aware of when
20 we asked the staff to consider an implementation process.

21 I suspect in any implementation process there are
22 going to be issues that we have to work around.

23 And I just want you to know that in my read of this,
24 I feel like the board is or the staff is taking the steps

1 to implement and bringing to our attention any potential
2 issues.

3 So I just want to be sure that, you know, that I see
4 a bridge between the two and not necessarily that there
5 is any obstructionism.

6 MR. ARABO: Yeah.

7 And I want to be very clear, I did not put that in
8 the handout.

9 And I did not use the word 'obstructionism.' So
10 yeah, and I also agree that there is no obstructionism.

11 I was surprised to see it in the packet and hasn't
12 been -- this is an item that the committee has been
13 working on.

14 And we have thorough documents on it.

15 I think for the chair for future committees if the
16 committee's work on an item, the committee chair at
17 least, the whole committee should have awareness of items
18 in the packet.

19 I don't want to use the word 'blindsided' but be
20 surprised to see an item about an issue we're working on.

21 This is like a misalignment which I'm trying to
22 realign.

23 MS. MEAD: Okay.

24 MS. BARKETT: I think Joyce had a question.

1 CHAIR NEJABAT: I was going to go to her after.

2 MS. BARKETT: Okay.

3 MR. SCHENK: You want to go that way or this way?

4 CHAIR NEJABAT: Go ahead.

5 MR. SCHENK: Is it alright?

6 Okay.

7 Mark, I appreciate this information that you

8 provided.

9 But it's an information item, not an action item.

10 So I'm curious if you could or do you have a sense
11 of proposed action items and a timeline for those?

12 MR. ARABO: Yeah.

13 It was an information item.

14 I think the committee will go back and study the
15 CMAS more if the committee recommends it for the board to
16 do it.

17 The board would have to activate CMAS as a lever to
18 expedite the purchasing and installation of the three
19 video boards.

20 We were given unclear information from of the
21 process to follow so we were very keen on asking our
22 counsel to come up with advisory memos, not just for this
23 project but future projects.

24 Some items DMTC would do repair and maintenance and

1 then the district with the reimburse, some of them they
2 wouldn't.

3 Some in the past was not clear how it was.

4 Video boards were purchased at one time and put up.

5 We're still gathering how that was done.

6 We still don't know.

7 We want to be very thorough in following all the
8 compliance items around this issue.

9 And there's some screens that from what I understand
10 can go fast after a vendor, after staff has identified a
11 vendor, like the Paddock.

12 There's other screens that take time but it's a
13 process, it's not -- we're very optimistic.

14 MR. SCHENK: But of course these are not limited to
15 DMTC uses, right?

16 MR. ARABO: Correct.

17 No, the screens are --

18 MR. SCHENK: I didn't really see that.

19 Maybe I missed it, but that wasn't really
20 identified, the variety of use interests for these
21 screen.

22 I would appreciate maybe that being a part of the
23 conversation.

24 MR. ARABO: Yeah, great point.

1 I think when the board approved it last month
2 unanimously, the idea was modernizing the whole facility.

3 It's really the screens for the district during the
4 fair, during concerts, welcoming and also we looked at
5 other events.

6 It's not just for -- although this was brought by a
7 wish list that DMTC brought the board, after further
8 consideration the board said it's a great idea, and can
9 have multiple other uses besides horse racing.

10 Thank you for pointing that out.

11 CHAIR NEJABAT: Director Rowland.

12 MS. ROWLAND: Sorry.

13 In my view, the detail in the staff information, and
14 I just see it as information, is kind of exactly the sort
15 of thing that I want to hear from the staff, like what
16 are the ins and the outs and even the idea of
17 alternatives.

18 I mean, I don't find that offensive for them to
19 think of ways to overcome the issues that the board might
20 recognize in a plan that was thoughtfully discussed.

21 But as I recall, there was a budget put together of
22 what was \$3 million, right?

23 And but now I'm understanding that there probably
24 are a lot of other costs that we did not consider and

1 were not in that \$3 million.

2 And so, I don't know what they all are now but that
3 to me is interesting and kind of goes beyond the motion.

4 So if for example, it was now going to be \$4 million
5 or \$5 million, I don't know, then that's something that I
6 think that the board as a whole should really by
7 thoughtful about.

8 I would want to know that.

9 I don't find the prospect of that being delved into
10 in any way problematic.

11 I think it's exactly the sort of thing I would
12 expect staff to have done.

13 And then I wonder too, I guess this stays in the
14 committee, I don't know, as a project now.

15 Or is that -- but I would just say, I always want to
16 know what concerns staff has.

17 And I also did not read it as being, trying to
18 waylay or do a different plan.

19 It's just like kind of explaining what the pitfalls
20 are of our quick consideration of this item.

21 It was quick for a \$3 million item.

22 So I think it's fine to go in detail.

23 It would have been even better if the committee had
24 a chance to look at it.

1 But I don't think that.

2 I have some concern that if the committee had done
3 it given what you raised that it might have led to the
4 staff not feeling like they could put forward what they
5 thought was actually the case and their concerns.

6 So I just worry about making sure we have the right
7 balance on that.

8 I don't want the staff to be censored because the
9 committee feels a certain way.

10 The staff should always be able to put forward what
11 it really believes to be the case and showing us what the
12 advantages of potentially different paths that might get
13 it done quickly or less expensively than what we
14 originally thought.

15 I think that's okay.

16 And I think we should encourage that kind of
17 thinking about how it might get done differently.

18 That keeps us on the path, a faster path that we
19 want to be on.

20 Whereas some of the things that we're talking about
21 doing might take a long time because of the vendor
22 process or because of the other types of regulatory
23 considerations.

24 So I mean, I want to hear it and I still want to do

1 the project.

2 But none of this to me raises some of the concerns
3 that you have here.

4 I just think maybe that's a factor, maybe this
5 results from just not having seen it ahead of time.

6 MR. ARABO: Well, more than that I think the
7 censorship if anything would be staff censoring the
8 committee, not the committee censoring it staff.

9 Because we've always had a collaborative committee
10 that we've sat on.

11 Our Vice President Barkett is on this committee.

12 She also as the vice president of this board hasn't
13 seen it.

14 And I think this is something we've spoken out, we
15 have vetted.

16 And I want to make sure that the board has -- it
17 takes a lot of work to produce something like this.

18 I wish the board has all the information, not some
19 of the information.

20 What's that?

21 >> [multiple speakers]

22 MR. ARABO: Yeah.

23 Staff report and also the handout that I created
24 today.

1 Also takes effort above and beyond for a board
2 member.

3 CHAIR NEJABAT: Please, Vice President Barkett.

4 MS. BARKETT: Going to make a little explanation
5 here.

6 CMAS, you were asking me what it is.

7 It's the California Multiple Awards Schedule.

8 And it's a program that creates a pool of suppliers
9 that an agency can solicit offers from.

10 And when utilized correctly CMAS streamlines the
11 procurement process that we would normally go through.

12 And this form of procurement differs from the
13 competitive bid process, which we have an option to use
14 too.

15 These are options, both options.

16 We didn't know what CMAS was either and so we got
17 educated on it.

18 But you know, a couple of things.

19 The Department of Food and Ag code, if you look at
20 the that too on number 11, with the approval of the
21 Department of General Services, we're allowed to make
22 permanent improvements upon publicly owned real property
23 adjacent to or near the vicinity of the real property of
24 the association when the improvements materially benefit

1 the property of the association pursuant to section 11011
2 of the Government Code.

3 Also, in the fifth amendment to the Del Mar Race
4 Track Operating Agreement, if we go to item F, section
5 6.6 of the operating agreement provides in part that the
6 operator is required to and will use its best efforts in
7 the operation of the horse race meets and any and all
8 related activities to maximize all payments to the
9 district and commission for improvements to the
10 fairgrounds.

11 This clearly falls within the guidelines that were
12 given here, CMAS, the whole bit.

13 So we're, we've been dealing with this since
14 November.

15 The problem is the procurement process that happened
16 in the past hasn't been laid out for us.

17 We don't know but apparently things have changed.

18 So we want to know so we can learn what happened in
19 the past and what the future is.

20 Right?

21 And we're, I mean, this should be an easy thing.

22 It should be, you know, this is what happened in the
23 past, this is what needs to happen now.

24 This is why it's changed.

1 We've had COVID.

2 We had changes that obviously happened.

3 That's I think all we need to know here.

4 Daktronics, they're the company that fits within the

5 guidelines of CMAS.

6 They have many projects going on.

7 I pulled one off the Internet.

8 And I mean, they have the multiple awards scheduled.

9 This is what it looks like.

10 It's very simple.

11 This is a January 22ND, 2025.

12 And so once you're in the pool, apparently it

13 streamlines it if you can use a vendor that's within that

14 pool already.

15 Those are the ones that have done the screens.

16 They have had a great relationship for DMTC.

17 So to me, we're there.

18 We just need to pass the boundary and staff has

19 really just analyzed it.

20 This is the first time we're seeing this.

21 We didn't even see this in our meeting the other

22 day.

23 And we were hoping to have our bond counsel at our

24 meeting too, which just happened, and he couldn't make

1 it.

2 So it's my understanding that Josh Caplan and
3 Carlene both met with them.

4 We haven't received a report on that meeting, either
5 Mark or I, so I don't know what happened on that phone
6 call.

7 And you know, counsel for DMTC was not included
8 either.

9 So we're not sure kind of it seems like two
10 different lanes are going.

11 And we need to now get it together, put our
12 information together, and make a decision.

13 But we can do the Paddock screen immediately.

14 That fits within all the parameters.

15 And believe me, you know, everyone says it's really
16 mostly DMTC, I totally disagree.

17 We could utilize this during the fair like anything
18 else.

19 I've held -- groups that I belong to have held
20 parties in the Paddock and that screen has been
21 fantastic.

22 Whether it's a happy birthday or welcome Trojans in
23 the past, welcome Bruins.

24 And so, it really can go a long way, that screen.

1 And what is beautiful, you see it from the
2 restaurant, you know.

3 And you could see it from where we had our, in fact
4 Don Diego Gala.

5 And that's a great screen to flash our scholarship
6 recipients on.

7 And they have this big day.

8 And the fact that it can be broadened to the latest
9 technology, which let me tell you is very crisp and
10 clear.

11 We had a little look at it.

12 For me, right now that Paddock screen is hard to
13 read.

14 And so I suggest we move forward with the Paddock.

15 It's within the budget that's been allocated.

16 And reassess the other screens forward.

17 And you know, we'll have to see if the budget works
18 out, but we can move forward with the Paddock screen now.

19 And I want to say one last hit for all the
20 racetracks across the country and internationally, they
21 are really putting in a lot of, you know, modernization
22 in these tracks.

23 We want to stay competitive with the Breeders' Cup.

24 Internationally, let me tell you, they are trying to

1 get the Breeders' Cup.

2 And we're in a competition right now with sports in
3 general internationally.

4 So I suggest we're the crown jewel here, we line up
5 and get going.

6 Because now is the time.

7 Delay is not our friend.

8 Thank you.

9 MR. CAPLAN: Chair Nejabat, if I could invite you.

10 It seems the discussion here is directly related to
11 Director Arabo's report, which is relevant to the video
12 boards, which is a stand-alone agenda item.

13 My recommendation is, and the board defer to you if
14 you want to do this, if you essentially see this
15 discussion as part of agenda item 8-C or if you want to
16 pause and allow Director Arabo to complete any other DMTC
17 Liaison Committee report that's unrelated to the video
18 screens, we can finish agenda item 8-B and then move on
19 to 8-C and continue the discussion.

20 CHAIR NEJABAT: Director Arabo, anything else you
21 want to add to that?

22 Because I think a lot of this could be discussed
23 after the report.

24 MR. GELFAND: I would like an opportunity to speak.

1 CHAIR NEJABAT: You want to add anything else before
2 he does speak?

3 MR. ARABO: Before the committee report is over, I
4 would like to add something.

5 CHAIR NEJABAT: Okay, so go ahead and make your
6 comment, Director Gelfand.

7 And then finish your report.

8 MR. GELFAND: [off mic] passing the motion, we all
9 acknowledge our desire to get these video screens up and
10 to do so in as expedited a way as possible.

11 [off mic] we also discussed --

12 MR. RIVERA: Can you check your microphone please?
13 We're not getting it.

14 MR. GELFAND: Okay, sorry.

15 I don't think there is any question that we all
16 desire to get these video screens up as soon as possible.

17 And frankly, the plan from Josh was by this summer's
18 meet.

19 But it was acknowledged at our last meeting that
20 there are regulatory hurdles that might delay that
21 process.

22 And also, the notion that maybe some screens could
23 go up and others couldn't because of regulatory
24 constraints.

1 And also, we acknowledged that because it had to be
2 potentially piecemealed that it could impact the cost.

3 So all that was covered last month.

4 Now, based on all that, staff did their report.

5 Which I think was incredibly thorough and quick and
6 gives the information we need to set a path forward.

7 So I don't really understand the tone of this
8 report, which seems to be critical of staff and
9 suggesting that there's some kind of obstruction taking
10 place.

11 I don't see that at all, and I don't even like the
12 implication of it.

13 On the last page of your report, it says procurement
14 CEQA and public works requirements are process
15 obligations.

16 Yes.

17 It then says they are not barriers to initiating the
18 work.

19 I completely disagree.

20 Of course they are barriers.

21 We can't proceed inconsistent with CEQA and Coastal
22 Commission approval of the components of the project that
23 require their approval.

24 The next statement, nor do they require a pausing of

1 execution.

2 Yes, they absolutely require a pausing of execution.

3 We can't go forward in a noncompliant manner.

4 So that's sort of my position.

5 I don't understand your report because of the
6 implication that there is obstruction.

7 To me, staff has done a great job explaining the
8 process.

9 And now the DMTC Committee needs to go back in
10 conjunction with the Thoroughbred Club and figure out how
11 to proceed.

12 And come back, let the board know if it's relevant
13 to us or staff know how you recommend they proceed and
14 come back, let the board know if it's relevant to us or
15 let staff know how you recommend they proceed.

16 To me, everything is going according to plan, we
17 just might not get it done by this summer and we just
18 have to acknowledge that.

19 MR. ARABO: I respect the point.

20 You know, I think you have to read the memo again.

21 Because I don't see anything that -- and I don't
22 know if you read it.

23 I know you were more looking at it briefly.

24 MR. GELFAND: Refreshing my memory.

1 MR. ARABO: Yeah.

2 I think you should read it again because I don't see
3 the points where you're talking about in the memo.

4 I was very clear that this is not about labeling
5 anyone obstructionists, this is about and the word is not
6 in this memo.

7 That's a word I guess you created or that Director
8 Mead used.

9 I would say that if I felt that.

10 And since I didn't say that, that means I don't feel
11 that.

12 So I don't appreciate you trying to put words in my
13 mouth because I would tell you if I felt that.

14 That word isn't here and show me the point of the
15 memo where you see it in here.

16 The item for number 4, those what you said and what
17 it says the same thing.

18 That there are process obligations.

19 They are not barriers, you just need to figure out a
20 way to make it compliant and work through it.

21 Screens have been put on the district before.

22 This isn't a new building.

23 We're not building something that's not there.

24 You're upgrading and modernizing equipment that's

1 outdated and that's about to fall apart like the 5-Points
2 sign did right before Breeders' Cup.

3 This isn't a new development, so we've done the
4 process before.

5 And when the committee asked how it was done that
6 information was never given.

7 And that's what we asked our counsel to provide a
8 really thorough advisory on what the motion says and on
9 something more broad that the board can consider.

10 At no time did a vendor come to the committee, which
11 the committee has done a lot of work on this, Director
12 Barkett, Vice President Barkett and myself.

13 And said the price will be more than \$3 million.

14 So a lot of items that were presented in the staff
15 report were never presented to committee.

16 And so what I wanted to do today was not say don't
17 look at staff's report, but in addition to that also look
18 at this memo.

19 Because I want to give you the full picture, not
20 half of the picture.

21 So I'm trying to give you more data points, not
22 less.

23 MS. BARKETT: If I could clarify.

24 I think if we had received that prior to our DMTC

1 meeting it would have been really helpful, obviously.

2 Okay, so you know, it's just timing.

3 And then the other thing regarding the, you know,
4 well we might not get it by this racing season, there is
5 a lead time.

6 We're all forgetting time is of the essence if we
7 are going to do the Paddock board.

8 It's going to take a minimum of four months.

9 We've got to get it in now, so that's why I said
10 maybe we should have the motion to go forward with the
11 Paddock.

12 We have the budget, it's been approved.

13 Let's start with the Paddock one, get that done.

14 But we have to give the go-ahead to DMTC with
15 Daktronics.

16 MR. GELFAND: I don't know if that even requires an
17 action item.

18 The board voted.

19 MS. BARKETT: The board voted.

20 [multiple speakers]

21 MR. GELFAND: Just to do it if there are no
22 regulatory hurdles.

23 MS. BARKETT: Right.

24 There's no regulatory hurdles at all.

1 And you know what, we're not even sure if CEQA
2 applies because a lot of this could be considered
3 maintenance and improvements.

4 So that's why we need counsel to give us an opinion.

5 And it's going to take six months minimum to get a
6 letter, okay.

7 Six months to get a letter.

8 So that's why we're trying to move this process
9 along because before you know it, Breeders' Cup might be
10 back and we're still struggling to get them done.

11 So that's the urgency here.

12 And timing of the essence with contracts in general,
13 as we all know.

14 >> [multiple speakers]

15 MS. BARKETT: -- contracts.

16 MR. ARABO: To add to Vice President Barkett's point,
17 one thing the staff's report did not mention is the
18 Paddock, as when the staff chooses the vendor the Paddock
19 could go up right away.

20 That's not mentioned.

21 That's an easy thing, the Paddock.

22 So this project, it's multilayered.

23 We have to make sure it's in compliance, that's the
24 number one thing driving it.

1 But it's simpler as far as the mindset on how do we
2 do it, ask our counsel, what is the roadmap.

3 And what we did in the past learn from it if it
4 wasn't done the way it should be.

5 And go forward, you dot your Is, you cross your Ts,
6 and go for it.

7 That was the direction the board gave us.

8 CHAIR NEJABAT: Anything else on Director Arabo's
9 memo?

10 >> [off mic]

11 MS. DeBERRY: I just don't understand why this was
12 not presented to the committee first.

13 Maybe there's a reason.

14 So I'm just curious of like why you do not have the
15 information.

16 Because a lot of times it could sway a decision or a
17 recommendation or, you know, just having -- because being
18 in the committee I would want to know those kind of
19 things.

20 But it could a reason why it wasn't done.

21 MR. ARABO: We don't know.

22 MR. GELFAND: Carlene?

23 CHAIR NEJABAT: Maybe we could move the item 8-C and
24 you could include that in your -- would you prefer that?

1 MS. MOORE: Mm-hmm.

2 CHAIR NEJABAT: Okay.

3 MR. CAPLAN: Is there any public comment on item 8-B?

4 CHAIR NEJABAT: Correct.

5 MR. CAPLAN: Or any other reports [off mic]

6 [indiscernible] -- unrelated to the video boards?

7 MR. ARABO: Josh Rubinstein is here.

8 I don't know, Josh, if you want to address the board
9 about any of the items.

10 I think we covered the video boards.

11 But any other items that you wanted to report on
12 from our committee meeting?

13 JOSH RUBINSTEIN: Good morning or still good morning,
14 directors and staff of the 22nd DAA.

15 I think that was covered.

16 The only other business we discussed with the
17 committee that, and we previously reported this to the
18 board, that we set a very high bar in 2025 for horse
19 racing here at the fairgrounds.

20 Between the summer and fall meets and the Breeders'
21 Cup over \$10 million of net revenues returned to the
22 district and the RTA.

23 MS. DeBERRY: May I ask him a question?

24 Okay.

1 As it relates to the Breeders' Cup, have they given
2 you a timeline of any discussions of when they would make
3 a decision or, you know, as it relates to bringing it
4 back here?

5 Is there -- or when that decision period like over
6 the next seven years or five years or two months or
7 whatever, we'll plan out the next seven years of where
8 we'll be hosting that, the Breeders' Cup?

9 JOSH RUBINSTEIN: Yeah, so as we've reported
10 previously, the event in 2026 will be in Lexington,
11 Kentucky at the beautiful Keeneland Race Track.

12 And then in 2027, the Breeders' Cup moves to a
13 brand-new \$500 million renovation of Belmont park.

14 There are no host sites beyond '27.

15 We have been told that sometime in '26, the
16 Breeders' Cup will likely be unveiling a long-term site
17 plan, so something over the next three to five years.

18 MS. DeBERRY: Sometime in 2026 then --

19 JOSH RUBINSTEIN: That's what we've been told, yes.

20 CHAIR NEJABAT: Go ahead.

21 MR. GELFAND: Will they acknowledge the fact that the
22 board has approved these video screens given the fact
23 their actual construction or some of them might be
24 delayed beyond the summer, will the fact that we've

1 approved it have any impact on them you think?

2 JOSH RUBINSTEIN: So we certainly communicate the
3 board's actions to the Breeders' Cup.

4 And the staff that we spoke to at the Breeders' Cup,
5 they were very encouraged by the board supporting the
6 video boards project.

7 And on behalf of DMTC, we're very appreciative of
8 support of the video board project.

9 MR. GELFAND: Okay.

10 >> [off mic]

11 MR. RIVERA: Microphone please.

12 MR. SCHENK: Other than the video boards and the
13 previously passed motion to make some changes to
14 elevators, are you aware of any other issues that
15 Breeders' Cup has raised that this board should be
16 addressing in anticipation of some decision-making
17 further down the road?

18 JOSH RUBINSTEIN: Yeah, I mean we're not aware of
19 any, you know, issues or concerns.

20 But certainly the Breeders' Cup is always looking to
21 facilities to improve the overall customer experience.

22 So you know, we'll definitely work with Carlene and
23 her staff on things that, and look, we realize it's
24 tricky, recognize, to allocate funds, you know, that just

1 benefits racing as more of a difficult sell than
2 something that benefits the overall facility.

3 And we believe that the video board project does
4 that.

5 MR. SCHENK: I would just point out one thing that
6 \$500 million cannot change, it was raining on the East
7 Coast when we had the Breeders' Cup here.

8 JOSH RUBINSTEIN: Very true.

9 And it was 70 degrees and sunny.

10 So we will always have the weather advantage, no
11 question.

12 MR. ARABO: Thank you.

13 And then the DMTC has a great relationship with
14 staff and looking at items to upgrade the backstretch.

15 Every meeting we start with a safety, safety,
16 safety.

17 We want to be the safest race track in the country.

18 MR. SCHENK: And weather has an impact on that.

19 MR. ARABO: Yeah.

20 Weather definitely has an impact on it.

21 And great job, Josh.

22 So the district received \$10 million based on the
23 bond language calculations from horse racing from 2025.

24 JOSH RUBINSTEIN: The district and RTA from the

1 summer, the fall and the Breeders' Cup.

2 MR. ARABO: Great.

3 We know next year we won't have Breeders' Cup but
4 hopefully, if you minus out Breeders' Cup, you'll deliver
5 more revenue and more profit to the district.

6 JOSH RUBINSTEIN: The Breeders' Cup brings not just
7 more money to the district but also the local community.

8 I think as many of you saw hotels, restaurants were
9 packed the entire week.

10 MR. ARABO: Thank you very much.

11 JOSH RUBINSTEIN: Thank you.

12 CHAIR NEJABAT: Thanks, Josh.

13 MR. ARABO: MR. Chair.

14 CHAIR NEJABAT: All right, that concludes Director
15 Arabo's report.

16 Any members of the public who wish to speak on this
17 item?

18 Seeing none in person.

19 We have two members online.

20 We'll start with Chaun Reynolds.

21 Two minutes.

22 CHAUN REYNOLDS: Hello, can you hear me?

23 CHAIR NEJABAT: Yes.

24 CHAUN REYNOLDS: Timty was a two-year-old

1 thoroughbred gelding who was raced five times between May
2 and November of 2024 by a top trainer Doug O'Neill.

3 His last three races at Del Mar in August,
4 September, and November.

5 He placed first in his first race at Santa Anita in
6 May, and nine of 10 horses in his final race on November
7 9th at Del Mar.

8 California Horse Racing Board reported that Timty's
9 December 4th, 2024, death at Del Mar as "other" and
10 gastrointestinal.

11 Here's the details through a public records act
12 request to the CHRB recently fulfilled.

13 Two-day fever and diarrhea, no response to
14 treatment.

15 The specifics.

16 This placement of the large colon with 360-degree
17 rotation, necro-hemorrhagic and ulcerative colitis
18 systemic hemorrhages.

19 Then this.

20 In addition, this horse has pulmonary fibrosis with
21 a lobular collapse and marked hemosiderosis.

22 The latter suggested previous bouts of hemorrhages
23 in the lung and the lesions observed in the tongue and
24 oral mucosa are likely associated with repetitive and

1 chronic traumatic pressure from the bit probably.

2 This is what horse racing does to horses, even at
3 just two years old.

4 It's not just the concussive pounding of the high
5 speed racing and training.

6 Thank you.

7 CHAIR NEJABAT: Thank you, Chaun.

8 Martha Sullivan.

9 MARTHA SULLIVAN: Hello.

10 Martha Sullivan again from Imperial Beach.

11 I want to highlight two documents I shared with you
12 that are in your board packet on pages 84 and 85.

13 Both a good way to start off 2026 the state of the
14 U.S. horse racing industry and particularly in
15 California.

16 Page 84 includes quotes from three top industry
17 leaders about the extensional threats facing California
18 horse racing after the Del Mar Thoroughbred Club and
19 Santa Anita Park trumpets from nine operating tracks in
20 2024 to three operating tracks in 2025.

21 In order to concentrate the flow of final cash
22 revenue in California to their tracks to keep them
23 afloat.

24 Page 85 includes an to a graph showing actual and

1 projected U.S. thoroughbred racing wagering handle from
2 about 1985 that I shared with you last year.

3 Now incorporating actual wagering handle from 2025,
4 which was actually lower than the projection and
5 continued to sharply decline through 2050 to almost
6 nothing.

7 From the Daily Racing Form a week ago, quote, in
8 total, [indiscernible] handle in the U.S. -- on U.S.
9 thoroughbred racing from 2025 is down 2.1% according to
10 figures distributed by [indiscernible] on Monday.

11 So the decline has been slight, it was the fourth
12 straight here of declining handle.

13 Quote, the number of races held at U.S. tracks
14 during 2025 declined at a rate over twice the drop in
15 handle at 4.7%, end quote.

16 With the 12 month trailing inflation rate at 2.7%,
17 the drop in 2025 handle was actually more like 4.8%.

18 MS. ARNOLD: Your time is up.

19 CHAIR NEJABAT: Thank you, Martha.

20 That concludes public comment on this information
21 only item.

22 Next, we'll take up item 8-C.

23 This is an information only item.

24 The board will not be taking any action.

1 You can find the report on pages 59 to 72.

2 I will recognize our CEO Carlene Moore to address
3 the questions the board had and then also provide the
4 information item.

5 MS. MOORE: In a moment here I'm going to be inviting
6 our Chief Administrative Officer, Mike Seyle to actually
7 come up to the podium to review and provide you with some
8 of the facts you can use to inform this broader
9 discussion today that the board is having.

10 But I have been asked to address the question of why
11 the committee, the DMTC Liaison Committee, did not see
12 this report in advance of this meeting.

13 And why this is a stand-alone item on the agenda.

14 In order to do that, I want to kind of take you
15 back.

16 If you recall, as a board, it was at a November
17 meeting that the DMTC Liaison Committee introduced this
18 idea.

19 And then at that meeting or during that meeting then
20 it was assigned to the Finance Committee.

21 And it was the Finance Committee who brought it back
22 to the board.

23 The board voted and took action.

24 And from there, it hasn't had a home in terms of a

1 project.

2 And so one of the considerations today is for the
3 chair to assign it.

4 So that's where we're coming into this.

5 In addition, then when we were, when the Executive
6 Committee was meeting to establish the agenda for this
7 meeting, we had discussion around this item.

8 And there was a question of is this a standalone or
9 should this be.

10 But since it wasn't assigned by to the Liaison
11 Committee and hadn't been taken up, the determination was
12 made to have this as a stand-alone item on the agenda.

13 Because the Executive Committee in that discussion
14 going back to, as everyone is aware, with Bagley-Keene,
15 could not then be bringing forward, because there was
16 discussion around this item, be bringing that back to the
17 committee until today at this board meeting.

18 This is where in essence that hand off and that
19 opportunity from committee to committee takes place.

20 And one of the reasons why it's listed as an
21 information item, so we could provide the information
22 about the boards, about this project, and where we're at
23 for in essence chair's consideration for then where this
24 will be assigned going forward.

1 So I just really wanted to clarify that.

2 And I also want to say that while the report
3 provided in the packet has a lot of information,
4 including the identification of a few alternatives or
5 some options that you can discuss, not to be voted on
6 today.

7 What we're really looking for is some discussion and
8 direction around that to continue to bring information
9 forward.

10 But we recognize from staff's perspective, this is
11 not an exhaustive list even of the possibilities.

12 And through your discussion today, there might be
13 something else that comes up and warrant either
14 additional research or staff can look into further.

15 And we really look forward to hearing that.

16 And so with that, I want to make it also then very
17 clear that staff's enthusiasm for this project, there's
18 actually an option in here that staff identified that
19 could actually result in, again, a long-term kind of
20 perspective on this project and the steps that could be
21 taken could actually result in another video board
22 winding up here on the property in a different location
23 because of repurposing.

24 And specifically, that's around the options around

1 the grandstand board.

2 And again, Mike will speak to it some more.

3 Really look forward to, and if it's not clear during
4 his presentation of how that potential to make an
5 investment this year and repurpose while we're working on
6 the larger construction project.

7 So and then just really want to clarify if it wasn't
8 clear, yes, we could move forward with the one that is a
9 like-for-like replacement is the Paddock.

10 But part of the reason why, we aren't saying just
11 jump to that is and as the committee members are aware,
12 if we split these parts out, the cost could go up.

13 And understanding that, and so, yes, the board has
14 taken action and it gave direction.

15 But perhaps with more information, there may be a
16 need to adjust that with us providing you more
17 information for future contemplation in the future.

18 And so, I hope that kind of clears things for
19 everyone and understanding.

20 But it's really that process that sometimes results
21 in these kind of pain points or these rubs.

22 And it's not a slight toward anyone.

23 And with that, like I said, I want to invite our CIO
24 Mike Seyle up here to talk about it.

1 He'll talk a little bit about the potential of CMAS
2 that was referenced and what can and cannot be done under
3 it.

4 Because we really do, we want to be moving forward
5 on this overall project and the investment into our
6 facility, you know, demonstrating that investment to the
7 community.

8 With that, Mike.

9 MIKE SEYLE: Thank you, Carlene, MR. Chairman and
10 members of the board.

11 Thank you for this opportunity.

12 I want to start out by saying I take almost full
13 responsibility for this report.

14 I prepared it.

15 The idea was that we would gather information and as
16 soon as we had that information we would share it.

17 A lot of the information was shared with the
18 committee verbally because we didn't have a written
19 report at the time but more information comes in every
20 day as you can imagine.

21 So we want to put as much information as now because
22 a month from now there will be a lot more and it will be
23 a lot different.

24 So we're providing the information that we have.

1 We also provided this information to DMTC.

2 Because as you recall, the board's motion approved
3 framework where DMTC leads the project.

4 So we have to give these, this information to DMTC
5 and we're working with them and continuing to discuss
6 with them some of these different options, I guess, we
7 don't want to call them options or alternatives for
8 voting reasons, but DMTC might say, and in conversations,
9 they have had to consider to I want this now or do I want
10 something bigger/better later.

11 Do I want this first or do I want that first.

12 If they're going to lead the project those are
13 questions they need to answer for us so we can go forward
14 as we move forward.

15 So part of this is to provide you with information
16 just so you know the status.

17 It's just purely an update on where things stand,
18 the information we have to date, and we gave it to you as
19 soon as we could.

20 We couldn't provide a report to the committee but we
21 did provide a lot of this information to the committee
22 verbally.

23 So I'll just go through the quickly.

24 And if you have any questions, we can do that.

1 So the Paddock video board, you know, is a cluster
2 of three boards.

3 The proposal is to replace like-for-like.

4 That shouldn't really be an issue.

5 We'll discuss that more.

6 This is the current view, as you know.

7 It's not that clear, as you know.

8 The proposal is just to replace it.

9 The 5-Points board is a little bit different.

10 We've already replaced that one time in its current
11 location.

12 The current size is about 5 feet by 20 feet.

13 The idea from, I call it the DMTC proposal, was to
14 expand it to 11 feet high at the top of the radius and
15 all the way up to the edges.

16 Making it about 2.4 times as large.

17 So here's the original board the way it is now, the
18 current board.

19 This is the board that was proposed in what the
20 pictures that you saw.

21 A couple of challenges came up we didn't know about
22 at the time you passed the motion.

23 On the left and right side of that board that is
24 solid concrete block reinforced.

1 In the middle portion is just wood and --

2 >> [off mic]

3 MIKE SEYLE: Yeah, that's a good idea.

4 Thank you.

5 You see the parts that are not covered by the board.

6 The part in the middle where the current board is we

7 can go higher without getting into concrete block but we

8 can't go wider.

9 If we go wider, we have to destroy the monument and

10 replace it.

11 That was not included in the bid obviously, or the

12 quote we had.

13 It's not a bid.

14 I shouldn't call it a bid.

15 What DMTC got was an initial quote from Daktronics

16 if they were to be the vendor.

17 And they didn't look into any of this.

18 They didn't discuss it or look into it.

19 They just mapped it onto this picture so you could

20 see it.

21 MR. GELFAND: Couldn't that larger configuration be

22 mounted in front of the concrete?

23 MIKE SEYLE: One of the alternatives that we

24 proposed.

1 MR. GELFAND: Okay.

2 MIKE SEYLE: Is that could potentially be mounted
3 outside.

4 You need to be able to get to the back of it to be
5 able to service it.

6 And so they need about 3 feet is what I'm told.

7 And so it would push it out about 3 feet.

8 That's a potential challenge.

9 And making this board bigger may also increase the
10 likelihood that we'll need a permit from the Coastal
11 Development.

12 It would fit and it's doable.

13 That material in the middle is just wood frame.

14 Yeah.

15 MR. GELFAND: But just going up might also require a
16 coastal permit.

17 MIKE SEYLE: Probably not because the size.

18 It wouldn't be as large.

19 It would be within the housed unit, so the monument
20 itself is the size issue.

21 But once you bust out the size of the monument and
22 replace it that would potentially.

23 We might be able to get an exemption but we won't
24 know until we ask unfortunately.

1 And it takes time.

2 The grandstand video board is obviously the bigger
3 issue because it is such a large structure.

4 So and we raised two other issues that kind of
5 popped up.

6 One is that there is cellular equipment on the
7 existing unit.

8 Let me move to the picture real quick.

9 So to the left and the right of the current board,
10 the top portion in that little scalped piece, behind
11 there that is not stucco and wood, that is a special
12 screen that allows for sound wave and microwaves to pass
13 through so that people in the grandstands can use their
14 cellphone.

15 So if we cover that with a board, we don't know, we
16 believe but we don't know, that that would interfere with
17 the antennas that are there.

18 We just signed a new lease with Verizon to extend
19 the amount of antennas.

20 So if we do go with a larger board, we'll have to
21 move those antennas.

22 That will increase the cost.

23 That wasn't included in the considerations
24 initially.

1 I'm going to back up just a second because I
2 want to also point out the other issue, which is the
3 initial quote that Daktronics provided a standard
4 engineering package for the creation of a stand-alone
5 board with construction with a cost of about \$180,000.

6 This, as you all know, probably used to be part of
7 the ocean or a lagoon.

8 And it is not bedrock that could be standard
9 engineering package.

10 It is very likely that the standard engineering
11 package will have to be considerably upgraded and redone.

12 The current proposal is to remove about 8 feet of
13 concrete about 60 feet across that is existing there now.

14 So we have to bust that out.

15 And then we have to dig footings that would be
16 sufficient to hold -- and two other issues that came up.

17 One is there's a code section that requires that we
18 provide for almost hurricane force wind, protection
19 against the structure.

20 This is going to be a freestanding structure in
21 front of the current building.

22 That's a building that's got storage behind it.

23 So they can access it from behind.

24 And behind that screen, I took a look, is -- it took

1 us about three days to find a key -- is a structure back
2 there that has tubular steel about this big, it's three
3 stories tall with cat walks and it is at least 50 feet
4 wide and 4 feet across.

5 It is massive.

6 It must be tons.

7 The structure they're going to build for the new
8 board is three times that.

9 And the cost for that structure is in the quote is
10 \$800,000, that's why it tells me it's going to be
11 massive.

12 And that footing is going to have to be massive to
13 manage it.

14 Now, I'm not an engineer, I just play one on TV
15 sometimes.

16 And I'm very concerned about not only the cost and
17 the involvement of that and getting permits and
18 everything for it, seismic permits are required, it's
19 going to change the timeframe considerably.

20 And I should say for this entire analysis, like
21 we've said, staff is anxious to do this, anticipating
22 doing this, want to do this.

23 Obviously want to deliver for you the best product
24 in the shortest amount of time.

1 But like any big project, and this is a \$3 million
2 project with a considerable amount of effort in three
3 different locations, not one, cost, procurement, and
4 timing is the biggest issues.

5 And to your point, you can't have a plan until you
6 have some answers to some of these initial questions so
7 you know which direction to go.

8 And what we're trying to provide is as much
9 information as we can to the board and to DMTC so we can
10 make those preliminary decisions.

11 It's not just replacing a television and you go to,
12 you know, Costco and you buy it and take it home and you
13 plug it in.

14 This is a very involved project.

15 This is the size that DMTC's original proposal was.

16 And so the question was, is there a different size
17 or a different version that would work that perhaps A,
18 would cost less, B, we could get quicker, C, would be
19 able to be installed with less effort.

20 But we're just looking at alternatives so we can
21 give everybody the idea.

22 It's not a proposal.

23 Certainly, nothing for you to vote on at this time.
24 It would look fantastic, obviously.

1 So it's all about process and approach and analysis.

2 We have to do this work.

3 We do have one potential vendor.

4 CMAS does allow us to use a vendor that's on the
5 list, but CMAS also requires if there's more than one
6 vendor that qualifies, we need a second bid.

7 So we obtained a second bid but they need to do a
8 site walk to tell us.

9 The issue is going to be compatibility.

10 What we also did not know is the controls for this
11 video board sit near the Turf Club and so there's all
12 that wiring.

13 In the Turf Club area, there's two places.

14 So one is on the main floor, the first floor and one
15 is on the sixth floor.

16 So all of the wires come from that video board, go
17 under the Turf, go up into the grandstand and there is
18 someone sitting there telling it what to play during the
19 races or any other time you are telling it what to play.

20 All of that equipment has to be compatible with
21 whatever the video board is on there and bid we got from
22 the original vendor didn't include any of that.

23 So if a new vendor comes along is says they can't
24 use that equipment, then we have compatibility issue.

1 MR. GELFAND: Can't that be done with some sort of
2 wireless connection?

3 MIKE SEYLE: That's a question we have, yeah.

4 But that would require us buying all that equipment
5 for the new wireless connection, so that's the risk.

6 So the initial quote for the boards and the
7 scaffold, I'll call it the scaffold, the big you know
8 installation unit, some minimal construction and
9 engineering and related training and other things was
10 \$2.94 million.

11 That puts us right on the edge of that \$3 million
12 number.

13 Which means any additional cost or anything we're
14 going to have to figure out how to pay for.

15 One thought was if there are some modifications to
16 the proposal, because it was just a proposal.

17 You voted to replace the boards not just like this.

18 You know, it wasn't like make the boards 11 feet
19 tall and 15 feet wide, it was replace the board.

20 So we're trying to look at what we could do that
21 would get it within that \$3 million because I certainly
22 don't want to come back and ask for more money.

23 MS. ROWLAND: I have a question.

24 You mentioned \$800,000 in construction that you

1 estimated.

2 Is that in that number?

3 MIKE SEYLE: It is in that number.

4 MS. ROWLAND: It is in that number.

5 Thank you.

6 MIKE SEYLE: Yeah, it is in that number.

7 MS. MOORE: Well, I was actually going to ask if you
8 could clarify with regard to the quote that has been
9 received what is included and what isn't included.

10 Because I think we're using the term "construction."

11 And with the video boards what we have learned
12 through this is installation versus the broader issue you
13 brought up about the potential footings and that aspect
14 of construction.

15 What is included, what's not.

16 MIKE SEYLE: Probably the easiest way to say it is
17 there's construction of the frame and then there's
18 construction of the footings to hold the frame.

19 Constructions of the footings to hold the frame was
20 not fully included, some small amount was.

21 Construction of the big metal frame that I mentioned
22 that's in there now making it larger, that is included in
23 this cost.

24 But if you think about it, this thing is going to be

1 sitting free standing -- it's going to be sitting in the
2 middle of an open field.

3 It's a big sail, and it's going to fly if it's not
4 attached.

5 So we're going to have to be careful with that.

6 That would be bad.

7 MS. MOORE: And the last wind storm we had just
8 before or during the holidays -- [multiple speakers] --
9 that wreaked some havoc on some permanent --

10 MIKE SEYLE: There was a mini tornado actually, it
11 was an EF one half that happened right in the west
12 parking lot and destroyed their entire lift if you went
13 through that where you walk through and you see all the
14 lights and the sea and the boat, it was all trashed.

15 Completely destroyed.

16 MR. GELFAND: So the footing is not included.

17 Do you have an idea of, rough idea of what that
18 might cost?

19 MIKE SEYLE: We don't.

20 MR. GELFAND: Because all of this property is subject
21 to liquefaction.

22 The entire grandstand is built on pilings because of
23 it.

24 And most, yeah, if you built anything more than a

1 single-story building, you probably would have to support
2 it by piling.

3 It could get expensive.

4 MIKE SEYLE: Yeah, it could.

5 And very likely, what we have to do is we'll do a,
6 we'll bore through the concrete there, get a soil sample,
7 a geotechnical engineer will tell us what's required to
8 support it.

9 And I don't want to misrepresent in any way, there
10 is a small amount for construction of the footings but
11 it's just pouring them, it's certainly not pilings or any
12 of the other work, which is what we've mentioned.

13 Another thing we should mention not included is
14 financing costs.

15 The original financing plan for this, and you didn't
16 specify this in your motion, but in the original
17 financing plan suggested by or recommended by DMTC was we
18 would give them \$600,000 a year to pay off vendor
19 financing.

20 This quote doesn't include whatever that vendor
21 financing to DMTC would be.

22 So we would need to kind of dig into that, make sure
23 that we're not, you know, if it's \$700,000 a year to pay
24 for this thing, they're only getting \$600,000, are they

1 okay paying the extra \$100,000?

2 How do we want to do that.

3 Again, it's just issues, not -- it's hard to not
4 call them hurdles because obviously it's slowing the
5 process.

6 So we talked about soil quality, financing.

7 And then we need legal guidance because any money
8 that passes between DMTC and us has to be approved by the
9 bond counsel or you know address the bond, the pledge
10 agreement and The State Race Track Leasing Commission,
11 DMTC's agreement.

12 Because we have an operating agreement that covers
13 these kinds of issues.

14 So we just don't want to put ourselves in a bad
15 place.

16 The worst thing that can happen is we give DMTC
17 \$600,000 and all of that money is required to go right to
18 the bond payment and it doesn't get paid to pay this off.

19 And you can imagine the bond holders will want their
20 money, so that is an issue.

21 There are also environmental engineering.

22 The Paddock as mentioned no identified issues for a
23 like-for-like upgrade, which is why some of the
24 alternatives considered would be a like-for-like for the

1 other two but we've already replaced the one at 5-Points.

2 I will say though the price that you saw for the
3 \$2.9 million, that price is a discounted price for buying
4 all three at one time.

5 The original quote is almost \$600,000 more but DMTC
6 did a good job, Josh did a great job pounding them,
7 didn't you, to get the price down to under \$3 million.

8 But it doesn't allow for us the way it looks now to
9 buy the boards independently.

10 What we would have to do is buy them all at once and
11 store the ones we're not using and put the Paddock board
12 up.

13 And that's probably doable but --

14 MS. ROWLAND: That assumes that we know the size and
15 the -- [multiple speakers] -- you have to know a lot to
16 be able to buy them.

17 MIKE SEYLE: That's right.

18 Because otherwise -- because you're supposed to buy
19 them all in one unit so that they're the same color and
20 the same --

21 MR. GELFAND: And that's without Coastal Commission
22 permit, which would change the scope of what we end up
23 being able to implement.

24 MR. ARABO: The committee had the good fortune of

1 meeting with one of the vendors, potential vendors.

2 The items is like a one foot by one foot square,
3 it's almost like a piece of Legos.

4 So even if the they were to purchase everything and
5 saying, well, they cut two feet here, five feet here,
6 repurposing those Legos is very easy, is it not?

7 MIKE SEYLE: Yeah, that's correct.

8 You would be-- [multiple speakers] -- full size and
9 then scaling it.

10 MR. ARABO: Because when you drive into the
11 fairgrounds there's two signs that we didn't even talk
12 about that could also refigure in those locations.

13 The other thing that the vendor mentioned was that
14 if they go out we have extra parts to sub them out.

15 So there's -- and four buy at one time and you do
16 staged installations they did say that they would honor
17 the quote.

18 They did say though that there's an issue with the
19 tax rebate but then he told, I don't know Josh later can
20 talk about this, that he could work around, find a way to
21 -- the contract would say that it's a staged
22 installation.

23 So it's a purchase of one time and you stage the
24 installation.

1 But there's benefit of having the items, because you
2 can repurpose them for the two other screens if the board
3 decides, so there is added value to that.

4 MIKE SEYLE: That's correct.

5 And if you go into the building now and you look,
6 there's about 30 boxes of replacement screens for the
7 main board that's there to swap out in the event that
8 something goes wrong.

9 So they did buy extra the first time for that board.

10 The 5-Points sign I mentioned before because of its
11 construction, doing the fulfill would be really probably
12 more than we anticipated when, certainly more than the
13 bid anticipated because it doesn't anticipate replacing
14 that structure.

15 The top part of the structure would completely
16 [indiscernible].

17 Let's see.

18 Nothing new here.

19 Coastal Development permits.

20 We think we'll be able to get an exemption for most
21 of the work that we're talking about because grandstand
22 is internal so it really doesn't address, there's no
23 coastal action involved.

24 The 5-Points sign obviously different because it

1 faces the public.

2 We could get complaints from the neighbors if the
3 sign was too large, too bright or we may have to adjust
4 when we run it, maybe don't play it at night at all.

5 MR. GELFAND: In my experience actually asking for
6 exemptions for things from Coastal Commission, that's a
7 minimum six-month process, sometimes a year.

8 MIKE SEYLE: And sometimes asking for the exemption
9 triggers the action, unfortunately.

10 Yeah.

11 Yeah.

12 MR. RIVERA: Microphones please.

13 MS. ROWLAND: Sorry.

14 I was going to say, you know, you mentioned only
15 playing it at during the daytime, which I understand why
16 I would do that, given the possibility of concerns.

17 But the it really is most dramatic and effective at
18 night.

19 And that's when people see as they are going by rush
20 hour, it's already night.

21 When they see what's going on at the fairgrounds,
22 you don't want that dark.

23 That to me is like a nonstarter.

24 MS. BARKETT: [off mic] -- during the day -- [off

1 mic]

2 MIKE SEYLE: So really it's the extent of
3 construction that will determine whether or not a permit
4 is required or an exemption applied.

5 The procurement requirements we talked about a
6 little bit.

7 Just a reminder that the construction element has to
8 be separately bid so we may be able to buy the equipment
9 and installation of the metal, because it is not
10 considered construction, although Josh and I probably
11 would have legal reasons to argue with you on that.

12 But right now, the installation of that skeleton,
13 we'll call it, would not fall under that.

14 And since we're buying it from CMAS we can do that.

15 But any construction digging underground, digging
16 out the existing, that would have to be separately bid.

17 We would probably go through CCA, that would be the
18 quickest process.

19 But it would require us to go through CCA, anything
20 over \$25,000.

21 And as Director Arabo pointed out, CMAS has to be
22 approved by the board before we can use it.

23 We've never used it.

24 We've never needed it before.

1 This is the one time.

2 MR. ARABO: Quick question on CMAS.

3 If the board at the next fully agendized meeting
4 ends up authorizing the use of CMAS as an additional
5 lever is the staff and DMTC still allowed to use either
6 route, CMAS or the traditional route, whatever is
7 quicker?

8 MIKE SEYLE: Unless you direct us differently, yeah.

9 MR. ARABO: So if the board authorized the use, what
10 do you see as a potential negative?

11 Because it's an additional lever.

12 MIKE SEYLE: I don't see a negative except -- but I
13 don't know -- you could do the whole thing through CCA.

14 You could literally go to bid for the construction
15 and installation and purchase of the units through CCA
16 one-time thing.

17 It would be an open bid, competitive bid process.

18 You may not get Daktronics.

19 You might get some other provider.

20 And I think the compatibility issues would create an
21 issue.

22 And we don't know what the price will be at that
23 point.

24 Now it's competitively bid but you've got to take

1 the lowest bid and the lowest bid could be \$4 million.

2 MR. ARABO: But if you -- if the board authorized
3 CMAS, the staff and DMTC could still use the traditional
4 route?

5 MIKE SEYLE: Could.

6 MR. ARABO: Got it.

7 MIKE SEYLE: Absolutely.

8 Again, once the board directs us to use it.

9 We talked about the cellular site impacts.

10 MS. MOORE: Just to clarify.

11 CMAS and the consideration of it, there's more to it
12 as well.

13 Because while you can procure like the component
14 parts, right, the installation, but there are also some
15 other things you identified not being able that can't be
16 included in that.

17 MIKE SEYLE: Training and taxes and those kinds of
18 things can't be.

19 MS. MOORE: I'm just sharing that with you for that
20 may be another consideration of why going more of the
21 traditional, like through our procurement process versus
22 CMAS.

23 And that's what staff is trying to work through and
24 weigh through those items.

1 MR. ARABO: But my question was if you activate CMAS
2 do you lose anything from the traditional route or just
3 another lever?

4 MIKE SEYLE: Just another option.

5 MR. ARABO: Okay.

6 MIKE SEYLE: Yeah, absolutely.

7 The cellular sites, we talked about that.

8 We have a meeting tomorrow with Verizon to discuss
9 that, what their thoughts and concerns are with that.

10 But that's as soon as we could get together with
11 them.

12 MS. ROWLAND: [off mic]

13 MIKE SEYLE: We did an increase the number of antenna
14 on the lease, so it was a change to the lease.

15 MS. ROWLAND: [off mic]

16 MIKE SEYLE: Do you know?

17 I don't know.

18 MS. MOORE: The board has not yet approved the lease.

19 And when he mentioned that, so DGS has negotiated
20 the lease, my recollection is this goes back to 2024.

21 Correct?

22 This goes back to 2024.

23 The equipment has already been updated.

24 Tristan, if you can speak to it some more.

1 Because telecommunications, this telecommunications
2 side of the house handles this.

3 But just to clarify, the board has not, if you
4 recall, you have not approved the lease yet.

5 And that's why we need to explore the conversation
6 with Verizon.

7 TRISTAN HALLMAN: Yeah, so the item on last month's
8 agenda was to, was a not renegotiated but amended lease.

9 It was an amendment to the existing lease that's
10 been in place since 2024.

11 You have equipment on there, they wanted to upgrade
12 their equipment that exists so that they could increase
13 5G compatibility, basically to increase speed for the
14 customers in the grandstand and for our neighbors to the
15 back.

16 But that lease has not been approved yet by the
17 board, so that's why we're meeting with Verizon to say,
18 hey, you know, there's another consideration that we want
19 to take into account here.

20 But they've -- this was something that had been in
21 process well before we had been considering this.

22 MS. BARKETT: The potential amendment, what is the --
23 [off mic]

24 MR. RIVERA: Microphones please.

1 MS. BARKETT: My apologies.

2 So regarding the amendment, what is the lease term
3 and the cost?

4 MS. MOORE: I want to clarify while Tristan might be
5 able to look that up.

6 But it's a revenue agreement.

7 So it's actually revenue to the district.

8 What I was going to ask just to clarify, from my
9 understanding as well, so the new equipment has not yet
10 been installed, pending the approval of the lease.

11 But the existing equipment is there.

12 My recollection is that the revenue to the district,
13 which is about \$80,000 a year, because for five years it
14 was around \$400,000 of revenue.

15 I don't remember the terms but typically the cell
16 tower leases in my experience that DGS negotiates are 25-
17 year agreements.

18 MS. BARKETT: The cell towers are?

19 MS. MOORE: Cell towers.

20 Because there's actually a division of DGS who does
21 nothing but cell towers on state property throughout
22 California.

23 They handle all of that.

24 TRISTAN HALLMAN: The current lease runs through the

1 current initial 10-year term runs through 2034 with
2 options to extend until 2049.

3 The amendment extends, and I don't have the exact
4 year, but it actually extends that agreement.

5 These are, with cell towers they tend to be long
6 term because they're making an investment of equipment.

7 MS. BARKETT: Right, so I just want to make sure I
8 understand.

9 The cell towers are in the way at the grandstand,
10 right?

11 MIKE SEYLE: The video board would be in the way of
12 the cell towers if it was expanded.

13 MS. BARKETT: If it was to be expanded, okay.

14 And we have a 25-year lease on them right now that
15 expired --

16 TRISTAN HALLMAN: I'm sorry, there's an initial 10-
17 year term that started in 2024 that extends through
18 January 31st, 2034.

19 MR. ARABO: But the board hasn't approved in the last
20 meeting.

21 TRISTAN HALLMAN: I'm sorry.

22 >> [multiple speakers]

23 MS. MOORE: That one is in place.

24 The amendment -- [multiple speakers]

1 MR. ARABO: I have a request for the chair.

2 Whatever the chair would like to see, whatever
3 committee that the chair thinks should do the DMTC
4 screens, should definitely also take up the Verizon
5 issue, towers, because they could conflict.

6 CHAIR NEJABAT: I was going to announce that at the
7 end of your report.

8 MR. ARABO: Okay.

9 CHAIR NEJABAT: I would like to clarify, let the
10 record reflect, that I'll be assigning this to the DMTC
11 Liaison Committee.

12 MR. ARABO: The screens and the Verizon?

13 CHAIR NEJABAT: Correct, because it's significant
14 implications.

15 MS. BARKETT: Verizon lease.

16 MR. ARABO: Thank you, chair.

17 MIKE SEYLE: So we talked about the 5-Points sign and
18 kind of the changes.

19 We came up with some different approaches that we
20 wanted to present and we presented this to DMTC.

21 Basically, do you want to all of it, and that might
22 take a year and change, which would push it beyond the
23 current race season.

24 Or do you want to break it into pieces and get some

1 now and some later, which might increase the cost.

2 Didn't get an answer but we presented that.

3 That was part of what we discussed at the liaison
4 meeting as well.

5 And this is just kind of clarifying or filling in
6 the gaps on that, that process.

7 The first, the first approach is the single
8 purchase.

9 The second two-step is we replace them over two
10 time.

11 MS. MOORE: I that's where that idea of then
12 repurposing to another sign location if we were -- I
13 can't remember if that's on your slides or not.

14 [multiple speakers] -- repurposing that investment
15 this year in terms of the upgrade of the -- what this
16 would involve is upgrading the components of the Paddock
17 and in this case, the grandstand this year as is but just
18 a brighter, clearer screen because it's been updated.

19 Then with the construction of the new, and the Legos
20 that fit in as Director Arabo described that, then with
21 the construction of the new, taking that investment of
22 those component parts this year and repurposing them to a
23 potential new sign location such as in the past we've had
24 the desire to have a sign on the side of Surfside.

1 MR. SCHENK: May I ask a question, just if I may, on
2 technology.

3 It's been a while since I engaged with Legos but
4 it's not state-of-the-art technology.

5 And I just query whether what we may be discussing
6 as replacing or repurposing may not be state of the art
7 two years from now.

8 So and I don't know what the answer is to that.

9 But I'm just wondering the wisdom in today's
10 technology being used for things that may come about two,
11 three years from now.

12 MR. ARABO: Yeah, that's a great point.

13 One take away that we did hear from the vendor,
14 perspective vendor, was this approach would definitely be
15 outside the \$3 million.

16 Because you'd have to buy more widgets, more of
17 those Legos.

18 And that's, you know, when we issued, I don't know
19 if Josh could come up here later at the end presentation
20 to talk about DMTC's role.

21 When we asked them at the committee level, would you
22 want to go just change the widgets now and later do a
23 larger screen?

24 Or do you want to just wait and do, for example,

1 Paddock '26, and large screen at once, '27.

2 At the meeting level I believe, Josh said, correct
3 me if I'm wrong, that you'd wait one year and get the
4 larger screen in one shot and do the Paddock right away.

5 Is that accurate for Josh, yes?

6 Okay.

7 Because the issue with this is those Legos you'd
8 have to purchase some of them almost twice and it would
9 throw you above the \$3 million threshold that the board
10 has approved, that ceiling.

11 MIKE SEYLE: If you buy them at different times they
12 are not compatible.

13 MR. ARABO: Right.

14 Also, they might not be as compatibility, the color
15 might be off.

16 That's why the vendor, perspective vendor, said you
17 should buy everything at once and you could stage it.

18 MR. GELFAND: Yeah, I mean, I don't think these two
19 approaches are that we're limited to those two
20 approaches.

21 So and this is the conclusion of your presentation?

22 MIKE SEYLE: Almost.

23 MR. GELFAND: Well, let me hold my comments --

24 MIKE SEYLE: There's a third option.

1 Third option would be just change the side of the
2 board so that we would fit it within the current
3 structure but so it doesn't block the antennas, but not
4 as large.

5 The current, the picture you saw is really outside
6 the current structure but we could put something in or
7 attached to like you talked about with the monument sign,
8 attach it to the existing one requires less erection of
9 the steel and probably more sturdy, require less
10 footings, all kinds of potential there to do something.

11 But it would require a reduction in the total sign.

12 I don't know how much.

13 That's a thought.

14 MR. GELFAND: Is that it?

15 MR. ARABO: The reduction would be four times -- the
16 upgrade is four times as large.

17 MIKE SEYLE: The upgrade is three times as large as
18 this one.

19 MR. ARABO: Three times.

20 MIKE SEYLE: Went down to two and a half --

21 MR. ARABO: The reduction is 33%.

22 Would this approach it would be 33% of what the
23 board approved in December.

24 MS. ROWLAND: 33% smaller?

1 MR. ARABO: No.

2 66% smaller.

3 MS. ROWLAND: Oh, okay.

4 >> [multiple speakers]

5 MIKE SEYLE: No, that was a suggestion.

6 It was coming down -- [multiple speakers] -- for the
7 grandstand you could go as wide.

8 You couldn't go as tall because of the antennas.

9 And so you might have a different shape like you do
10 at the monument sign instead of going that full distance
11 up with the ark over the top.

12 And that way you wouldn't have to do anything about
13 the antennas, would be a smaller board, we think you
14 could attach to the building.

15 MR. ARABO: But you still have to do the footings.

16 MIKE SEYLE: You still have to do the footings.

17 They wouldn't have to be as big because it wouldn't
18 be a freestanding structure.

19 When you attach it to the building you have double
20 support there.

21 MR. ARABO: Also, another analysis can that board,
22 the board is over 10 years old.

23 Can that board structure taking a bigger size
24 screen?

1 MIKE SEYLE: The structure itself is a building and
2 we could enhance it and strengthen whatever we needed to
3 do.

4 MR. ARABO: Three-story building, yeah.

5 MR. SCHENK: That would require structural
6 engineering analysis anyway.

7 MIKE SEYLE: Yeah, which you're going to do for
8 either of them.

9 MR. SCHENK: Right.

10 MIKE SEYLE: So we just quick for the to finish this
11 up so we can get on.

12 There's some things we still need to do some more
13 analysis on.

14 We're still going to continue to meet with DMTC.

15 We have to get a second quote, as we mentioned, if
16 we use CMAS or go through the other process.

17 It was just kind of a list of the things we still
18 don't have answers to.

19 MR. ARABO: You see, Director Gelfand, before I make
20 the comments where the misalignment is from the motion
21 from the board in December.

22 All the information is great but the last two slides
23 is alternative approaches when the board did not ask for
24 alternative approaches whatsoever.

1 MR. GELFAND: I completely --

2 MR. ARABO: We didn't ask for it as a board.

3 Ask for it, they'll bring it.

4 MR. GELFAND: We approved the project knowing that
5 there were all kinds of additional considerations that
6 had to be looked into.

7 Not only has staff done that, they have proactively
8 come up with some alternatives, not as a negative to
9 thwart the project but to get it done.

10 So I disagree with the sort of tone of your approach
11 about this.

12 But putting that aside, number one, because the cell
13 tower issue and because they want to enhance it anyway,
14 that means they're going to have to rewire things, et
15 cetera.

16 To go higher could be easily part of the negotiation
17 that our DMTC Liaison Committee will get into with them.

18 So I don't see that as obstructing the ultimate
19 creation of the big board that we originally voted on and
20 wanted to happen.

21 That's just a matter of you guys negotiating a deal
22 with them.

23 And I don't think it should cost us money or dilute
24 the money they are giving us.

1 Beyond that, I think what we're seeing is that the
2 implementation of this is more complex or as complex as
3 we thought it would be last month when we voted for this.

4 And so, I think the DMTC Liaison Committee empowered
5 with the inclusion of the cell tower component of this,
6 should come back to the board with their recommendation
7 about how to implement it.

8 What boards when, whether to do it piecemeal,
9 whether to do the Paddock board now and have a completely
10 different contract for the big, you know, grandstand
11 board later.

12 You know, let's get their recommendations.

13 And I would also like to hear from Josh today.

14 I assume you don't believe that this can all get
15 done before this summer's meet.

16 And if you have any disagreements with Mike's
17 presentation, I would like to hear about it.

18 And if you have any thoughts about how we ought to
19 proceed, I'd like to hear about it.

20 MS. BARKETT: Thanks, Mike.

21 JOSH RUBINSTEIN: So again, we're very appreciative
22 of this project.

23 It's been a while since this type of investment that
24 benefits horse racing has been discussed.

1 So again, we're very much appreciative.

2 I think as DMTC, we're a little bit out of our lane
3 in terms of saying the project can be completed in '26-
4 '27, a portion of that, that's not really what we do in
5 terms of state governance.

6 So we would defer to you on the best path.

7 Certainly, the sooner the better in terms of
8 enhancing our customer experience.

9 But we certainly don't want to be in a position
10 where we are giving advice on you know state government
11 policies.

12 MR. ARABO: Josh, I have a question.

13 This presentation or packet, when did you-- did you
14 see it and when did you see it?

15 What was presented today or in the packet?

16 JOSH RUBINSTEIN: I normally don't see materials that
17 are in the packet until they are released.

18 I don't think this would be any different.

19 MR. ARABO: You are leading the project.

20 You had no -- they never gave you the packet prior
21 to the -- being included in the agenda?

22 JOSH RUBINSTEIN: As Mike said, you know, we had a
23 pretty close to hour-plus discussion on this.

24 So maybe I would have to go back and look at my

1 notes.

2 Maybe some of these things were brought up in our
3 discussion, but again, I don't see materials until they
4 are in the packet.

5 MR. ARABO: Hopefully, now that the chair has
6 assigned it to the committee we look for a robust ways to
7 look at what the board approved in December and also
8 potential alternatives but also dealing with the screens
9 at the meeting so the board could hear it from you.

10 I know I'm being repetitive but there's a point to
11 this.

12 Was your request, correct me if I'm wrong, was it
13 2026 Paddock and wait one more year for the larger
14 screens?

15 JOSH RUBINSTEIN: So we're, again, we're hopeful to
16 get this project done as soon as possible.

17 So based on some of the scenarios we discussed, it
18 sounded like the installation of the Paddock was
19 realistic for 2026.

20 So certainly getting that done would, again, not
21 just enhance the customer experience for the races but
22 also for the fair.

23 And as Director Barkett pointed out, other events
24 that take place in the Paddock.

1 So that seemed to be a realistic option getting '26
2 done in the Paddock.

3 And then the grandstand and 5-Points done as soon as
4 possible.

5 I would like to add, and I'll get with Mike after
6 because I think a lot of this information was helpful and
7 new to us in terms of understanding some things.

8 But I did in seeing the slides, I did text with
9 Daktronics.

10 And just to be clear Daktronics is the existing
11 provider of the video screens.

12 And asked in the information that they provided us,
13 while not a full-fledged quote, but the information they
14 provided us, the footings for the grandstand video board
15 would be included in that.

16 MR. ARABO: They would be included?

17 JOSH RUBINSTEIN: Would be, yes.

18 MR. ARABO: And under the \$3 million?

19 JOSH RUBINSTEIN: Correct.

20 Yeah, in fact, I can read the text here.

21 MR. ARABO: That's very helpful.

22 JOSH RUBINSTEIN: So it's everything.

23 Demo, excavation, soil removal, everything like
24 we've done in the past, rebar installation, anchor bolts

1 for columns, pouring concrete, et cetera.

2 MR. ARABO: Great.

3 That's good news.

4 MS. BARKETT: Could you forward that to the
5 committee?

6 JOSH RUBINSTEIN: Sure, I'd be happy to.

7 MS. BARKETT: Thank you.

8 MR. ARABO: Thank you so much.

9 CHAIR NEJABAT: Do you have a comment, Director Mead?
10 One last comment for the board.

11 MS. MEAD: Thank you.

12 I'll defer.

13 I appreciate the fact that you have assigned this to
14 the committee.

15 And I'll defer until the report next month.

16 Thank you.

17 MS. BARKETT: I would just like to say something.

18 Mike, I love the report.

19 I thought it was really well done.

20 And I want to say, I like the fact that they
21 included alternatives.

22 I think, you know, we have to look at everything.

23 The whole thing.

24 And so, I applaud you on doing that.

1 And one thing that I was going to mention, and I see
2 in your next steps is potential financing.

3 You know what, we might be able to do something with
4 DMTC, okay?

5 They are in it for the long haul too.

6 So I think that, you know, and now we got this new
7 information, you know, from Daktronics, which is very
8 favorable in terms of monetary costs.

9 So I think we're in a good place right now.

10 We have a lot more information than we ever have
11 had.

12 And now I think we're ready to move forward on a lot
13 of this and see what can be done.

14 But you know, I always say, never say never because
15 I love to see alternatives.

16 And I want you to be open to that.

17 And I'm, you know, you're great at looking at the
18 whole thing, you really are.

19 So I applaud you on that as chair.

20 So thank you to everybody.

21 CHAIR NEJABAT: Thank you, Josh.

22 Thank you, Mike.

23 I'd really like to move on unless you have --

24 [multiple speakers]

1 MR. GELFAND: I would just like to suggest that the
2 committee make sure that this foundation issue is
3 accurate.

4 And that the vendor has talked with Mike and
5 actually seen what they're dealing with and understands
6 the liquefaction issues and other structural components
7 of building in this environment.

8 CHAIR NEJABAT: Director Arabo, any other comments?

9 MR. ARABO: Noted.

10 Thank you.

11 CHAIR NEJABAT: Thank you.

12 Thank you, Josh.

13 Thank you, Mike.

14 With that, any members of the public who wish to
15 speak on this item?

16 Seeing nobody in person, we do have one Zoom speaker
17 online.

18 Martha Sullivan, 2 minutes please.

19 MARTHA SULLIVAN: Hello, this is Martha Sullivan
20 again.

21 As this board continues planning to spend at least
22 \$3 million and quite probably more when all costs are
23 identified to substantially upgrade the race track and 5-
24 Points video boards at the DMTC behest in order to entice

1 the Breeders' Cup back after 2027.

2 I point this out from the Finance Committee report
3 in today's board packet at pages 42 to 43.

4 Quote, in November revenues were 16% or \$985,000
5 below budget primarily due to an overestimation of food
6 and beverage revenues for the second day of the Breeders'
7 Cup event and [indiscernible] meet.

8 And three fewer shows at The Sound than planned,
9 including the canceled Stray Cats and Engelbert
10 Humperdinck shows.

11 Overall, food and beverage sales fell short of the
12 forecast by 24% or \$960,000 during the month, end quote.

13 At pages 84 and 85 in today's board packet
14 illustrates, which I talked about in my last comment, is
15 increasingly in question whether there will even be horse
16 racing in California after 2027 or if what's left would
17 entice the Breeders' Cup to return to Del Mar.

18 You know, racing at the level of the Los Al race
19 course at lower level is not going to bring the Breeders'
20 Cup back even if you still have live horse races going
21 on.

22 You need to really wake up and not just be spending
23 money to chase some mirage on the horizon.

24 Thank you.

1 CHAIR NEJABAT: Thank you, Martha.

2 And that concludes public comment on this
3 information-only item.

4 Just so everyone knows, we're going to be taking up
5 D and E and then taking a 5-10 minute break.

6 With that, we now have item 8-D, Emergency
7 Preparedness Committee.

8 This is an information-only item.

9 The report begins pages 73 to 74 in your packets.

10 This is a new committee that we created.

11 And I'm very excited to hear from Director Barkett
12 on anything she has to add to the report.

13 MS. BARKETT: Thank you, Chairman Nejabat.

14 So my vice chair is Joyce Rowland, Director Rowland.

15 Yeah, you're vice chair.

16 Remember, I moved you up at the meeting?

17 I said we got to be-- remember that?

18 So you are.

19 Because she had such wonderful comments in the
20 meeting and was extremely helpful.

21 And so, I want to compliment her on her involvement.

22 And I look forward to working with you.

23 So our first meeting was January 5th.

24 And of course, here at Del Mar, it is safety first.

1 And I want you to know that at that meeting, Joyce
2 and I were given a wonderful binder prepared from staff
3 on emergency management planning.

4 And as you can see, they've actually been quite
5 busy.

6 So it was wonderful to see.

7 It's wonderfully done.

8 Also, I wanted to point out that they handed out at
9 one of our board meetings and again at our meeting, this
10 tag for us to wear on our badges.

11 And I believe all the employees have these.

12 And it's great because it talks about guest
13 assistance and there's a phone number there, medical
14 emergency phone number with a QR code.

15 And safety hazards, major incidents and evacuation
16 with a QR code.

17 Very important and we've handed these out to all
18 directors.

19 And very impressive.

20 A great way to do things.

21 So you know, we're the largest state facility in San
22 Diego city.

23 With that comes a great responsibility.

24 And the Del Mar Fairgrounds itself has served an

1 important role in the region's emergency response for
2 ages.

3 And really, the whole area, the whole county looks
4 to us.

5 And so, we need to take this very seriously,
6 especially in light of, I think, everything going on
7 that's happened.

8 Not only wildfires, but we, you know, you look at
9 public health emergencies as we've had COVID.

10 You are looking at cyberattacks to the premises.

11 You are looking at civil disturbances and protests
12 going around the country.

13 You are looking at, you know, infrastructure
14 failures.

15 That's why it's important to keep up with
16 maintenance and do the test of your facilities and keep
17 that going.

18 Maintenance is very important.

19 So these are something we need to look at and are
20 all addressed in here, which is very important.

21 So we're discussing our role as directors in this.

22 And we want to, while the staff is continuing to
23 build and update our comprehensive emergency preparedness
24 program and they're doing this based on national

1 standards, best practices, the committee provides the
2 governments the advice and the oversight on staff's
3 continued planning efforts.

4 And we're so we are prioritizing emergency
5 preparedness and modernizing our emergency efforts.

6 So we get about 2 million annual visitors each year.

7 And an evacuation center we have right here on site
8 during the wildfires.

9 And you saw it with COVID.

10 We had our vaccination superstation and even our
11 food drive distribution during the pandemic.

12 Very important.

13 Monitoring our readiness and evaluation response in
14 a recovery planning continues to be at the top.

15 And so we just want to say that we're advancing the
16 board's fiduciary responsibility also to minimize risks,
17 strengthen these organizational resilience, and to serve
18 as a safe, reliable, and trusted gathering space for the
19 community.

20 The committee was provided with information of the
21 ongoing work.

22 And I just wanted to just say here, updating
23 scenario planning and action plans, updating the crisis
24 communication plan, updating the wildfire action plan,

1 and going on discussions with San Diego County and all
2 those, you know, services from other like the Humane
3 Society, et cetera.

4 And very important that they all come together and
5 provide monthly trainings for our full-time employees.

6 I suggested that even the directors get involved in
7 that.

8 And developing and implementing fair time staff
9 training and resources, such as the safety cards, which
10 we mentioned, and fair orientation training.

11 And implementing, sorry, communication alert systems
12 and back-up plans, digital radio systems.

13 Very important.

14 And an emergency management handbook that I believe
15 all the employees received.

16 And I stated that we would love to have that also.

17 And tabletop exercise discussions with all the
18 stakeholders in San Diego.

19 And they've been doing that, with not only the state
20 at the state level, but they've been doing that with
21 their partners in San Diego County.

22 So very excited that we're on top of this.

23 And great job.

24 Any further comments, Joyce?

1 MS. ROWLAND: Two small comments.

2 One is staff had sent out a board alert number that
3 would be special use for the board to receive timely
4 communication.

5 It could be on something that's emergency related or
6 it could be on a news release, whatever.

7 But I would just recommend that each of you take
8 that number and in your contacts that you put the heading
9 on it of 22nd DAA Board alert, so when it pops up you're
10 going to know immediately what it is if you have it in
11 your contact list.

12 If you don't, you're going to go, like what was
13 that?

14 So I think from an emergency preparedness
15 perspective that would be a good step.

16 And the other is that we had this initial
17 conversation about working with a possible equine-related
18 nonprofit that hopefully could be stood up to help with
19 emergencies that require equine movement.

20 And it could be equine movement here.

21 But if it were a separate nonprofit, they could do
22 it to any necessary location, support other areas that
23 had crisis that were equine related.

24 And there is a model that we talked about that's

1 being implemented around cats and dogs around the
2 country.

3 So we're going to look into that as a possible
4 suggestion to a possible nonprofit to take that on.

5 MS. BARKETT: And we're getting traction on that.

6 In fact, Paul Ecke, who spoke prior, is very
7 interested.

8 Heard about it and is very interested in getting
9 involved, which is great.

10 He's a horseman too, but an animal lover, so that's
11 great.

12 And the last thing I meant to mention, and you
13 jogged my memory, was about the intranet page, the new
14 board intranet page.

15 That is to our access that we'll have top
16 information on it for us.

17 So great.

18 Thank you, Joyce.

19 Thank you, Carlene.

20 Thank you, Mike and Tristan.

21 Everybody who was there that day, thank you.

22 CHAIR NEJABAT: Great.

23 Wonderful work.

24 Any other board comments?

1 MR. ARABO: Thank you, Vice President Barkett,
2 Director Rowland.

3 Such important work that we need to do.

4 Regional asset.

5 And thank you, Chair Nejabat for the for sight
6 creating a committee like that.

7 So thank you.

8 CHAIR NEJABAT: Vice President Barkett's suggestion.

9 All right, seeing no public speakers in the room and
10 nobody signed up online, that will conclude public
11 comment on this informational item.

12 Next, we have item 8-E, Fair Ops Committee report.

13 I would like to recognize Director Mead for her
14 report.

15 MS. MEAD: Thank you.

16 The Fair Ops Committee met on Friday and we want to
17 just share an overview of the committee meeting.

18 First, I just want to remind you of some of the
19 things we mentioned to you last month that planning for
20 the fair actually begins like a week after the fair ends.

21 It really is a year-long process.

22 And in fact, part of the reason that we select a
23 theme prior to the next year is so that the staff can
24 work with potential organizations to come out during the

1 fair to be able to identify opportunities to make that
2 theme work very well for us in the following years.

3 So this is a process that takes a long time.

4 What Sam and I learned on Friday was that after the
5 fair ends, internally there is a process among staff to
6 have an all-day debrief session to be able to identify
7 what worked well, what didn't.

8 Task forces are created so that we can begin to look
9 to see what can be improved for the fair the following
10 year.

11 So there's a very thorough process that take place
12 internally that includes a number of the staff, given
13 that fact there are so many components.

14 There is programming, guest services, security, et
15 cetera, that is broken down into the fair.

16 All of those components come together to look at
17 what's done well and what isn't.

18 Additional topics of our conversation on Friday was
19 that the acts for the grandstand and the Paddock are
20 coming along.

21 I know last month we talked about the cost of bands,
22 especially those that are on the grandstand.

23 And I want to assure the board that the staff shared
24 with us that they are working within a budget.

1 It's like putting puzzle pieces together, right, you
2 know your total budget but we also have to know that
3 various bands have different prices.

4 And when we make an offer, that offer is good until
5 it's either accepted or declined.

6 So if that offer is declined, then you slide in
7 another puzzle piece, hope it fits so that all of those
8 acts are actually booked within the existing budget.

9 But it's not only just the budget.

10 I think last month we advised you that there's also
11 a component that has to do with routing.

12 So not always do the acts do we want will come to
13 San Diego we're sort of obviously at the end of the
14 United States in the state.

15 So it has to work for the bands that are routing
16 through, along with their budgets.

17 So it really is putting together a number of pieces
18 and components to those acts.

19 What we're excited to tell you is that several of
20 those acts are already begun to have been accepted.

21 And those act contracts will come to you in
22 February.

23 February, March and April, we will have board
24 approval of those acts.

1 And then almost immediately after that, tickets will
2 go on sale.

3 So rather than tickets going on sale all at once,
4 there will be approval at the board, then tickets for the
5 grandstand acts in February.

6 Board approval in March.

7 Those will go on sale in March.

8 And then in April, the last tickets will go on sale.

9 So it's a sort of distribution of acts throughout
10 the next three months or the next 90 days will occur.

11 Paddock acts, which don't have a cost associated
12 with those, those will be announced to you in April.

13 And what was really exciting that we learned is that
14 the acts at the Paddock are going to try to be aligned
15 with the acts on the grandstand.

16 So if you are seeing a country act on the
17 grandstand, when you get out you can go to the Paddock
18 and continue the theme and music as it goes on.

19 So you know, hopefully people will come to the
20 Paddock and continue their partying and purchasing of
21 food and beverages along the way and stay at the fair a
22 little longer.

23 What also is being discussed is all of the cultural
24 events of which there are several.

1 You remember these as Asian Pacific Islander, Native
2 American, Juneteenth, out at the fair, gospel days.

3 All of those cultural events are being planned now.

4 And those will be provided additional information as
5 we roll out more about that.

6 Finally, we are really excited about the fact that
7 there was two dates that were actually scheduled during
8 the holidays, where annual passes were offered at a
9 discounted rate for the holidays.

10 And we actually sold more passes during that
11 announcement, almost twice as many as we did last year in
12 all of the annual passes.

13 So these opportunities to buy up and attend the fair
14 more often, which means that you may pay less at the gate
15 but you're coming here and spending more on food and
16 beverage and rides and games and so on, I think is
17 showing that people want to come to the fair more than
18 just one day.

19 And we're pretty excited about that.

20 Bottom line is February will be a great opportunity
21 to get more information to the board for your approval.

22 And we're really delighted with the progress that's
23 being made by the team on the fair; namely, Katie and the
24 rest of the team that works there.

1 That's my report from the Fair Ops Committee.

2 Sam, anything I missed?

3 CHAIR NEJABAT: No, just want to echo thank you to
4 staff and Carlene and Katie.

5 MS. MEAD: Michael, before I go forward, do you mind
6 if I just check in with Katie to make sure I didn't miss
7 anything?

8 Because it may add to your question.

9 Katie?

10 KATIE MUELLER: You did a very thorough job.

11 Thank you.

12 I could go on and on and on all day about the fair.

13 We are just fast and furious, as soon as January
14 hits it's full speed ahead to the fair.

15 So we spent a lot of time in the fall brainstorming,
16 thinking of my ideas, talk about what could and couldn't
17 be and we're getting into execution mode now.

18 Once we go on sale officially in February that's
19 when you'll start seeing a lot of the marketing and
20 things like that happening as well.

21 MR. GELFAND: Okay.

22 Sort of two-part question.

23 Do Fair Ops Committee members play any kind of
24 direct role in the selection of the bands?

1 MS. MEAD: We do not.

2 What we do is make recommendations.

3 So when the team makes bids and offers, they usually
4 make them based on a mix.

5 They want to be sure that we are recognizing all of
6 the genres that will bring people out.

7 Rock, country, and soul and gospel and so on.

8 So they make those bids.

9 If we think something is missing, then we notice
10 that.

11 You guys might remember last year, Sam made a
12 recommendation for EDM.

13 And so that's being carried forward this year
14 because we were so successful.

15 So staff really makes those recommendations based on
16 bands that are touring.

17 MR. GELFAND: I would just love to see a little bit
18 more rock than we had last year, just as a comment.

19 MR. SCHENK: Well, I can comment on that.

20 Because I agree.

21 And for many years, we've tried.

22 The process evolved over the years.

23 It used, to answer your question about does the
24 committee pick.

1 The committee used to pick.

2 We would go and every -- the Sunday after
3 Thanksgiving we would go to Las Vegas.

4 We would go to the convention and we would meet
5 directly with the agents.

6 We would meet with creative artists.

7 We met with William Orrs at united.

8 That no longer happens.

9 And so, now it's done through representatives that
10 we hire to do our bidding for us.

11 So it's less direct and we used to have a more of a
12 play in terms of selecting the talent.

13 Unfortunately, maybe it's fortunate, but we don't
14 have that opportunity anymore.

15 So you know, what Kathlyn shared is accurate.

16 You know, they try to select through the
17 representatives who give the fair people that are routing
18 in the area and they make recommendations.

19 But it's different from how it used to be years ago,
20 I'm talking 10 years ago.

21 MR. GELFAND: Was that change brought about by board
22 action?

23 MR. SCHENK: No, it was -- I'll tell you what it was
24 brought about by.

1 It was brought about by originally because of
2 disputes between the states.

3 All right.

4 Whoever was the governor at the time decided that.

5 The convention was moved from Las Vegas to was it
6 San Antonio.

7 And we were not permitted to travel to Texas.

8 MR. GELFAND: I remember that.

9 MR. SCHENK: Yeah, and so because of that, you know,
10 so that opportunity --

11 MR. GELFAND: So we could undo it now?

12 MS. MEAD: No, actually there's another -- that was
13 one of the reasons.

14 MR. SCHENK: That is then the reason.

15 MS. MEAD: But then COVID happened, then technology
16 happened.

17 And Katie, you want to jump in here.

18 But it's just an evolution of the booking process.

19 KATIE MUELLER: Yeah, it's not so much getting to
20 pick.

21 We would love to hear, we have room in the schedule
22 still.

23 We're still actively negotiating and trying to find
24 a few artists to fill in.

1 We would love to take recommendations and we will
2 vet them.

3 So it's not so much about picking.

4 Yes, we are given this giant mega list of here's
5 everyone touring.

6 But then you kind of go, okay, here's the ones we
7 might be interested.

8 But we pick, number one, based on tickets sales.

9 Can they sell tickets.

10 How did that perform at the last venues that they
11 were at.

12 It's very much an objective process from that
13 standpoint.

14 And then we look at things like what's their
15 availability.

16 Are they playing in Southern California.

17 Like obviously if they are routing you are going to
18 get a much better opportunity then ever they are over
19 there on the East Coast somewhere.

20 Sometimes artists, they decide to take a tour in
21 Europe.

22 Sometimes they don't know in September what they're
23 going to be doing in June.

24 So there's all these different factors that go into

1 it.

2 But we do, you know, if anybody has any feedback.

3 Kathlyn gave me some feedback at our meeting, and so
4 I took that back and we're working on doing some digging
5 into that.

6 But, yeah, if anybody has feedback.

7 MR. GELFAND: I would also recommend a genre that has
8 not been represented I don't think ever at the fair,
9 which is jam bands.

10 I think you get a huge attendance.

11 MS. BARKETT: And just really quickly.

12 We used to be gospel ones.

13 We haven't had them for a while.

14 KATIE MUELLER: Yeah, no.

15 We do those on the Paddock.

16 And the reason that we switched is because the
17 grandstand is a paid, ticketed venue now.

18 The Paddock is where all the free fair admission
19 shows are.

20 And so that's where we put the whole gospel festival
21 on the Paddock.

22 MR. SCHENK: You're right, we had that every year.

23 CHAIR NEJABAT: Last comment or question, Director
24 DeBerry.

1 MS. DeBERRY: Yes.

2 I see there's a committee for entertainment.

3 So I'm trying to understand a couple things.

4 One, the relationship, right, with your committee or
5 not.

6 And the Bagley-Keene, because we can't have
7 conversations about what you are talking to the staff
8 about.

9 So I'm just really trying to understand a couple of
10 things here, like should this committee exist, the
11 purpose of the committee.

12 If the fair ops is talking through entertainment,
13 you know, are you tracking me?

14 Because I'm really trying to understand this.

15 And then the second piece is, I think, Katie, I love
16 the fact that you kind of talked about the process on how
17 you are vetting.

18 And I think about a vetting strategy on -- last year
19 we looked at some of the acts that did not bring in
20 revenue, right.

21 So this year, how are you vetting that, right?

22 In other words, are there particular acts that have
23 repeatedly been in San Diego region and we're bringing
24 them back again but they've already been here three or

1 four times so will people really show up?

2 KATIE MUELLER: We absolutely look at that.

3 If they've played in San Diego in the past year,
4 we're most likely not going to make an offer on them
5 unless they just hit, knock it out of the park and they
6 were a sellout wherever they performed.

7 So we definitely look at their recent plays in the
8 market.

9 We love it when we're able to book somebody who
10 hasn't played in this market in a while.

11 Because, again, that's usually a good indicator.

12 The other thing that we look at is the program in
13 totality.

14 So you aren't always going to be guaranteed a sell-
15 out every single show or a show might under perform.

16 You know, we had a show last year that sold out Kia
17 Forum.

18 We thought, oh, great, we're going to get this act
19 here.

20 That genre of music just didn't do the same in San
21 Diego as it did in L.A.

22 And so but in totality we sold more tickets to our
23 grandstand shows last year than ever before.

24 So you kind of have some hits or misses.

1 Even with the whole issue with the Hispanic concerts
2 being down, we all know why, I don't need to regurgitate
3 that.

4 But even with that we sold more grandstand tickets
5 than we had ever sold before.

6 So it's like how does the whole series perform, not
7 just day by day.

8 And I think we've got a really, we're not finished
9 yet but it's shaping up to be really, really strong this
10 year.

11 MS. MEAD: Can I take up the first part of your
12 question, Donna?

13 And ask if we can hold that until tomorrow because
14 tomorrow as part of our conversation about CEO
15 performance, we'd like to bring up the topic of the
16 committees and the circular serial meetings and the
17 purposes of some of these committees.

18 So we do have it on the agenda for tomorrow.

19 And because we've got some of the same questions.

20 So can we hold on that until tomorrow's meeting?

21 MS. DeBERRY: I guess we have to so.

22 Okay.

23 MS. MEAD: Thank you.

24 With the chair's permission.

1 CHAIR NEJABAT: Sure.

2 Director Rowland and then Vice Chair Barkett.

3 MS. ROWLAND: So in the interest of reviving
4 discussions around diversity, equity, and inclusion, I
5 have a question about that small business market place
6 that you all kicked off last year, which I thought was
7 fun and fabulous.

8 And I was just wondering, is that expanding, what's
9 happening with that?

10 KATIE MUELLER: Yes.

11 We're expanding it to -- last year it was about
12 2,000 square feet, we're expanding it to about ,5,000
13 square feet inside the Wyland Hall.

14 We're also adding a second location in farm to you,
15 which is probably going to be about 1,500 to 1,800 square
16 feet, that's going to sell farm products.

17 MS. ROWLAND: That is fantastic.

18 KATIE MUELLER: Yeah.

19 So it's very exciting.

20 We're excited about it.

21 MS. DeBERRY: Oh, go on.

22 MS. MOORE: Regarding that, that particular exhibit,
23 which we call the San Diego Marketplace.

24 You know, something that has also changed over time

1 with fairs has been commercial exhibitors and just the
2 rise of the Internet, then the rise of Amazon where
3 vendors can be selling online and things.

4 You know, the commitment especially to larger fairs,
5 it's a challenge our industry has been facing.

6 But this model and this concept of the opportunity
7 for local businesses and small businesses to be able to
8 participate in an event of this size and magnitude
9 without having the heavy staff commitment that it takes
10 to have a booth and that's why we've seen such interest
11 in it, I believe for expanding it.

12 MS. DeBERRY: So may I also make a recommendation,
13 just to piggyback on that.

14 I love, Joyce, what you just said.

15 There's opportunities to work with all the different
16 chambers to bring in those small, underrepresented, and
17 underserved businesses that would never have an
18 opportunity like this.

19 Which is a draw, right, to bring more people from
20 different communities to the fair.

21 So I look at this as like how do we constantly
22 create a connection to communities at large to all
23 communities in the County of San Diego, and also give
24 them an opportunity to generate revenue, to get exposure

1 and all those things.

2 And I'm loving the fact that you all are expanding
3 this and maybe we can have that conversation too.

4 MR. ARABO: You know, one comment.

5 Great job, committee.

6 One idea to think about, maybe a Don Diego day.

7 I don't know if you guys are doing that or not.

8 Because the 40th anniversary, it's a nonprofit and
9 it does a lot of great work for scholarships.

10 Just an idea to think about for the committee to
11 consider.

12 CHAIR NEJABAT: Anything else, Director Mead?

13 Director Mead, anything else you want to report?

14 MS. MEAD: No, thank you .

15 Thank you, Katie.

16 Thank you all for your comments.

17 CHAIR NEJABAT: Thank you, everyone.

18 All right, seeing no members of the public in the
19 room and online, that concludes public comment on this
20 information item.

21 How about we take a 10-minute break and then resume
22 on item 8-G.

23 [The Board recessed for a short break at 1:14 p.m.]

24 [The meeting resumed at 1:26 p.m.]

1 CHAIR NEJABAT: Okay.

2 All right.

3 We're back.

4 As a reminder, we're skipping over item 8-F because
5 the Finance Committee did not meet.

6 So we will now take up item 8-G, which is the Legal
7 Committee report, which includes updates on discussions
8 with the City of Del Mar regarding amendments to the
9 ENRA, the feasibility studies in process under the ENRA,
10 including reimbursement for those studies under the
11 existing MOU and the status of the feasibility
12 determinations for potential locations for future board
13 consideration.

14 As a reminder, this is an information item only.

15 I will pass it off to you, Director Schenk, for
16 anything you would like to add to the report.

17 MR. SCHENK: Thank you.

18 I finally get my turn here today.

19 So it's only 1:30 so I'm going to take advantage of
20 it, Mr. Chairman.

21 Thank you.

22 All right.

23 So as mentioned in the committee report on pages 75
24 through 78, on December 18th, we had a very good meeting

1 at city hall with the City of Del Mar about the
2 amendments to the ENRA, which our board voted to seek in
3 October.

4 The committee and our CEO reiterated our board's
5 direction for amendments to the agreement to study
6 affordable housing and the city was generally agreeable
7 to the potential amendments.

8 It was a really good meeting and it lasted for
9 several hours perhaps.

10 We talked about how to structure and implement the
11 amendments and the language of the agreement, including
12 clarification for everyone's understanding that the 22nd
13 DAA Board will have the final say on where exactly the
14 housing would go and if we decide to move forward with
15 affordable housing after due diligence is completed.

16 And so we asked our respective attorneys who were
17 there to work through legal language for the amendments,
18 which will require approval by our board as well as by
19 the Del Mar City Council.

20 And as everyone knows, this is an issue that relates
21 to a contract.

22 I want to thank the board chair for encouraging us
23 to take up this issue.

24 And we want to make sure that we get this right and

1 that we're all on the same page about the process.

2 Joyce, anything that you would like to comment on?

3 MS. ROWLAND: No, I just thought it was actually
4 going in I didn't know what it tenor would be like, how
5 contentious it would be, and it was none of that.

6 MR. SCHENK: It was none of that.

7 I must say -- [multiple speakers] -- maybe it was we
8 were on the cusp of the holiday season.

9 I don't know.

10 But nonetheless, it was very amicable and responsive
11 to each other's thoughts.

12 So it was good.

13 I'm encouraged by it.

14 Like you, I was not optimistic going in but was
15 pleased as we left.

16 MS. ROWLAND: So I guess the committee will next be
17 looking at drafts of the proposal, proposed changes.

18 MR. CAPLAN: Yes.

19 You have those drafts.

20 MS. ROWLAND: Yes, I know.

21 That's why I'm saying we'll be looking at them now.
22 Because he is already passed along the work.

23 Thank you.

24 MR. SCHENK: Thanks to our legal counsel, by the way.

1 MR. GELFAND: Could you tell us the sites that are
2 currently being studied for the housing and -- oh, you
3 have a handout on this?

4 MS. ROWLAND: I do.

5 I just happen to have one.

6 MR. GELFAND: The area behind the 5-Points sign,
7 along Jimmy Durante, between the stable gate --

8 MS. MOORE: I was going to answer the question.

9 So and we have mentioned this previously when Dustin
10 presented as well.

11 But there are six in essence kind of six areas that
12 are part of the study, all in essence the perimeters of
13 the property.

14 Some of which are on the Del Mar side, some of which
15 are on the San Diego side.

16 And so, if you recall, even going back to 2021 for
17 example, the city at that time had embarked on two areas
18 that they were interested in.

19 So those are part of the six.

20 One area is in essence kind of where this complex
21 sits.

22 So here kind of near proximity to the fire station.

23 The other that they identified was right inside.

24 If you think of behind the 5-Points sign.

1 So the 5-Points sign we've spent a lot of time
2 discussing but in essence kind of right inside that gate
3 area.

4 And then what we added to that is in essence along
5 the perimeter of Jimmy Durante Boulevard, whether on the
6 Del Mar side or the San Diego side, as a potential
7 whether it's stand alone or mixed use considerations, as
8 well as then in the Surf and Turf on the San Diego side
9 of things with regard to Surf and Turf.

10 And then the intersection of Jimmy Durante and Via
11 de la Valle in essence where there's the "Y" that take
12 place there.

13 We actually, the 22nd DAA owns a small strip of land
14 along there, along with the land the city has.

15 Those are the six areas.

16 And from again, previous discussion of not having if
17 the board is going to consider this, looking at places
18 that would have least impact to our operations here at
19 the fairgrounds.

20 MR. GELFAND: So I'm curious if staff or our
21 president or if there's a process laid out in terms of
22 how the decision for location will be made.

23 And start with that.

24 MS. MOORE: So staff will be bringing forward -- and

1 in your packet on pages 77 and continues over onto 78, we
2 outlined for you, it's an update on these various
3 studies.

4 And when we anticipate the submission to us to
5 review those documents.

6 And if you recall, at last month's meeting, the
7 requirement is that all of those reports be finalized to
8 us by the end of March.

9 So we see bringing that information forward, because
10 we have accepted reports or at the latest, April and May
11 to the board.

12 In terms of the process the board will then take for
13 its consideration of whether or not to select, and these
14 are the six that have been studied but through that
15 course -- but let's slide this here, what about that.

16 What we're going to, what you're going to know and
17 understand is the possibility of locations.

18 Our land is pretty flat so you know, we oh, and
19 great, Dustin is here.

20 Thank you.

21 To join us.

22 He might be able to speak to it a little bit more if
23 that is the board's desire.

24 But it really will be from as we bring that

1 information forward, this board's discussion and process
2 for that consideration.

3 Which I would anticipate not taking place in a
4 single meeting.

5 MR. GELFAND: Right.

6 So my concern in terms of the selection of location
7 aside from the feasibility, regulatory, other kinds of
8 issues that you will bring to the board, my concern is
9 how that location will impact and constrain our master
10 planning efforts.

11 And we have a Masterplan Finance Committee, we have
12 a Masterplan Environmental Committee, et cetera, we don't
13 have a masterplan design committee.

14 And but again, it's crucial that this be in a
15 location that doesn't impede or creativity and
16 flexibility in terms of the masterplan.

17 And so I don't know if an ad hoc committee ought to
18 be created to deal with this or whether the board as a
19 whole.

20 But it's a major concern that this work with the
21 masterplan.

22 MR. ARABO: I think we have a conceptual committee
23 though.

24 MR. GELFAND: Do we?

1 >> [multiple speakers]

2 MS. MOORE: It's part of that feasibility -- to your
3 point, they were combined together.

4 And I would say that that is -- should the board
5 consider that discussion as we bring these reports and
6 this information forward of how do you want to proceed
7 with making, to make a decision.

8 Because what we have work to do is retain the
9 flexibility with our own Master Site Planning work as
10 well.

11 MS. MEAD: I want to go just a little further
12 upstream than looking at the locations.

13 Because I don't believe the board has made a
14 decision as of yet whether or not we want to have
15 housing.

16 And that's the first decision that I think needs to
17 be made before a potential location.

18 And one of the things that I think is important as
19 part of our consideration is not just -- will a location
20 not impede our business operations.

21 I think we also want to think about quality of life
22 for the potential population that may be living at any of
23 those locations with our business.

24 So I just want to be sure that --

1 MR. SCHENK: I'll respond to that.

2 My back is to you so --

3 MS. MEAD: Sure.

4 I made my point, thank you.

5 MR. SCHENK: That's why the word "if" is in my
6 comments.

7 That if we move forward.

8 And we did have a conversation at this meeting about
9 just that latter subject about you know, accessibility
10 to, you know, the infrastructure of the community and
11 shopping and just public transportation, all those
12 things.

13 And an intersection that may not be the most
14 desirable for people to have to cross.

15 We had a conversation about a case that I had at one
16 of those intersections.

17 So that's where -- we're mindful of that as well.

18 MS. MEAD: Thank you.

19 MS. ROWLAND: And also the quality of life issue.

20 Because being under middle of -- the fair operating
21 is not -- [multiple speakers]

22 MS. ROWLAND: It's like inviting future problems.

23 MS. BARKETT: Exactly.

24 Did you want to go first?

1 MR. ARABO: Yeah, it's okay.

2 Before I move on, I want to acknowledge to the board
3 I believe the board received an email from a member of
4 the public of a map.

5 I don't know what this map is.

6 First time I saw it was this email.

7 But I made a copy of it I want to pass out.

8 And questions for the staff about what, if anything,
9 is this map part of public record?

10 Is it conceptual, finalized?

11 Should board understand its role if any?

12 And current/future discussions.

13 I want to remind everyone, we're all fiduciaries of
14 the state asset.

15 And so it's important that the board and the public
16 are working from the same information, especially when
17 land use and housing are being discussed.

18 So even if the map is conceptual, visuals like this
19 help us understand the scope and implications.

20 I would like to get a copy of the map or the list
21 Vice President Barkett has so the public has it.

22 And I'll give this to the public as well.

23 MS. BARKETT: [off mic]

24 MR. ARABO: My question to the staff, is this map

1 public?

2 Or where it came from.

3 It says SANDAG but on the email but do they have it?

4 Are these sites being studied, are they not?

5 I think the board should really look to the email we
6 all received from the public and make it part of public
7 record.

8 MR. GELFAND: Director Barkett showed me a list of
9 six potential locations that are being discussed.

10 And I believe these five are on that list.

11 The sixth is not on this map.

12 MS. MEAD: [off mic]

13 MS. MOORE: Staff is just receiving this information
14 right now.

15 >> [multiple speakers]

16 MR. GELFAND: Right, but is this the five or six that
17 --

18 >> [multiple speakers]

19 MS. ROWLAND: It looks like what Carlene just said.

20 MS. MOORE: Yes.

21 Dustin, if you want to come up and speak to it.

22 >> [multiple speakers]

23 MR. GELFAND: The sixth location is -- [multiple
24 speakers]

1 MR. ARABO: The question is -- is staff aware that a
2 map like this exists?

3 Question one.

4 If so, when are we aware these are site locations on
5 a map?

6 And the third question for now is when did the staff
7 have this map?

8 And is it accurate or is it just random email from
9 someone from the public.

10 MS. MOORE: So we're going to have our Supervising
11 Environmental Planner, Dustin Fuller, who really is
12 leading on this project speak to it.

13 But what I do want to say is in terms of similar to
14 the feasibility studies, we've had to identify places
15 that are being studied.

16 And I believe taking a quick look at this, that's
17 what this map is reflective of.

18 And so if you can speak to it.

19 DUSTIN FULLER: Yeah, I'm curious where it came from.

20 So at this point in time, this is a draft document.

21 We have a series of six sites that we're looking at.

22 And so associated five task orders with those sites.

23 Those include feasibility, it includes financial
24 feasibility, biological resources, cultural resources,

1 CEQA constraints, hydraulic modeling, vulnerability
2 assessment for sea-level rise, transportation due
3 diligence, which is, is there access to public transit.

4 How far is it to walk from place to place.

5 And traffic wise in terms of housing at these
6 particular locations, what would those impacts look like
7 to intersections and segments.

8 And then water and sewer.

9 So all of those will feed into your decision in
10 terms of this particular location has these restraints in
11 terms of flooding and traffic and sewer and water versus
12 this other location has these same restraints, same
13 constrictions or different.

14 It's in my head, it's important that all these
15 things come to you at the same time so you have all the
16 information.

17 But yeah, these are the ones that we are working on.

18 MR. ARABO: So that's my first question.

19 What is this a map of?

20 Is this an adequate map of the sites were studying
21 for potential housing?

22 DUSTIN FULLER: These are options available to you
23 should you so choose, or any other option on the site,
24 basically.

1 We had to start somewhere.

2 So we picked sites that were at the periphery of the
3 property to avoid those potential impacts as it relates
4 to horse racing and fair activities and event activities.

5 MR. ARABO: When did staff has access to this map?

6 Or is this a document that staff created?

7 DUSTIN FULLER: We helped create this, yes.

8 MR. ARABO: When?

9 MR. GELFAND: Wait a minute.

10 MR. ARABO: When?

11 MR. GELFAND: I think there's confusion.

12 Staff didn't have anything to do with this document,
13 which we got an email from the member of the public.

14 It just happens that staff has been studying these
15 five locations and the sixth, which isn't shown here.

16 MS. ROWLAND: I'm sorry.

17 Is this from a draft report that you did?

18 DUSTIN FULLER: This appears to be from the draft
19 report that we've done.

20 I don't know -- so the only ones that have this at
21 this point in time, we have this, City of Del Mar has it.

22 We've gone through a staff-level review and it has
23 gone no further than that at this point in time.

24 We are waiting on the financial feasibility, which

1 are part of the overall site assessment and that will
2 come to the board in the full package.

3 MR. ARABO: My question is when did staff have this?
4 Because we've been asking for drafts of locations
5 for a while, this board has.

6 And now the board has it from a member of the
7 public.

8 So when did staff have this?

9 DUSTIN FULLER: We received a draft late December,
10 mid-December?

11 MS. MOORE: I think it was at the November board
12 meeting.

13 DUSTIN FULLER: It might have been.

14 MS. MOORE: It might have been that one where a
15 member of the public from the city said we had just
16 received a report.

17 And we said just come in on Friday.

18 We were meeting on Tuesday, the city officials.

19 We actually rejected that report because staff found
20 it to be incomplete.

21 What I want to clarify is that that we have, and
22 again, back when Dustin presented in September, we've
23 identified to this board the locations that were being
24 looked at.

1 So this is, what's new is just seeing this document
2 from that that has been distributed.

3 But it is from a report that is in draft form from
4 the internal workings that we have been doing with our
5 consultants and with the City of Del Mar under the HAP
6 grant for the feasibility studies.

7 And I think it might be missing two locations.

8 MR. ARABO: How would a member of the public have
9 this map?

10 And this --

11 >> [off mic]

12 MR. ARABO: Yeah, it was, it was emailed.

13 >> [off mic]

14 MS. MOORE: We did not.

15 We did not share this with the public.

16 We were bringing this forward to the board with
17 these reports.

18 MR. ARABO: So besides the district, who else has
19 access to this map?

20 DUSTIN FULLER: City of Del Mar.

21 MR. ARABO: Anyone else?

22 DUSTIN FULLER: Our consultants.

23 MR. ARABO: Anyone else?

24 DUSTIN FULLER: Not that I'm aware of, no.

1 MR. ARABO: So three people have access to this map.

2 >> [off mic]

3 >> [multiple speakers]

4 MR. ARABO: I'm sorry, three organizations.

5 I want to be very clear for the record.

6 Three organizations have access to this map that has
7 not been publicly made to the public or to this board
8 until this email from a member of the public.

9 That is the district, City of Del Mar, and our
10 consultants.

11 DUSTIN FULLER: Correct.

12 MS. ROWLAND: Excuse me.

13 Does SANDAG have this?

14 DUSTIN FULLER: I have not provided it to SANDAG.

15 If it was provided to SANDAG by the City of Del Mar
16 I was not made aware of that.

17 MS. ROWLAND: Yeah, because the email if I remember
18 correctly said that SANDAG had it.

19 Or as they said, sandbag.

20 And I don't know if that was a typo or intentional.

21 MR. GELFAND: It was intentional.

22 MS. ROWLAND: But that's what they said.

23 DUSTIN FULLER: So I don't know if City of Del Mar
24 shared it with SANDAG.

1 I'm going to assume that they did.

2 MR. GELFAND: Okay.

3 MS. ROWLAND: So just my follow on is what guidelines
4 do you all have about who it gets shared with time.

5 I thought it was only supposed to be the City of Del
6 Mar and the, not the board, the City of Del Mar, the
7 staff, the consultants.

8 DUSTIN FULLER: I was under that impression as well.

9 MR. ARABO: Is there any other document that there is
10 -- well we'll see.

11 So this is the current one plus another one plus
12 another location?

13 DUSTIN FULLER: Yes, that's why we deemed it
14 incomplete.

15 We have one another site that's not included on
16 there that we're currently studying.

17 MR. ARABO: When do you think timeline you could
18 share the completed, so what about the same set of
19 documents?

20 DUSTIN FULLER: So everything that we have going has
21 to be completed by March 31st, 2026.

22 MR. ARABO: And this board will receive it?

23 DUSTIN FULLER: Mm-hmm.

24 So all of them have varying dates but overall, the

1 HAP grant ends deadline March 31.

2 MR. ARABO: You know for the chair of the Legal
3 Committee, this is concern that I have even with the MOU
4 I mean, from my understanding, I don't know it was Vice
5 President Barkett at the time or the chair of this
6 committee the MOU was shared I believe to this board
7 first from the City of Del Mar.

8 But it was executed in May of 2025, May or June,
9 summer, for the MOU And so what I hope is not happening
10 that we're getting documents from different channels than
11 we should be getting them after the fact.

12 For example, as the MOU was exercised I believe in
13 May or June this board received it from the City of Del
14 Mar through an email.

15 That's the first time that I've seen it as a board
16 member.

17 And now this map via email, first time I'm seeing it
18 as a board member.

19 So it's an uncomfortable trend that we're getting
20 information that's actually accurate but from other
21 sources than our own organization.

22 Somebody should flag to the board.

23 MS. BARKETT: The MOU was actually given in a letter
24 that was sent by the mayor of Del Mar, Terry, through

1 email October 13., 2025, and right before our board
2 meeting.

3 But the MOU was actually signed by Ashley Jones on
4 5/12/2025 and Carlene on 5/13/2025.

5 MR. ARABO: And I don't remember the board voting on
6 execution of the MOU We did?

7 >> [off mic]

8 MR. ARABO: And under the ENRA, the authority is
9 broad authority and that's the problem with ENRA.

10 But the board never saw the MOU prior to this
11 execution.

12 I think we should have visibility because the MOU is
13 a contract.

14 MS. BARKETT: Fred, I think you stated that you did
15 not work on the ENRA, it was done between Carlene and
16 Josh.

17 I believe, Caplan.

18 MR. SCHENK: [off mic] but I'm saying we gave
19 authority.

20 MS. BARKETT: Right, but you never saw it until Terry
21 sent to us, the mayor sent it to us.

22 Yeah.

23 That's what you said.

24 MR. ARABO: And you were the chair of the at the

1 time.

2 The point is the board, I feel, needs visibility
3 prior to entering into agreements, even though another
4 flawed thing with the ENRA, it's so broad it ends up the
5 organization can enter into a contract, a substantial one
6 without the board evening approving it.

7 There's consequences to agreements.

8 So just be aware of that.

9 I mean, seeing the signed MOU five months later and
10 now seeing this map that's actually hearing it's
11 accurate, but from a member of the public, that should
12 concern everybody.

13 If not, you know, blind trust is not governance,
14 it's just not.

15 MR. GELFAND: My recollection is that the ENRA was
16 approved by this board.

17 MR. ARABO: The ENRA was, correct?

18 MR. GELFAND: Yeah.

19 And so you're saying it's not the ENRA you're
20 concerned with, it's the MOU

21 MR. ARABO: MOU, correct.

22 MR. GELFAND: But nobody from the fairgrounds has
23 ever signed the MOU

24 MR. ARABO: Yes, they did.

1 MR. GELFAND: Okay, so under what authority or how
2 did that come about?

3 MS. MOORE: I might lean a little bit on you, Josh,
4 for this as well.

5 The MOU is the funding mechanism to receive the HAP
6 grant funds.

7 That's what the MOU -- is that the board did not see
8 the MOU And I don't know, Josh, if you can speak to that.

9 Counsel reviewed it.

10 But it's an operational mechanism for receiving the
11 funds.

12 MR. CAPLAN: Yeah and setting aside any board
13 concerns about the existing structure of the ENRA, the
14 ENRA provides discretion to your CEO to do things like
15 enter into an MOU So this board did approve the MOU They
16 didn't approve it that specific document but they
17 approved a delegation of authority to Carlene to enter
18 into that MOU And if there were concerns with that type
19 of authority the board could have decided at the time it
20 approved the ENRA to limit that delegation of authority
21 but it did not.

22 And so this board has raised future concerns, which
23 is one of the things that we're working on the city to
24 making changes to the existing agreement.

1 MS. BARKETT: Josh, I'm going to disagree with you.

2 This issue of MOUs came up in 2021.

3 I went back in my history to the February board
4 meeting in 2021.

5 I've got a quote from Fred Schenk and I've got a
6 quote from Michael Gelfand saying that they thought it
7 would be unwise to enter into an MOU And so --

8 MS. ROWLAND: An MOU for what?

9 MS. BARKETT: For this.

10 We were discussing housing.

11 Affordable housing.

12 But let me go further here.

13 I did not think the ENRA would allow Carlene to sign
14 an MOU without showing it to the board first.

15 That was my -- I would never agree to that because
16 as I said before, this is not a minuscule document.

17 This is a document that holds up in courts, okay.

18 That binds us.

19 So --

20 MR. CAPLAN: Director Barkett, I don't disagree with
21 you.

22 But every contract that this agency enters into is a
23 binding agreement.

24 And a number of those contracts your CEO enters into

1 because of a delegation of authority.

2 So simply because it was a delegation doesn't
3 between the contract is not important.

4 MS. BARKETT: Up to a certain amount.

5 MR. CAPLAN: Exactly.

6 And so my only point is that the -- our reading of
7 the ENRA, and when I say "our" I mean my reading of the
8 ENRA gave Carlene the authority to enter into this MOU
9 Because the MOU is a reimbursement mechanism.

10 MS. BARKETT: Right, for the HAP grant -- [multiple
11 speakers]

12 MR. CAPLAN: For her to carry out the wishes of this
13 board when they approve negotiating.

14 >> [multiple speakers]

15 MR. GELFAND: To clarify.

16 Excuse me.

17 when Fred and I talked about no MOU, it was no MOU
18 for the implementation of the housing.

19 Okay.

20 We approved the ENRA, which created a framework to
21 analyze the possibility of housing.

22 And in that context, we authorized the CEO to enter
23 into the MOU, which is a more constrained scope simply to
24 facilitate the financing of the cost of studying

1 alternatives.

2 So I don't think staff did anything wrong.

3 I don't think Fred and I were, you know --

4 MS. BARKETT: But I do think the board should have
5 been notified that you entered --

6 MR. GELFAND: I think we were.

7 MS. BARKETT: No.

8 No, that you were --

9 MR. GELFAND: The HAP grant and the funding mechanism
10 was presented to the board.

11 MS. BARKETT: Before it was signed I think we should
12 have looked at it.

13 I think it should have been presented.

14 That's my feeling.

15 MR. GELFAND: I think it is probably in one of
16 Carlene's reports.

17 MR. ARABO: No, it's not.

18 And Josh, you are completely missing two major
19 points.

20 And you have a microphone, so you don't need to
21 yell.

22 The first point is after the fact that it was
23 signed, after it was signed it was signed in May, we
24 found out about that she has the authority.

1 No one is saying she didn't.

2 After it was signed in May, we were notified by the
3 City of Del Mar October.

4 So you have May, June, July, August, September, and
5 even October.

6 We should have been notified by our own agency that
7 this was signed.

8 Not the fact that because we found out from a third
9 party, similar to now, this map.

10 That I guess it's an accurate map that we were given
11 from an outside party.

12 MR. GELFAND: That's a separate issue then the MOU
13 and whether we should have been more formally notified
14 about it.

15 This was a leak probably by either a consultant or
16 the City of Del Mar.

17 It's a totally separate issue, which I'm happy to
18 discuss.

19 But Carlene, if you could address the notification
20 to the board about your signing of the MOU and discussion
21 that may have taken place about that.

22 MS. ROWLAND: May I speak?

23 I had my hand up.

24 Your back is to me so you didn't know.

1 MR. GELFAND: I didn't know.

2 MS. ROWLAND: No, but I just want to say that having
3 been a former staff person, there are hundreds of
4 documents that get signed on delegation of authority,
5 some of which are pretty important, some of which are
6 pretty trivial.

7 As a board member, I do not want to see those.

8 I do not.

9 I consider it ministerial.

10 It is just in the execution of a document that we
11 already were fully aware of.

12 I would never have a need to see an MOU on grant
13 money that we're going to receive.

14 I just don't.

15 And if it turned out it was something that was
16 beyond the pale in terms of consequences, in other words
17 we were spending you know \$5 million or a million
18 dollars, instead of receiving money, then I would expect
19 to see that.

20 But this does not to me rise to something that the
21 board had to look at.

22 You can disagree but I do not think so.

23 MR. ARABO: I mean, I do disagree because it's an
24 item that the City of Del Mar was using to advocate not

1 pausing the ENRA or suspending it.

2 MS. ROWLAND: There's no control with what they are
3 going to do with the document.

4 MR. SCHENK: It's not anything they were taking
5 action on.

6 MS. ROWLAND: It was trivial in the context of that
7 letter.

8 MR. ARABO: It didn't have weight, why would the city
9 use it?

10 That's the first thing.

11 But the point I was making --

12 MS. BARKETT: And I would just like to interrupt you
13 for a minute because on the MOU and I know standard
14 language, the district's indemnity obligations, legal
15 fees to be paid by the prevailing party.

16 You mean to tell me that you're not concerned about
17 these?

18 MS. ROWLAND: No, that's standard language.

19 MS. BARKETT: I know it's standard language, but it
20 does still obligate us.

21 And you know --

22 MS. ROWLAND: Like many other agreements.

23 MS. BARKETT: If we decided to get out of this,
24 discontinue discussions, we would be liable on this.

1 Right?

2 So that's all I'm saying.

3 Now, let me ask you, you have to tie in these sites.

4 Would I do a feasibility study on these sites?

5 No.

6 As you look at them, this affects our business as
7 Director Mead said before.

8 This definitely affects our business.

9 You're talking about the boardroom here, you're
10 really going to study this area for affordable housing --

11 MS. ROWLAND: There's a difference between studying
12 and doing.

13 MS. BARKETT: No, but I'm just saying why waste the
14 time and then the -- I mean, you're right in Del Mar's
15 horse racing area for the backstretch.

16 I mean, you're really going to study those?

17 MR. GELFAND: You need to see the sixth alternative.

18 The sixth alternative, you don't know what it is?

19 MS. BARKETT: No, the sixth alternative for the --
20 yes.

21 [multiple speakers] -- I know what you're talking
22 about.

23 [multiple speakers] the sixth space here, I haven't
24 seen it.

1 MR. GELFAND: Can I just sort out where we are?

2 Okay.

3 MS. MEAD: Thank you.

4 I just -- I want to discuss this in terms of the HAP
5 grant.

6 I think there's a level of potential naivete that we
7 may be considering, and that is that the HAP grant is Del
8 Mar's.

9 Through the ENRA, we were reimbursed cost of doing
10 this.

11 I think that one of the things we ought to remember
12 is that when there are documents and the HAP grant
13 belongs to the City of Del Mar, this is not ours.

14 This is theirs to distribute.

15 Unless we get it in writing that nobody can
16 distribute anything about this, which we did not do.

17 So I look at this and say, as always, there's a
18 lesson for us to be learned in terms of information that
19 we are sharing, grant money, et cetera, that we don't own
20 this.

21 This project is paid for by a HAP grant that has
22 been granted to the City of Del Mar that they shared with
23 us.

24 I just want to be sure that we're looking at this

1 and ensuring that we know that there are some things we
2 don't control.

3 And our level of naivete ought to be that when we
4 understand these reports are released, we should assume
5 that other people know about it besides us and we should
6 get a copy of this immediately so that we don't get it
7 from an outside source.

8 MR. SCHENK: May I just comment on the meeting that
9 we had last month that I reported on?

10 I don't think that anybody who was at that meeting
11 walked away thinking that Del Mar has this deal done.

12 All right.

13 I mean, I just wanted to be clear that whatever was
14 signed relative to their getting their funding, Del Mar
15 did not walk away from that saying ah-hah, this is an I
16 gotcha moment.

17 We're clearly in a process of having a conversation
18 with them.

19 They don't feel that there's anything binding.

20 They certainly didn't get any impression from us
21 that there is.

22 So I just want to be clear on that that with our
23 legal counsel there, there was nothing that was left to
24 be having an impression that we've got a done deal.

1 MR. ARABO: Okay.

2 Based on news reporting, the City of Del Mar has
3 counted the 61 units part of their housing plan to be in
4 compliance.

5 That alone -- [multiple speakers]

6 MR. ARABO: I know it's not our issue but it shows
7 their lens -- [multiple speakers]

8 MS. ROWLAND: No, it does not.

9 >> [multiple speakers]

10 MR. SCHENK: I think it does.

11 MR. ARABO: That they think it's a done deal.

12 >> [multiple speakers]

13 MR. ARABO: So much so they are promising the State
14 of California agency, why would you promise the state of
15 California something if you think it's right.

16 MR. SCHENK: Because they have no choice.

17 They have to sign off with the State of California
18 that there's a process going on.

19 That's what they have to commit to.

20 That there is a process for trying to find that.

21 Not to --

22 MS. ROWLAND: The State of California knows where we
23 are in this, they absolutely know.

24 They are accepting the ENRA, the document that was

1 put together and the ongoing discussions as sufficient
2 for the City of Del Mar to currently count those 61
3 units.

4 If they go away, they go away.

5 And they understand that's a possibility as well.

6 But they're not doing anything wrong and neither is
7 the State of California and neither are we in terms of it
8 being currently counted as feasible.

9 MR. ARABO: But if they're presenting it as 61 units,
10 you're saying they're not counting on it?

11 They are counting on it.

12 They're not walking away saying we'll just study it.

13 MS. ROWLAND: No, they absolutely know that we have
14 the final decision.

15 There's no doubt in my mind that they know that.

16 MR. ARABO: Right.

17 >> [off mic]

18 MS. MOORE: If I could just -- because our staff has
19 also been meeting with housing and community development.

20 If you recall, that is the state agency that
21 oversees the RHNA seems and sixth, seventh, eighth,
22 whatever cycles of housing that there will be done.

23 And we have been meeting with them because HCD is
24 following up on this because ultimately that's who will

1 hold the City of Del Mar accountable to it.

2 In terms of what the City of Del Mar or any city out
3 there has to present to HCD to sign off on their housing
4 cycle plans, is a demonstration.

5 And to Director Schenk's point of what they are
6 working toward, how they see a roadmap to potentially
7 achieving the assignment that they have received.

8 And we are a part of that.

9 But I mean, I would echo your comments as well,
10 Director Schenk, that we make it very clear, this is not
11 a done deal and hence wanting to bolster that aspect of
12 the ENRA with regard to this ultimately will be the
13 board's decision.

14 And to Director Mead, that question of the first
15 question is do we want.

16 Then it will be about siting.

17 But part of that is we're doing that due diligence
18 to help this board answer questions.

19 But I want you to know HCD has their pulse on it.

20 And we are anticipating something coming from HCD
21 that might even firm things up for understanding how they
22 will hold the City of Del Mar accountable.

23 MR. SCHENK: Briefly.

24 May I just say, Director Arabo, I agree with you,

1 transparency is critical on all of our decisions.

2 But on this, I don't think there was anything wrong
3 done.

4 But I agree with you, transparency is better than
5 opaque.

6 CHAIR NEJABAT: Okay.

7 MR. GELFAND: I've been wanting input from staff for
8 several months on the locations that are being studied.

9 And they've been studied for a while so we could
10 have received some feedback on the locations being
11 studied.

12 We didn't get it in a public meeting.

13 It was a little embarrassing when I got this in the
14 mail, you know, from a member of the public when I hadn't
15 received it from staff.

16 So that makes me a little uncomfortable.

17 But where we are at the moment, is there is no
18 decision certainly.

19 And the sixth sites that are being studied are being
20 studied and we're going to get a feasibility study
21 relatively soon on the different locations and the board
22 will debate it.

23 So if this were an action item, I'd call the
24 question because I think we spent a lot of time on it.

1 It's already after 2:00.

2 So hopefully we can move on in our agenda.

3 MS. BARKETT: Yeah, I just have a quick question on
4 the ENRA.

5 Sorry, Fred.

6 MS. ROWLAND: Hang on, while we're on this point.

7 He actually was -- I had already done this before
8 you did.

9 MS. BARKETT: Sorry, I didn't see it.

10 My apologies.

11 MS. ROWLAND: What I was going to say in terms of the
12 sites that are shown on there, I think this board has
13 talked a lot about what's acceptable, you know, from our
14 perspective.

15 But we are entering into this with a partner.

16 And the money that is actually being collected can
17 only be spent, as I understand it, on sites that are in
18 the City of Del Mar.

19 That's a limitation of that agreement.

20 So it does not surprise me at all this that the City
21 of Del Mar would put forward some sites that are in those
22 locations and that they would be studied from a
23 feasibility perspective and left on or taken off relative
24 to feasibility in terms of constructability.

1 That does not mean that it becomes more acceptable
2 to us.

3 It just means as a good partner we let them look at
4 sites that they were interested in and we looked at sites
5 that we were most interested in.

6 And in the end they may have some convincing story.

7 I doubt it.

8 But having looked at it, to me, does not make a
9 decision at all.

10 We still hold the cards on that.

11 MR. ARABO: I have a question for the sites outside
12 of the Del Mar boundaries then.

13 Who is paying for that?

14 MS. MOORE: We are.

15 And if you recall we talked about that at last
16 month's meeting.

17 Sorry, Dustin has left.

18 But at last month's meeting or the November, it was
19 December or November, we talked about that because of the
20 need for an additional approximately 30 thousands of the
21 expense to study those on the San Diego side.

22 So this is something that we have brought up to the
23 board.

24 The board didn't need to sign on it, that's within

1 it.

2 But we had that discussion of the need for those
3 additional -- that additional information and we see it
4 as a worthwhile investment, not only in this decision but
5 even for our Master Site Plan.

6 MS. BARKETT: Yes, thank you.

7 I just have a question.

8 And Fred, we had talked about how they determined
9 the amount of units needed.

10 And that included, unfortunately, a wrong, you know,
11 assessment of the number of employees.

12 MR. SCHENK: Yeah, I challenged them on that.

13 MS. BARKETT: So this housing cycle ends April 2029.

14 Is there some way that we could ask for a true
15 assessment done before the next cycle hits?

16 MS. ROWLAND: We talked about that.

17 MR. SCHENK: Yes, we did.

18 MS. ROWLAND: We absolutely did.

19 But I want to be clear.

20 The City of Del Mar did not decide that.

21 MS. BARKETT: Right, SANDAG did.

22 MS. ROWLAND: SANDAG did.

23 MR. SCHENK: But they presented -- they adopted it.

24 >> [multiple speakers]

1 MR. SCHENK: Absolutely.

2 MS. BARKETT: They loved it.

3 It was to their benefit.

4 MR. SCHENK: You remember my concerns about that?

5 MS. BARKETT: Yeah.

6 MR. SCHENK: I agree that -- anyway, I challenged
7 that.

8 MS. ROWLAND: Let me just clarify that.

9 The number came from the state.

10 It was SANDAG's responsible to distribute it within
11 the region.

12 And SANDAG did come up with a methodology in terms
13 of counting employees regardless of full time, part time,
14 temporary.

15 And so the number was presented and was kind of
16 unchallengeable.

17 MR. SCHENK: It was dated and they knew it.

18 And it wasn't reliable.

19 MS. ROWLAND: But that wasn't the City of Del Mar.

20 They didn't have any way to challenge that.

21 MR. SCHENK: They put it up on a screen here to adopt
22 it as a matter of fact.

23 And that was the basis for requiring the 22nd DAA to
24 be held accountable because of all the employees that we

1 had, which were more than double the actual number that
2 we currently have.

3 And they adopted that as a matter of fact for the
4 basis for their position.

5 MS. ROWLAND: But that wasn't the City of Del Mar
6 that did that.

7 They --

8 MR. SCHENK: Then why are they using it?

9 Why did they bring it to our attention?

10 MS. ROWLAND: Because it's the basis on which SANDAG
11 did it.

12 That is what SANDAG used.

13 They were showing us what SANDAG used.

14 MR. ARABO: Yeah, but they adopted --

15 MR. SCHENK: They adopted it by presenting it.

16 -- [multiple speakers]

17 MR. SCHENK: Joyce, I agree with you on so many of
18 the other things, but that one I feel very strongly
19 about.

20 They didn't -- and you know, they pulled back
21 afterward.

22 MS. BARKETT: Yeah.

23 MR. SCHENK: They finally after they were caught.

24 MS. BARKETT: If I may finish my second comment.

1 MR. SCHENK: Oh, sure.

2 MS. BARKETT: It said that the ENRA did not commit
3 the 22nd DAA to providing the sites.

4 But in the process and approach it does have the
5 22nd DAA committed to performing due diligence on
6 affordable housing sites that it could, you know, cite.

7 I'm not sure, did we cite these properties or did
8 Del Mar.

9 MS. MOORE: In terms of selection the areas to be
10 studied, so again, I go back to 2021.

11 Which was that original discussion even about the
12 city's original request back in 2021 was to enter into an
13 MOU with us with regard to affordable housing.

14 It was the course of that discussion, which you
15 referenced in that board packet, that was discussion
16 around, no, not an MOU.

17 The result of that was the exclusive negotiating
18 rights agreement, or the ENRA that we're talking about
19 now.

20 But at that time back in 2021 with that request, the
21 city and I think they had a grant on -- at that time,
22 they did two site studies.

23 Two of the four locations that we have studied are
24 the sites that they were interested in.

1 So in terms of, just being mutually cooperative, and
2 again to as has been mentioned, the HAP grant is the City
3 of Del Mar's.

4 And we are getting access it to it for conducting
5 these.

6 We have studies those two sites.

7 There is no recommendation here at all that those
8 two sites should be the top contenders, even be
9 contenders or anything.

10 It's simply for studying.

11 MS. BARKETT: Right, so you agreed on two sites and
12 then who came up with the other four?

13 MS. MOORE: We did.

14 MS. BARKETT: Okay, that's all I want to know.

15 MS. MOORE: Yes.

16 That's why I'm saying mutually it was done in terms
17 of the determining sites to be studied.

18 MR. GELFAND: Just so just in the way of full
19 disclosure.

20 This is accurate as it relates to five of the sites
21 that are being studied.

22 The sixth, since this is now public I think you
23 should all know what the sixth site is.

24 And I don't know if Dustin is available and you have

1 something drawn.

2 I think I could describe it by showing people.

3 MR. SCHENK: But then for the record you'll have play
4 lawyer here.

5 You'll have to describe it for the record.

6 MR. GELFAND: I'll describe it verbally, but can I
7 point to the map also?

8 MR. CAPLAN: That's fine.

9 You might want to reference geographical points on
10 the map.

11 >> [multiple speakers]

12 MR. GELFAND: I'll reference the geographic points on
13 the map first.

14 So the sixth location and this, of course the
15 problem with all this is that the City of Del Mar has to
16 get credit for the housing.

17 Which means is can't be in the City of San Diego
18 unless the City of San Diego was to agree and you go
19 through a timely, legal process to facilitate that.

20 So whether or not the City of San Diego is willing
21 to do that is another question, and I doubt it.

22 But the sixth alternative is in the City of Del Mar
23 takes into consideration the proximity of the housing to
24 public transit, to shopping, et cetera and keeps it out

1 of the main campus property, which freeze up master
2 planning, et cetera.

3 And it is essentially, Carlene alluded to it, it is
4 essentially if you take Jimmy Durante Boulevard
5 northbound where it kind of varies left and then there's
6 a right turn onto Via de la Valle, that is City of Del
7 Mar and it's our property.

8 So where Denny's --

9 MR. SCHENK: Why don't you go over to it.

10 MR. GELFAND: Well, I'm going to describe it verbally
11 -- [multiple speakers]

12 MS. MOORE: If you want to go point and perhaps I can
13 describe on your behalf, I would be happy to.

14 So the "Y" or the triangle at the intersection of
15 Via de la Valle and Jimmy Durante Boulevard.

16 It's City of Del Mar property.

17 And then we own the sliver to the right between
18 where that right going northbound on Jimmy Durante and
19 you merge onto Via de la Valle.

20 We own a sliver of that property, there's some
21 shrubs and things between the lanes and Denny's.

22 MR. SCHENK: What formerly was Denny's.

23 MS. MOORE: Is it changing now?

24 I've seen it's under construction, but for reference

1 point.

2 MR. GELFAND: So what could potentially happen is the
3 housing could go right here, the road would realign this
4 way to the west of it.

5 So the housing would be right here with easy access
6 to shopping and transit.

7 It would still be in the City of Del Mar and all it
8 would require is a road alignment.

9 And now I've got the whole campus opened up to
10 master planning, new huge sign on the corner, et cetera.

11 So that's the sixth alternative.

12 MR. ARABO: The issue with that one is the stables.

13 You're going to lose horse stables.

14 MS. ROWLAND: I think he was going too broadly.

15 [off mic] -- not what he intended but --

16 MR. GELFAND: In the master plan, most of this is
17 going to be rebuilt anyways.

18 The stables are in terrible condition.

19 So we have plenty of flexibility for that.

20 MR. ARABO: Another good point that Vice President
21 Barkett made was we definitely need to consult, I think,
22 with all the operators on the district property.

23 I mean, to consultant with DMTC, consultant with The
24 Sound, consult with our own staff as far as the fair

1 before we just study something for the sake of studying
2 and using money up and time when the board will say these
3 sites don't work is just a waste of time and resources.

4 MS. BARKETT: Well the HAP grant ends very quickly.

5 It's coming up.

6 MR. ARABO: Yeah.

7 MS. BARKETT: Unless there's been an extension?

8 Has there?

9 No, okay.

10 [chuckling]

11 MS. MOORE: The HAP grant is owned by the State of
12 California.

13 MS. MOORE: When is that finished, the HAP grant?

14 Do you know when it's --

15 MS. MOORE: March of this year.

16 >> [multiple speakers]

17 MR. SCHENK: Thank you for allowing us to have this
18 conversation.

19 It was really important that we do this.

20 >> [off mic - multiple speakers]

21 MR. SCHENK: We don't often, but when we do.

22 CHAIR NEJABAT: All right.

23 So with no further comments from the board.

24 MR. SCHENK: Done with our committee report.

1 CHAIR NEJABAT: Thank you, Director Schenk.

2 No members of the public would like to speak in the
3 room.

4 Seeing nobody online.

5 We'll now move on to item 8-H.

6 This is an action item.

7 The item is read into record.

8 Next we'll entertain public comment.

9 And then directly go to a motion and a second.

10 Then only after we have the motion and a second will
11 we open up for board discussion and questions for our
12 CEO.

13 And finally, we have a vote.

14 MR. GELFAND: Thank you for that.

15 And by the way to clarify, you included a document
16 in the board packet about this process, which I
17 appreciate.

18 I'm just curious, is left to right starting there or
19 starting over here?

20 CHAIR NEJABAT: My left.

21 MR. GELFAND: Your left, okay.

22 Just curious.

23 CHAIR NEJABAT: Okay.

24 Any motion?

1 >> [off mic - multiple speakers]

2 MR. GELFAND: -- make the motion.

3 If there's no one from the public commenting --

4 CHAIR NEJABAT: Sorry, one member of the public

5 online.

6 Abigail.

7 ABIGAIL HAWTHORNE: Hello.

8 My name is abbey Hawthorne.

9 And I've called in a couple of times basically

10 saying the same thing so I'll keep this pretty brief.

11 I just wanted to say thank you for your actions

12 exploring the elimination of the exclusivity clause.

13 As your previous discussion showed, there is still a

14 lot to figure out.

15 I know this can't be an easy decision.

16 And I don't envy you at all.

17 I just wanted to say thank you.

18 There should be more people at the table, not less.

19 This is such an important issue for our region and

20 combined with all the other events and activities going

21 on at the fairgrounds it's crucial that your master

22 planning effort and everything you guys are working on

23 goes well.

24 Anyways I just wanted to, again, reiterate my

1 appreciation for listening to my comments and the
2 comments others and just considering all the
3 opportunities here and really doing what's best for the
4 greater good.

5 So thank you.

6 CHAIR NEJABAT: Thank you.

7 And that concludes public comments on this item.

8 At this time --

9 MR. GELFAND: So I'm ready to make a motion but I
10 need clarification from Josh.

11 The way this is worded, discuss and vote on whether
12 the district should discontinue.

13 So would the motion be that we not discontinue or
14 could the motion be that we continue?

15 MR. CAPLAN: Well the status quo, the way things are
16 now discussions are continuing.

17 So unless there's a motion to change the status quo,
18 no motion is needed.

19 If there's a board member that wants to discontinue
20 and change the status quo, then a motion would be needed.

21 MR. GELFAND: Okay, then I'm not making a motion.

22 MR. CAPLAN: And I hope my volume was better there.

23 I get the same complaint from my children and my
24 colleagues that share a wall with me and Director Arabo,

1 which is my volume sometimes gets elevated when I'm
2 passionate about legal issues.

3 MR. ARABO: Thank you, thank you.

4 Well, I have a motion.

5 I move the board direct the CEO to pause further
6 discussions with the City of Del Mar under the ENRA until
7 such time as proposed -- and I hope it's as little as one
8 day, this pause.

9 Number one, proposed ENRA amendments are finalized
10 and returned to the board for review and approval with
11 the Legal Committees working on it.

12 Number two, all outstanding visibility and due
13 diligence studies are completed and presented to the
14 board to keep costs down.

15 The ENRA is amended to include full indemnification
16 for the district by the City of Del Mar, ensuring no
17 legal fees, no penalties or no liabilities are borne by
18 the district.

19 The agreement expressly provides that any potential
20 housing on the District shall not be counted toward the
21 City of Del Mar unless expressly approved by this board.

22 This pause is intended to protect the District,
23 fiduciary protection, and ensure compliance with
24 fiduciary duties while preserving the board's full

1 discretion.

2 That's the motion.

3 I hope it's as little as one day.

4 I think there's new information from the state of
5 California and the City of Del Mar, we need to protect
6 ourselves as a district.

7 But that's the motion.

8 A little commentary.

9 MR. SCHENK: I have a question for counsel, if I may.
10 Is that -- may we consider that motion in light of
11 what is it under H?

12 MR. CAPLAN: I appreciate the question, Director
13 Schenk.

14 The way the agenda is framed, the motion would need
15 to be constrained to consideration by the board of a
16 potential amendment.

17 And so I know Director Arabo's motion would
18 condition unfreezing those discussions on items unrelated
19 to the amendment.

20 So I think those would go beyond the scope of this
21 specific action item on the agenda.

22 And the reason why that's important, I don't mean to
23 be a thorn in the side of directors who want to get
24 things done, it's important because members of the public

1 who might want to speak on issues like indemnity or
2 attorney's fees would have no idea the board is
3 considering those as guide posts by looking at this
4 agenda online.

5 MR. ARABO: So we would not be able to, based on the
6 agenda language, we would not be able to pause, seek
7 indemnity and come back?

8 MR. CAPLAN: That's correct.

9 MR. ARABO: Okay.

10 With that being said, I withdraw my motion and I
11 hope the next meeting that we -- I'll provide the motion
12 language to the chair.

13 If we could talk about this in February.

14 And I have a handout.

15 I don't know if I should wait until next month to
16 pass it out.

17 MR. SCHENK: [off mic] -- may I encourage you, while
18 you're doing that make sure that staff has the language
19 so that maybe we can avoid -- [off mic] -- [multiple
20 speakers]

21 MR. ARABO: I'll pass it on.

22 MR. GELFAND: I like the idea of renegotiating the
23 indemnity language.

24 But I don't like the concept of pausing.

1 I think it's let's get the indemnity language
2 revised and continue things along unless they refuse to,
3 you know, do the indemnity language.

4 MR. ARABO: You know I want to be very clear to
5 everyone and the public, I'm very supportive of
6 affordable housing, extremely.

7 I respect City of Del Mar's efforts to meet state
8 obligations but I see my responsibility and ours is a
9 fiduciary one to protect the district.

10 And now with the Department of Justice going back
11 and forth with the City of Del Mar on a lot of issues, we
12 don't want to be-- I wouldn't want this district to be
13 part of a fight with the City of Del Mar and the
14 Department of Justice.

15 We want to protect the -- so then this issue we
16 can't talk about right, Josh, until next month?

17 MR. CAPLAN: Well, the board can talk about if
18 there's a motion to discontinue discussions with the
19 pending the approved amendment today the ENRA, the board
20 can have that discussion.

21 But if the question is can the board have specific
22 questions was indemnification, I think that would need to
23 be discussed at a future meeting when it's properly
24 placed on the agenda.

1 MR. ARABO: Okay.

2 So I'll yield back hopefully next month --

3 MR. SCHENK: Let me make one comment though, Mark.

4 Because you know, what you just said is something
5 you've said in the past.

6 And I applauded it then and I applaud it now, which
7 is we can be making those decisions for ourselves about
8 what is best for the district.

9 We don't have to rely on the City of Del Mar.

10 Right.

11 I mean, it may be to their benefit but it can be
12 under our watch and perhaps should be.

13 And I think that's a comment that you made a few
14 months ago.

15 MR. ARABO: Absolutely.

16 My main goal, let's study housing.

17 Hopefully, we get a site.

18 In the process let's really protect the district and
19 really think of it as fiduciaries and not get into other
20 people's battles.

21 We have to just protect our district and our
22 organization.

23 That's the heart of it.

24 CHAIR NEJABAT: All right, so with no motion and no

1 second, we will then move on to item 8-I, which is the
2 Board of Directors one-way request for placement of
3 information or action items of the agenda for a future
4 meeting.

5 It looks like we just got one.

6 Do you want to repeat that or reach out to --

7 MR. ARABO: I've given staff the motion language.

8 I would like to revisit the policy 3.02.

9 That's for the committees just to give more
10 flexibility to board members in the event that, it's not
11 an issue now but in the event that the staff cannot make
12 a committee meeting.

13 And also like to for us to discuss looking at now
14 that we know there's a map that's accurate, the map and
15 looking at making sure our operating partners like DMTC,
16 the fairgrounds staff and The Sound would weigh in on it.

17 I don't know if that's a separate agenda item or not
18 but now that we have some data points, I think we should
19 study it.

20 MR. SCHENK: When you say, "The Sound" --

21 MR. ARABO: Like the operator of The Sound.

22 Like the Belly Up.

23 MR. SCHENK: They work for us so --

24 MR. ARABO: Limit it to DMTC and the fairgrounds.

1 MR. SCHENK: Yeah, I think that's fair.

2 MR. ARABO: Yeah.

3 CHAIR NEJABAT: Anything else from anyone else?

4 No.

5 Okay.

6 Now public comment.

7 Seeing nobody in the room.

8 MR. ARABO: I have one more if possible.

9 Getting access to the public is a big deal for me
10 and I hope that on our website right now our emails are
11 not listed.

12 I think as a matter of access ability to the public
13 our emails as directors should be listed on the website.

14 I don't know if that's a board item or not.

15 I like to hear from the public and all their ideas.

16 So is there anything we can do to --

17 >> [off mic - multiple speakers]

18 MR. ARABO: I don't know if we need to have an agenda
19 item or not.

20 >> [off mic - multiple speakers]

21 MR. GELFAND: I think it ought to be.

22 CHAIR NEJABAT: Josh go ahead.

23 MR. CAPLAN: Yeah, let's not talk about it
24 substantively.

1 I think we're on the one-way request

2 [indiscernible]- things on the agenda.

3 >> [off mic - multiple speakers]

4 MR. ARABO: Getting more flexibility for the public

5 to board members via website.

6 CHAIR NEJABAT: Anything else?

7 Any other requests?

8 No.

9 Seeing none.

10 Public comment.

11 Nobody in the room, nobody online.

12 That concludes public comment for item 8-I.

13 Moving onto number 9, item number 9.

14 Matters of information.

15 This concludes the business before the board today.

16 Before we adjourn, I'd like you to note that you can

17 find matters of information beginning on page 84 of your

18 board packets.

19 Seeing no other business before the Board of

20 Directors today, I will see you all again tomorrow.

21 The time is 2:25 p.m., thanks.

22 The meeting is adjourned.

23 Thanks.

24 [Meeting adjourned at 2:25 p.m.]

CERTIFICATE OF TRANSCRIBER

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5 Ward, do hereby certify that the 22nd District
6 Agricultural Association Board of Directors Meeting was
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9 to the best of my knowledge, skills, and ability; that I am
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