



## NOTICE OF MEETING

22<sup>nd</sup> District Agricultural Association Board of Directors  
Tuesday, February 10, 2026 at 9:30 a.m.

### Boardroom

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

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

## OUR PURPOSE

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

## OUR MISSION

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

## 22nd DAA BOARD OF DIRECTORS

Sam Nejabat, Chair  
Lisa Barkett, Vice Chair  
Mark Arabo, Director  
Phil Blair, Director  
Donna DeBerry, Director  
Michael Gelfand, Director  
Kathlyn Mead, Director  
Joyce Rowland, Director  
Frederick Schenk, Director

Secretary-Manager  
Carlene Moore  
Chief Executive Officer

22nd DAA Counsel  
Joshua Caplan  
Office of the California Attorney General

## OUR GOALS

### THE LENS

Treat the campuses of the fairgrounds as one ecosystem where all activities are complementary and aligned with the purpose, mission, vision and values of the 22nd DAA and the Del Mar Fairgrounds.

### BUSINESS PLAN

Acknowledging the short-term need to plan for fiscal recovery and stabilization, create a 5-to-10-year business plan that rebuilds a strong financial base, contemplates new business activities and partnerships, provides program accessibility, and leads to a thriving Del Mar Fairgrounds.

### MASTER PLAN

Create an environmentally and fiscally responsible land use plan for the Del Mar Fairgrounds, aligning with purpose, mission, vision, and values of the organization.

### COMMUNITY ENGAGEMENT

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

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

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



**22<sup>nd</sup> District Agricultural Association Board of Directors Meeting  
AGENDA  
Tuesday, February 10, 2026 at 9:30 a.m.**

**1. CALL TO ORDER – CHAIR SAM NEJABAT**

All matters noticed on this agenda, in any category, **may be considered for action as listed**. Any items not so noticed may not be considered. Items listed on this agenda may be considered in any order, at the discretion of the Board Chair.

**2. ROLL CALL**

**3. PUBLIC COMMENT ON MATTERS NOT ON THE AGENDA**

This item is for public comment on issues **NOT** on the current agenda. No debate by the Board shall be permitted on such public comments and no action will be taken on such public comment items at this time, as law requires formal public notice prior to any action on a docket item. Speaker's time is limited to **two** minutes and may be modified based on the number of public speakers. No speaker may cede their time to another speaker.

**4. CONSENT CALENDAR [Action Item]**

All matters listed under the Consent Calendar are operational matters about which the Board has governing policies, implementation of which is delegated to the CEO. They will be enacted in one motion. There will be no discussion of these items prior to the time the Board of Directors votes on the motion, unless members of the board, staff, or public request specific items to be discussed separately and/or removed from this section. Any member of the public who wishes to discuss Consent Calendar items should notify the Chair of the Board at the time requested and be recognized by invitation of the Chair to address the Board.

- **Minutes, Regular Meeting – January 13, 2026** 7-11
- **Minutes, Regular Meeting – January 14, 2026** 12-13
- **Contract Awards & Approvals** 14-17
  - Standard Agreements  
24-001 AM1 Meeting Transcription Services

**5. EXECUTIVE REPORT – CEO Carlene Moore [Information Item]**

- Presentation by Don Diego Scholarship Foundation 18-23
- **Operational Updates**
  - Department Introductions Verbal
  - Executive Summary of Monthly Financial Reports 24-29
  - Annual spend on standard agreement 23-021 On-Call Environmental Services 30-33
  - External Communications Briefing Verbal
  - Parallel Concept Visit Planning 34-35
- **Construction Projects & Facilities Updates**
  - Special Events Platform Project 36-38
- **Industry News & Updates**
  - California Fairs Alliance Verbal
  - Western Fairs Association Conference & Convention
  - California Construction Authority

6.	<b><u>GENERAL BUSINESS</u></b>	
A.	<b>DMTC Liaison Committee Report</b> – Mark Arabo, Chair	39-86
	• Horse Racing Industry News & Information [Information Item]	
1.	Consideration and vote to approve the 2026 Operating Budget of the Del Mar Thoroughbred Club [Action Item]	46-68
2.	Discuss and vote on whether to amend Policy 4.03 Contracts and Procurement to approve the California Multiple Awards Schedule (CMAS) as a District procurement method [Action Item]	69-86
3.	Consideration and vote on whether to authorize the District's procurement of replacement video boards for the Grandstand, the Paddock, and Five-Points, in accordance with the District's procurement policies [Action Item]	
B.	<b>Fair Operations Committee Report</b> – Kathlyn Mead, Chair [Information Item]	87-89
	• Announce initial Grandstand show offerings	
C.	<b>Finance Committee Report</b> – Mark Arabo, Chair [Information Item]	90-91
D.	<b>People &amp; Culture Committee Report</b> – Kathlyn Mead, Chair	92-95
	• Update on facilitator selection for Board governance workshop [Information Item]	
E.	<b>City of Del Mar Affordable Housing Request Update</b>	96-102
	• Progress Report of Work Completed to Date Under the Exclusive Negotiating Rights Agreement and Housing Acceleration Program Grant [Information Item]	
	• Legal Committee Report – Frederick Schenk, Chair	
	○ Update on discussions with the City of Del Mar regarding amendments to the Exclusive Negotiating Rights Agreement (ENRA) [Information Item]	
1.	Discuss and vote on whether the District CEO should discontinue affordable housing discussions with the City of Del Mar under the Exclusive Negotiating Rights Agreement entered into between the District and the City of Del Mar until a future District Board meeting during which (a) any and all proposed ENRA amendments are presented to the Board for consideration and approval and (b) all feasibility studies have been completed and all feasibility study work product has been transmitted to the Board [Action Item]	
F.	<b>Consideration and vote on whether to amend 22nd District Agricultural Association Board of Directors Communication Policy, Policy 3.01, and or Policy 3.03 to ensure Board consistency and clarity in external communications on District matters</b> [Action Item]	103-110
G.	<b>Discuss and vote on whether to amend Policy 3.02 to allow Board committees to meet without the CEO or the CEO's designated representative when the CEO and/or a designated representative is unable to attend, while remaining compliant with all applicable laws and governance requirements</b> [Action Item]	111-112
H.	<b>Board of Directors' one-way requests for placement of information or action items on an agenda for a future meeting of the District's Board of Directors</b> [Information Item]	Verbal

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

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

- A. To confer with and receive advice from legal counsel regarding potential litigation involving the 22nd DAA. Based on existing facts and circumstances, there is significant exposure to litigation against the 22nd DAA. (Govt. Code, § 11126, subd. (e).)
- B. To confer with and receive advice from legal counsel, regarding potential litigation involving the 22nd DAA. Based on existing facts and circumstances, the Board will decide whether to initiate litigation. (Govt. Code, § 11126, subd. (e).)
- C. To confer with counsel, discuss, and consider the following pending litigation to which the 22nd DAA is a party. Melinda Carmichael v. 22nd District Agricultural Association, et. al., San Diego County Superior Court, Case No. 25-CU-047040C.

D. Personnel: The Board will meet in closed session to consider those items authorized under Section 11126 of the Government Code, including but not limited to the evaluation of performance of the CEO. (Gov. Code, § 11126, subd. (a).)

8. **RECONVENE TO OPEN SESSION**

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

9. **MATTERS OF INFORMATION**

- **Committee Assignments as of February 1, 2026** 113-118
- **2026 Board Meeting Schedule with significant dates** 119
- **Correspondence** None
- **Review of Contracts Executed per CEO Delegation of Authority** 120-123
  - **2026 San Diego County Fair Grandstand Entertainment Agreements**  
26-1002 Koe Wetzel LLC f/s/o Koe Wetzel; 26-1005 Frias Entertainment f/s/o Los Tucanes de Tijuana; 26-1006 Christopher Comstock f/s/o Marshmello; 26-1007 Good Charlotte
  - **2026 San Diego County Fair Concession Agreements**  
26-1315 The Snax Shack; 26-1316 The Copper Kettle; 26-1317 The Copper Kettle; 26-1318 Alamo Amusements; 26-1319 Alamo Amusements; 26-1320 ARH Treats, LLC; 26-1321 Australian Battered Potatoes LLC; 26-1322 BackyardBBQ Village; 26-1323 BackyardBBQ Village; 26-1324 Brander Enterprises Inc.; 26-1325 Brander Enterprises Inc.; 26-1326 C&C Concessions Inc.; 26-1327 C&C Concessions Inc.; 26-1328 Chan's Concessions; 26-1329 Chicken Charlie's Enterprises; 26-1330 Chicken Charlie's Enterprises; 26-1331 Chicken Charlie's Enterprises; 26-1332 CK&A Concessions; 26-1333 D&D Country Fair Cinnamon Rolls; 26-1334 Dee's Concessions; 26-1335 Family A Fair INC; 26-1336 Family A Fair INC; 26-1337 Fernie's Concessions Inc.; 26-1338 Fruit Caboose Inc.; 26-1339 Fruit Caboose Inc.; 26-1340 Fruit Caboose Inc.; 26-1341 Fun Biz Concessions Inc.; 26-1342 Fun Biz Concessions Inc.; 26-1343 Fun Biz Concessions Inc.; 26-1344 Fun Time Foods (Mom's Bake Shop); 26-1345 Fun Time Foods (Mom's Bake Shop); 26-1346 Hallak Sisters Inc.; 26-1347 HDS Fair Co. (Hot Dog on a Stick); 26-1348 HDS Fair Co. (Hot Dog on a Stick); 26-1349 Helm & Sons Amusements; 26-1350 Helm & Sons Amusements; 26-1351 J&A Foods LLC; 26-1352 J. Crutch LLC; 26-1353 J. Crutch LLC; 26-1354 JP's Old West Cinnamon Rolls; 26-1355 Juicy's; 26-1356 Juicy's; 26-1357 Leap of Faith Adventures, Inc. (JK Dots); 26-1358 Leap of Faith Adventures, Inc. (JK Dots); 26-1360 Leavitt Family Trust dba Odyssey Foods, Inc.; 26-1361 Little T Concessions; 26-1362 Little T Concessions; 26-1363 Lopez Concessions, LLC; 26-1364 Lopez Concessions, LLC; 26-1365 Mad Mtn Concessions dba W&R Country Fair Cinnamon Rolls; 26-1366 Maverick Concepts; 26-1367 Maverick Concepts; 26-1368 Maverick Concepts; 26-1370 Sonflower Productions; 26-1380 Melissa Cagle Concessions; 26-1381 Nathalie Harrington DBA Western Delight; 26-1382 Ryan Needham Concessions; 26-1383 Ryan Needham Concessions; 26-1384 Pacific Coast Concessions; 26-1385 Paradise Management LLC; 26-1386 PHD & ME; 26-1387 PHD & ME; 26-1388 R & K Concessions, LLC; 26-1389 Rafikiz Foodz; 26-1390 Soto's Concessions DBA Alicia's Mexican Kitchen; 26-1391 Soto's Concessions DBA Maddie's Crepes; 26-1392 Stizzy Works LLC; 26-1393 Stizzy Works LLC; 26-1394 Stizzy Works LLC; 26-1395 Timbo's Beef Jerky, Sticks, & Dill Pickles; 26-1396 Trinity Concessions; 26-1397 Unique Concessions; 26-1398 Unique Concessions; 26-1399 Unique Concessions; 26-1400 Universal Kimdom dba Hawaiian Honey Cones; 26-1401 B & J Concessions LLC; 26-1402 Raspados Del Sur LLC; 26-1403 RCS Ray Cammack Shows; 26-1404 Refreshed Enterprise; 26-1405 Rico's Manjares Mosita; 26-1407 Robert Jackson Enterprises DBA Giant Fair Foods; 26-1408 Rock's Concessions; 26-1409 Rock's Concessions; 26-1410 SHN INC (Roxy's); 26-1411 Vartanian Concessions Mgmt; 26-1412 Vartanian Concessions Mgmt; 26-1413 Vartanian Concessions Mgmt; 26-1414 West Coast

Weenies Inc.; 26-1415 West Coast Weenies Inc.; 26-1416 Odyssey Foods, Inc.; 26-1417 Odyssey Foods, Inc.; 26-1418 Odyssey Foods, Inc.; 26-1420 Pacific Coast Concessions; 26-1421 Paul's Products; 26-1422 Melissa Cagle Concessions; 26-1425 Pacific Coast Concessions

10. **ADJOURNMENT**



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

### Board of Directors Meeting

Del Mar Fairgrounds

2260 Jimmy Durante Boulevard

Del Mar, CA 92014

**January 13, 2026**

### MINUTES

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

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

#### **OFFICERS PRESENT**

Sam Nejabat, Chair

Lisa Barkett, Vice Chair

#### **DIRECTORS PRESENT**

Mark Arabo

Donna DeBerry

Michael Gelfand

Kathlyn Mead

Joyce Rowland

Frederick Schenk

#### **OTHERS PRESENT**

Joshua Caplan, Deputy Attorney General (Counsel)

Carlene Moore, Chief Executive Officer (CEO)

Tristan Hallman, Chief Communications Officer (CCO)

Katie Mueller, Chief Operations Officer (COO)

Mike Seyle, Chief Administrative Officer (CAO)

#### **DIRECTORS ABSENT**

Phil Blair

#### **CALL TO ORDER**

Chair Nejabat called the meeting to order at 9:33 a.m.

#### **ROLL CALL**

Chair Nejabat, Vice Chair Barkett, and Directors Arabo, DeBerry, Gelfand, Rowland, and Schenk were all present. Director Mead arrived at 9:37 a.m. Director Blair had an excused absence.

Agenda items 5 (Consent Calendar), 6 (Public Comment), and 7 (Executive Report) were moved up to take place before Closed Executive Session.

#### **CONSENT CALENDAR**

##### **PUBLIC COMMENT ON CONSENT CALENDAR (see page 5 of transcript)**

None

Director Rowland moved to approve the Consent Calendar. Director Schenk seconded the motion. Chair Nejabat, Vice Chair Barkett, and Directors Arabo, DeBerry, Gelfand, Rowland, and Schenk all voted in favor. Director Mead was not present for the vote. The motion passed 7-0.

**PUBLIC COMMENT ON NON-AGENDA ITEMS** (see pages 7-11 of transcript)

Martha Sullivan, Chaun Reynolds

Director Mead joined the meeting at 9:37 a.m.

**EXECUTIVE REPORT**

- CEO Moore introduced Don Diego Scholarship Foundation Board of Directors Chair Emeritus Paul Ecke III, who reported that the Foundation has awarded more than \$1.4 million in scholarships to more than 400 students since its inception 40 years ago. All scholarship recipients are associated in some way with the San Diego County Fair.
- The Board received new meeting binders with the 2026 Bagley-Keene Meeting Act guide and other reference materials.
- CEO Moore invited the Board to consider dates to attend the Houston Livestock Show and Rodeo in March.
- Directors were invited to attend the VIP preview event for The Art of Banksy on January 29. The Art of Banksy exhibit will be at the Fairgrounds through April.
- CCO Hallman reported that the District is finalizing the schedule for three additional Fairgrounds 2050 Open House events as part of the public outreach effort for the Master Site Plan.
- Several District staff members will attend the Western Fairs Association annual conference in Reno next week.
- CDFA has reinstated its monthly Collaborative Exchange meetings for CEOs of California fairs and fairgrounds and CEO Moore attended the recent event on January 7.

**PUBLIC COMMENT ON EXECUTIVE REPORT** (see pages 27-28 of transcript)

None

**RECESS TO CLOSED EXECUTIVE SESSION**

The Board recessed to Closed Executive Session at 9:59 a.m.

**RECONVENE TO OPEN SESSION**

The Board reconvened to Open Session at 11:11 a.m. Chair Nejabat stated that the District Board of Directors considered the advice of Counsel on the items listed on the Closed Session portion of the agenda and has nothing to report.

**GENERAL BUSINESS**

Chair Nejabat announced that Item 8-F, the Finance Committee Report, would not be taken up this month, since the committee had not met.

Item 8-A: Audit & Governance Committee Report

Chair Nejabat referred to the report on pages 56-58 of the meeting packet.

PUBLIC COMMENT ON ITEM 8-A (see page 30 of transcript)

None

Item 8-B: DMTC Liaison Committee Report

Committee Chair Arabo recapped the latest committee meeting and distributed a handout he had produced for the Board and the public about plans to replace three video boards at the fairgrounds. DMTC President and Chief Operations Officer Josh Rubinstein reported that the District and the Del Mar Race Track Authority received more than \$10 million in net revenues from the 2025 summer and fall race meets and the Breeders' Cup.

PUBLIC COMMENT ON ITEM 8-B (see pages 66-69 of transcript)

Chaun Reynolds, Martha Sullivan

Item 8-C: Information update on Board-approved replacement and modernization of existing video display boards located in the Grandstand, the Paddock and at 5 Points and discuss if modification to the scope of the Board-approved project is necessary or required

Chair Nejabat referred to the report on pages 59-72 of the meeting packet.

CEO Moore explained that this matter was placed on the agenda as a standalone item rather than included under the DMTC Liaison Committee report because it was originally assigned to the Finance Committee after the idea was introduced by the DMTC Liaison Committee in November 2025.

CAO Seyle presented a status update on the video board replacement project, including potential construction challenges and additional environmental, procurement, and legal considerations at the 5 Points and Grandstand locations. The current Grandstand video board structure houses Verizon cellular equipment. Verizon leases the space from the District under agreement L-2988, and plans to add more antennas in an amendment to that lease agreement. CAO Seyle also reviewed possible alternatives to accommodate the new video boards at 5 Points and the Grandstand, and outlined next steps for the project.

Chair Nejabat assigned the video board replacement project and Verizon lease agreement L-2988 AM1 to the DMTC Liaison Committee.

PUBLIC COMMENT ON ITEM 8-C (see pages 114-115 of transcript)

Martha Sullivan

Item 8-D: Emergency Preparedness Committee Report

Chair Nejabat referred to the report on pages 73-74 of the meeting packet. Committee Chair Barkett recapped the first meeting of the committee, which included a review of the District's emergency management materials and resources. The committee encouraged staff to continue its work to update action plans, enhance crisis communications plans, and collaborate with county officials and organizations on emergency procedures and protocols.

PUBLIC COMMENT ON ITEM 8-D (see page 123 of transcript)  
None

Item 8-E: Fair Operations Committee Report

Committee Chair Mead provided an overview of the committee's recent meeting and reported that District staff is actively booking Grandstand and Paddock entertainment acts, which will be presented to the Board beginning in February. COO Mueller explained the District's process for booking entertainment, which includes reviewing previous concert ticket sales and checking artist availability.

PUBLIC COMMENT ON ITEM 8-E (see page 139 of transcript)  
None

The Board recessed for a short break at 1:14 p.m. The meeting resumed at 1:26 p.m.

Item 8-G: Legal Committee Report

Committee Chair Schenk referred to the report on pages 75-78 of the meeting packet and reported that the committee met with the City of Del Mar in December to discuss possible amendments to the Exclusive Negotiating Rights Agreement (ENRA) regarding affordable housing. Next, the committee will review a draft of the proposed amendments.

CEO Moore explained that six sites on District property are being studied as potential affordable housing locations. Feasibility studies will be completed by the end of March, and then presented to the Board following review by the District.

Director Arabo distributed a map sent to the Board by a member of the public showing five of the six locations that are being studied as possible affordable housing sites. District Supervising Environmental Planner Dustin Fuller noted that the map is from a draft document shared between the District, its consultant, and the City of Del Mar but not released publicly. A final version of the map will be presented to the Board along with financial feasibility details and other key information as the studies are finalized.

PUBLIC COMMENT ON ITEM 8-G (see page 186 of transcript)  
None

Item 8-H: Discuss and vote on whether the District CEO should discontinue affordable housing discussions with the City of Del Mar under the Exclusive Negotiating Rights Agreement entered into between the District and the City of Del Mar until a future District Board meeting during which the Board can consider proposed amendments to the Exclusive Negotiating Rights Agreement and the potential impact on obligations under the existing Memorandum of Understanding concerning the reimbursement for affordable housing feasibility studies

The report on Item 8-H can be found on pages 79-83 of the meeting packet.

PUBLIC COMMENT ON ITEM 8-H (see pages 187-188 of transcript)  
Abigail Hawthorne

Director Arabo moved to pause further discussions with the City of Del Mar under the Exclusive Negotiating Rights Agreement until such time as proposed ENRA amendments are finalized and returned to the Board for review and approval, all outstanding feasibility and due diligence studies are completed and presented to the Board, the ENRA is amended to include full indemnification by the City of Del Mar, ensuring no legal fees, penalties, or liabilities are borne by the District, and the agreement expressly provides that any potential housing units on District property shall not be counted toward the City of Del Mar's state housing obligations unless expressly approved by the Board. There being no second, Director Arabo withdrew the motion. No action was taken by the Board.

Item 8-I: Board of Directors' one-way requests for placement of information or action items on an agenda for a future meeting of the District's Board of Directors

Director Arabo requested that the following items appear on a future Board meeting agenda:

- Affordable housing discussions with the City of Del Mar and proposed amendments to the ENRA
- Board review of Policy 3.02 – Board Committees
- Discussion of potential housing sites on District property and how to ensure that DMTC is able to provide input

PUBLIC COMMENT ON ITEM 8-I (see page 196 of transcript)

None

Director Arabo requested that Board members' email addresses be published on the Del Mar Fairgrounds website.

**MATTERS OF INFORMATION**

Correspondence can be found on pages 84-85 of the meeting packet. Contracts executed per the CEO's delegated authority can be found on pages 86-127 of the meeting packet.

**ADJOURNMENT**

There being no further business to discuss, Chair Nejabat adjourned the meeting at 2:25 p.m.

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Carlene Moore  
Chief Executive Officer



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

### **Board of Directors Meeting**

Del Mar Fairgrounds

2260 Jimmy Durante Boulevard

Del Mar, CA 92014

**January 14, 2026**

### **MINUTES**

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

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

#### **OFFICERS PRESENT**

Sam Nejabat, Chair

Lisa Barkett, Vice Chair

#### **DIRECTORS PRESENT**

Mark Arabo

Donna DeBerry

Michael Gelfand

Kathlyn Mead

Joyce Rowland

Frederick Schenk

#### **OTHERS PRESENT**

Joshua Caplan, Deputy Attorney General (Counsel)

Carlene Moore, Chief Executive Officer (CEO)

Tristan Hallman, Chief Communications Officer (CCO)

Katie Mueller, Chief Operations Officer (COO)

Mike Seyle, Chief Administrative Officer (CAO)

#### **DIRECTORS ABSENT**

Phil Blair

#### **CALL TO ORDER**

Chair Nejabat called the meeting to order at 9:35 a.m.

#### **ROLL CALL**

Chair Nejabat, Vice Chair Barkett, and Directors Arabo, DeBerry, Gelfand, Mead, Rowland, and Schenk were all present. Director Blair had an excused absence.

#### **PUBLIC COMMENT ON NON-AGENDA ITEMS**

Jane Cartmill, Carla Echols-Hayes

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

The Board recessed to Closed Executive Session at 9:40 a.m.

**RECONVENE TO OPEN SESSION**

The Board reconvened to Open Session at 11:52 a.m. Chair Nejabat stated that the District Board of Directors met in Closed Session to evaluate the performance of the CEO consistent with the government code and has nothing to report.

**ADJOURNMENT**

There being no further business to discuss, Chair Nejabat adjourned the meeting at 11:52 a.m.

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Carlene Moore  
Chief Executive Officer

SUBJECT TO BOARD APPROVAL

## ITEM 4 – Consent Calendar

**February 10, 2026**

### **Expense Contracts**

<b>Standard Agreements Exercising Option Years</b>				
<b>Contract #:</b> 24-001 AM1	<b>Contractor:</b> Quick Caption, Inc.	<b>Acquisition Method:</b> IFB	<b>Term:</b> 3/1/2024 - 2/28/2028	<b>Not to Exceed:</b> AM1: \$37,000.00
	<b>Purpose:</b> To provide experienced verbatim transcription services for meetings of the 22 <sup>nd</sup> DAA Board of Directors, Race Track Authority, and State Race Track Leasing Commission.			

**STANDARD AGREEMENT - AMENDMENT**

STD 213A (Rev. 4/2020)

**SCO ID: N/A** CHECK HERE IF ADDITIONAL PAGES ARE ATTACHED 2 PAGES

AGREEMENT NUMBER

24-001

AMENDMENT NUMBER

1

Purchasing Authority Number

GL #: 600100-00

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

CONTRACTING AGENCY NAME

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

CONTRACTOR NAME

Quick Caption, Inc.

2. The term of this Agreement is:

START DATE

March 1, 2024

THROUGH END DATE

February 28, 2028

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

\$87,000.00

Eighty-Seven Thousand Dollars and Zero Cents

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

The purpose of this Amendment is to exercise the first two-year option, extending the contract term by two years and increasing the dollar amount by \$37,000.00. The maximum amount of this Agreement is hereby increased from \$50,000.00 to \$87,000.00. The Through End Date is hereby amended from February 28, 2026 to February 28, 2028.

The Scope of Work (Exhibit A) is hereby revised and replaced in its entirety. Revisions formatted as bold and underlined font for additions and strikethrough font for deletions.

Amendment Effective Date: February 28, 2026

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

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

**CONTRACTOR**

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

Quick Caption, Inc.

CONTRACTOR BUSINESS ADDRESS

3547 Arlington Avenue, Ste. 104

CITY

Riverside

STATE

CA

ZIP

92056

PRINTED NAME OF PERSON SIGNING

Antha Ward

TITLE

President

CONTRACTOR AUTHORIZED SIGNATURE

DATE SIGNED

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

- A. This Agreement is the result of a competitive solicitation that is incorporated by reference and made part of this Agreement.
- B. Quick Caption, Inc. hereinafter referred to as Contractor agrees to provide to the 22<sup>nd</sup> District Agricultural Association / Del Mar Fairgrounds, hereinafter referred to as District, with services as described herein:

Contractor shall, at its sole expense, provide all labor, equipment, materials, tools, supplies, licenses, certificate, insurance(s), necessary supervision, taxes, travel, meals, hotel accommodation, transportation, fuel, calls, or any other related services to provide professional transcription services for the 22<sup>nd</sup> District Agricultural Association (22<sup>nd</sup> DAA) in accordance with the specifications below.

- C. Using court reporting/recording equipment, Contractor shall provide experienced verbatim transcription services for meetings of the 22<sup>nd</sup> DAA Board of Directors, Race Track Authority, and State Race Track Leasing Commission. The 22<sup>nd</sup> DAA will provide Contractor with schedules and reporting times. The 22<sup>nd</sup> DAA **estimates** ten (10) 22<sup>nd</sup> DAA Board of Directors meetings, and one (1) combined Race Track Authority and State Race Track meeting annually that will require transcription services. 22<sup>nd</sup> DAA Board meetings are typically held on the second Tuesday of every month, except June and July, commence at 1:30 p.m., and run approximately three (3) to four (4) hours.
- D. Contractor shall be physically present at the meetings to provide services.
- E. Contractor shall ensure the transcription is of high quality and has a minimum accuracy of 99% with less than 5% inaudible segments.
- F. Contractor's Transcriptionist must be adept in taking minutes at unstructured meetings with more than two (2) people speaking simultaneously and must be familiar with and adapt quickly to a variety of speaking styles and accents.
- G. Contractor must also be able to discern each speaker out of all Board Members in attendance using speaker labels.
- H. The transcript must adhere to the standard guidelines in terms of format, spacing and use either Times New Roman or Courier font with 12 point size.
- I. Contractor shall provide the 22<sup>nd</sup> DAA with a Certified electronic version of the document containing the meeting transcripts in PDF format within ten (10) calendar days of each meeting.
- J. The 22<sup>nd</sup> DAA will review transcripts for accuracy upon receipt and request the Contractor to address any errors or deficiencies. Any requested corrections to the transcripts will be edited and returned by the Contractor in three (3) business days to the 22<sup>nd</sup> DAA.

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

- K. The 22<sup>nd</sup> DAA may need additional occurrences of transcription services that are unanticipated. For unanticipated service needs, the 22<sup>nd</sup> DAA will submit a request to the Contractor providing as much notice as is feasible. Contractor shall provide these services on an as needed basis subject to availability.
- L. The 22<sup>nd</sup> DAA prefers that the same transcriber attend each regularly scheduled 22<sup>nd</sup> DAA Board of Directors meeting.
- M. Contractor's Transcriptionist shall dress in appropriate professional attire and shall be courteous, efficient, and neat and clean in appearance.
- N. Contractor shall perform the above transcriptions services **in accordance with the rates identified in Exhibit B, Attachment 1, Pricing Tables**
- O. The 22<sup>nd</sup> DAA shall not reimburse Contractor for any separate travel expenses or courier service fees. These expenses must be included in the rates provided on the Financial Bid Form.
- P. The project representatives during the term of this agreement will be:

22 <sup>nd</sup> District Agricultural Association	Contractor: Quick Caption, Inc.
Attention: <u>Donna O'Leary</u> <b>Molly Arnold</b>	Attention: Antha Ward
Address: 2260 Jimmy Durante Blvd. Del Mar, CA 92014-2216	Address: 2457 Arlington Avenue, Ste. 104 Riverside, CA 92506
Phone: (858) 755-1161 Ext 2200 <b>2232</b>	Phone: 951-779-0787
Email Address: <u>doearly@sdfair.com</u> <b>marnold@sdfair.com</b>	Email Address: <u>award@quickcaption.com</u>

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



# 2025 DON DIEGO SCHOLARSHIP FOUNDATION ANNUAL REPORT



The Don Diego Scholarship Foundation proudly celebrates another year of tremendous growth, generosity, and success. Thanks to the continued support of our community, sponsors, and dedicated board, we have made significant strides in advancing our mission to empower students and promote agricultural education throughout San Diego County.



**DON DIEGO  
SCHOLARSHIP FOUNDATION**

# REMARKABLE ACHIEVEMENTS AND GENEROUS CONTRIBUTIONS

## Financial Highlights

**\$93,500 in Scholarships Awarded.** In 2025, the Foundation awarded an incredible \$93,500 in college scholarships to outstanding San Diego County students.

**Two New Four-Year \$20,000 Scholarships.** This year we proudly introduced two new four-year \$20,000 scholarships, generously funded by board members Jim Dredge and Jim Edwards. Their continued commitment ensures that students have the support they need to thrive academically and personally.

**Three New \$5,000 JLA Scholarships.** We also received a \$15,000 donation from the Tellam Foundation, allowing us to create three new \$5,000 JLA scholarships — awarded to two FFA members and one 4-H participant. We are deeply grateful to the Tellam Family for their generosity and their dedication to supporting youth in agriculture.



Winning 2025 Don Diego's \$5,000 Tellam Foundation JLA Scholarship "means the world to me, my family, and my future," declares Madyson Hayes, who will journey from Fallbrook to Cal Poly SLO to major in Animal Science. She says, "This scholarship enables me to enter the next chapter of my life, providing financial support to further my passion for animals and agriculture."

## Annual Gala

**Raised an Impressive \$111,000.** Our Annual Gala, held on June 27, was a night to remember. Guests gathered to celebrate our scholars, enjoy the Jon Pardi concert, and raise funds for future scholarships. Thanks to the generosity of our donors and sponsors, the event raised an impressive \$111,000.



*Among the articulate Scholars thanking Gala donors, first individually and later on stage, was effervescent Mariah Morris (shown here with Board member Jim Edwards and his wife Joan). She echoed her fellow students' sentiments as she told the crowd, "On behalf of all of us, we thank Don Diego donors for your support!"*



*This Don Diego scholarship has brought her one step closer to building a successful future in Commercial Real Estate and she couldn't be more grateful," Charlina Schmidt is excited to begin her Business Administration journey at SDSU.*



*Long-time DDSF supporters Frederick Schenk, Joanna & Jon Liss, and Paul Ecke.*

## First Annual Fall Hoedown

**A Brand-New Tradition.** In October, we launched a brand-new tradition — the First Annual Fall Hoedown, held on October 25 at the Rancho Santa Fe Golf Club. Guests enjoyed a lively evening of BBQ, line dancing lessons, and live music — all in support of our scholarship programs. The Hoedown was a tremendous success, raising funds for additional scholarships to be awarded in 2026.



# PLANT\*GROW\*EAT



**Our Plant\*Grow\*Eat Initiative Continues to Flourish.**  
In 2025, the Foundation supported 32 buses bringing students to the Fair to learn about agriculture and sustainability — all made possible by raising \$12,500 for this beloved educational program.

On May 15, members of Del Mar-based organizations joined Don Diego to welcome children arriving at the Fair. A monumental \$10,000 of the total came from our long-time supporter, the Del Mar Foundation (DMF). The Del Mar Garden Club and the Master Gardener Association of San Diego County also contributed generously and volunteered their time.

DMF Grant Committee Chair Glenn Warren and his wife Randee from the Del Mar Garden Club made their first visit and reflected, “This is such a worthwhile project and we’re happy to support it.”



Valencia Park Elementary 2nd-grade teacher Mrs. Masters (right) personally thanked bus sponsors for making the Plant\*Grow\*Eat field trip possible. “The kids were so excited to come here. In preparation, we watched a time-lapse video of plants growing, and when they learned they would also see animals, they went wild. Thank you, Don Diego!” With her are Don Diego Executive Director Ashley Colburn McCaughan, Del Mar Garden Club’s Randee Warren, and Del Mar Foundation’s Glenn Warren and Sudeepo Roy. We thank everyone who made this year’s PGE a blooming success!

## Junior Livestock Auction (JLA)

**Supporting the Next Generation of Leaders.**  
The JLA Committee had an outstanding year, raising more than \$30,000 at the auction. These funds will be awarded next year to 4-H and FFA participants, continuing our tradition of supporting the next generation of agricultural leaders.



*Big ambition, big animals, and a big heart combine in Kiara Konyn, who will “milk” her \$1,500 Ecke Family 4-H and \$5,000 Tellam Foundation JLA scholarships to major in Dairy & Food Management/ Pre-Veterinary at the U of Wisconsin with the goal of becoming a large animal vet. She notes, “My parents operate the last remaining dairy farm in San Diego County, giving me hands-on experience with animal care and a deep appreciation for the science behind livestock health and productivity. Kiara will make a great vet!”*

## Charity Fair Horse Show

**\$10,000 Supporter.** We are truly greatful for the ongoing support of the Charity Fair Horse Show.



*Susan Farrior of the Charity Fair Horse Show presents a \$10,000 check to DDSF Chair Kirby Morrison.*

# MEET OUR CLASS OF 2025

25 exemplary students from across San Diego sharing a whopping \$93,500 in 2025!



## **Madeline Davis**

\$5,000/year Edwards Family Four-Year Scholarship

\$5,000 Karetas Family FFA Scholarship

\$5,000 Tellam Foundation JLA Scholarship

Cal State University Chico

*What might you do with three 2025 DDSF scholarships totaling \$30,000? If you're the amazing Madeline Davis of Valley Center, you'll head to CSU Chico to study Agriculture Business. Madeline confidently declares, "I envision myself eventually in agricultural policy or law; advocating for the two percent of Americans who feed us all. Whether it's managing a large farm, lobbying for ag legislation, or walking the Capitol in my first-ever pantsuit, I'm committed to making a meaningful impact." Keep your eye on Madeline Davis!*



## **Anairis Canseco**

\$5,000/year Dredge Family Four-Year Scholarship

\$5,000 Karetas Family Endowment Employee Scholarship

Brigham Young University

*She stands up and speaks out for her community, reaches out and helps others, all while excelling in academics and leadership, so it's no surprise that first-gen Anairis Canseco of Solana Beach will major in Political Science at Brigham Young on her way to "my dream career of being an Immigration Attorney." Receiving the Dredge Family \$5,000/year, four-year scholarship plus \$5,000 Karetas Family Endowment Employee scholarship for a total of \$25,000 "is a blessing," she says. "I feel super grateful because I can attend college without a financial burden and make my and my parents' dreams come true."*



## **Kate Xu**

\$5,000 Ranglas Family Endowment Exhibitor/Participant Scholarship

\$5,000 Spanjian Family Endowment Scholarship

MIT

*Acclaimed roboticist, researcher, pianist, and academic standout (4.65 GPA), Kate Xu is also now a 2025 Don Diego Scholar who will take her immense talents and two DDSF scholarships totaling \$10,000 to MIT, where she will double-major in Mechanical Engineering/Environmental Engineering. More on Kate and the other Class of 2025 stellar students to come!*



## **Connor Nelson**

\$5,000 22nd DAA/DMTC in honor of Joe Harper 4-H Scholarship

\$1,000 Alumni Scholarship

\$2,500 JLA Scholarship

Cal State University Chico

*As a little kid winning Reserve Grand Champion with his chickens during his first season at the Fair, Connor Nelson was not chicken about facing his fear of bees. He overcame his trepidation to become an inspiring leader regarding bees and everything 4-H, as he rose to become President of the Ramona Stars 4-H Club. Connor is headed to CSU Chico to study Mechanical Engineering, supported by multiple Don Diego scholarships. He says, "This represents the culmination of all my summers as a kid and all the hard work I put in with my livestock at [www.sdfair.com](http://www.sdfair.com) each year."*



**Tate Criqui**  
\$2,500 Schenk Family Endowment Employee Scholarship  
Cal Poly SLO



**Madyson Hayes**  
\$5,000 Tellam Foundation JLA Scholarship  
Cal Poly SLO



**Aubree Hoyt**  
\$2,500 Zable Foundation 4-H Scholarship  
\$2,500 JLA Scholarship  
Point Loma Nazarene



**Anton Hester**  
\$3,500 William and Betty Ann Tulloch Endowed JLA Scholarship  
University of Idaho



**Kiara Kony**  
\$1,500 Ecke Family 4-H Scholarship  
\$5,000 Tellam Foundation JLA Scholarship  
University of Wisconsin



**Clayton Critz**  
\$2,000 Royster Family Endowment Vocational Education Scholarship  
Cuesta College



**Kaitlyn Law**  
\$2,500 Chicken Charlie Exhibitor/Participant Scholarship  
Cornell University



**Weston Merriman**  
\$1,000 Kirby Morrison FFA Scholarship  
\$2,000 JLA Scholarship  
Modesto Junior College



**Mariah Morris**  
\$2,500 Tulloch Family Partners FFA Scholarship  
CSU Channel Islands



**Kelsey Weller**  
\$2,500 Mark Arabo Vocational Education Scholarship  
Tulsa Welding School



**Gabby Anderson**  
\$1,500 Howell Boys Employee Scholarship  
Northwestern University



**Sage Bowles**  
\$1,500 JLA Scholarship  
University of Arizona



**Logan Brown**  
\$1,500 Mannen Family Endowment Exhibitor/Participant Scholarship  
Caltech



**Rhys Morey**  
\$1,500 JLA Scholarship  
Palomar College  
Cal Poly SLO



**Jamie Newton**  
\$1,500 Brother's Forever Scholarship  
Cal State San Marcos



**Alice Powell**  
\$1,500 Roxana Foxx Endowment FFA Scholarship  
Cal Poly SLO



**Michael Sanchez**  
\$1,500 JLA Scholarship  
CSU Chico



**Charlina Schmidt**  
\$1,500 JLA Scholarship  
SDSU



**Elona Gevarges**  
\$1,000 Joe Harper Endowment Employee Scholarship  
SDSU



**Teo Kony**  
\$1,000 Shewmaker Family Endowment Exhibitor/Participant Scholarship  
University of Idaho



**Emerson Rockwell**  
\$1,000 Shewmaker Family Endowment 4-H Scholarship  
Western Kentucky University

# NEW LEADERSHIP AND BOARD UPDATES

## Don Diego Scholarship Foundation Proudly Welcomes Two New Board Members

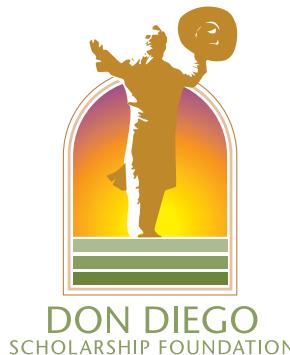


Sam Nejabat



Donna O'Leary

This year, we were thrilled to welcome two new board members, Donna O'Leary and Sam Nejabat, to the Don Diego Scholarship Foundation. Both bring extensive experience and deep connections to the Del Mar Fairgrounds and the 22nd District Agricultural Association (DAA). Their involvement and leadership will be monumental in continuing to strengthen the partnership between Don Diego and the Fair community, ensuring a bright and impactful future for the Foundation.



### CURRENT LEADERSHIP TEAM

#### Executive Committee

Kirby Morrison, Chair  
Glenn Drown, Vice Chair  
Jim Edwards, Treasurer  
Chana Mannen, Secretary

#### Board

Mark Arabo, Lisa Barkett, Alyson Connolly  
Sandra DiCicco, Jim Dredge  
Susan Farrior, Joe Harper, John Hoeflich  
George Karetas, Sam Nejabat  
Donna O'Leary, Russ Penniman  
D Prestininzi, Frederick Schenk, Alysha Stehly

#### Chairs Emeritus

Paul Ecke III, Roxana Foxx,  
Jon Liss, Stephen Shewmaker

#### Executive Director

Ashley Colburn McCaughan

## LOOKING AHEAD

With tremendous gratitude for our donors, sponsors, and community, the Don Diego Scholarship Foundation looks forward to another year of growth and giving. From scholarships to educational programs and community partnerships, every contribution makes an impact — and every student represents a brighter future for us all.

#### MISSION

The Don Diego Scholarship Foundation promotes education in a fair and fiscally sound manner by providing scholarships to deserving San Diego County graduating high school seniors and graduates who have been associated with activities at the Del Mar Fairgrounds, including the San Diego County Fair. The Don Diego Scholarship Foundation also provides grants for agricultural education.

#### Don Diego Scholarship Foundation

PO Box 614, Del Mar, CA 92014

[DonDiegoScholarship.org](http://DonDiegoScholarship.org)

858-792-4210 • [info@dondiegosf.org](mailto:info@dondiegosf.org)

[facebook.com/dondiegoscholarship](http://facebook.com/dondiegoscholarship)

[instagram.com/dondiegoscholarshipfoundation](http://instagram.com/dondiegoscholarshipfoundation)

501 (c) (3) nonprofit organization: EIN 33-0859020

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Created 1/26

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## **Item 5, Executive Report Summary of the December 2025 Financials**

### **Overview**

Accompanying this Committee Report are preliminary financial reports for December 2025. While this report represents an early look at the year's performance versus the budget, the figures are still subject to final close adjustments.

The Balance Sheet includes the consolidated activity of 22nd DAA, State Race Track Leasing Commission (SRTLC), and Del Mar Race Track Authority (RTA). The Income Statement reflects only 22nd DAA operations and programs.

As previously discussed, due to the proximity of the Board meeting dates to the end of the month immediately prior, there is approximately a six (6)-week lag in reporting (for example, March is reported to the Board in May). Comparative data for fiscal years 2023 and 2024 are included to provide historical context.

### **About the Financial Statements**

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

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

### **Executive Summary**

Preliminarily, the 22nd DAA's overall financial position through December 2025 remains favorable compared to the approved budget. Operations for the month of December exceeded expectations by \$1.4M, while year-to-date results are ahead of budget by \$5.5M. This positive variance is driven primarily by expense savings in Payroll, Professional Services, Program Expenses, and Supplies. At the same time, revenue shortfalls in fair-related activities such as Gate Admissions, Midway, and Parking offset some of these gains. Cash balance through December is higher than the same period in 2024.

## Monthly Performance (December 2025)

In December, revenues were 94% (\$1.2M) above budget. These increases were attributable to better Food and Beverage (F&B) revenues for the month (\$153K), exceeding the forecast by 50%, additional non-operating revenues including net Sponsorship revenues (\$377K) due to finalizing the splits with the Del Mar Thoroughbred Club, unbudgeted HAP Grant Reimbursements from the City of Del Mar (\$324K), higher interest earnings (\$231K), and stronger-than-expected utility reimbursement (\$200K).

<u>Category</u>	<u>Status</u>	<u>Variance</u>	<u>Notes</u>
Total Revenues	●	+95% / +\$1.2M	Higher non-operating revenue than forecast
Operating Expenses	●	-7% / -\$225K	Savings in payroll and facility & rental expenses are partially offset by professional services expenses
Savings			
Food & Beverage Revenues	●	+55% / +153K	Strong sales during events and added Intuit holiday party
Facility Rentals	●	-5% / -\$15K	Lower revenues from year-round events, RV Park and The Sound.
Parking Revenues	●	+2% / +\$5K	Higher parking revenues during events

## Year-to-Date Performance (January–December 2025)

Preliminarily for financial year 2025, results remain favorable compared to budget by approximately \$5.5M. This variance is almost entirely expense-driven, with year-to-date costs running below forecast by 9% (\$7.4M). Savings were realized across Payroll, contracted Professional Services, Program Expenses and facility-related costs. Revenues were short of budget by 2% (-\$1.8M). Sponsorships and interest earnings remain a bright spot, exceeding budget by 80% (\$1M) and 103% (\$773K), respectively.

<u>Category</u>	<u>Status</u>	<u>Variance</u>	<u>Notes</u>
Total Revenues	🔴	-2% / -\$1.8M	Revenues are primarily driven by Fair-related categories, KAABOO 2025 cancelation, and lower F&B during the Fall race meet
Operating Expenses	🟢	-9% / -\$7.4M	Expense savings across multiple areas
Concessions Revenue	🔴	-5% / -\$2.6M	Midway under budget (-8%), F&B lower by -4%
Payroll & Related	🟢	-11% / -\$2.2M	Vacancies and reduced temporary labor expenses
Professional Services	🟢	-7% / -\$2.4M	Reduced expenses vs. budget
Admissions	🔴	-6% / -\$870K	Driven by flat Fair attendance
Facility Rentals	🔴	-5% / -\$531K	Driven largely by KAABOO 2025 cancelation
Parking Revenues	🔴	-16% / -\$1.1M	Driven by event and Fair attendance
Sponsorships	🟢	+80% / +\$1M	Well above forecast

### Key Definitions

- Restricted Cash (RTA): Funds held in trust to cover Race Track Authority bond obligations.
- Deferred Revenue: Advance payments for future events, recognized in the event month.
- Accrued Employee Leave: Current value of accrued leave owed upon separation.

### Legend

- 🟢 Favorable financial impact (better than budget)
- 🟡 Neutral financial impact / on target
- 🔴 Unfavorable financial impact (worse than budget)

**22nd DAA**  
**Consolidated Balance Sheet (DAA, RTA, RTLC)**  
**As of December 31, 2025**

	<b>2025</b>	<b>2024</b>	<b>2023</b>
<b>Assets</b>			
1 Cash	\$ 25,801,857	\$ 32,041,207	\$ 36,141,483
Reserves - BOD as DAA Reserved Funds	11,250,000	-	-
Reserves - Surf & Truf Utility	61,448	-	-
Restricted Cash - JLA	132,555	79,212	57,578
2 Restricted Cash - F&B Equipment Fund	17,607	18,718	51,157
3 Restricted Cash - RTA	9,525,333	10,844,761	12,872,543
<b>Total Cash and Cash Equivalents</b>	<b><u>46,788,799</u></b>	<b><u>42,983,898</u></b>	<b><u>49,122,761</u></b>
Accounts Receivable	2,951,091	2,151,821	2,584,830
Prepaid Expenses	715,783	373,974	311,897
4 Deferred Outflows Pension	7,035,722	7,035,722	5,298,571
<b>Total Current Assets</b>	<b><u>10,702,596</u></b>	<b><u>9,561,517</u></b>	<b><u>8,195,298</u></b>
Land and Land Improvements	46,998,212	46,998,212	45,166,113
Building and Improvements	218,544,813	218,544,813	217,564,033
Equipment	40,849,104	39,838,732	38,849,439
Capital Projects in Process	1,421,369	2,529,694	1,806,615
Accumulated Depreciation	(202,196,701)	(202,196,701)	(191,722,134)
<b>Total Capital Assets</b>	<b><u>105,616,797</u></b>	<b><u>105,714,749</u></b>	<b><u>111,664,066</u></b>
<b>Total Assets</b>	<b><u>\$ 163,108,193</u></b>	<b><u>\$ 158,260,164</u></b>	<b><u>\$ 168,982,125</u></b>
<b>Liabilities</b>			
Accounts Payable	9,213,094	8,697,086	7,859,060
Payroll Liabilities	1,355,141	1,222,654	786,788
Accrued Liabilities	1,677,522	1,662,542	1,898,178
Other Current Liabilities	(393,919)	359,505	546,363
6 Deferred Revenue	2,155,233	1,876,669	2,144,705
5 Current Long Term Debt	1,291,581	2,105,891	2,516,675
7 Accrued Employees Leave Liabilities	1,276,995	1,228,755	1,361,019
8 Long Term Debt	51,164,704	54,170,353	57,789,275
Reserve - F&B Equipment Fund	396,558	97,143	(1,301)
Reserve - JLA	60,691	43,292	36,607
4 Pension Liability	21,689,419	21,571,538	40,141,406
4 Deferred Inflows - Pension	1,717,258	1,717,258	1,754,199
<b>Total Liabilities</b>	<b><u>91,604,276</u></b>	<b><u>94,752,686</u></b>	<b><u>116,832,973</u></b>
<b>Net Resources</b>			
Contributed Capital	78,877,171	78,877,171	78,877,171
Less Contributed Capital to RTA	(34,358,470)	(34,358,470)	(34,358,470)
Net Resources - Unrestricted	22,863,164	11,515,553	11,783,919
Investment in Capital Assets	(3,891,786)	(3,891,786)	(3,891,786)
	63,490,079	52,142,468	52,410,834
Net Proceeds from Operations	8,013,837	11,365,010	(261,681)
<b>Total Net Resources</b>	<b><u>71,503,916</u></b>	<b><u>63,507,478</u></b>	<b><u>52,149,152</u></b>
<b>Total Liabilities and Net Resources</b>	<b><u>\$ 163,108,193</u></b>	<b><u>\$ 158,260,164</u></b>	<b><u>\$ 168,982,125</u></b>

- 1- Minimum Operating Fund Balance (Policy 4.05) requirement is \$19,933M.
- 2- Per Food & Beverage Services agreement, 1.50% of all Gross Revenues for unexpected or emergency expenses, including repair and maintenance of equipment.
- 3- Per bond Pledge Agreement, maintain Reserve account and District cash separately equal to at least Maximum Annual Debt Service.
- 4- Information provided by CDF/State Controllers Office; results from changes in components of net pension liability; applicable to a future reporting period.
- 5- Current portion of long-term debt due within the next 12 months.
- 6- Advance payments for events/activities in the future.
- 7- Due to employees at time of separation for paid leave balances.
- 8- RTA Bonds \$27.3M; Ibank WQI \$5.7M; Ibank Sound \$12.6M; Premier \$1.3M; Energy Efficiency \$3.1M; CalPers SB84 \$1.5M.

**22nd DAA**  
**Income Statement**  
**For the Period Ending December 31, 2025**  
**DAA**

	December 2025			Year-to-Date			Full 2025
	Actual	Budget	Variance	Actual	Budget	Variance	Budget
<b>REVENUES</b>							
Admissions Revenue	0	0	0	13,584,527	14,441,375	(856,848)	14,441,375
Gates	0	0	0	13,584,527	14,441,375	(856,848)	14,441,375
Concessions Revenue	434,408	288,038	146,370	46,842,902	49,286,503	(2,443,601)	49,286,503
Food & Beverage Contract	429,087	275,438	153,650	24,684,920	25,641,444	(956,524)	25,641,444
Other Food & Beverage	0	0	0	4,864,741	4,820,000	44,741	4,820,000
Midway	0	0	0	17,160,093	18,697,839	(1,537,746)	18,697,839
Facility Rentals Revenue	302,112	316,832	(14,720)	9,548,499	10,079,614	(531,115)	10,079,614
Commercial	0	0	0	3,261,660	3,549,710	(288,050)	3,549,710
Racetrack	0	0	0	2,025,000	2,025,000	0	2,025,000
Leases Revenue	55,027	51,164	3,863	652,364	606,000	46,364	606,000
Program Revenues	226,611	227,635	(1,024)	6,811,779	8,007,033	(1,195,254)	8,007,033
JLA	0	0	0	54,692	22,500	32,192	22,500
Parking	206,488	201,635	4,853	5,962,193	7,070,933	(1,108,740)	7,070,933
Participation Fees	0	0	0	284,385	380,000	(95,615)	380,000
Satellite Wagering	20,123	26,000	(5,877)	510,509	533,600	(23,091)	533,600
<b>OPERATING REVENUE TOTALS</b>	<b>1,018,159</b>	<b>883,669</b>	<b>134,490</b>	<b>77,440,070</b>	<b>82,420,525</b>	<b>(4,980,455)</b>	<b>82,420,525</b>
1 Contributions	162,184	(76,100)	238,284	2,931,009	2,039,840	891,169	2,039,840
Government Funding	560,500	700,000	(139,500)	560,500	700,000	(139,500)	700,000
Sponsorships	(398,316)	(776,100)	377,784	2,354,549	1,303,840	1,050,709	1,303,840
Other Non-Operating Revenue	427,958	195,436	232,522	2,336,115	1,025,905	1,310,210	1,025,905
Interest Earnings	418,765	187,500	231,265	1,523,501	750,000	773,501	750,000
Reimbursed Costs	850,315	260,356	589,959	2,805,463	2,158,954	646,509	2,158,954
Prior Year Revenue	0	0	0	313,447	0	313,447	0
<b>NON-OPERATING REVENUE TOTALS</b>	<b>1,440,456</b>	<b>379,692</b>	<b>1,060,764</b>	<b>8,386,034</b>	<b>5,224,699</b>	<b>3,161,335</b>	<b>5,224,699</b>
<b>TOTAL REVENUE</b>	<b>2,458,615</b>	<b>1,263,361</b>	<b>1,195,254</b>	<b>85,826,104</b>	<b>87,645,224</b>	<b>(1,819,120)</b>	<b>87,645,224</b>
<b>EXPENSES</b>							
Payroll & Related Expense	980,935	1,329,048	348,113	17,759,655	20,004,959	2,245,304	20,004,959
Professional Developer	8,008	46,248	38,240	121,888	321,308	199,420	321,308
Professional Services Expense	1,265,619	914,390	(351,228)	29,956,362	32,343,018	2,386,656	32,343,018
Food & Beverage Expenses	535,368	491,652	(43,716)	20,161,059	20,424,275	263,216	20,424,275
Insurance Expense	209,039	240,999	31,960	2,123,855	2,175,708	51,853	2,175,708
Facility & Related Expense	296,559	465,432	168,873	7,018,829	7,560,830	542,001	7,560,830
Equipment & Small Ware	0	0	0	119,740	0	(119,740)	0
Telephone & Internet	8,145	8,654	509	102,882	100,318	(2,564)	100,318
Repairs & Maintenance	11,231	78,796	67,565	906,798	1,066,052	159,254	1,066,052
Utilities	272,512	368,858	96,346	3,847,655	4,064,500	216,845	4,064,500
- Electricity	133,940	-	-	2,015,087	-	-	-
- Water	69,668	-	-	962,227	-	-	-
Supplies Expense	31,004	35,050	4,046	1,449,517	1,971,470	521,953	1,971,470
Marketing & Related Expense	6,445	0	(6,445)	1,319,728	1,427,175	107,447	1,427,175
Program Expenses	24,306	28,272	3,966	16,264,076	17,624,610	1,360,534	17,624,610
Prizes & Premiums	0	0	0	95	0	(95)	0
Artists & Entertainment	0	0	0	5,994,254	6,400,850	406,596	6,400,850
Midway Operator Expenses	0	0	0	9,758,190	10,545,194	787,004	10,545,194
Other Operating Expense	73,786	77,486	3,700	2,272,511	2,515,339	242,829	2,515,339
Bank & Service Fees	7,769	11,926	4,157	1,443,907	1,668,694	224,788	1,668,694
Interest Expense	65,517	65,560	43	808,532	809,440	908	809,440
<b>OPERATING EXPENSE TOTALS</b>	<b>2,887,692</b>	<b>3,090,678</b>	<b>202,986</b>	<b>78,164,533</b>	<b>85,623,109</b>	<b>7,458,576</b>	<b>85,623,109</b>
Other Non-Operating Expense							
Prior Year Expense	0	0	0	143,940	0	(143,940)	0
<b>NON-OPERATING EXPENSE TOTALS</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>143,940</b>	<b>0</b>	<b>(143,940)</b>	<b>0</b>
<b>TOTAL EXPENSE</b>	<b>2,887,692</b>	<b>3,090,678</b>	<b>202,986</b>	<b>78,308,473</b>	<b>85,623,109</b>	<b>7,314,636</b>	<b>85,623,109</b>
<b>NET INCOME (LOSS)</b>	<b>(429,077)</b>	<b>(1,827,317)</b>	<b>1,398,240</b>	<b>7,517,631</b>	<b>2,022,115</b>	<b>5,495,516</b>	<b>2,022,115</b>

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

## Food & Beverage Report

### Dec-25

December 2025 Food Service Revenues were \$429,087. Budgeted Revenues for December 2025 were \$275,438

Net distribution to the District for December 2025 was (\$113,251) or -26.4%. Budgeted distribution for December 2025 was (\$216,215) or- 78.5%.

Year-to-date 2025 distribution to the District is \$4,581,781 or 18.5%. The budgeted distribution for YTD 2025 was \$5,025,169 or 19.8%.

Dec-25	2025 ACTUAL	%	2025 BUDGET	%	2024 ACTUAL	%
TOTAL REVENUE	429,087	100.0%	275,438	100.0%	478,313	100.0%
TOTAL COGS	66,079	15.4%	51,245	18.6%	170,821	35.7%
GROSS MARGIN	363,008	84.6%	224,193	81.4%	307,492	64.3%
TOTAL PAYROLL	382,366	89.1%	381,999	138.7%	737,500	154.2%
OPERATING EXPENSES	110,072	25.7%	89,297	32.4%	435,662	91.1%
NET PROFIT	(129,430)	-30.2%	(247,102)	-89.7%	(865,671)	-181.0%
CLIENT DISTRIBUTION	(113,251)	-26.4%	(216,215)	-78.5%	(757,462)	-158.4%
YTD	2025 ACTUAL	%	2025 BUDGET	%	2024 ACTUAL	%
TOTAL REVENUE	24,701,896	100.0%	25,441,444	100.0%	23,258,822	100.0%
TOTAL COGS	5,234,499	21.2%	5,193,081	20.4%	5,182,941	22.3%
GROSS MARGIN	19,467,397	78.8%	20,248,363	79.6%	18,075,881	77.7%
TOTAL PAYROLL	11,161,098	45.2%	11,187,091	44.0%	10,973,707	47.2%
OPERATING EXPENSES	3,069,978	12.4%	3,318,221	13.0%	3,320,881	14.3%
NET PROFIT	5,236,321	21.2%	5,743,050	22.6%	3,781,293	16.3%
Y-T-D CLIENT DISTRIBUTION	4,581,781	18.5%	5,025,169	19.8%	3,308,631	14.2%



## **Item 5, Executive Report Annual Spend on Standard Agreement 23-021 On-Call Environmental Services**

### **In Brief:**

- In February 2023, following a competitive solicitation process, the 22nd District Agricultural Association (22nd DAA) Board of Directors approved Standard Agreement 23-021 for On-Call Environmental Services (the Agreement) for five years and requested a report of the amount spent on the agreement annually
- Services covered by the Agreement include environmental studies in compliance with the California Environmental Quality Act (CEQA) and technical studies, permitting, and legal support, as needed.
- The Agreement ensures that the 22nd DAA meets the required conditions of existing permits and mitigation measures and is able to fully vet and evaluate projects as they arise.
- The amount spent for the period of February 1, 2025 through January 31, 2026 totaled \$1,394,661.34. Since the Agreement was executed in February 2023, the total spend amount is \$2,774,431.23.

### **Background:**

The 22nd District Agricultural Association (22nd DAA) issued a Request for Qualifications (RFQ) in January 2023 to solicit qualified environmental consulting firms to provide full service in-house consulting services in support of existing and proposed 22nd DAA projects.

The 22nd DAA received two Statement of Qualifications (SOQs) that were deemed responsive to the RFQ. Each of the two qualified firms were invited to an interview. After scoring both the technical and cost proposals, Harris & Associates was selected.

Under the Agreement, Harris & Associates performs on-call services such as:

- Technical studies including but not limited to:
  - Parking and traffic;
  - Noise;
  - Air quality;
  - Biological assessments;
  - Sea-level rise; and
  - Geology and soils.

- Support for permit requirements for state agencies and entities such as:
  - California Coastal Commission;
  - Regional Water Quality Control Board;
  - California Air Resources Board; and
  - California Department of Fish and Wildlife
- Technical support of 22nd DAA staff as it relates to:
  - California Environmental Quality Act (CEQA) implementation;
  - Review and interpretation of the Coastal Act; and
  - In-house legal review and guidance.

Harris and Associates has provided needed On-Call Environmental Services to the 22nd DAA since March 2023.

**Process/Approach:**

Provided below is a list of the yearly projects that are required by either a Special Permit Condition, Restoration Order, Consent Decree or mitigation measure, as well as the amount spent on the service through the Agreement.

**Least Tern Nesting Sites: \$318,600**

Coastal Development Permit #6-84-525 requires the maintenance and monitoring of four least tern nesting sites located within the larger San Dieguito Wetlands Restoration area. The work effort for the nesting sites includes annual maintenance of sites, which consists of removal of vegetation, maintenance of chick fencing, shell augmentation, placement and pick up of decoys. Monitoring efforts include multiple visits to the four nesting sites by qualified and permitted biologist to track the number of terns, nests, eggs, and fledglings. Both weekly and annually, the United States Department of Agriculture – Wildlife Services documents the presence of predators or other impediments to successful nesting.. Predator control is also a requirement of the coastal development permit. These efforts include daily site visits, placement of traps, removal of predators, coordination with biologists, as well as quarterly and annual reporting.

**Phase 1 and 2 Wetland Restoration: \$523,140**

Coastal Development Permit #6-12-067 and an Army Corps of Engineers (ACOE) Restoration Order require the restoration, maintenance and monitoring of 13 acres of wetland habitat, along with about 2.5 acres of upland transitional habitat. Annual work efforts include quarterly and annual assessment of the restoration areas, hydro-monitoring surveys, and elevational assessments. Maintenance activities include weed removal, irrigation management, soil amendments (if needed), as well as supplemental plantings. The maintenance and monitoring efforts include annual

reporting to both the Coastal Commission and ACOE. This also includes coordination with these two agencies on any needed adaptive management strategies.

**Stormwater:**

- **Stormwater Quality Improvement Project:** \$292,740
- **Industrial General Permit (IGP) and Municipal Separate Stormwater Systems (MS4):** \$100,500

The 22nd DAA is governed by two stormwater permits issued by the State's Regional Water Quality Control Board. Additionally, the areas covered by the water quality improvement project are governed by a Consent Decree filed with the United States District Court - Southern District of California and Coastal Development Permit #6-13-010.

**IGP:** This permit covers the areas governed by the Consent Decree and CDP #6-13-010 and generally consists of those areas where animals, such as horses, are present. The work effort associated with this area includes bi-monthly maintenance of the constructed wetland lake (e.g., algae removal, invasive species management/removal, survey of wetland channels/depths); annual harvest of the wetland vegetation; biochar deployment; cattail eradication and replanting; and application of pond dye. Reporting to the Regional Water Quality Control Board includes monthly inspection reports; annual training of staff; documentation of best management practices; ad-hoc reporting to the States Stormwater Multiple Applications and Report Tracking System (SMARTS); and the Annual Comprehensive Facility Compliance Evaluation.

**MS4:** This Regional Water Quality Control Board-issued permit covers all of the areas outside of the IGP area. The work effort included with this permit includes biannual illicit discharge detection and elimination (IDDE)/pollution prevention training assistance; inspection assistance; quarterly construction inspection and enforcement review; quarterly hotspot inspection review; annual facility inspection review; the Annual Report for the Phase II Stormwater Permit; and the Program Effectiveness Assessment and Improvement Plan.

**Annual Parking and Traffic Reporting:** \$26,100

The annual parking and traffic reporting is required by multiple Coastal Development Permits: #6-90-266, #6-02-161, and #6-07-082. The work effort required for this annual report includes tube count and level of service analysis of ten roadway segments/intersections surrounding the property; assimilation of data; a comparison the previous years' counts; summarization of on- and off-site

parking; summarization of shuttle ridership; summary description of the traffic count analysis for each analyzed time period; and graphical representation of historical counts on roadway segments. The parking study includes parking demand counts and analysis at up to five parking areas (both on and off site); determination of parking demand as a percentage of supply; and preparation of a letter report outlining the results.

**Staff Support: \$99,540**

Staff support is utilized for a variety of services throughout the year. These include:

- Unforeseen minor projects;
- Consultations on proposed projects or events as they relate to CEQA;
- Compliance or the need for coastal development permitting; and
- Coordination of technical services (graphics, surveys, noise monitoring, etc.).



## **Item 5, Executive Report - Parallel Concept Travel Opportunities for Master Site Planning Work**

### **In Brief:**

- At the request of the Board of Directors, 22nd District Agricultural Association (22nd DAA) staff has identified opportunities for Board members to travel to “parallel concepts” — including fairs, fairgrounds, and racetracks — across the nation to learn more about the industry and consider possibilities for the Del Mar Fairgrounds’ future master site plan.
- Options include three of the largest fairs in the nation (Houston Livestock Show and Rodeo, State Fair of Texas, Minnesota State Fair) and Keeneland.
- Dates are provided, and availability is needed to plan travel and itineraries.
- The 22nd DAA will pay for business travel expenses, and the Board of Directors previously approved out-of-state travel to these Fairs and Racetracks as part of the 2026 Operating Budget approval in December 2025.

### **Background:**

As the 22nd District Agricultural Association (22nd DAA) continues its master site planning outreach and input process, staff has worked to identify, present, and facilitate opportunities for Board members to see what we call “parallel concepts” — including the nation’s largest and most prominent fairs, fairgrounds, and racetracks — in action.

The goal of such visits is to examine the operations of other similar organizations and facilities, which will provide 22nd DAA Board members the opportunity to have informed conversations about various possibilities for the Fairgrounds of the future.

### **Process/Approach:**

The Board continues to have opportunities to see similar sites and operations within the region and state, such as the Los Angeles County Fair (May) and the Orange County Fair (late July-August). Many of these visits can be completed in a single day.

But the following list includes out-of-state travel opportunities that will require firm commitments and additional planning. The dates provided for Fairs and races are their full run, excluding Houston, for which the options have already been narrowed. Travel would be longer than 2-3 days.

## **Fairs**

<u>Potential dates</u>	<u>Travel opportunity</u>
March 12-15 or 19-22	Houston Livestock Show & Rodeo – Houston, TX
August 26-September 7	New York State Fair – Saratoga, NY
August 27-September 7	Minnesota State Fair – Minneapolis, MN
September 4-27	Washington State Fair – Puyallup, WA
September 25-October 18	State Fair of Texas – Dallas, TX

## **Racetracks**

October 2-24	Keeneland (Fall Race Meet) – Lexington, KY
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Note: The 22nd DAA Board has already approved out-of-state travel to these Fairs and Racetracks as part of the 2026 Operating Budget approval in December 2025

## **Next Steps:**

If Board members are interested in traveling to any of these out-of-state opportunities, please let CEO Carlene Moore know availability and date preferences. Travel expenses will be paid by the 22nd DAA consistent with state guidelines, and itineraries will be determined based on the response and overlapping availability.



## **Item 5, Executive Report**

### **Update on San Dieguito Double Track, Bridge Replacement and Rail Platform Project**

#### **In Brief:**

- Since 2009, the 22nd District Agricultural Association (22nd DAA) has been working with the San Diego Association of Governments (SANDAG) and North County Transit District (NCTD) and other entities on a planned and now-funded San Dieguito double-track, bridge replacement, and special events rail platform project.
- The special events platform — part of the bridge replacement — will be located on the edge of the 22nd DAA's property and will provide a direct rail link to large events such as the San Diego County Fair and the Del Mar Thoroughbred Club's live race meets.
- The 22nd DAA supports the project, which is overseen by SANDAG, and the 22nd DAA Board reaffirmed its commitment to the special events platform in a 2024 resolution.
- The project includes both temporary and permanent easements, as well as right-of-entry to construct to NCTD and San Diego Gas and Electric.
- While the project timelines have shifted, work to receive allocated funding and appropriate permits has continued.
- SANDAG now expects to begin construction on the project in early 2027.

#### **Background:**

Since mid-2009, the 22nd DAA has been working on a Los Angeles-San Diego (LOSSAN) Rail Corridor bridge replacement, double-track and special events platform project with the San Diego Association of Governments (SANDAG), the North County Transit District (NCTD), the Department of General Services (DGS), the California Construction Authority (CCA), the Del Mar Thoroughbred Club (DMTC) and SANDAG's consultants.

SANDAG representatives have made multiple presentations of the 22nd DAA Board of Directors, most recently in August 2024. Timelines have since shifted, but the project continues to move forward. Additionally, the 22nd DAA Board and staff have clearly and consistently expressed support for this much-needed project that will benefit the organization, neighboring communities, and the entire region. In February 2024, the 22nd DAA's Board passed a resolution proclaiming that the 22nd DAA's top 'transportation priority is the swift construction of a seasonal rail platform that will reduce vehicular traffic during major events at the Del Mar

Fairgrounds, thereby improving local air quality and reducing greenhouse gas emissions."

### **Process/Approach:**

SANDAG leads the project delivery, and its staff has been actively working with various local, state and federal agencies and entities — including the 22nd DAA — on tasks varying from easements and access rights to funding to traffic control plans.

The information below reflects up-to-date information provided by SANDAG regarding the timeline and status of the project's permitting, funding, and anticipated construction.

### **Permitting:**

- June 5, 2025: Permit to Enter and Construct executed between SANDAG and the 22nd DAA. (The 22nd DAA has received about \$500,000 for the easement from SANDAG and will soon receive \$1.6 million more).
- June 6, 2025: SANDAG obtained an Encroachment Permit from the City of Del Mar.
- June 12, 2025: SANDAG obtained a Right-of-Way Certification from the California Department of Transportation (Caltrans).
- Upcoming: SANDAG will seek Traffic Control/Access Permits from the Cities of Solana Beach and Del Mar.

### **Funding Timeline:**

- June 16-17, 2025: California Transportation Commission meeting on allocated grant funding for Phase 1
- Oct. 16-17, 2025: California Transportation Commission approves construction allocation extension through 2026.
- Jan. 26, 2026: Federal Railroad Administration – Infrastructure for Rebuilding America (FRA-INFRA) grant agreement provided to NCTD.
- May 14-15, 2026: SANDAG Board to consider approval of AB3090 funding.
- June 25-26, 2026: SANDAG Board to seek approval of construction allocation of the Transit and Intercity Rail Capital Program (TIRCP) grant.

### **Upcoming Schedule:**

- April 2026: SANDAG to submit encroachment permits and a draft traffic control plan to Solana Beach.
- April 2026: SANDAG to submit a draft traffic control plan to Del Mar.
- June 2026: SANDAG to release advertisement for construction bid.
- Late 2026: SANDAG to award construction contracts.
- Early 2027: SANDAG contractors expect to break ground on the project.

**Next steps:**

Construction will take multiple years once the groundbreaking has occurred, and SANDAG must work with the 22nd DAA and other stakeholders to ensure construction moves forward in a timely manner with minimal disruption to Fairgrounds operations.



## Item 6-A, DMTC Liaison Committee Report

### **In Brief:**

- At the February 10, 2026 Board of Directors meeting, this Committee Report will include the following action items:
  - Consideration and vote to approve the 2026 Operating Budget of the Del Mar Thoroughbred Club [Action Item]
  - Discuss and vote on whether to amend Policy 4.03 Contracts and Procurement to approve the California Multiple Awards Schedule (CMAS) as a District procurement method [Action Item]
  - Consideration and vote on whether to authorize the District's procurement of replacement video boards for the Grandstand, the Paddock, and Five-Points, in accordance with the District's procurement policies [Action Item]
- The Del Mar Thoroughbred Club (DMTC) Liaison Committee met four times in January to discuss the video board project, food-and-beverage options at live race meets, DMTC's budget, legal issues, plans for the year ahead, and other pending items.
- The Committee is committed to moving forward on new video boards, as voted on by the Board, and to facilitating enhancements to live race meets, which remain a positive net contributor to the 22nd DAA.

### **Background:**

#### **Committee Charges**

The DMTC Liaison Committee (the Committee) of the 22nd District Agricultural Association (22nd DAA) is charged by the Board Chair to:

- Meet with the Del Mar Thoroughbred Club (DMTC) on matters related to the horse racing industry and horse racing at the Del Mar Fairgrounds.
- Review financial and contract performance by DMTC.
- Report to the Board on the status of horse racing and making recommendations regarding matters pertaining to 22nd DAA's relationship with DMTC.

#### **Horse Racing at the Fairgrounds**

Horse racing first came to the Del Mar Fairgrounds in 1937, the year after it opened. Horse racing remains a significant net revenue contributor to the 22nd DAA.

In 1968, the State Race Track Leasing Commission (Commission) was created by the State Legislature in 1968 with the responsibility and authority to lease the Del Mar Race Track and to oversee the expenditure of the rents received from leasing the track for the purpose of implementing a long-range, comprehensive improvement of 22nd DAA property; three Board members of the 22nd DAA serve on the Commission.

In 1990, the Del Mar Race Track Authority (Authority) was formed through the Joint Exercise of Powers Agreement between the 22nd DAA and Commission for the "purpose of financing the capital improvements, renewals, and replacements at the District's fairgrounds." The Authority has financed the "capital improvements, renewals, and replacements at the District's fairgrounds" through the issuance of Revenue Bonds in 1996, 2005, and 2015. The 2015 Revenue Series Bonds (Bonds) are paid through Net Horse Racing Revenues and Net Concessions Revenue. The Bonds are scheduled to be fully paid in 2038.

On January 1, 2011, and following the completion of a competitive bidding process, the Commission, acting on behalf of the 22nd DAA, entered into the Del Mar Race Track Operating Agreement (Operating Agreement) with the Del Mar Thoroughbred Club (DMTC). The initial Operating Agreement was a five-year term (2011-2015) with three five-year options to renew. The Commission has executed all three options to renew which extended the Operating Agreement to December 31, 2030.

### **Recent Board Actions**

The following are recent Board actions relevant to the Committee and its charges:

- **November 2025:** The 22nd DAA Board voted to recommend the Commission explore legal options available to extend the term of the Del Mar Race Track Operating Agreement so that the Agreement remains in effect until the Del Mar Race Track Authority's Series 2015 Bonds have been fully paid off in 2038 and to report back to the 22nd DAA on the available options.
- **December 2025:** The 22nd DAA Board voted "to authorize modernization and replacement of the three video screens in their existing locations, the Grandstand, the Paddock, and 5-Points with larger format displays; approve a funding framework whereby DMTC leads the project delivery and the District pays an amount not to exceed \$3 million over five years at \$600,000 per year; and direct staff to support implementation consistent with applicable procurement, CEQA, and permitting requirements."
- **January 2026:** The Board Chair tasked the Committee with discussing and recommending next steps for the video board project and Verizon lease amendment.

### **Process/Approach:**

The Committee met four times in January — most recently on Monday, January 26, 2026 — to set its meeting schedule for the remainder of the year and to discuss pending topics and plans for the year ahead.

The Committee has set a schedule to meet on the third Wednesday of every month, excluding June and December, from 9:30 to 11:00 a.m. in the even months and 12:00 to 2:00 p.m. in the odd months, starting February 18.

### **Food-and-Beverage at Live Race Meets**

This conversation included representatives with the 22nd DAA's food-and-beverage partner Premier (now part of Legends Hospitality) and DMTC.

The discussion focused on potential menu enhancements, VIP experiences, and potential cost-cutting and revenue-increasing measures.

22nd DAA staff will meet with Legends Hospitality and DMTC to return to the Committee next month with a written roadmap for a food and beverage modernization plan, to be subsequently shared with the Board.

### **Video Boards Project Update**

Following the December vote by the 22nd DAA Board to replace the three existing video boards at the Five Points intersection, in the Paddock, and facing the Grandstand, as well as the January briefing to the Board, the Committee met to discuss progress and options.

The Committee discussed DMTC taking the lead on the video boards modernization project.

22nd DAA staff is gathering quotes for the geotechnical studies to confirm the soils for the grandstand video board project. The 22nd DAA is also working to obtain a second quote for the same scope of work to purchase and install the proposed video boards at all three locations. The scope of work is provided on the pages following this report.

The Committee also discussed whether to recommend the use of the California Multiple Awards Schedule (CMAS) to procure the video boards. Under CMAS, the video boards can be purchased and installed without going through a competitive bid process, under certain specified conditions, including:

- Any necessary construction element must be contracted separately following State law and Board policy for construction and Public Works projects.
- The 22nd DAA is still required to obtain at least one other bid (if there is another CMAS vendor who supplies video board equipment) and select the vendor based on the needs of the project and price quoted.

- The Board must approve CMAS as a procurement method before contracting with the vendor, and the choice of vendor must be fully documented.

As discussed during the January Board meeting, previously the Committee met with general counsel on January 6, 2026, to request a written memorandum of the options available to the 22nd DAA to move as expeditiously as possible under the Board's previously approved motion and to address what is possible under the broad scope of California law. This included a request for guidance as to whether the 22nd DAA can reimburse DMTC for the procurement and financing of the video board project.

On January 21, 2026, the Committee also met with counsel for the RTA Bonds to better understand all available options for financing the video boards project and to ensure that the funding strategy does not have a detrimental impact on the Operating Agreement. RTA Bonds counsel advised that if the Board chooses to use reserves, then the purchase will have no effect on the bonds.

### **Request for Del Mar Race Track Authority meeting**

The Committee briefly revisited the need for a State Race Track Leasing Commission and Del Mar Race Track Authority meetings in the first quarter of the year.

### **DMTC input on potential affordable housing sites being studied under the Exclusive Negotiating Rights Agreement (ENRA) between the 22nd DAA and the City of Del Mar**

The Committee requested that DMTC provide feedback on its perspective of the operational impacts to horse racing of the six 22nd DAA sites currently being studied for feasibility under the ENRA.

DMTC provided a letter to the Committee regarding its input on the potential affordable housing locations. The letter is provided on the pages following this report.

### **DMTC's 2026 operating budget**

On January 9, 2026, the Committee met with DMTC to review DMTC's proposed 2026 Operating Budget and plans for the year. The budget is provided on the pages following this report.

Per section 7.01 of the Operating Agreement, DMTC must submit its annual operating budget for consideration to the 22nd DAA and the State Race Track

Leasing Commission. The Operating Agreement calls for this process to be completed prior to March 1 annually.

**Recommendations and Next Steps:**

The Committee looks forward to sharing with the Board at a future meeting the food-and-beverage modernization plan for the live horse racing meets.

The Committee recommends approval of the Del Mar Thoroughbred Club's 2026 Operating Budget.

The Committee recommends amending Policy 4.03 Contracts and Procurement to authorize the California Multiple Awards Schedule (CMAS) as a procurement method and an additional lever, subject to Board approval.

After meeting with bond counsel and confirming that using reserves has no impact on the bonds, the Committee recommends that the Board authorize the use of cash reserves, up to \$3 million, to complete the purchase, after a vendor is selected and final pricing is confirmed.



**Josh Rubinstein**  
*President*

January 30, 2026

Director Mark Arabo  
Director Lisa Barkett  
22nd District Agricultural Association

Sent via email: [marabo@sdfair.com](mailto:marabo@sdfair.com); [lbarkett@sdfair.com](mailto:lbarkett@sdfair.com)

Dear Director Arabo and Director Barkett,

On behalf of the Del Mar Thoroughbred Club (DMTC), we appreciate the thoughtful and robust discussion the 22nd District Agricultural Association (22nd DAA) has undertaken over the past several months regarding affordable housing. DMTC recognizes the importance of this issue to the Fairgrounds, the local community and Californians statewide.

At the 22nd DAA's recent DMTC Liaison Committee meeting, we were asked to review multiple areas that may be contemplated by the 22nd DAA Board as potential affordable housing locations. As requested by the DMTC Liaison Committee, our comments are specifically and exclusively limited to the potential impact on horse racing operations at the Fairgrounds. A summary of our comments is provided below.

#### **East Main Stable Gate and South of Stable Gate Sites**

Both locations would significantly and negatively impact horse racing operations, as they are situated within the facility's Stable Area.

As you have experienced firsthand, DMTC takes great pride in its industry-leading equine safety protocols and its designation as one of the safest racetracks in the country. The existing Stable Area footprint is critical to DMTC's ability to provide a safe and secure environment for approximately 2,000 horses at full capacity during the summer meet, as well as for the accompanying staff. Any reduction or disruption of this area would compromise these safety and operational standards.

Additionally, during racing, the Stable Area is considered a restricted “enclosure” under the jurisdiction of the California Horse Racing Board (CHRB), and all individuals entering this area must be properly licensed by the CHRB.

Lastly, both locations are essential to DMTC’s ability to operate and support the Breeders’ Cup World Championships.

#### **Turf & Surf RV Parking**

During the summer race meet, approximately 200 individuals who care for the horses are provided RV spaces in this area. Given the current shortage of available housing, these accommodations are vital to DMTC’s ability to operate a safe and successful summer race meet.

We also believe these accommodations are important to overall Fair operations; however, we defer to 22nd DAA staff on that determination.

#### **Dirt Lot (East of Jimmy Durante Blvd)**

Development of the Dirt Lot site would require the relocation of Stable Area parking, including parking traditionally used during the Breeders’ Cup. While this location is not ideal, it is expected to result in significantly less disruption to horse racing operations than the Stable Gate or Turf & Surf RV locations.

#### **Adjacent To Fire Station**

Use of the Fire Station site would reduce Owner/Trainer parking capacity; however, based on the options currently presented, it is expected to have the least impact on overall horse racing operations.

We recognize that planning for proposed affordable housing sites is a complex process, and we sincerely appreciate the opportunity to share our perspective.

Please feel free to contact us if you have any questions or would like to discuss these comments further.

Sincerely,



Josh Rubinstein

President

Del Mar Thoroughbred Club

cc: Carlene Moore, CEO, 22nd District Agricultural Association

**Michael R. Ernst**  
Executive Vice President  
Chief Financial Officer



December 15, 2025

Carlene Moore  
Chief Executive Officer  
22nd District Agricultural Association  
2260 Jimmy Durante Boulevard  
Del Mar, CA 92014

***Re: Del Mar Thoroughbred Club 2026 Budget***

Dear Carlene:

We enclose Del Mar Thoroughbred Club's ("DMTC") 2026 budget pursuant to Section 7.1 of the Del Mar Race Track Operating Agreement, as amended (the "Operating Agreement"). Our goal in preparing the 2026 budget is to provide a realistic and achievable operating plan designed to:

- Maximize combined DMTC rent and racing-related food and beverage ("F&B") net income ("Combined Race Meet Net Income");
- Maintain the quality and historic character of our summer race meeting;
- Continue building upon the success of the fall race meeting; and
- Remain an industry leader in developing safety protocols and procedures to enhance the health and safety of our horses, riders and patrons.

**EXECUTIVE SUMMARY**

Our 2026 budget presents the projected results for our upcoming summer and fall race meets with discussions and comparisons to the results of our 2025 summer and fall race meets. The results of the 2025 Breeders' Cup World Championships are also presented to illustrate the additional benefit derived from hosting the Breeders' Cup.

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Our 2025 summer and fall race meets generated a projected combined return from racing of **\$8.48 million** and consists of **\$3.16 million in payments** to the District and RTA and **\$5.32 million in F&B net revenues** (as defined in the Operating Agreement). Del Mar was selected to host the Breeders' Cup World Championships in 2025 and the event generated **\$1.53 million** of Direct Payments and F&B net revenues. Together with the Breeders' Cup, the combined return from racing in 2025 was **\$10.01 million**.

As discussed in detail in this report, our 2026 budget projects a combined return from racing of **\$8.92 million** and consists of **\$3.38 million in payments** to the District and RTA and **\$5.54 million in F&B net revenues**. These payments are **\$440,000 higher** than the projected combined return from racing for the 2025 summer and fall race meets.

## **Industry Overview**

***Governance and Key Stakeholders*** Horse racing in California is subject to California Horse Racing Law (the “Law”), which vests the California Horse Racing Board (the “CHRB”) with jurisdiction and supervision over horse racing in California. Among other things, the Law establishes the distributions from pari-mutuel wagering used to support the CHRB, purses and commissions,<sup>1</sup> owners’ and breeders’ awards, and other statutory payments as well as satellite wagering fees and interstate location and host fees. The CHRB issues licenses to operators in California, such as DMTC, to conduct horse racing meets in accordance with the Law and CHRB rules and regulations.

The 22nd District Agricultural Association (the “District”) owns and operates the Del Mar Fairgrounds and Race Track as an agency of the State of California. The State Race Track Leasing Commission (the “Commission”) was created by the California Legislature with the responsibility and authority to lease the Del Mar Race Track on behalf of the District. DMTC and the Commission are parties to the Operating Agreement which took effect as of January 1, 2011, and expires on December 31, 2030. The Operating Agreement provides, among other things, that the excess of DMTC’s annual revenues over expenses, less the amount needed by DMTC to pay or provide for projected operating capital needs for the period from January 1 to commencement of the next race meet, is paid to the District as a Rent Payment. DMTC strives to maximize the Rent Payment to the District.

The Race Track Authority (“RTA”) is a joint exercise of powers agency organized by the District and the Commission in 1990 for the purpose of financing improvements to the Del Mar Race Track. In 2015, the RTA issued revenue bonds to refinance obligations related to those improvements, with the 2015 revenue bonds secured by pledged revenues consisting of Race Track Net Revenues, derived from DMTC’s operations; and Concession Net Revenues, derived from the District’s operations. The 2015

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<sup>1</sup> The purse is the prize money paid to the winning horse(s). Most of the money to fund purses comes from wagering revenues, with the Law requiring that approximately 50% of all wagering revenues must be used to fund purses. Commissions are the portion of wagering revenues retained by race meet operators like DMTC to fund their operations.

revenue bonds mature in 2038 and there exists a debt balance of approximately \$29 million. DMTC strives to maximize the total return from racing to enable the District to meet the debt service and since 2015 DMTC has generated nearly \$110 million for the District.

The Thoroughbred Owners of California (“TOC”) represents the collective interests of all California thoroughbred owners to maximize purse revenues and preserve the long-term viability of the sport. The TOC advocates on all issues impacting thoroughbred owners before the CHRB, the California Legislature and the United States Congress. DMTC regularly engages with the TOC on various issues. The TOC also negotiates and enforces statutorily mandated horsemen’s agreements with each of the licensed thoroughbred racing associations, including DMTC, and approves wagering agreements between racing associations and other tracks, off-track betting operators, and Advanced Deposit Wagering (“ADW”) companies.<sup>2</sup>

DMTC is a partner in SCOTWINC, the entity that administers the satellite network (i.e., off-track betting locations) in Southern California. SCOTWINC receives simulcast revenues consisting of a 2.5% fee on all wagers placed at satellite locations and a negotiated fee of 2.4% taken from California ADW wagers. These simulcast revenues fund staff costs and other SCOTWINC simulcast-related expenses. As partners in SCOTWINC, DMTC and the horsemen (via purses) participate in 50% of the surplus, or shortfall, of SCOTWINC’s simulcast revenues and expenses.

### **Key DMTC Programs**

We operate live Thoroughbred racing meets twice each year, with one during mid-July to early September (the “Summer Meet”) and the other during November (the “Fall Meet”). Del Mar’s Summer Meet has long been considered one of the crown jewels of the sport of Thoroughbred racing and our Fall Meet, which began in 2014, has become known as the best autumn race meet in the nation. The Del Mar Race Track is viewed as an iconic and world-class racing venue and DMTC is highly regarded in the industry because of the way we conduct our operations, both in terms of our ability to attract the highest quality Thoroughbred racing and our success in generating a diversified revenue stream. Additionally, DMTC has a long and well-earned history as an industry leader in developing innovative programs, adopting new technologies and creating dynamic marketing campaigns designed to attract top Thoroughbred racing as well as (new) fans to the sport of racing. The following highlights the key programs that drive our success:

**Safety** DMTC has long been at the forefront in establishing industry-leading safety protocols and procedures to enhance the health and safety of our horses, riders, and patrons. These protocols and procedures have resulted in Del Mar consistently being ranked among the safest racing venues in the country and include the industry’s most stringent medication rules and testing of horses, increased

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<sup>2</sup> ADW providers facilitate wagering through a software app or website that allows their customer to wager via the app or internet on races wherever the race is run and from wherever they are located. The CHRB licenses ADW companies to conduct ADW wagering in California. All ADW companies operating in California with whom DMTC partners are duly licensed by the CHRB.

veterinary oversight, and enhanced stable security. Our Safety Advisory Committee, consisting of trainers, veterinarians, jockeys, track maintenance personnel and management, meets regularly to review safety practices, operations, and racing surfaces. We also work with industry stakeholders, including the CHRB and the federally established Horseracing Integrity & Safety Authority (“HISA”), to ensure DMTC’s equine safety and welfare protocols continue to be the industry’s gold standard. We are proud that many of our safety protocols have been incorporated into federal regulations mandated by HISA. Our efforts to provide the safest possible environment for equine and human athletes are continuous and a top priority.

***Horse Population and Recruitment*** Our world-class live racing program and the wagering commissions and purses it generates are at the heart of our operations. Our results are impacted by a number of factors, with key ones being overall horse population and the inventory of horses available to race. The number of horses that run in a race, known as “field size,” directly correlates to the amount of money wagered on the race, the so-called “handle.” The larger the field size, the higher the wagering handle that is generated. More handle results in higher wagering commissions paid to track operators like DMTC and higher purses paid to the horsemen, which incentivizes them to enter their horses into our races. The funding directed to other stakeholders, including those noted above, also directly correlates to handle.

Our Summer Meet field size averaged 8.7 horses per race compared to 8.6 horses per race last year. Our field size was the second highest for all major race meets in the country and only slightly below Keeneland’s spring meet of 8.8 horses per race (8.7 last year) and well above the popular Saratoga summer race meet, which had an average field size of 7.6 horses per race (7.9 last year).<sup>3</sup> It bears noting that both Keeneland and Saratoga, as well as other operators in their respective states, benefit substantially from supplemental revenues derived from other forms of gaming, such as Historical Horse Racing slot-style machines in Kentucky and casino gaming in New York. These supplemental revenues enable those tracks to offer higher purses to attract horsemen to enter their races. Since supplementing purses with other gaming revenue sources is not available in California, we rely heavily on our horse recruitment programs to compete with other tracks, especially those in Kentucky and New York.

Our Fall Meet field size averaged 7.8 horses per race compared with 7.7 horses per race last year. This increase was achieved despite the 2025 Fall Meet offering eleven fewer turf races compared to the 2024 fall meet. Rainy conditions impacted racing during the third and fourth weeks of the five-week race meet causing turf racing to be eliminated on two race days to preserve the turf course. Turf races consistently attract larger race fields compared to dirt races. Turf races averaged 8.5 starters per race compared to 7.2 starters per race for dirt races during the 2025 Fall Meet.

DMTC’s horse recruitment programs consist of our highly successful Ship & Win program and our Co-Op marketing program. DMTC’s Ship & Win program is jointly funded by DMTC and the TOC. This program provides equine transportation reimbursements and incentives for owners of out-of-state

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<sup>3</sup> Keeneland and Saratoga operate premier horse racing meets in Kentucky and New York, respectively.

horses to race at Del Mar. We also attract out-of-state horses that do not qualify for Ship & Win incentives through our Co-Op marketing program. This program is also a joint program along with the TOC and is funded through a deduction taken from online ADW handle. This year, our recruitment efforts from both programs attracted 285 out-of-state horses that started 437 races during our summer and fall race meets. This figure represents an 11% increase in starts compared to the prior year's horse recruitment efforts, demonstrating the continued success of these programs. These out-of-state horses contributed to an increase in our average field size of 1.1 horses per race this year, with contributions to increased wagering and purse revenues. Our recruitment programs do not just benefit Del Mar; they also benefit Santa Anita and Los Alamitos as many of these out-of-state horses remain in California to race at those tracks.

There are many racing venues operating during the summer months and competition for horses is fierce. Additionally, certain out-of-state horsemen who said they planned to race some of their horses during our 2025 Summer Meet changed their plans after federal immigration enforcement actions in California (unrelated to horse racing) made national headlines. Even though no enforcement actions occurred at Del Mar, the uncertainty created by such actions negatively impacted our field size.

We are proud of our record of producing world class racing with large field sizes despite the challenges and competitive disadvantage surrounding the lack of supplemental revenues noted above.

**Marketing** DMTC's marketing efforts, which are built around our iconic and vibrant brand, are designed to generate substantial F&B revenues for the District and to maximize admissions-related revenues by driving attendance to areas that enjoy high per capita revenues, such as our Group Sales, Celebrity Suites and Sky Rooms, the Turf Club, and trackside restaurants as well as reaching different types of patrons and stakeholders.

- Our marketing strategy provides direct access to the desirable demographics of Gen Z, Gen Y and Millennials and takes advantage of the event-spending traits these groups often display. Our social media marketing effort relies heavily on our influencer campaign, which has grown in recent years. We hosted over 50 influencers during the Summer Meet and saw a 92% year-over-year increase in influencer impressions and a 190% increase in engagements. Our influencer partners provide independent endorsements seen by their millions of followers and create a sense of authenticity for new patrons that is hard to achieve with conventional advertising. The third-party endorsements attract a new, and often young, audience, helping us to create future fans of the sport. The results of this strategy can be observed on any race day, with many patrons from these demographics in our crowds.
- We continue to utilize Del Mar's robust 350,000-person database, called the "Diamond Club". The Diamond Club is an opt-in-only loyalty program that allows us to provide specialty offers and exciting promotions for our most fervent fans. An example is the "a Day on Us" program, providing free admission and seating on days with typically lower attendance, and pricing that packages table/box accommodations with F&B items. We simultaneously employ a direct marketing email strategy to our

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280,000-opt-in email database to speak directly to an audience that we know is engaged with our events at a high level.

- We attract high volume bettors by organizing two handicapping contests during the Summer Meet. During these contests, the participants engage with each other and us in fun, exciting events. We also proactively reach out to high volume (out-of-state) bettors to explain industry developments to maintain and further develop our relationships with them. These bettors generate significant wagering revenues, and they demonstrate their appreciation for our racing product through the amount of money they wager on our races.
- We have well-established, and continue to develop, relationships with corporate partners. Our corporate sponsorship revenues continue to be among the highest in the industry because of the high-value marketing assets and hospitality packages we deliver.
- Last, but certainly not least, our marketing efforts continue to focus on DMTC's industry-leading equine safety and welfare initiatives to highlight Del Mar's standing as one of the safest racetracks in North America and educate the public about our injury prevention efforts as well as the industry's medical research and aftercare resources.

As in prior years, our Party on Opening Day was sold out and offered ticketed patrons exclusive access to the trackside cabana and featured top-notch DJs, craft beer and cocktail bars, numerous local food vendors, private wagering windows and more. The Summer Meet promotions included a variety of popular recurring F&B-focused events, such as the Del Mar Beer Fest, Uncorked Wine Tasting, along with regional food events such as the Taste of New Orleans and Tacos & Tequila. With a robust Saturday lineup in place, we shifted our focus toward elevating the Sunday experience and enjoyed great success from a new and reimagined event, Savory Sundays, during which top local restaurants served special items for purchase along with discounted drinks. Live music brought new energy to the Plaza de Mexico. In the Turf Club, we partnered with Amaya restaurant at the Fairmont Grand Del Mar to elevate our Taste of the Turf Club Sunday brunch experience. The specially curated menu increased brunch sales in the Turf Club on Sundays. We work closely with the District's concessionaire, Premier Food Services, on promotions that aim to generate F&B revenues, such as Happy Hour Fridays and Taste of Turf Club Sundays.

We compete with many other entertainment options during the summer months in San Diego and are proud that our marketing efforts have resulted in the increased attendance and F&B revenues. A leading publication in our industry also took note of our marketing efforts, particularly those that reach new and younger patrons.<sup>4</sup>

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<sup>4</sup> See: [How Monmouth And Del Mar Are Winning Young Fans For Racing's Future - Paulick Report | Latest news and commentary from the horse racing and equine world](#)

## **Sources of Revenue**

DMTC's revenues are derived from both wagering and non-wagering activities. Wagering is our primary revenue source and accounted for 63% of total 2025 revenues. Del Mar historically has enjoyed the highest level of non-wagering-to-total-revenues of all racetracks in California and is among the highest of any racetrack in the United States because of the way DMTC conducts our business and marketing efforts.

***Wagering revenues and purses*** were generated during the 14 weeks of racing allocated by the CHRB in 2025, which consisted of the nine-week summer calendar from July 9 through September 9 and a five-week fall calendar from October 29 through December 2. Traditional wagering revenues and purses come from the rates charged for each wager and are comprised of:

- Pari-mutuel commissions and purses based on wagers placed on our races (i.e., live races) by patrons at the Del Mar racetrack and California ITW locations, as well as by California residents placing online wagers through the eight ADW providers licensed by the CHRB to operate in California.
- Pari-mutuel commissions and purses when patrons who reside outside of California wager on our races at brick-and-mortar locations (e.g., racetracks, casinos, ITW locations and sports bars) and through ADW providers who contract with us to take wagers on our races. DMTC's races are distributed through numerous internet wagering platforms and broadcast to over 1,100 brick-and-mortar wagering locations throughout North, Central and South America as well as Europe and South Africa and this drives significant non-California wagering revenues.
- Pari-mutuel commissions and purses based on wagers made by patrons in California on races conducted outside of California (i.e., out-of-state or "imported" races).
- Pari-mutuel commissions and purses from separate pool simulcast fees.<sup>5</sup>
- Breakage revenue, which is generated because the Law requires that posted mutuel payoffs must be rounded down from calculated payoffs, and the rounding difference (i.e., "breakage") is divided among the horsemen, the State of California and the racetrack operator.<sup>6</sup> Minus pools occasionally occur when the racetrack operator must contribute funds to a mutuel pool when a prohibitive betting favorite<sup>7</sup> causes the required minimum mutuel payments to exceed the gross mutuel pool less the statutorily required takeout. Minus pools typically occur with show (i.e., third place) bets and are netted against breakage revenue. DMTC has procedures in place that limit the negative impact from

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<sup>5</sup> Separate pools consist of money wagered on our live races in foreign countries that are not included in our main mutuel pools and are commingled into separate mutuel pools.

<sup>6</sup> For example, a calculated payoff of \$2.19 is paid at a rate of \$2.10 and the difference of \$.09 per winning ticket creates breakage revenue.

<sup>7</sup> A prohibitive favorite is a horse with short odds that bettors believe is likely to win, place or show.

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minus pools, but they cannot be avoided entirely for various reasons (*see* further discussion below under Revenues).

Starting in 2025, with the transition to a Single Circuit (as discussed below), the Southern California race tracks (Del Mar, Santa Anita and Los Alamitos) began receiving wagering revenues and purses on a year-round basis from wagering that takes place in Northern California. Single Circuit revenues and purses consist of:

- Wagering revenues from wagers placed at Northern California ITW locations; and
- Revenues from Northern California residents wagering through ADW providers on (1) live races run at Southern California tracks and (2) out-of-state imported races.

Single Circuit revenues and purses are allocated to the Southern California tracks, including Del Mar, throughout the year based on each track's share of its prior year wagering-to-total wagering in Southern California.

We reassess our wagering menu before our race meets to ensure we provide a variety of exciting betting options for our patrons and to maximize wagering revenues. This year, we added a late \$5 daily double, a middle \$0.50 pick-4 and a late \$3 pick-3 to our Summer Meet wagering menu. These new bets were well-received received and positively impacted wagering revenues.

In an effort to diversify our sources of revenue, including maximizing F&B revenues that flow directly to the District, we strive to develop non-wagering revenues.

***Non-wagering revenues*** are primarily comprised of:

- Admissions-related revenues (e.g., daily admissions, seating and parking, season suites and boxes, Turf Club memberships and suites, group sales, and programs);
- Sponsorship revenues;
- Merchandise (gift shop) Sales;
- Interest income; and
- Other revenues, such as consulting-based management services that we provide to others in our industry for a fee.

## **2025 Results**

### ***Summer Meet Highlights***

- Like last year, 2025's Summer Meet consisted of 31 days of racing over our typical eight-week calendar from mid-July to early-September. Opening Day was on Friday, July 19 and saw a sellout crowd and continues to be one of the top social events of the summer in Southern California. Opening

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Day is always our most well-attended day and generates the highest F&B revenues. Last year, Opening Day was on Saturday and by moving it back to Friday we replaced a lightly attended weekday in September 2024 with our best-attended weekday in 2025.

- The Summer Meet was once again one of the safest meets in the nation and featured high quality and competitive racing with the second-largest field sizes in the country.
- On-track attendance was 282,104, an increase of 3.1% compared to the 237,587 for the 2024 Summer Meet.
- Total purses and distributions to horsemen and women were \$27.7 million, an increase of 5.7% over \$25.8 million in 2024, and were highlighted by an impressive lineup of 38 stakes races that attracted many world-class equine stars.
- Pacific Classic Day, which is our showcase event, featured our richest and most prestigious race in the \$1 million Grade I Pacific Classic as well as four other graded stakes races. The Pacific Classic was won by Fierceness, trained by Todd Flecher and ridden by John Velasquez. Fierceness also won horse of the meet honors. The day also saw impressive victories by several other horses that will compete in the 2025 Breeders' Cup World Championships ("Breeders' Cup").
- Oak Tree Day at the Races featured the Grade I Clement L. Hirsch Stakes and was sponsored by the Oak Tree Racing Association to honor the late founder of both DMTC and Oak Tree. Oak Tree was founded with the premise of horsemen helping horsemen and, among other charitable contributions to the racing industry through its history, continued its partnership with DMTC in funding a program to provide meals for our backstretch community. As part of its sponsorship, Oak Tree contributed money that was added to purses as well as prizes for grooms who had the best-turned-out horse in each race throughout the day.
- Juan Hernandez won 45 times and took top jockey honors for the fourth straight year. Bob Baffert won the top trainer crown with 24 wins. Mia Familia Racing stable was the leading owner with six wins while the owners of Fierceness topped all owners with \$600K in purse winnings from their Pacific Classic win. Little Red Feather Racing led the way in the co-partnership owner category with four graded stakes wins and just over \$1M in purse money

### ***Fall Meet Highlights***

- The Fall Meet, known as the "Bing Crosby Season", concluded its twelfth year on November 30<sup>th</sup> and consisted of thirteen days of racing – one day less than scheduled due to the cancellation of racing on Friday, November 14 due to substantial rain in Southern California. As with last year, the 2025 Fall Meet began with the Breeders' Cup World Championships returning to Del Mar on October 31 and November 1 for an unprecedented second consecutive year and the fourth time in the past nine years.
- The 2025 Breeders' Cup brought together Thoroughbred racing's top horses, owners, breeders, trainers and jockeys on racing's biggest stage. Fifty-five horses from thirteen countries participated

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in the two-day event, which was a rousing success generating \$210.2 million in pari-mutuel and international separate pool wagers, a slight increase over the previous wagering record of \$209.9 million in 2024. Japan's Forever Young—one of 8 horses to come from Japan to participate in the World Championships this year—won the \$7 million Breeders' Cup Classic.

- The Fall Meet, which is considered the racing industry's premiere autumn race meet in the country, once again led the nation in wagering during the month of November despite the loss of one day of racing due to heavy rains during the third and fourth week of the five-week meet. Rain resulted in the cancellation of racing on the Saturday of the third week and Friday of the fourth week of racing. The wet conditions led to no turf racing being conducted on the day following each of these cancellations and all races were instead conducted on the dirt track to allow the turf course to dry to avoid damage to the softened turf. A make-up day of racing was added on the Monday of the fifth race week.
- Total wagering for the 13-day Fall Meet rose to \$183.4 million, a 9.4% gain over the \$167.6 million wagered during the 14-day 2024 fall season. Average daily wagering for the 13 race days was \$14.1 million, an increase of 17.8% from last year's 14-day average wagering.
- The Fall Meet closed with pleasant weather for the FanDuel Racing Turf Festival which featured six graded Turf Stakes races over the final weekend. The Turf Festival attracted several of the nation's top turf horses and notable east coast-based jockeys and trainers. East coast trainer Chad Brown swept the Turf Festivals two Grade I races as Juddmonte's Seresta won the Grade I Matriarch and Salamis shipped into Del Mar and won the Grade I Hollywood Derby.
- The race for leading jockey honors came down to the final day of the meet, with Umberto Rispoli securing the title with 17 wins. The trainer race was just as competitive through Closing Day, where George Papaprodromou finished atop the standings with 11 victories. The leading owner for the fall season was Juddmonte, concluding the meet with four wins.

## **2025 Revenues**

The 2025 Summer and Fall Meets, together with the Breeders' Cup event, are projected to generate a combined return from racing of \$10.01 million for the year. This amount is \$290,000 above the budgeted return from racing and \$390,000 higher than the 2024 combined return from racing.

Racing net revenues are projected to total \$3.76 million in 2025 as increases in total wagering during both the summer and fall meets and higher on-track attendance during the Summer Meet drove gains in wagering commissions and attendance-related revenues. The \$3.76 million of net racing revenues consists of \$2.025 million of Direct Payments (\$1.025 million for the Summer Meet, \$400,000 for the Fall Meet and the \$600,000 Breeders' Cup Facility Direct Payment), as well as \$1.73 million of payments to the Race Track Authority ("RTA"). The \$1.73 million RTA payments consist of (1) \$1.625 million paid on November 15, 2025, and (2) an expected additional payment to the RTA of approximately \$105,000. This additional payment, which will include the results of our Fall Meet and

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the Breeders' Cup event, will be paid in late April following completion of our 2025 audited financial statements.

Racing-related F&B net revenues (as defined in the Operating Agreement) totaled \$6.26 million and consists of \$4.84 million of Summer Meet F&B net revenues, \$480,000 of Fall Meet F&B net revenues and \$930,000 of Breeders' Cup F&B net revenues. Summer Meet F&B revenues increased \$330,000 and were \$120,000 over budget due increased on-track attendance as well as growth in our high margin F&B sales in our premium Group Sales areas. Fall Meet F&B net revenues declined \$100,000 and were \$110,000 under budget due to the rainy weather causing one less day of fall racing. Breeders' Cup F&B net revenues were at budgeted and prior year levels.

### **RECENT INDUSTRY AND LEGISLATIVE DEVELOPMENTS**

***California Single Circuit*** As we have previously noted, the California Thoroughbred horse racing industry has transitioned from having racing conducted simultaneously in both Northern and Southern California to a Single Circuit focused on the Southern California race tracks at Del Mar, Santa Anita and Los Alamitos. With this Single Circuit, there was no live racing in Northern California in 2025. Proposals by potential operators to conduct (short-term) race meets at county fair locations in Northern California during the summer and fall of 2025 were rejected by the CHRB and, while it is possible there will be new attempts to revive live horse racing in Northern California in 2026 or beyond, we believe such attempts will face significant challenges just as they did in 2025 and that California likely will remain a year-round Single Circuit for the foreseeable future.

The Single Circuit has resulted in increased purses and commissions for the Southern California race tracks as wagering revenues generated in Northern California are now allocated to these tracks based on their share of prior-year wagering to the total wagering in Southern California. With racing consolidated into the Single Circuit, certain cost savings have resulted for the industry, with a reduction in the CHRB budget for its 2025/2026 fiscal year among them. Additionally, prior to 2025, Regulatory Costs had been funded through deductions from traditional wagering revenues, (e.g., total wagering revenues before Single Circuit revenues).

As we have previously noted, the California Association of Racing Fairs ("CARF") transitioned away from supporting on-track (live) horse racing operations in Northern California instead opting to sustain and enhance those satellite wagering centers that have continued to operate at some fairgrounds in the north. Santa Anita and DMTC committed to assist CARF with their transition, with DMTC making a one-time payment of \$690,000 which we recognized during the first quarter of 2025. The continued operation of CARF's satellite wagering centers in Northern California will positively impact our revenues in future periods far more than this one-time cost.

***Sports Wagering*** Sports wagering has been legalized in 38 states across the country. As we discussed in previous filings, DMTC continues to work with other racing industry stakeholders and California's Tribal casino interests on a legislative framework for legalizing sports wagering in California, which

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would require a majority of the state's voters to approve amending California's constitution. We anticipate that approval of sports wagering will be put to California voters in the 2026 or 2028 election.

## **2026 BUDGET OVERVIEW**

DMTC's 2026 budget reflects the operating, staffing and marketing strategies that we have implemented since 2014 when we began conducting our two distinctly different annual race meets during the summer and fall. Consistent with past practices, our 2026 budget is designed to maximize both DMTC's rent payment to the District as well as race meet-related F&B net revenues that flow directly to the District.

Our proposed 2026 budget is impacted by a number of key factors that are reflected in both the revenue and expense projections. As in the past, these factors result from legislative changes, new state-mandated regulatory actions and the upcoming racing calendar approved by the CHRB, as well as opportunities and changes in the business environment surrounding racing. Some of the key assumptions and other factors include:

- Regional and national economies are expected to remain stable with higher earning consumers remaining confident while moderate to lower earning consumers are expected to be more cautious and focused on value;
- Labor markets are expected to remain stable but soft compared to last year;
- The Federal Reserve is expected to continue cutting interest rates in 2026 to support employment amid soft hiring;
- The CHRB is expected to approve the continuation of an uninterrupted year-round Single Circuit in California in 2026. While it is possible that a potential operator may again request a short race meet at a county fair location in Northern California during the third quarter, we believe similar challenges exist as in 2025, when the CHRB denied a similar request for racing dates;
- CHRB approval of an extension of the current agreement between the Southern California racetracks and the TOC to continue to provide funding for Southern California Off-Track Wagering Inc. ("SCOTWINC") operations from a deduction from the ADW handle;
- CHRB approval of the request by Southern racing associations and the TOC to maintain the present deduction from both ADW wagering and California brick-and-mortar wagering to provide an increase in the funding of reimbursement to Southern California off-site stable and training locations; and
- CHRB approval and an extension of the current agreement between DMTC and the TOC to continue a present deduction from the ADW handle to provide funding for the Co-Op marketing program.

The accompanying budget is formatted to reflect the following: (i) Summer Meet budgeted revenues, expenses and rent payment; (ii) Fall Meet budgeted revenues, expenses and rent payment and (iii) a consolidated budget showing all revenues, expenses and our 2026 payments to the District and RTA.

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This budget precedes the start of our summer race meet by seven months and requires us to make assumptions regarding on-track attendance and wagering levels, CHRB approval of proposed agreements and other factors that will impact our operations and financial projections. At times over the years impactful events have arisen following the December submission of our annual budget which required us to significantly adjust our operations.

As we move toward the start of the 2026 Summer Meet, our objective is to continue to implement a thoughtfully prepared budget and dynamic business plan that addresses evolving conditions and delivers a combined race meet net income that exceeds the projected amount in this budget. Through our 2026 quarterly budget submissions we will provide updates on adjustments to our operation, the costs and expected benefits of any programs and other events that are not contemplated in this budget. We also will meet with District staff and the Liaison Committee to provide updates on any other developments that may arise.

### ***2026 Racing Calendar***

At its October 16, 2025 meeting the CHRB allocated Del Mar 13 weeks of racing in 2026. These 13 weeks consist of a nine-week summer calendar from July 8 through September 8 and a four-week fall calendar from November 6 through November 29. The Del Mar live racing calendar for 2026 consists of 45 live racing days, with 32 days of summer racing and 13 days of fall racing. This compares with 14 weeks of racing dates in 2025, the nine-week summer calendar with 31 days of racing and the five-week fall calendar with 13 days of racing and the two-day Breeders' Cup World Championships, which took place on the first Friday and Saturday – October 31 and November 1 – of the Fall Meet.

Our 32-day Summer Meet will offer one additional day of live racing this summer run over eight weeks. Opening Day will be on Friday, July 17 and the Closing Day will return to the more favorable close on Labor Day Monday, September 7. Last year's Summer Meet opened on Friday, July 18 but concluded with a three-day week of post-Labor Day live racing on Friday September 6 and closing on Sunday, September 8. Post-Labor Day race weeks are less favorable because on-track attendance declines in the week following Labor Day, as fewer out-of-town vacationers are present and the closing week is limited to a three-day Friday through Sunday schedule rather than the usual four-day Thursday through Sunday race week. Additionally, the Saratoga race meet, the most popular and heavily wagered imported race signal, closes on Labor Day which causes imported wagering levels to decline the week following Labor Day. In addition to eight weeks of live racing in the summer of 2026 there will be no live racing (so-called "dark days") in Southern California the week of July 8 through July 16 prior to the start of our meet. Even though we are not offering live racing during these dark days, because they are allocated to us as part of the racing calendar, Del Mar earns wagering commissions and purse funds when Southern California patrons wager on races imported from racetracks outside California ("imported races") during such days.

The 13-day Fall Meet opens Friday, November 6 and closes on Sunday, November 29. The four-week meet, which is weekend focused will feature live racing Friday through Sunday and also offer racing on Thanksgiving, Thursday, November 26. The rain-shortened 13-day and five-week 2025 Fall

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Meet opened on Thursday, October 30. The two-day Breeders' Cup World Championships ran on Friday, October 31 and Saturday, November 1, and the Fall Meet resumed on Sunday, November 7 and closed on November 30 (the Sunday of Thanksgiving week). The prior year five-week fall racing calendar also had seven additional dark days, compared to the upcoming four-week fall calendar. These dark days generate wagering commissions and purse funds when Southern California patrons wager on imported races.

Attendance for our 32-day 2026 Summer Meet is projected to total 290,750, a 3.6% increase due to an additional race day compared to the 31-day 2025 Summer Meet. On-track attendance will also benefit as the Summer Meet returns to its traditional Labor Day Closing Day, which, as noted above, is more favorable than closing with a post-Labor Day race week.

Attendance for our 13-day 2026 Fall Meet is projected to total 41,300, an 8.3% increase over the 2025 Fall Meet. Rain impacted attendance over a two-week period during last year's Fall Meet with racing canceled on the Saturday of the third week and the Friday of the fourth week. The wet conditions also led to declines in attendance on the days following each of the canceled race days. A make-up day of racing was added with short notice the Monday of the final race week and attendance on that race day was approximately 40% of a normal fall race day.

Race meet F&B revenues combined for both the Summer and Fall Meets are expected to increase 4.2% due to an additional race day in the summer, projected attendance levels and a modest increase in F&B pricing. Our marketing efforts are designed to generate substantial F&B revenues by driving attendance to high F&B per capita areas including our Group Sales Sky Rooms, Celebrity Suites, the Turf Club and our popular trackside restaurants. Additionally, F&B revenues again are expected to benefit from our high-margin lifestyle events as our events calendar is highlighted by popular lifestyle promotions, such as craft beer events, local artisan food festivals, wine tasting festivals and college days.

### ***2026 Budgeted Revenues***

Budgeted revenues for 2026 are projected to total \$43.1 million, an increase of \$1.02 million. Summer Meet revenues are projected to increase \$1.09 million, or 3.1%, due to growth in wagering and admissions-related revenues. The CHRB allocated Del Mar a four-week fall racing calendar this year compared to five weeks in 2025 when Del Mar hosted the Breeders' Cup Championships. Fall Meet revenues are projected to decline \$70,000 due to lower import wagering revenues related to one less week of racing for the upcoming Fall Meet.

Wagering revenues comprise DMTC's primary source of revenue and are projected to account for 63% of budgeted 2026 total revenues. Wagering revenues are projected to account for 58% of Summer Meet revenues and 84% of Fall Meet revenues. Our Summer Meet attracts more out-of-town and casual patrons than the Fall Meet and, accordingly, the Summer Meet generates significantly higher attendance-related revenues. The Fall Meet has a larger concentration of wagering-to-total-revenues due

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to lower admissions revenues and because all existing sponsorship agreements, management services and other operating revenues are allocated to the summer race meet.

Our horse recruitment efforts, including the Ship & Win and Co-Op marketing programs, again will be a key focus of our 2026 operations. Field sizes for the summer race meet are expected to increase slightly over last summer's 8.7 horses per race. Last summer, certain out-of-state horsemen who said they planned to race their horses during our 2025 Summer Meet changed their plans after federal immigration enforcement actions in California (unrelated to horse racing) made national headlines. Even though no enforcement actions occurred at Del Mar, the uncertainty created by such actions negatively impacted our field size. Fall Meet field sizes are expected to benefit modestly as a result of more turf races in 2026. Rain during the prior fall season resulted in the meet offering eleven fewer turf races than scheduled. Turf races consistently attract larger race fields compared to dirt races. Turf races averaged 8.5 starters per race compared to 7.2 starters per race for dirt races during the 2025 fall race meet.

Wagering and purse revenue projections reflect various changes to statutory wagering deductions and modifications to contractual ADW wagering deductions used to fund stabling and vanning operations, the operations of the SCOTWINC satellite network and deductions used to fund the CHRB's annual operation as well as California's share of HISA's annual operations.

DMTC and the TOC plan to extend the agreement, subject to CHRB approval, which provides funding for the Co-Op marketing program through a deduction from ADW wagering. The Co-Op marketing program includes horse recruitment efforts, on-track large player reward incentives and a social media program designed to educate the public about Del Mar's industry-leading safety record, our comprehensive safety protocols, and procedures, as well as California's unrivaled aftercare program for retired racehorses. The 2026 deduction from ADW wagering will be unchanged from the 2025 deduction and, as a result, the impact of funding the Co-Op marketing program will be unchanged compared to 2025.

Stabling and vanning ("S&V") operations, which refer to the off-site stabling of horses and transporting them to the operating venue for live racing, are funded through a statutory deduction on wagers made at satellite facilities and on-track handle on imported and Northern California races, as well as a contractual deduction from California ADW wagering. The TOC and the Southern California race tracks increased the statutory deduction on ITW and ADW wagering in 2025 by 71 basis points. This increased funding was used to assist Northern California-based horsemen for stabling, transportation, and other supplements to benefit stables formerly based in Northern California as they have transitioned south during 2025. The S&V deduction will remain unchanged in 2026 as the reimbursement rates to the off-site stabling facilities will increase in 2026 related to increase costs incurred by the training facilities. Last year's increase represented the first increase in the reimbursement rates in several years.

The Law provides that the costs of funding the annual operating expense of the CHRB, California's equine drug testing program and the State's share of HISA operations (collectively, "Annual Regulatory

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Operating Costs") are paid by California racing associations and purses through a deduction from wagering at all California race tracks and racing fair satellite wagering facilities. These funding deductions from wagering are established annually and are based on the projected statewide wagering compared to the CHRB's and HISA's annual operating budget for the upcoming fiscal year. These deductions from wagering effectively reduce wagering revenues and purses equally during the year. Any surplus or deficit between the funds generated from the funding deductions and the Annual Regulatory Operating Costs at the end of the year is either refunded to, or further deducted from, the following year's commissions and purses.

Annual Regulatory Operating Costs are projected to decline in 2026. California's share of HISA operations will be eliminated in 2026 because of credits earned due to race tracks in other states using the state-of-art testing lab at UC Davis, which is funded by the CHRB, to comply with HISA testing requirements. Additionally, the CHRB's fiscal year 2025/2026 operating costs are expected to remain flat, or decline modestly, as the CHRB adjusts its operations as California continues to transition from a dual circuit to the new Single Circuit.

***Wagering Revenues:*** Wagering revenues are projected to total \$26.9 million in 2026, an increase of \$340,000 over 2025 wagering revenues. Summer wagering revenues are projected to increase \$400,000 due to the benefit of the additional live race day, lower regulatory funding deductions and the return to the traditional Labor Day close to the Summer Meet. Fall wagering revenues are projected to decline \$60,000 primarily due to lower import wagering as the Fall Meet was awarded one less week of racing. The Fall Meet will have seven fewer dark days when wagering revenues are generated by ITW and ADW patrons wagering on races imported from other states.

***On-track wagering:*** On-track wagering commissions for the Summer and Fall Meets are projected to total \$4.2 million, an increase of \$150,000 over 2025 on-track wagering commissions and consist of a \$50,000 increase in summer revenues and a \$100,000 increase in fall revenues. The Summer Meet will benefit from an additional day of live racing this summer as well as increased on-track attendance related to the elimination of post-Labor Day racing, as the upcoming Summer Meet returns to its traditional Labor Day close. On-track revenue on imported races is projected to decline \$20,000 as one patron who placed over \$1 million in very large show bets on certain imported races with small fields and prohibitive betting favorites is not expected to return in 2026. (See further discussion below under "Net breakage revenue"). Fall on-track wagering revenues will benefit from increased attendance as well as additional turf racing.

***ADW wagering:*** ADW commissions are generated by California ADW patrons wagering on live and imported races. ADW wagering revenues are projected to total \$6.0 million, an increase of \$40,000 over 2025 revenues. Summer ADW revenues are projected to increase \$150,000 and benefit from the additional live race day as well as higher wagering on imported races. Saratoga, which is the most popular and heavily wagered imported signal, closes on Labor Day. Our 2025 Summer Meet closed one week after Labor Day and thus we operated without the benefit of wagers generated by the Saratoga signal. In contrast, the upcoming Summer Meet will benefit from the Saratoga signal throughout the

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entire race meet. Fall ADW revenues are projected to decline \$110,000 as the four-week fall race meet offers seven fewer dark days during which ADW patrons wager on imported races. ADW revenues for both race meets will benefit from the elimination of HISA dues in 2026. As noted above, HISA dues are funded through a deduction from ADW wagering and this deduction totaled \$130,000 in 2025.

**Off-track wagering:** ITW commissions are generated from wagering by patrons wagering live and imported races at California ITW locations. ITW wagering revenues are projected to total \$4.5 million in 2026, a decline \$140,000 from last year. Both race meets will be impacted by the mid-November 2025 closure of an ITW location in the Orange County. This location accounted for approximately 4% of total Southern California ITW wagering. Summer ITW revenues are projected to decline just \$10,000 as revenues from the additional live race day and higher wagering on imported races due to closing on Labor Day will offset the loss of revenue from the Orange County ITW location. Fall ITW revenues are projected to decline \$130,000 primarily due to lower import wagering resulting from one less work of wagering on imported races and the closure of the Orange County ITW location.

The intertrack wagering surplus fund represents the fund that DMTC and the horsemen (via purses) participate in 50% of the surplus, or shortfall, of SCOTWINC's simulcast revenues and expenses. SCOTWINC is projected to have an \$890,000 operating surplus in 2026, which is \$40,000 less than the prior year operating surplus due to lower imported wagering during the fall race meet. Additionally, the 2025 operating surplus benefitted from simulcast revenues generated during the Breeders' Cup.

**Out-of-state wagering:** Out-of-state wagering commissions are generated from the exporting the simulcast signal of Del Mar's live racing as out-of-state customers are able to wager on our races that are distributed over numerous Internet wagering platforms and broadcast to over 1,100 locations throughout North, Central and South America. Revenues are projected to total \$10.6 million, a \$210,000 increase over 2025 revenues. Summer revenues are projected to increase \$100,000 and benefit from the additional day of live racing. Fall wagering revenues are projected to increase \$110,000 and benefit from more typical mild fall weather conditions and also reflect the benefit from additional turf races during the fall race meet. As noted previously, turf races have larger fields and generate higher wagering handle when compared to races run on the dirt track. Our 2026 out-of-state revenue projections assume no significant change in the rates charged to out-of-state customers.

**Simulcasting fees:** Simulcasting fees are generated from wagering by customers outside of the United States (i.e., a "separate pool wagering") and these revenues are projected to increase \$30,000 primarily due to the additional day of racing in the summer and additional turf racing in the fall.

**Breakage revenue:** Net breakage revenue is projected to increase \$100,000 in 2026. Last summer, one on-track patron placed very large show bets on our as well as imported races. This patron's strategy of betting on prohibitive favorites in small field sizes was successful and generated over \$100,000 in on-track minus pools. In response, we enhanced our procedures to identify potential minus pools in advance by evaluating field sizes and prohibitive favorites as (a combination of) these factors create minus pool risk. When we identify a minus pool risk ahead of time, we can and often do petition the CHRB to not

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offer these bets. This patron did not employ a similar strategy and during last fall's race meet and is not expected to again in 2026.

**Non-wagering revenues:** Non-wagering revenues consist of admissions and seat revenues, program sales, parking receipts, advertising and sponsorship revenues, merchandise concession revenues and interest income. Total non-wagering revenues for the summer and fall race meets are projected to total \$16.2 million, an increase of \$680,000 over 2025 summer and fall revenues due to growth in admissions-related and sponsorship revenues.

Admissions and parking revenues are projected to increase by \$560,000 for the Summer Meet and by \$50,000 for the Fall Meet, for a total increase of \$610,000 over the 2025 Summer and Fall meets. These budgeted increases are primarily driven by an additional race day during the summer season and modest pricing adjustments in parking and select premium seating.

The 2026 Summer Meet will expand from 31 to 32 race days with the addition of Thursday, September 3. While weekend race days generate the highest wagering, Thursdays are generally strong Group Sales days, as weekdays are popular for corporate outings.

Parking fees have remained unchanged since 2023 with the exception of parking fees on Opening Day. For the 2026 summer meet, a \$5 increase will be applied across all parking tiers (i.e., general, premium, and valet parking). Additionally, select premium seating areas on Opening Day will see modest price increases. Group Sales will also implement price increases in select areas on Opening Day.

Sponsorship revenues in 2026 are projected to total \$3.96 million, an increase of \$110,000, or 2.9%, over 2025. The increase is expected to come from new partnerships in the private aviation, footwear, and horse-racing technology categories. DMTC will continue to coordinate corporate sponsorship efforts with the District to ensure maximum sponsorship revenue opportunities for the Fairgrounds.

Novelty concession revenues are projected to decline \$20,000. Although summer sales are projected to increase \$35,000 due to the additional day of racing and increased attendance, fall merchandise sales are projected to decline \$55,000 primarily due to the loss of sales during last year's Breeders' Cup race days which totaled \$60,000. Interest income is projected to total \$220,000 in 2026, a decline of \$30,000 from last year and reflects expected declines in short-term interest rates. Significant cash balances are generated through pre-season sales revenues and the operation of our summer race meet, including the collections and settlements with over 1,100 brick-and-mortar simulcast locations and Internet wagering platforms that participate in our pari-mutuel wagering pools.

## ***2026 Budgeted Expenses***

Total expenses for 2026, before payments to the District and RTA (i.e., "total pre-rent expenses") are projected at \$39.7 million, an increase of \$790,000, or 2.0% higher than expenses for the 2025 Summer and Fall Meets. Increases in staff and other costs were partially offset by lower industry

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support costs due to one-time industry support costs incurred in 2025 related to the transition to the Single Circuit.

**Staff costs:** Staff costs consist of salaries, employee benefits, workers' compensation costs and payroll taxes and comprise the largest expense category. DMTC employment peaks at just over 1,000 staff members during the Summer Meet, with 63% of the work force covered under eight collective bargaining agreements. These costs are measured as a percentage of total pre-rent expenses and are projected to be 56% in 2026. Total staff costs are projected to increase \$820,000, or 3.9%, in 2026. Year-round administrative staff costs are projected to increase \$120,000, or 3.0%, due to cost-of-living adjustments. Annual maintenance staff salaries are projected to increase 3.7% and reflect scheduled increases required by collective bargaining agreements. Seasonal salaries are projected to increase \$400,000, or 3.6%, and reflect the additional day of summer racing along with scheduled increases required by collective bargaining agreements and cost-of-living adjustments for non-union seasonal staff. Employee benefit costs are projected to increase \$190,000, or 5.2%, in 2026 due to higher health and welfare plan premiums for both union and administrative staff. Workers' compensation insurance costs are projected to increase \$30,000, or 10.0%, based on expected workers' compensation premiums for the March 31 policy renewal and because prior year workers' compensation costs were reduced by a dividend payment based on favorable claims experience in 2024.

**Marketing expenses:** Advertising, marketing, and communications expenses for 2026 are projected to total \$1.93 million across the summer and fall race meets, reflecting a 2% increase over 2025. This modest growth is primarily driven by expanded investment in Del Mar's highly successful social media influencer campaign. Marketing efforts will continue to prioritize social and digital media platforms, which provide strong economic value and more precise audience targeting compared with traditional channels such as television, radio, and print. Whenever possible, we will also co-present promotional events with external partners to maximize financial and operational efficiencies. In addition, we will maintain a strong focus on promoting our industry-leading equine safety and welfare initiatives—including Del Mar's status as one of the safest racetracks in North America, our top-tier equine and rider safety protocols, and our continued support for horse research and aftercare programs.

**Race meet season services expenses:** Season services expenses are projected to increase \$220,000, or 3.0%, in 2026 due to a higher anticipated number of out-of-state horses competing in the Summer and Fall Meets and a modest increase in shipping reimbursement rates from the Ship & Win program. Costs for other season service contracts reflect vendors passing through increased materials and higher staff cost-of-living adjustments. DMTC will again provide the complimentary meals program for backstretch workers for both the Summer and Fall Meets. This initiative, which began in 2023, provides backstretch workers with complimentary dinners in a family-style setting designed to promote socialization. This unique program is a bold and much needed step to improve the lives of those in the backstretch community. Our budget assumes that the California Thoroughbred Horsemen's Foundation again will co-fund this impactful program through a grant.

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***Other expense categories:*** Racing industry support costs are expected to decline \$680,000 in 2026 and reflect our one-time payment in 2025 to CARF as the Northern California fairs transitioned away live horse racing operations and instead opted to sustain and enhance those satellite wagering centers that continue to operate at some fairgrounds in the north. The continued operation of CARF's satellite wagering centers in Northern California will positively impact our Single Circuit revenues in future periods far more than this one-time cost. Insurance expense is projected to increase \$80,000, or 7.3%, and reflect a tightening insurance market and projected 2025 premium costs and are based on the indications we have received during our current insurance renewal process. Professional services costs are projected increase \$40,000, or 7.4%, primarily the result of an increase in bank service charges. Earning credits on compensating bank balances, which help pay the cost of bank service charges and fees, are projected decline because of recent and expected declines in short-term interest rates. Data processing costs are expected increase \$40,000, or 15.0%, and reflect an increase in the services provided by our third-party data processing services provider.

## **SUMMARY**

The 2026 budget reflects DMTC's continuing efforts to manage our operations in light of changes in the racing industry and our longstanding commitment to maximizing the combined DMTC rent and race meet-related F&B net income. The budgeted payments to the District and RTA for 2026 total \$3.38 million, and consist of Direct Payments to the District of \$1,468,000—which includes \$1.068 million for the Summer Meet and \$400,000 for the Fall Meet—along with payments to the RTA of \$1.91 million. These payments are \$220,000 higher than the projected 2025 Summer and Fall Meets payments to the District and RTA. Net revenues for race meet-related F&B operations in 2026 are based on our event focused summer promotional events calendar, projected attendance levels and modest increases in race meet F&B pricing. Race meet-related F&B net revenues are projected to total \$5.54 million in 2026, an increase of \$220,000 above the prior year F&B net revenues for the Summer and Fall Meets, which totaled \$5.32 million in 2025. Our combined return from racing (i.e., the total of net racing revenues and F&B net revenues as defined in the Operating Agreement) is projected to total \$8.92 million in 2026, an increase of \$440,000 above the projected combined return of \$8.48 million for the 2025 Summer and Fall Meets.

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Carlene, we appreciate the input we receive from you and the District's Liaison Committee. As you know, we always strive to maximize combined race meet net revenues generated by horse racing at Del Mar and look forward to any suggestions that you may have to help us operate more efficiently.

Very Truly Yours,  
DEL MAR THOROUGHBRED CLUB



Michael R. Ernst

Enclosure

cc: David Batchelder, DMTC  
Joe Harper, DMTC  
Josh Rubinstein, DMTC  
Michael Sadegh, 22<sup>nd</sup> DAA

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**Del Mar Thoroughbred Club**  
**Operating Budget**  
**2026 Budget and Projected Results for the year ended December 31, 2025**

	2026	2025	Budget vs 2025 Projection		2025	2025
			Summer / Fall Projection	Summer / Fall Amount		
			Summer / Fall % Projection	Breeders' Cup Projection		
<b>Revenues:</b>						
Pari-mutuel commissions/ADW/simulcast fees	\$ 26,926,374	26,586,592	339,782	1.3%	4,254,927	30,841,519
Admissions / Reserved Seating	9,687,697	9,289,941	397,755	4.3%	16,508,230	25,798,171
Program sales and parking receipts	1,535,785	1,320,685	215,101	16.3%	331,623	1,652,308
Merchandise concession revenues	634,808	652,078	(17,270)	-2.6%	0	652,078
Other operating revenues	4,416,365	4,327,805	88,560	2.0%	169,707	4,497,511
Less revenue attributable to Charity Days	43,201,030	42,177,101	1,023,929	2.4%	21,264,486	63,441,588
(90,201)	(87,099)	(3,102)	3.6%	(36,158)	(123,257)	
<b>Total Revenues</b>	<b>43,110,829</b>	<b>42,090,002</b>	<b>1,020,826</b>	<b>2.4%</b>	<b>21,228,328</b>	<b>63,318,331</b>
<b>Expenses:</b>						
Salaries - annual administration and maintenance	4,984,245	4,833,113	151,132	3.1%	223,296	5,056,409
Salaries - seasonal employees	11,365,308	10,966,553	398,755	3.6%	1,273,911	12,240,464
Employee benefits / Payroll taxes	5,465,381	5,224,996	240,386	4.6%	342,628	5,567,623
Insurance--liability and workers compensation	1,511,511	1,400,637	110,873	7.9%	334,686	1,735,323
Advertising and public relations	1,934,500	1,897,219	37,281	2.0%	6,187,319	8,084,538
Professional services	532,817	496,003	36,813	7.4%	56,417	552,421
Utilities	1,724,430	1,616,036	108,395	6.7%	90,000	1,706,036
Repairs and maintenance	1,492,309	1,448,844	43,465	3.0%	778,375	2,227,219
Supplies	683,188	660,379	22,809	3.5%	428,622	1,089,001
Other operating expenses	167,416	152,716	14,699	9.6%	741	153,457
Printing	453,269	433,750	19,519	4.5%	278,909	712,659
Depreciation and amortization	795,612	773,211	22,401	2.9%	0	773,211
Cost of goods sold-gift shop	346,268	362,178	(15,910)	-4.4%	0	362,178
Equipment leased and rented	114,479	111,145	3,334	3.0%	0	111,145
Racing dues/assessments/support	32,214	697,777	(665,563)	-95.4%	7,090	704,867
Taxes and licenses	124,106	120,867	3,239	2.7%	0	120,867
Outside services	7,824,955	7,566,951	258,004	3.4%	10,456,333	18,023,285
Satellite program costs	52,438	50,910	1,527	3.0%	0	50,910
Trophies	86,133	83,624	2,509	3.0%	170,000	253,624
Interest	4,503	4,132	372	9.0%	0	4,132
Charitable support	1,750	1,750	0	0.0%	0	1,750
<b>Total Expenses</b>	<b>39,696,832</b>	<b>38,902,793</b>	<b>794,039</b>	<b>2.0%</b>	<b>20,628,328</b>	<b>59,531,121</b>
<b>Net Income from Operations</b>	<b>3,413,996</b>	<b>3,187,210</b>	<b>226,787</b>	<b>7.1%</b>	<b>600,000</b>	<b>3,787,210</b>
Income taxes	(36,246)	(32,210)	(4,037)	12.5%	0	(32,210)
Direct payment to the District	(1,467,750)	(1,425,000)	(42,750)	3.0%	(600,000)	(2,025,000)
<b>Payment to Race Track Authority</b>	<b>\$ 1,910,000</b>	<b>1,730,000</b>	<b>180,000</b>	<b>10.4%</b>	<b>0</b>	<b>1,730,000</b>
<b>Total Payments</b>	<b>\$ 3,377,750</b>	<b>3,155,000</b>	<b>222,750</b>	<b>7.1%</b>	<b>600,000</b>	<b>3,755,000</b>

**Del Mar Thoroughbred Club**  
**Operating Budget Detail Report**  
**2026 Budget and Projected Results for the year ended December 31, 2025**

	2026	2025	Budget vs 2025 Summer	Budget vs 2025 Summer	Budget vs 2025 Fall	Budget vs 2025 Fall	Budget vs 2025 Projection	Budget vs 2025 Projection	2025	2025
	Summer / Fall Projection	Summer / Fall Projection	Variance Amount	Variance %	Variance Amount	Variance %	Summer / Fall Amount	Summer / Fall %	Breeders' Cup Projection	Combined Projection
<b>Revenues:</b>										
Pari-mutuel commissions-on track	\$ 4,244,481	4,091,551	45,938	1.3%	106,992	22.2%	152,930	3.7%	3,333,493	7,425,044
Pari-mutuel commissions-account wagering	6,048,598	6,006,011	152,485	3.3%	(109,898)	-7.8%	42,587	0.7%	151,023	6,157,034
Pari-mutuel commissions-off track	4,466,660	4,610,366	(11,411)	-0.3%	(132,296)	-10.0%	(143,707)	-3.1%	641,117	5,251,483
Pari-mutuel commissions-out of state	10,617,066	10,410,087	93,441	1.2%	113,538	4.9%	206,979	2.0%	0	10,410,087
Simulcasting fees-uncommingled	509,647	483,219	17,814	5.2%	8,614	6.1%	26,428	5.5%	0	483,219
Intertrack wagering surplus fund	890,096	931,596	5,500	0.9%	(47,000)	-13.8%	(41,500)	-4.5%	0	931,596
Breakage, net	149,826	53,762	98,513	564.3%	(2,448)	-6.7%	96,064	178.7%	129,294	183,056
Pari-mutuel commissions/ADW/Simulcast fees	<b>26,926,374</b>	<b>26,586,592</b>	<b>402,280</b>	<b>2.0%</b>	<b>(62,497)</b>	<b>-1.0%</b>	<b>339,782</b>	<b>1.3%</b>	<b>4,254,927</b>	<b>30,841,519</b>
<b>Admissions and reserved seats</b>	<b>9,687,697</b>	<b>9,289,941</b>	<b>357,003</b>	<b>4.2%</b>	<b>40,752</b>	<b>5.5%</b>	<b>397,755</b>	<b>4.3%</b>	<b>16,508,230</b>	<b>25,798,171</b>
<b>Program sales and parking receipts</b>	<b>1,535,785</b>	<b>1,320,685</b>	<b>206,637</b>	<b>18.0%</b>	<b>8,464</b>	<b>4.9%</b>	<b>215,101</b>	<b>16.3%</b>	<b>331,623</b>	<b>1,652,308</b>
<b>Merchandise concession revenues</b>	<b>634,808</b>	<b>652,078</b>	<b>35,180</b>	<b>7.4%</b>	<b>(52,451)</b>	<b>-30.2%</b>	<b>(17,270)</b>	<b>-2.6%</b>	<b>0</b>	<b>652,078</b>
Interest income	219,395	247,530	(24,735)	-11.0%	(3,399)	-15.0%	(28,135)	-11.4%	162,224	409,754
Sponsorship	3,956,945	3,846,271	110,674	2.9%	0	0.0%	110,674	2.9%	0	3,846,271
Other operating revenues	240,025	234,004	6,021	3.3%	0	0.0%	6,021	2.6%	7,482	241,486
<b>Other operation revenues</b>	<b>4,416,365</b>	<b>4,327,805</b>	<b>91,960</b>	<b>2.2%</b>	<b>(3,399)</b>	<b>-4.5%</b>	<b>88,560</b>	<b>2.0%</b>	<b>169,707</b>	<b>4,497,511</b>
<b>Less revenue attributable to charity days</b>	<b>43,201,030</b>	<b>42,177,101</b>	<b>1,093,060</b>	<b>3.1%</b>	<b>(69,131)</b>	<b>-1.0%</b>	<b>1,023,929</b>	<b>2.4%</b>	<b>21,264,486</b>	<b>63,441,588</b>
	<b>(90,201)</b>	<b>(87,099)</b>	<b>(3,102)</b>	<b>4.0%</b>	<b>0</b>	<b>0.0%</b>	<b>(3,102)</b>	<b>3.6%</b>	<b>(36,158)</b>	<b>(123,257)</b>
<b>Total Revenues</b>	<b>43,110,829</b>	<b>42,090,002</b>	<b>1,089,958</b>	<b>3.1%</b>	<b>(69,131)</b>	<b>-1.0%</b>	<b>1,020,826</b>	<b>2.4%</b>	<b>21,228,328</b>	<b>63,318,331</b>
<b>Expenses:</b>										
Salaries - annual administration	4,033,470	3,916,277	117,177	3.0%	16	3.0%	117,193	3.0%	170,000	4,086,277
Salaries - annual maintenance	950,775	916,836	32,394	3.7%	1,545	3.8%	33,939	3.7%	53,296	970,132
<b>Salaries - annual administration</b>	<b>4,984,245</b>	<b>4,833,113</b>	<b>149,571</b>	<b>3.1%</b>	<b>1,561</b>	<b>3.8%</b>	<b>151,132</b>	<b>3.1%</b>	<b>223,296</b>	<b>5,056,409</b>
<b>Salaries - seasonal employees</b>	<b>11,365,308</b>	<b>10,966,553</b>	<b>300,489</b>	<b>3.7%</b>	<b>98,266</b>	<b>3.5%</b>	<b>398,755</b>	<b>3.6%</b>	<b>1,273,911</b>	<b>12,240,464</b>
Employee benefits	3,868,185	3,676,196	179,591	5.4%	12,397	3.4%	191,989	5.2%	187,181	3,863,378
Payroll taxes	1,597,196	1,548,799	40,446	3.1%	7,951	3.0%	48,397	3.1%	155,446	1,704,246
<b>Employee benefits/payroll taxes</b>	<b>5,465,381</b>	<b>5,224,996</b>	<b>220,037</b>	<b>4.8%</b>	<b>20,348</b>	<b>3.2%</b>	<b>240,386</b>	<b>4.6%</b>	<b>342,628</b>	<b>5,567,623</b>
Workers compensation benefit	365,259	332,151	24,553	10.0%	8,554	10.0%	33,108	10.0%	59,661	391,812
Insurance	1,146,252	1,068,486	67,282	7.2%	10,483	7.5%	77,766	7.3%	275,025	1,343,511
<b>Insurance-liability and workers compensation</b>	<b>1,511,511</b>	<b>1,400,637</b>	<b>91,836</b>	<b>7.8%</b>	<b>19,038</b>	<b>8.4%</b>	<b>110,873</b>	<b>7.9%</b>	<b>334,686</b>	<b>1,735,323</b>
<b>Advertising and public relations</b>	<b>1,934,500</b>	<b>1,897,219</b>	<b>31,045</b>	<b>2.0%</b>	<b>6,236</b>	<b>2.0%</b>	<b>37,281</b>	<b>2.0%</b>	<b>6,187,319</b>	<b>8,084,538</b>
<b>Professional services</b>	<b>532,817</b>	<b>496,003</b>	<b>36,762</b>	<b>7.7%</b>	<b>52</b>	<b>0.2%</b>	<b>36,813</b>	<b>7.4%</b>	<b>56,417</b>	<b>552,421</b>
<b>Utilities</b>	<b>1,724,430</b>	<b>1,616,036</b>	<b>82,064</b>	<b>6.7%</b>	<b>26,331</b>	<b>6.9%</b>	<b>108,395</b>	<b>6.7%</b>	<b>90,000</b>	<b>1,706,036</b>
<b>Repairs and maintenance</b>	<b>1,492,309</b>	<b>1,448,844</b>	<b>37,811</b>	<b>3.0%</b>	<b>5,655</b>	<b>3.0%</b>	<b>43,465</b>	<b>3.0%</b>	<b>778,375</b>	<b>2,227,219</b>
Supplies	683,188	660,379	18,913	3.5%	3,895	3.4%	22,809	3.5%	428,622	1,089,001
Other operating expenses	167,416	152,716	8,797	6.1%	5,902	75.2%	14,699	9.6%	741	153,457
Printing	453,269	433,750	16,597	4.5%	2,921	4.5%	19,519	4.5%	278,909	712,659
Depreciation and amortization	795,612	773,211	22,401	3.1%	0	0.0%	22,401	2.9%	0	773,211
Cost of goods sold-gift shop	346,268	362,178	17,585	7.0%	(33,495)	-30.2%	(15,910)	-4.4%	0	362,178
Equipment leased and rented	114,479	111,145	3,105	3.0%	230	3.0%	3,334	3.0%	0	111,145
TRA dues and assessments, net of dividends	(40,751)	(56,993)	16,031	-25.0%	211	3.0%	16,241	28.5%	0	(56,993)
Federation racing costs	24,920	24,194	614	3.0%	112	3.0%	726	3.0%	7,090	31,285
Racing industry support and safety initiatives	48,045	730,575	(682,623)	-94.6%	93	1.0%	(682,530)	-93.4%	0	730,575
<b>Racing dues/assessments/support</b>	<b>32,214</b>	<b>697,777</b>	<b>(665,978)</b>	<b>-98.3%</b>	<b>416</b>	<b>2.1%</b>	<b>(665,563)</b>	<b>-95.4%</b>	<b>7,090</b>	<b>704,867</b>
<b>Other taxes and licenses</b>	<b>124,106</b>	<b>120,867</b>	<b>2,963</b>	<b>2.7%</b>	<b>276</b>	<b>3.0%</b>	<b>3,239</b>	<b>2.7%</b>	<b>0</b>	<b>120,867</b>
Service contracts and equipment rentals	7,538,217	7,317,613	172,888	3.0%	47,716	3.0%	220,604	3.0%	10,442,762	17,760,376
Data processing	286,738	249,338	35,942	15.0%	1,459	15.0%	37,401	15.0%	13,571	262,909
<b>Outside services</b>	<b>7,824,955</b>	<b>7,566,951</b>	<b>208,830</b>	<b>3.5%</b>	<b>49,175</b>	<b>3.1%</b>	<b>258,004</b>	<b>3.4%</b>	<b>10,456,333</b>	<b>18,023,285</b>
<b>Satellite program costs</b>	<b>52,438</b>	<b>50,910</b>	<b>1,008</b>	<b>3.0%</b>	<b>520</b>	<b>3.0%</b>	<b>1,527</b>	<b>3.0%</b>	<b>0</b>	<b>50,910</b>
Trophies	86,133	83,624	1,766	3.0%	742	3.0%	2,509	3.0%	170,000	253,624
Interest	4,503	4,132	372	9.0%	0	0.0%	372	9.0%	0	4,132
Contributions	1,750	1,750	0	0.0%	0	0.0%	0	0.0%	0	1,750
<b>Total Expenses</b>	<b>39,696,832</b>	<b>38,902,793</b>	<b>585,971</b>	<b>1.8%</b>	<b>208,069</b>	<b>3.1%</b>	<b>794,039</b>	<b>2.0%</b>	<b>20,628,328</b>	<b>59,531,121</b>
<b>Net Income from Operations</b>	<b>3,413,996</b>	<b>3,187,210</b>	<b>503,987</b>	<b>19.4%</b>	<b>(277,200)</b>	<b>-47.3%</b>	<b>226,787</b>	<b>7.1%</b>	<b>600,000</b>	<b>3,787,210</b>
<b>Income taxes</b>	<b>(36,246)</b>	<b>(32,210)</b>	<b>(196,237)</b>	<b>-399.5%</b>	<b>192,200</b>	<b>-236.3%</b>	<b>(4,037)</b>	<b>12.5%</b>	<b>0</b>	<b>(32,210)</b>
<b>Direct payment to the District</b>	<b>(1,467,750)</b>	<b>(1,425,000)</b>	<b>(42,750)</b>	<b>4.2%</b>	<b>0</b>	<b>0.0%</b>	<b>(42,750)</b>	<b>3.0%</b>	<b>(600,000)</b>	<b>(2,025,000)</b>
<b>Payment to Race Track Authority</b>	<b>\$ 1,910,000</b>	<b>1,730,000</b>	<b>265,000</b>	<b>16.3%</b>	<b>(85,000)</b>	<b>-81%</b>	<b>180,000</b>	<b>10.4%</b>	<b>0</b>	<b>1,730,000</b>
<b>Total Payments</b>	<b>\$ 3,377,750</b>	<b>3,155,000</b>	<b>307,750</b>	<b>11.6%</b>	<b>(85,000)</b>	<b>-16.8%</b>	<b>222,750</b>	<b>7.1%</b>	<b>600,000</b>	<b>3,755,000</b>

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

**Policy 4.03: Contract and Procurement**

Date Adopted/Last Revised: February 11, 2015/March 16, 2018/May 14, 2024/February 10, 2025

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Note: Capitalized terms not otherwise defined in this Policy have the meanings set forth in the Definitions section of 22nd DAA Policy 1.01. Should any provision in this Policy contradict any provision of California law, California law shall control.

**Purpose**

The purpose of this Policy is to establish the authority of the 22<sup>nd</sup> DAA to procure Goods and Services in compliance with Food & Agricultural Code section 4051 et al and to improve economic efficacy.

The 22nd DAA shall procure Goods, Services, and Information Technology Goods and Services through a competitive procurement process specified in this Policy unless such procurement is specifically exempted or excepted in this Policy due to unique business and logistical reasons.

**Definitions**

- A. **Premises:** any real property owned by the 22nd DAA.
- B. **Contract:** all types of written agreements, contracts, leases, purchase orders, and memorandums of understanding.
- B.C. **California Multiple Awards Schedules (CMAS):** The California Multiple Award Schedules, which offer a wide variety of commodity, non-IT Services, and information technology products and services at prices which have been assessed by the State of California to be fair, reasonable and competitive.
- C.D. **Goods:** all types of tangible personal property, including materials, supplies, and equipment, as defined in Public Contract Code section 10290, subdivision (d).
- D.E. **Services:** work to be performed as part of a legally binding agreement.

**E.F. Information Technology (IT) Goods and Services:** all electronic software and hardware technology systems and services, automated information handling, system design and analysis, conversion of data, computer programming, information storage and retrieval. This also includes telecommunications such as voice, video, and data communications, requisite system controls, simulation, electronic commerce, and all related interactions between people and machines.

**F.G. Fair and Reasonable:** an informal quote process in which 22nd DAA can obtain Goods or Services valued at less than \$10,000 by obtaining a single quote that is considered justifiable.

**G.H. Personal Services Contracts:** as set forth in California Code of Regulations, Title 2, section 547.59, which provides in pertinent part:

1. A “Personal Services Contract” is defined as any contract, requisition, purchase order, etc. (except public works contracts) under which labor or personal services is a significant, separately identifiable element. The business or person performing these contractual services must be an independent contractor who is not considered an employee of the State.
2. A “cost-savings based Personal Services Contract” is any Personal Services Contract proposed to achieve cost savings and subject to the provisions of Government Code Section 19130(a).

**H.I. Public Exigency:** an emergency situation when the health and safety of the public, property, or guests in the custody or care of the 22nd DAA are at risk if immediate measures are not taken to resolve the problem and/or emergency situation. A Public Exigency circumstance exists when Goods or Services are necessary, and it is not possible or practical to convene a Regular, Special, or Emergency Meeting of the Board as those terms are defined in the Bagley Keene Open Meeting Act. (Govt. Code, § 11120, et seq.)

**I.J. Request for Proposal (RFP):** a public request for interested parties to provide technical services or a specified product, to solve a defined problem, and/or to provide very complex and or unique services where professional expertise and methods, or creative and innovative approaches are needed

**J.K. Sole Source:** a procurement process in which item(s) or service(s) are acquired from, or are a product of either:

1. Emergencies, where immediate acquisition is necessary for the protection of the public health, welfare, or safety  
or
2. The proposed acquisition of Goods and/or Services are the only Goods and/or Services that meet the needs of 22nd DAA, and the vendor is the only vendor that can provide the Goods and/or Services.

**K.L. Informal Procurement Process**: obtaining multiple informal telephone, written and/or internet quotes in accordance with established procedures.

**L.M. "Award"**: the result of a Informal or Formal Competitive Procurement process. The Board must still consider whether to authorize the Chief Executive Officer to enter into a Contract unless the authority to do so has previously been delegated.

**M.N. Notice of Award**: an official notice that a Contract has been awarded to a specified vendor as a result of a Formal Competitive Procurement (see below).

**N.O. Notice of Intent to Award**: an official notice of the 22<sup>nd</sup> DAA's intent to enter into a Contract with a specified vendor as a result of a Formal Competitive Procurement (see below).

(Notices shall be posted in a place accessible by the public in the 22nd DAA's Administration Office and on the website as required by Public Contracting Code.)

**O.P. Life-Cycle Cost Purchase**: the sum of all recurring and one-time, non-recurring, costs over the full life span or a specified period of a good, service, structure, or system. It includes purchase price, installation cost, operating costs, maintenance and upgrade costs, and remaining (residual or salvage) value at the end of ownership or its useful life.

**P.Q. Proposer or Bidder**: an individual, sole proprietorship, firm, partnership, corporation, or any other business venture that responds to an Invitation for Bid or Request for Proposal by submitting a bid or proposal.

**Q.R. Formal Competitive Procurement**: use of one of the following methods appropriate to the type of Service or Good being sought:

- a. **Invitation for Bid (IFB)**. A public request for bids to provide a specific Service or Goods, awarded to the qualified Bidder with the lowest responsive and responsible bid, unless all bids are rejected.
- b. **Two Tier (Primary) Requests for Proposal (RFP)**. Requires submission of technical proposals (tier one) separate from sealed cost proposals (tier two). The minimum technical score required to proceed to tier two is specified in the RFP. Proposals are first evaluated by a selection panel on a technical basis using objective criteria specified in the RFP. Contract award is made to the lowest responsible Proposer from tier two.

- c. High Score (Secondary) Requests for Proposal (RFP). Requires submission of technical proposals for evaluation by a selection panel using objective criteria specified in the RFP with cost proposals disclosed. Cost proposals must be weighted a minimum of 30% of total score (technical plus cost).
- d. Requests for Qualification (RFQ). In accordance with GC 4525 et seq., may be issued to identify firms capable of providing professional services of private architectural, landscape architectural, engineering, environmental, land surveying, or construction project management firms. RFQs require the submission of Statements of Qualifications for evaluation by a selection panel using objective criteria specified in the solicitation; and price is not the primary or sole selection factor.

## **Policy**

It is the Policy of the 22nd DAA, pursuant to Food and Agriculture Code 4051 et al, to use a Formal Competitive Procurement process to procure the following:

- Goods, Services, or Information Technology Goods and Services, including subcontracts, involving an expenditure greater than \$100,000,
- Personal Services Contracts (as authorized by Government Code, section 19130) when the amount exceeds the limit established by the Department of General Services in accordance with Public Contract Code, section 10348,
- Construction projects (pursuant to Food and Agriculture Code 4051(a)(1)(C)),
- All other contracts required by law to be subject to competitive bidding.

All other procurements can be made through an Informal Procurement Process.

Subject to any Categorical Exemptions or Exceptions, described below, all purchases for Goods and Services shall:

- A. Comply with Applicable Law: All contracts and purchases must comply with all applicable local, state, and federal laws.
- B. Conform to 22nd DAA Purpose and Mission: All contracts and purchases shall operate in conformity with 22nd DAA goals, objectives, and mission and shall consider the impact of 22nd DAA events and activities on the local community.
- C. Be Written: All contracts for the purchase of Goods and Services shall be in writing, free from any type of discrimination and conflict of interest, in compliance with applicable law, and duly executed by the 22nd DAA.

- D. Require Board Approval: Excluding situations where the 22nd DAA's Board has expressly delegated limited authority to the Chief Executive Officer, all contracts must be submitted to and approved by the Board during a public meeting to be effective and legally binding on the 22nd DAA.
- E. Be Approved by CDFA and DGS where required: All contracts that require the approval of the California Department of Food & Agriculture (CDFA) and/or the Department of General Services (DGS) must be submitted to CDFA and/or DGS pursuant to Food & Agricultural Code section 4051 *et seq.* to be reviewed and approved before implementation by 22nd DAA.

### **Categorical Exemptions to Formal Competitive Procurement**

The following are categorically exempt from Formal Competitive Procurement. Before conducting a purchase or may be made on the basis of a Categorical Exemption, the Manager of the Contracts and Purchasing Unit must approve the applicable Categorical Exemption. Once a Categorical Exemption is approved, the 22<sup>nd</sup> DAA may forego the Formal Competitive Procurement process. Even if exempt, the 22nd DAA may elect to still enter into a Formal Competitive Procurement in some circumstances.

- A. Utility Services: The item or service to be procured is from a utility company or wholesale utility provider where service connections are allowed only in 1) geographically defined service territories; 2) a competitively limited wholesale provider market; or 3) where the work involves a utility system and only the utility company itself is allowed to perform the work.
- A.B. Goods Procured Through CMAS: Goods that are procured through CMAS.
- B.C. Standard Commercial Off-the-Shelf Software Packages (COTS) or Hardware Products: Software or hardware products which are ready-made, available for sale to the government and to the public, and designed to be easily integrated into existing systems without the need for extensive customization. COTS software can either be installed on 22nd DAA electronic equipment or delivered over the Internet. COTS include, but are not limited to, those items approved by 22nd DAA's Technology Office.
- C.D. Equipment Maintenance Services: Maintenance Services Agreements provided by the equipment manufacturer or dealers / distributors, provided no satisfactory alternative sources exist, as determined by the 22<sup>nd</sup> DAA.
- D.E. Software, Software Licenses and Operating System Maintenance Services: Where the 22nd DAA has procured software and operating systems for its use, procurement of the continuing maintenance and upgrades of the software and operating systems, training, and renewal of software licenses.

E.F. Small Business (SB), Micro Business (MB), and Disabled Veteran Business Enterprises (DVBE): In compliance with Government Code section 14838.5, the 22nd DAA may acquire Goods and Services from a DVBE, SB or MB certified by the State of California without a Formal Competitive Procurement process provided at least two price quotations are received from two or more certified small businesses, including microbusinesses, or from two or more DVBEs.

F.G. Revenue Generating: In accordance with section 3965.1 of the Food and Agricultural Code, Agreements that provide revenue for the District are exempt, excluding those that involve hazardous activities as determined by CDFA, unless adequate insurance is provided.

G.H. Fair-time Vendor Rental Agreements: In accordance with Title 3, California Code of Regulations, section 7010 et seq, short term contracts (not to exceed five years) for the non-exclusive use of a portion of the Premises by vendors or independent contractors during the annual Fair.

H.I. Informal Procurement Process: As defined in Definitions above.

I.J. Newspapers and Publications Services: Notices and publication services used to post notices required by law or policy, and subscriptions to newspapers, journals, websites, newsletters, and other periodicals.

J.K. Contract extensions during Pending Protest or Ongoing Procurement Process: Extension of existing contracts where the Goods or Services provided under the existing Contract are the subject of an ongoing competitive bid process and the results of that process have been delayed or protested in accordance with applicable Bid Protest Procedures set forth below or by court order.

K.L. Non-Profit Community Services: Procurement of services acquired from not-for-profit organizations.

L.M. Sponsorship Acquisitions: See Policy 4.03.1 below.

M.N. Professional Development Services: Procurement of educational or specialized training services.

N.O. Governmental Entities: Contracts with other governmental entities, also known as "Inter Agency Agreements." This includes, but is not limited to federal, state, and local entities, as well as Joint Power Authorities established for the benefit and/or use by the 22nd DAA.

O.P. Architectural, Engineering and Related Professional Services: Professional services of private architectural, landscape architectural, engineering, environmental, land surveying, or construction project management firms.

P.Q. **Legal Services:** Subject to the applicable provisions of the Government Code, legal services, legal consultation, representation, research, and analysis to support the 22nd DAA.

Q.R. **Highly Specialized Consultants:** The Chief Executive Officer may determine that specialized consultant services are critical to the 22nd DAA's success and may authorize, without a competitive procurement, a consulting contract, not to exceed the limit established by the Board through the annual Delegation of Authority for Contract Approval, Check Signing Authority, and Credit Card Use.

R.S. **Marketing and Media Services and Products:** Marketing and media services and products in digital and physical form, including the design and production of print or promotional materials, photographs, videos, graphics, social media content, websites, radio and television airtime, internet advertising, streaming services advertising, outdoor advertising and other forms of media advertising.

S.T. **Entertainment:** Note that entertainment coordinator/director and talent-buying contracts are not exempt from bidding, only entertainment itself.

T.U. **Matter of Law:** Contracts that the 22nd DAA is required to enter into as a matter of law.

### **Exceptions to Formal Competitive Procurement**

Competitive bidding may not apply under certain circumstances if an exception is warranted. The following are examples of circumstances that may be considered in authorizing case-by-case exceptions to this Policy:

- A. **Sole Source:** A situation where only one person, firm, or manufacturer exists that can provide the needed Goods or Services and no equivalent person, firm or manufacturer is available that would meet the 22nd DAA's minimum needs.
- B. **Lack of Competition:** Competition is precluded because of the existence of patent rights, copyrights, secret processes, controlled or limited market or distribution, restricted or limited availability of the basic raw material(s) or similar circumstances, and there is no equivalent item or service.
- C. **Absolute Compatibility:**
  1. The procurement is for replacement parts or components for equipment, and no information or data is available to ensure that the parts or components obtained from another supplier will perform the same function in the equipment as the part or component to be replaced;

2. The procurement is for replacement parts or components for equipment, and the replacement parts or components would compromise the safety or reliability of the product, or would void or invalidate a manufacturer's warranty or guarantee; or
3. The procurement is for upgrades, enhancements or additions to hardware or for enhancements or additions to software, and no information and data is available to ensure that equipment or software from different manufacturers or developers will be as compatible as equipment or software from the original manufacturer(s) or developer(s).

D. **Opportunity Purchases:** Opportunity purchases from local businesses that, for similar things available through the state purchasing program, may be purchased locally at a price equivalent to or less than that available through the state purchasing program. (Food & Agr. Code, § 4051, subd. (b)(1).) Purchases made from a local vendor (physical location within San Diego County) that have rates that are equal to or less than those provided through a state purchasing program (such as Department of General Services' Leveraged Procurement Agreements) OR document in writing that the purchase is financially beneficial to the overall fair[grounds] program, regardless of price. Utilizing this method requires comparison between a local vendor and established state contract. State contracts can be found here: <https://caleprocure.ca.gov/pages/LPASearch/lpa-search.aspx>.

E. **Exigency Purchases:** In cases of a Public Exigency as defined under "Definitions" above, the Chief Executive Officer may authorize contracts for Goods and Services in the best interests of the 22nd DAA.

**Threshold Amounts and other Requirements for Approving **Exceptions** to Formal Competitive Procurement:**

Unless otherwise allowed under this Policy, Exceptions to Formal Competitive Procurement with an estimated expenditure value may be approved as follows:

- A. If a Contract was previously approved by the Board, any Amendment to that Contract must be presented to the Board for consideration and approval during a 22nd DAA Board Meeting before the Amendment is made.
- B. Any Contract of a controversial nature or that may be of great public interest must be presented to the Board for consideration and approval during a 22nd DAA Board Meeting.
- C. Exceptions up to \$100,000 – Chief Executive Officer
- D. Exceptions over \$100,000 – Board

### Requests for Exceptions:

Requests for Exceptions to this Policy must be submitted in writing or in electronic format, and include the following information:

- Description of and necessity for the procurement.
- Items and the term period.
- Benefits to the 22nd DAA.
- The factual basis for the claimed exception; identify item that applies.
- The requesting party's determination of fair and reasonable price.

In the event a request for an Exception to Formal Competitive Procurement is denied, one of the Formal Competitive Procurement processes must be utilized.

### **Small Business (SB), Micro Business (MB) and Disabled Veteran Business Enterprise (DVBE)**

By way of this Policy, the 22nd DAA encourages SB, MB and DVBE prime contractors to participate in the competitive procurement process.

### **Bid Protests**

With public contracts, the opportunity or option to "protest" a bid award is provided under certain limited circumstances.

The Proposer or Bidder must file the protest with the 22<sup>nd</sup> DAA and with Department of General Services.

A protest cannot be considered if:

- The protestant was not a Proposer or Bidder.
- The protestant has not alleged that it was the lowest responsible Bidder or the highest-scored Proposer.
- The protestant is not able to make a supportable assertion that it was the lowest responsible Bidder or should have been the highest-scored Proposer.
- The protest was not submitted timely.
- The grounds for the protest do not meet the permissible grounds stated in the Public Contract Code.
- The Contract is not subject to Formal Competitive Procurement.

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

## Policies

### **Policy 4.03: Contract and Procurement**

Date Adopted/Last Revised: February 11, 2015/March 16, 2018/May 14, 2024/February 10, 2025

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Note: Capitalized terms not otherwise defined in this Policy have the meanings set forth in the Definitions section of 22nd DAA Policy 1.01. Should any provision in this Policy contradict any provision of California law, California law shall control.

#### **Purpose**

The purpose of this Policy is to establish the authority of the 22<sup>nd</sup> DAA to procure Goods and Services in compliance with Food & Agricultural Code section 4051 et al and to improve economic efficacy.

The 22nd DAA shall procure Goods, Services, and Information Technology Goods and Services through a competitive procurement process specified in this Policy unless such procurement is specifically exempted or excepted in this Policy due to unique business and logistical reasons.

#### **Definitions**

- A. **Premises:** any real property owned by the 22nd DAA.
- B. **Contract:** all types of written agreements, contracts, leases, purchase orders, and memorandums of understanding.
- C. **California Multiple Awards Schedules (CMAS):** The California Multiple Award Schedules, which offer a wide variety of commodity, non-IT Services, and information technology products and services at prices which have been assessed by the State of California to be fair, reasonable and competitive.
- D. **Goods:** all types of tangible personal property, including materials, supplies, and equipment, as defined in Public Contract Code section 10290, subdivision (d).
- E. **Services:** work to be performed as part of a legally binding agreement.

F. **Information Technology (IT) Goods and Services:** all electronic software and hardware technology systems and services, automated information handling, system design and analysis, conversion of data, computer programming, information storage and retrieval. This also includes telecommunications such as voice, video, and data communications, requisite system controls, simulation, electronic commerce, and all related interactions between people and machines.

G. **Fair and Reasonable:** an informal quote process in which 22nd DAA can obtain Goods or Services valued at less than \$10,000 by obtaining a single quote that is considered justifiable.

H. **Personal Services Contracts:** as set forth in California Code of Regulations, Title 2, section 547.59, which provides in pertinent part:

1. A “Personal Services Contract” is defined as any contract, requisition, purchase order, etc. (except public works contracts) under which labor or personal services is a significant, separately identifiable element. The business or person performing these contractual services must be an independent contractor who is not considered an employee of the State.
2. A “cost-savings based Personal Services Contract” is any Personal Services Contract proposed to achieve cost savings and subject to the provisions of Government Code Section 19130(a).

I. **Public Exigency:** an emergency situation when the health and safety of the public, property, or guests in the custody or care of the 22nd DAA are at risk if immediate measures are not taken to resolve the problem and/or emergency situation. A Public Exigency circumstance exists when Goods or Services are necessary, and it is not possible or practical to convene a Regular, Special, or Emergency Meeting of the Board as those terms are defined in the Bagley Keene Open Meeting Act. (Govt. Code, § 11120, et seq.)

J. **Request for Proposal (RFP):** a public request for interested parties to provide technical services or a specified product, to solve a defined problem, and/or to provide very complex and or unique services where professional expertise and methods, or creative and innovative approaches are needed

K. **Sole Source:** a procurement process in which item(s) or service(s) are acquired from, or are a product of either:

1. Emergencies, where immediate acquisition is necessary for the protection of the public health, welfare, or safety  
or
2. The proposed acquisition of Goods and/or Services are the only Goods and/or Services that meet the needs of 22nd DAA, and the vendor is the only vendor that can provide the Goods and/or Services.

L. **Informal Procurement Process:** obtaining multiple informal telephone, written and/or internet quotes in accordance with established procedures.

M. "Award": the result of a Informal or Formal Competitive Procurement process. The Board must still consider whether to authorize the Chief Executive Officer to enter into a Contract unless the authority to do so has previously been delegated.

N. **Notice of Award:** an official notice that a Contract has been awarded to a specified vendor as a result of a Formal Competitive Procurement (see below).

O. **Notice of Intent to Award:** an official notice of the 22<sup>nd</sup> DAA's intent to enter into a Contract with a specified vendor as a result of a Formal Competitive Procurement (see below).

(Notices shall be posted in a place accessible by the public in the 22nd DAA's Administration Office and on the website as required by Public Contracting Code.)

P. **Life-Cycle Cost Purchase:** the sum of all recurring and one-time, non-recurring, costs over the full life span or a specified period of a good, service, structure, or system. It includes purchase price, installation cost, operating costs, maintenance and upgrade costs, and remaining (residual or salvage) value at the end of ownership or its useful life.

Q. **Proposer or Bidder:** an individual, sole proprietorship, firm, partnership, corporation, or any other business venture that responds to an Invitation for Bid or Request for Proposal by submitting a bid or proposal.

R. **Formal Competitive Procurement:** use of one of the following methods appropriate to the type of Service or Good being sought:

- Invitation for Bid (IFB).** A public request for bids to provide a specific Service or Goods, awarded to the qualified Bidder with the lowest responsive and responsible bid, unless all bids are rejected.
- Two Tier (Primary) Requests for Proposal (RFP).** Requires submission of technical proposals (tier one) separate from sealed cost proposals (tier two). The minimum technical score required to proceed to tier two is specified in the RFP. Proposals are first evaluated by a selection panel on a technical basis using objective criteria specified in the RFP. Contract award is made to the lowest responsible Proposer from tier two.
- High Score (Secondary) Requests for Proposal (RFP).** Requires submission of technical proposals for evaluation by a selection panel using objective

criteria specified in the RFP with cost proposals disclosed. Cost proposals must be weighted a minimum of 30% of total score (technical plus cost).

d. Requests for Qualification (RFQ). In accordance with GC 4525 et seq., may be issued to identify firms capable of providing professional services of private architectural, landscape architectural, engineering, environmental, land surveying, or construction project management firms. RFQs require the submission of Statements of Qualifications for evaluation by a selection panel using objective criteria specified in the solicitation; and price is not the primary or sole selection factor.

## **Policy**

It is the Policy of the 22nd DAA, pursuant to Food and Agriculture Code 4051 et al, to use a Formal Competitive Procurement process to procure the following:

- Goods, Services, or Information Technology Goods and Services, including subcontracts, involving an expenditure greater than \$100,000,
- Personal Services Contracts (as authorized by Government Code, section 19130) when the amount exceeds the limit established by the Department of General Services in accordance with Public Contract Code, section 10348,
- Construction projects (pursuant to Food and Agriculture Code 4051(a)(1)(C)),
- All other contracts required by law to be subject to competitive bidding.

All other procurements can be made through an Informal Procurement Process.

Subject to any Categorical Exemptions or Exceptions, described below, all purchases for Goods and Services shall:

- A. Comply with Applicable Law: All contracts and purchases must comply with all applicable local, state, and federal laws.
- B. Conform to 22nd DAA Purpose and Mission: All contracts and purchases shall operate in conformity with 22nd DAA goals, objectives, and mission and shall consider the impact of 22nd DAA events and activities on the local community.
- C. Be Written: All contracts for the purchase of Goods and Services shall be in writing, free from any type of discrimination and conflict of interest, in compliance with applicable law, and duly executed by the 22nd DAA.
- D. Require Board Approval: Excluding situations where the 22nd DAA's Board has expressly delegated limited authority to the Chief Executive Officer, all

contracts must be submitted to and approved by the Board during a public meeting to be effective and legally binding on the 22nd DAA.

E. Be Approved by CDFA and DGS where required: All contracts that require the approval of the California Department of Food & Agriculture (CDFA) and/or the Department of General Services (DGS) must be submitted to CDFA and/or DGS pursuant to Food & Agricultural Code section 4051 *et seq.* to be reviewed and approved before implementation by 22nd DAA.

### **Categorical Exemptions to Formal Competitive Procurement**

The following are categorically exempt from Formal Competitive Procurement. Before conducting a purchase or may be made on the basis of a Categorical Exemption, the Manager of the Contracts and Purchasing Unit must approve the applicable Categorical Exemption. Once a Categorical Exemption is approved, the 22<sup>nd</sup> DAA may forego the Formal Competitive Procurement process. Even if exempt, the 22nd DAA may elect to still enter into a Formal Competitive Procurement in some circumstances.

- A. Utility Services: The item or service to be procured is from a utility company or wholesale utility provider where service connections are allowed only in 1) geographically defined service territories; 2) a competitively limited wholesale provider market; or 3) where the work involves a utility system and only the utility company itself is allowed to perform the work.
- B. Goods Procured Through CMAS: Goods that are procured through CMAS.
- C. Standard Commercial Off-the-Shelf Software Packages (COTS) or Hardware Products: Software or hardware products which are ready-made, available for sale to the government and to the public, and designed to be easily integrated into existing systems without the need for extensive customization. COTS software can either be installed on 22nd DAA electronic equipment or delivered over the Internet. COTS include, but are not limited to, those items approved by 22nd DAA's Technology Office.
- D. Equipment Maintenance Services: Maintenance Services Agreements provided by the equipment manufacturer or dealers / distributors, provided no satisfactory alternative sources exist, as determined by the 22<sup>nd</sup> DAA.
- E. Software, Software Licenses and Operating System Maintenance Services: Where the 22nd DAA has procured software and operating systems for its use, procurement of the continuing maintenance and upgrades of the software and operating systems, training, and renewal of software licenses.

- F. Small Business (SB), Micro Business (MB), and Disabled Veteran Business Enterprises (DVBE): In compliance with Government Code section 14838.5, the 22nd DAA may acquire Goods and Services from a DVBE, SB or MB certified by the State of California without a Formal Competitive Procurement process provided at least two price quotations are received from two or more certified small businesses, including microbusinesses, or from two or more DVBEs.
- G. Revenue Generating: In accordance with section 3965.1 of the Food and Agricultural Code, Agreements that provide revenue for the District are exempt, excluding those that involve hazardous activities as determined by CDFA, unless adequate insurance is provided.
- H. Fair-time Vendor Rental Agreements: In accordance with Title 3, California Code of Regulations, section 7010 et seq, short term contracts (not to exceed five years) for the non-exclusive use of a portion of the Premises by vendors or independent contractors during the annual Fair.
- I. Informal Procurement Process: As defined in Definitions above.
- J. Newspapers and Publications Services: Notices and publication services used to post notices required by law or policy, and subscriptions to newspapers, journals, websites, newsletters, and other periodicals.
- K. Contract extensions during Pending Protest or Ongoing Procurement Process: Extension of existing contracts where the Goods or Services provided under the existing Contract are the subject of an ongoing competitive bid process and the results of that process have been delayed or protested in accordance with applicable Bid Protest Procedures set forth below or by court order.
- L. Non-Profit Community Services: Procurement of services acquired from not-for-profit organizations.
- M. Sponsorship Acquisitions: See Policy 4.03.1 below.
- N. Professional Development Services: Procurement of educational or specialized training services.
- O. Governmental Entities: Contracts with other governmental entities, also known as "Inter Agency Agreements." This includes, but is not limited to federal, state, and local entities, as well as Joint Power Authorities established for the benefit and/or use by the 22nd DAA.
- P. Architectural, Engineering and Related Professional Services: Professional services of private architectural, landscape architectural, engineering, environmental, land surveying, or construction project management firms.

- Q. Legal Services: Subject to the applicable provisions of the Government Code, legal services, legal consultation, representation, research, and analysis to support the 22nd DAA.
- R. Highly Specialized Consultants: The Chief Executive Officer may determine that specialized consultant services are critical to the 22nd DAA's success and may authorize, without a competitive procurement, a consulting contract, not to exceed the limit established by the Board through the annual Delegation of Authority for Contract Approval, Check Signing Authority, and Credit Card Use.
- S. Marketing and Media Services and Products: Marketing and media services and products in digital and physical form, including the design and production of print or promotional materials, photographs, videos, graphics, social media content, websites, radio and television airtime, internet advertising, streaming services advertising, outdoor advertising and other forms of media advertising.
- T. Entertainment: Note that entertainment coordinator/director and talent-buying contracts are not exempt from bidding, only entertainment itself.
- U. Matter of Law: Contracts that the 22nd DAA is required to enter into as a matter of law.

### **Exceptions to Formal Competitive Procurement**

Competitive bidding may not apply under certain circumstances if an exception is warranted. The following are examples of circumstances that may be considered in authorizing case-by-case exceptions to this Policy:

- A. Sole Source: A situation where only one person, firm, or manufacturer exists that can provide the needed Goods or Services and no equivalent person, firm or manufacturer is available that would meet the 22nd DAA's minimum needs.
- B. Lack of Competition: Competition is precluded because of the existence of patent rights, copyrights, secret processes, controlled or limited market or distribution, restricted or limited availability of the basic raw material(s) or similar circumstances, and there is no equivalent item or service.
- C. Absolute Compatibility:
  - 1. The procurement is for replacement parts or components for equipment, and no information or data is available to ensure that the parts or components obtained from another supplier will perform the same function in the equipment as the part or component to be replaced;
  - 2. The procurement is for replacement parts or components for equipment, and the replacement parts or components would compromise the safety or

reliability of the product, or would void or invalidate a manufacturer's warranty or guarantee; or

3. The procurement is for upgrades, enhancements or additions to hardware or for enhancements or additions to software, and no information and data is available to ensure that equipment or software from different manufacturers or developers will be as compatible as equipment or software from the original manufacturer(s) or developer(s).

D. **Opportunity Purchases**: Opportunity purchases from local businesses that, for similar things available through the state purchasing program, may be purchased locally at a price equivalent to or less than that available through the state purchasing program. (Food & Agr. Code, § 4051, subd. (b)(1).) Purchases made from a local vendor (physical location within San Diego County) that have rates that are equal to or less than those provided through a state purchasing program (such as Department of General Services' Leveraged Procurement Agreements) OR document in writing that the purchase is financially beneficial to the overall fair[grounds] program, regardless of price. Utilizing this method requires comparison between a local vendor and established state contract. State contracts can be found here: <https://caleprocure.ca.gov/pages/LPASearch/lpa-search.aspx>.

E. **Exigency Purchases**: In cases of a Public Exigency as defined under "Definitions" above, the Chief Executive Officer may authorize contracts for Goods and Services in the best interests of the 22nd DAA.

Threshold Amounts and other Requirements for Approving **Exceptions** to Formal Competitive Procurement:

Unless otherwise allowed under this Policy, Exceptions to Formal Competitive Procurement with an estimated expenditure value may be approved as follows:

- A. If a Contract was previously approved by the Board, any Amendment to that Contract must be presented to the Board for consideration and approval during a 22nd DAA Board Meeting before the Amendment is made.
- B. Any Contract of a controversial nature or that may be of great public interest must be presented to the Board for consideration and approval during a 22nd DAA Board Meeting.
- C. Exceptions up to \$100,000 – Chief Executive Officer
- D. Exceptions over \$100,000 – Board

Requests for Exceptions:

Requests for Exceptions to this Policy must be submitted in writing or in electronic format, and include the following information:

- Description of and necessity for the procurement.
- Items and the term period.
- Benefits to the 22nd DAA.
- The factual basis for the claimed exception; identify item that applies.
- The requesting party's determination of fair and reasonable price.

In the event a request for an Exception to Formal Competitive Procurement is denied, one of the Formal Competitive Procurement processes must be utilized.

### **Small Business (SB), Micro Business (MB) and Disabled Veteran Business Enterprise (DVBE)**

By way of this Policy, the 22nd DAA encourages SB, MB and DVBE prime contractors to participate in the competitive procurement process.

### **Bid Protests**

With public contracts, the opportunity or option to "protest" a bid award is provided under certain limited circumstances.

The Proposer or Bidder must file the protest with the 22<sup>nd</sup> DAA and with Department of General Services.

A protest cannot be considered if:

- The protestant was not a Proposer or Bidder.
- The protestant has not alleged that it was the lowest responsible Bidder or the highest-scored Proposer.
- The protestant is not able to make a supportable assertion that it was the lowest responsible Bidder or should have been the highest-scored Proposer.
- The protest was not submitted timely.
- The grounds for the protest do not meet the permissible grounds stated in the Public Contract Code.
- The Contract is not subject to Formal Competitive Procurement.



## Item 6-B, Fair Operations Committee Report

### **In Brief:**

- The San Diego County Fair's operations are critical to the success of the 22nd District Agricultural Association (22nd DAA).
- The Fair Operations Committee discussed the 22nd DAA's vendor and concessionaire selection process and the Grandstand Summer Concert Series lineup.
- Food and entertainment are major draws for the Fair, based on survey data.
- The 22nd DAA has replaced low-performing vendors with new vendors in recent years.
- The vendor selection process is focused on criteria that includes past performance, participation, and uniqueness of offerings.
- The process is intended to provide for accountability, innovation, healthy competition, and opportunity among concessionaires while meeting guests' high expectations for food and supporting their overall Fair experience.
- The Grandstand concert lineup, which is nearly fully booked, will be announced in three tranches at the February, March, and April Board of Directors meetings.

### **Background:**

The Fair Operations Committee ("the Committee") was created by the 22nd DAA Board Chair with the following charges:

- Review the operations of the San Diego County Fair.
- Provide feedback to the staff regarding Fair programming.
- Make recommendations to the Board regarding decisions pertaining to the Fair.

The San Diego County Fair, a tradition dating back to 1880, is the largest annual event at the Del Mar Fairgrounds and the largest and longest-running community celebration in the region. The Fair is produced by 22nd DAA staff and supported by a team of 1,200+ temporary employees, vendors, contractors, entertainers, exhibitors, midway operators, sponsors, and community partners.

Revenue generated by the Fair is critical to fund the 22nd DAA's payroll, operations, maintenance, and capital needs.

The 2026 San Diego County Fair will be open June 10-July 5, excluding Mondays and Tuesdays, for a total of 20 days. This year's theme is "Once Upon A Fair," a celebration of stories, storytelling, and literacy.

### **Process/Approach:**

The Committee met with 22nd DAA staff on February 3, 2026, to discuss processes and ongoing planning efforts for the 2026 San Diego County Fair. The discussion primary focused on two of the most popular aspects of the Fair: the entertainment and the food.

### **Concessionaire Selection Process**

Applications for food concessionaires (as well as commercial vendors, including in the San Diego Marketplace) are available online at [www.sdfair.com/vendors](http://www.sdfair.com/vendors) and are due March 31.

Food is a major source of revenue during the Fair, and it consistently ranks in the top two reasons why people visit the Fair, according to post-Fair guest surveys. This preference was further confirmed by responses ranking food as the top reason for visiting the Fair in the statistically significant survey of San Diego County residents taken last summer for the master site planning process.

The Committee was briefed on the 22nd DAA's processes to select food concessionaires — the 2025 Fair had more than 100 stands — each year. The food concessionaire selection process is a strategy based on a variety of criteria, including:

- Past performance at the San Diego County Fair (or a similar event)
- Uniqueness of offerings to provide both for competition and a plethora of options for customers
- Menu pricing
- Participation in Fair promotions, such as "Foodie Friday" and \$15 value meal deals
- Investments in improvements and aesthetics to contribute to the dynamic Fair experience
- Overall ability to aid in achieving the goal of being a "foodie" destination

The 22nd DAA has also sought to annually replace low-performing food concessionaires in recent years. This allows for new concessionaires, new and exciting options for guests and continued innovation across menus, presentation, and service.

The goal of the process is ultimately to provide for opportunity, accountability, and healthy competition for concessionaires while maintaining and exceeding Fair customers' expectations in terms of quality, pricing, and service.

### **Grandstand Concerts**

The Grandstand Summer Concert Series is also a major draw for the Fair. The 22nd DAA seeks a diverse lineup and works with a contractor to assess the viability of entertainers for the 8,000-seat venue at the Fair.

So far this year, 15 nights of Grandstand entertainment (including the Fourth of July fireworks show) have been booked.

Unlike in past years, when the public unveiling of the Grandstand lineup came in two tranches (often due to the timing of some artists' Coachella and Stagecoach music festival appearances), the rollout of the 2026 artists will be divvied up into multiple — potentially four total — announcements. The initial artist announcements will occur on February 10 (and the contracts are listed under the Matters of Information on the agenda and in this packet). Tickets for those concerts, which include same-day Fair admission, will go on sale to the general public on Friday, February 13, with a pre-sale for Fair email subscribers from February 11-12.

### **Next Steps:**

Additional Grandstand concerts will be announced March 10 in conjunction with the 22nd DAA Board meeting, followed by more announcements in April. This multiple-date approach will also provide for additional marketing and earned-media opportunities for the 2026 Fair.



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

### [Information Item]

#### **In Brief:**

- The Committee met on Wednesday, January 21, 2026 to discuss financial goals for the 22nd DAA CEO, Committee objectives for the year, and a recurring meeting schedule.
- In addition to reviewing and monitoring monthly and annually recurring information such as insurance renewals, the Committee plans to also address matters unique to 2026, such as:
  - The Fire Station lease with the City of Del Mar;
  - The 22nd DAA's Food & Beverage Services Agreement; and
  - A Fair-related price elasticity study

#### **Background:**

The Finance Committee (the Committee) of the 22nd District Agricultural Association (22nd DAA) is charged by the Board Chair to:

- Review and monitor financial data and information pertaining to 22nd DAA.
- Review the CEO's proposed budget prior to presentation to the Board.
- Make recommendations to the Board regarding financial matters, including day-to-day land use decisions, to improve 22nd DAA's financial health.
- Develop and amend recommended financial policies for Board consideration.
- Review and recommend insurance policies and programs for board consideration.

#### **Process/Approach:**

The Committee met on Wednesday, January 21, 2026 to discuss financial goals for the 22nd DAA CEO, Committee objectives for the year, and a recurring meeting schedule.

#### **2026 Work Plan**

The Committee objectives/work plan for the year are:

- To review the conversion of Del Mar Race Track Authority assets to the 22nd DAA.
- To discuss the renewal of insurance policies that are set to expire on May 1.

- To assess the Food & Beverage Services Agreement and make a recommendation to the Board as to whether to exercise the final remaining five-year option.
- To analyze historic live horse racing meet trends and true net revenue to the 22nd DAA.
- To review and discuss the City of Del Mar's Fire Station lease, the extension of which expires June 30, 2026.
- To continue exploring options for banking services for the 22nd DAA.
- To recommend an Investment Policy for the 22nd DAA.
- To review options for reducing credit card fees paid out by the 22nd DAA.
- To review the results of a price elasticity study for the San Diego County Fair by September 30, 2026.

### **Food & Beverage Services Agreement**

The 22nd DAA entered into the current Food & Beverage Services Agreement (Services Agreement) with Premier Food Services (now part of Legends Hospitality) on January 1, 2012, following a competitive bidding process. The agreement was for a four-year term, 2012-2015, with two, three-year options to renew (2016-2018 and 2019-2021).

In September 2018, the 22nd DAA exercised the second three-year option (through 2021). In November 2018, in consideration of the \$2 million capital investment loan provided by Premier, the 22nd DAA extended the Services Agreement for an additional five years, through December 2026, with one (1) option to extend for another five years (January 1, 2027 through December 31, 2031).

Prior to July 4, 2026, the Board will need to determine whether it plans to exercise the remaining option, as the Services Agreement requires the 22nd DAA to provide a 180-day notice. Because this would occur during the run of the 2026 San Diego County Fair, this means the Board will need to decide at or before its May 12 meeting.

### **Financial Goals**

The Committee provided guidance and suggestions to CEO Moore to develop recommended financial goals for 2026.

#### **Next Steps:**

The Committee will begin working to assess and make recommendations to the Board regarding the items described in the work plan. The Committee also especially understands the need for action prior to the Fair on the Food & Beverage Services Agreement, the Fire Station lease, and insurance renewals.

CEO Moore will discuss the financial goals with the Board.



## Item 6-D, People & Culture Committee Report

### **In Brief:**

- Policies 3.01 (Board Composition and Officers) and 3.09 (Organizational Planning) identify that the Board Chair is responsible for developing the Annual Work Plan for the Board
- Consideration of a work planning session began in October 2025 for the purpose of setting the Board's intentions, goals, and plans for 2026
- The Executive Committee and CEO developed a preliminary list of topics to cover and discuss in a work planning session with the Board
- Following the January Board meeting, the Board Chair tasked the People & Culture Committee with working with the CEO to engage a consultant to provide Board governance education

### **Background:**

The People & Culture Committee (the Committee) of the 22nd District Agricultural Association (District) is charged by the Board Chair to:

- Building on 22nd DAA's purpose, mission, vision, and values, work with the Board and the CEO to recommend performance goals for the organization and the CEO.
- Discuss and review the CEO Performance Review process.
- Develop and recommend CEO Performance Review policies for Board consideration.
- Evaluate the effectiveness of the relationship with the CEO.
- Develop recommended orientation programs for newly appointed Board Members.
- Identify and recommend on-going development programs and opportunities for Board Members.
- Make recommendations to the Board regarding matters pertaining to District's hiring processes and workplace culture.

### **Process/Approach:**

#### **Identifying a Board Facilitator**

Based on the original intentions of a work planning session to set the Board's intention for the coming year in the form of establishing meeting topics, CEO Moore reached out to consultants that the Board worked with in recent years and the

California Department of Food and Agriculture for recommendations. Additionally, the Committee has offered input and recommendations.

A scope of work was developed and proposals have been solicited from potential facilitators with the hopes of interviewing 2-3 consultants within days of the February Board meeting. In the meantime, the Committee is requesting available dates from the Board to meet for an all-day workshop or two back-to-back half days in March or possibly April.

### **Workshop Approach**

Following the October leadership transition and the addition of three new Board members during the past two-plus years, the Committee recognizes that the Board has had several issues converging simultaneously:

1. The Board Chair's desire to work collaboratively to identify Board priorities, direction, and goals for the year ahead, including ongoing policy development and master site planning goals.
2. The CEO's annual performance evaluation and goal-setting processes.
3. The Board's strength of relationship and collaboration with CEO, Board colleagues, and other members of the Executive Team

The workshop is intended to touch on these issues and more. Ultimately, the Committee's goal is for the Board to collectively better understand governance and Board dynamics that contribute to organizational culture.

### **Next Steps:**

The Committee requests that the Board set aside two days in March or April for a facilitated workshop.

In advance of the Workshop, the Committee will work with the selected facilitator in development and review of the materials and program.



March 2026

## Board Workshop: Dates for Consideration

April 2026						
S	M	T	W	T	F	S
			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30		

Sun	Mon	Tue	Wed	Thu	Fri	Sat
1	2	3	4	5	6	7
8	9	10	11	12	13	14
		22nd DAA Board Meeting				
15	16	17 St. Patrick's Day	18	19	20	21
22	23	24	25	26	27	28
29	30	31 Cesar Chavez Day	1 Passover Eve	2 Passover (first day)	3	4

• Federal Holidays

• Local Holidays

• Multiple Events



April 2026

## Board Workshop: Dates for Consideration

May 2026						
S	M	T	W	T	F	S
				1	2	
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30
31						

Sun	Mon	Tue	Wed	Thu	Fri	Sat
29	30	31	1 Passover Eve	2 Passover (first day)	3	4
5 Easter Sunday	6 Easter Monday	7	8	9 Last Day of Passover	10	11
12	13	14 22nd DAA Board Meeting	15 Tax Day	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30	1	2

• Federal Holidays

• Local Holidays

• Multiple Events



## **Item 6-E – City of Del Mar Affordable Housing Request Update**

[Action Item]

### **In Brief:**

- The 22nd District Agricultural Association (22nd DAA) entered into an Exclusive Negotiating Rights Agreement (ENRA) with the City of Del Mar (Del Mar) in March 2024, effective April 2024, to study whether and where affordable housing could be sited at the Fairgrounds.
- Del Mar has secured a Housing Acceleration Program grant (HAP grant) to fund studies beneficial to the ENRA and the 22nd DAA Board's master site planning process.
- The 22nd DAA and Del Mar entered into a Memorandum of Understanding (MOU) providing reimbursement to the 22nd DAA for conducting the studies.
- Through these studies and other requests for information, 22nd DAA staff has been working to provide information to the Board to make an informed decision about whether to site affordable housing on 22nd DAA property at Del Mar's request.
- The 22nd DAA's on-call environmental consultants Harris & Associates are in the process of conducting the studies, which are anticipated to be completed by the end of March and will be presented to the Board and the public.
- This technical information from these studies is intended to help the 22nd DAA Board make the final decision on whether to move forward and seek California Coastal Commission and Department of General Services approval to site affordable housing on 22nd DAA property as part of its new master site plan.
- The Board voted in October 2025 to seek amendments to the ENRA and to authorize the CEO to work with Del Mar on those amendments, which would require Board and Del Mar City Council approval.
- Following the October Board meeting, the Board Chair tasked the Legal Committee with working with the CEO on the proposed ENRA amendments, as they pertain to an existing binding agreement with Del Mar.
- The Legal Committee and 22nd DAA counsel met with Del Mar officials on December 18 to discuss the proposed amendments and are currently reviewing proposed language for mutual approval.
- This report is inclusive of background pertaining to progress of work completed under the ENRA and HAP Grant, the amendments to the ENRA, and the potential suspension of the ENRA pending these amendments.

## **Background:**

Since 2021, the 22nd DAA has been working cooperatively with Del Mar regarding an exploration of Del Mar's request to site affordable housing at the Fairgrounds. This request was prompted by the State of California's affordable housing requirements of Del Mar. Through this process, the 22nd DAA Board and the Del Mar City Council separately voted to adopt the ENRA in early 2024.

The ENRA identifies the processes to:

- Complete site due diligence and establish timelines;
- Determine the scope/components of potential development;
- Make a preliminary determination on the feasibility of the proposed development;
- Identify a potentially mutually agreeable site for the development of up to 61 units of affordable housing; and
- Establish procedures and standards for the negotiation of a mutually acceptable long-term ground lease agreement for development of affordable housing.

The ENRA does **not**:

- Commit the 22nd DAA to providing a site for affordable housing;
- Prevent Del Mar from negotiating with other parties or entities to meet its affordable housing need;
- Predetermine a site or sites for affordable housing;
- Initiate lease negotiations without the Board's approval.

The 22nd DAA also intended for the ENRA study period to align with the master site planning process so that these decisions about future land use on 22nd DAA properties could be made in concert.

To accommodate the continued studies and to better align with the timeline of the 22nd DAA's master site planning process, 22nd DAA and Del Mar exercised both available options to extend the ENRA period by 12 months, to April 2027.

Since adoption of the ENRA, the 22nd DAA Board has voted twice to pause discussions under the agreement — in July 2024 and in February 2025 — due to actions by Del Mar officials that were in opposition to Del Mar's guiding principles related to protecting the needs of the 22nd DAA as part of its position on the San Diego Association of Governments' (SANDAG) Los Angeles-San Diego (LOSSAN) Rail Corridor Realignment project. These pauses were intended to ensure Del Mar officials were accountable to their guiding principles and could move forward in good faith with affordable housing discussions. After the Del Mar City Council voted

on March 3, 2025, to reaffirm its guiding principles, the 22nd DAA Board of Directors voted at subsequent meetings to continue the ENRA discussions.

## **Legal Committee**

The Legal Committee was created by the 22nd DAA Board Chair with the following charges:

- Confer with the Attorney General's office on legal matters pertaining to District.
- Recommend outside counsel to represent District in legal matters where the Office of the California Attorney General authorizes District use of outside counsel.
- Recommend legal steps to the Board in closed executive session.

The Board Chair also directed the Legal Committee to work with the CEO and Del Mar leaders to discuss potential amendments to the ENRA, as it is a binding legal agreement. This followed the October 14, 2025, meeting in which the 22nd DAA Board voted to direct the CEO to discuss amendments to the ENRA with Del Mar to:

- Implement guiding principles to ensure any amendments are in total alignment with SB 79, to reflect California's housing vision;
- Require all actions and milestones to be presented to the Board for review and approval; and
- Drop the exclusivity clause for the 22nd DAA.

These and any other amendments to the ENRA would ultimately require both Del Mar City Council and 22nd DAA Board approval.

## **Exclusive Negotiating Rights Agreement (ENRA) and Housing Acceleration Program (HAP) Grant**

Through the ENRA, the 22nd DAA has committed to performing due diligence on the possibility of siting affordable housing. The 22nd DAA's goal is and has been to provide the Board with the best possible information about the feasibility of affordable housing on 22nd DAA property — including where on the property it could and would be best sited, if at all — and its impacts to allow the Board to make an informed decision about whether and how to proceed.

The ENRA lays out the initial steps in a lengthy process:

- The 22nd DAA staff and consultants gather information and studies to present to the Board.

- The 22nd DAA Board decides whether and where to site affordable housing on the property as part of its master site planning process.
- If the Board ultimately decides to site affordable housing on 22nd DAA property, the 22nd DAA, with the Department of General Services, and Del Mar, would begin negotiating terms of a lease.
- Additionally, the Coastal Commission must approve the master site plan to allow for the use of affordable housing, as the current coastal development permits do not allow for such a use at the Fairgrounds.

To gather information intended for the Board to make an informed decision and for potential California Coastal Commission and Department of General Services approval, Del Mar applied for and received a \$1.5 million HAP grant, administered by the San Diego Association of Governments (SANDAG). The HAP grant funds due diligence studies such as site design feasibility, economic and financial feasibility studies, transportation and traffic analyses, environmental assessments (e.g., geotechnical, biological, sea level rise studies) and infrastructure assessments (e.g., water/sewer capacity studies, access improvements, sea level rise resiliency).

These studies will also produce some benefit to the 22nd DAA and its broader master site planning discussions, regardless of whether the 22nd DAA and Del Mar come to resolution on affordable housing. The 22nd DAA's on-call environmental consultants are conducting the studies. (Progress reports on the studies are included in the Process/Approach section of this report).

Ultimately, at the conclusion of the ENRA process, the 22nd DAA Board will review the studies and available information to determine whether to proceed with seeking the necessary approvals from the aforementioned entities.

### **Process/Approach:**

#### **Progress Report of Work Completed to Date Under the ENRA and HAP Grant**

The 22nd DAA's on-call environmental consultant Harris & Associates has been working on the myriad studies needed under the ENRA regarding the viability of affordable housing on 22nd DAA property. These studies provide for analyses of transportation, compliance with the California Environmental Quality Act (CEQA), water and sewer needs, sea-level rise vulnerability, and potential site analysis. Finalized reports are contingent upon the completion of all studies.

Six sites have been identified as possible locations for housing on the 22nd DAA's property. A map of these potential sites follows this report.

## Potential Housing Sites

(as identified on the map that accompanies this report)

Site Number	Site Name	City	Acreage
Site 1	East Main Stable Gate Site	City of Del Mar	1.5
Site 2	South of Stable Gate Site	City of Del Mar	1.5
Site 3	Adjacent to Fire Station Site	City of Del Mar	1.0
Site 4	Surf and Turf RV Park Site	City of San Diego	1.5
Site 5	Dirt Lot Site	City of San Diego	1.5
Site 6	Intersection Site	City of Del Mar	0.8

Under the MOU and the HAP Grant requirements, the consultants' work must be completed by March 31, 2026. As reports are reviewed and finalized by the 22nd DAA, presentations are expected to be provided to the Board and the public.

The status of the studies are listed below in chronological order, based on estimated dates of submission by Harris & Associates to the 22nd DAA for review.

**Transportation Analysis** — drafts submitted to the 22nd DAA on Jan. 13, 2026

- Transportation Due Diligence Report
- Transportation Demand Management Plan

**CEQA Constraints Analysis** — drafts submitted; additional edits expected by Feb. 13, 2026

- Biological Resources Assessment
- Cultural Resources Assessment
- Final CEQA Memo

**Water and Sewer Analysis** — estimated draft submission to the 22nd DAA by Feb. 13, 2026

- Water and Sewer Report
- Financial Review

**Sea Level Rise/Vulnerability Analysis** — estimated draft submission to the 22nd DAA by March 27, 2026

- Hydraulic Modeling Report
- Vulnerability Assessment
- Final Sea Level Rise Report

**Housing Sites Condition and Constraints Assessment** - estimated draft submission to the 22nd DAA by end of March 2026

- Housing Sites Assessment
- Financial Feasibility Assessment

### **ENRA Amendment Discussions**

The Legal Committee and 22nd DAA counsel met with Del Mar officials on December 18 to discuss the proposed amendments.

The Committee reiterated the Board's directions for amendments to the ENRA and discussed suggestions on how to structure and implement those amendments. Proposed amendments included adding language to specifically align the ENRA with the requirements of state housing laws; requiring that all actions and milestones will be presented to and Approved by the Board; and removing the language regarding exclusivity. Additionally, the Committee proposed amending the ENRA to clarify that the 22nd DAA Board will have the final say on any potential site location, if the Board moves forward with affordable housing.

The Committee in January reviewed the proposed amendments prepared by Counsel for the 22nd DAA. Del Mar is in the process of reviewing those amendments.

### **Next Steps and Further Consideration:**

The Committee will return at a subsequent meeting with the proposed amendments for consideration by the 22nd DAA Board. With the Board's approval, the amendments would be presented to the Del Mar City Council for approval.

Item 6-E-1 calls for a potential pause in the ENRA, pending Board approval of the amendments and completion and presentation of all feasibility studies. However, a pause in discussions may jeopardize the ongoing studies, due diligence work under the ENRA, and/or reimbursement for any outstanding invoices from consultants that were retained to prepare feasibility studies under the HAP Grant MOU. Thus far, about \$525,000 of the \$771,525 budgeted for the feasibility studies through the grant funding has been spent.



Source: SANDAG



## Harris & Associates



## Del Mar Fairgrounds Potential Sites

**22<sup>nd</sup> District Agricultural Association Board of Director's Communication Policy**

Approved at the BOD Meeting on August 11, 2020

(Adapted from CDFA Recommended Guidance for Fair Board Directors)

**BOARD COMMUNICATIONS**

The 22<sup>nd</sup> District Agricultural Association (District) communications program is designed to meet internal needs for timely information and keep the public advised of the District's program. The communications program enables all individuals affiliated with the District, whether members of the Board of Directors (Board), the Chief Executive Officer (CEO), or staff to speak with a unified voice on all aspects of District operations, which may be of interest to the public. This means that the District's response to every inquiry, regardless of the source, will contain the same information and be provided with similar courtesy and timeliness. Achieving a unified voice requires the District to translate its mission, values, and policies into clear, easily understood messages and then to deliver those messages through a variety of activities and media.

**Board Protocols for Community Relations and Publicity**

The question of who is to serve as the District's spokesperson should be revisited after any change in leadership, either the CEO or the Board president.

In general, the CEO serves on a day-to-day basis as primary spokesperson in areas of District business and programs. The Board president or other designated spokesperson makes announcements related to policy, capital campaigns, and major events.

To standardize communications in newsworthy situations, the designated spokespersons for the District that are authorized to respond to media inquiries and/or inquiries from public agencies, include:

- CEO or Deputy General Manager
- the Public Information Officer (PIO) or Marketing Director
- other persons specifically designated in writing by the above individuals to speak with respect to a particular topic or respond to specific inquiries.

Board members do not respond individually to media inquiries but rather refer those inquiries to the Public Information Officer (PIO) and/or the Marketing Director. The CEO or PIO may designate and call upon individual directors to speak with media to provide committee updates or to repeat decisions already executed by the Board.

Every effort will be made to respond to media inquiries in an expeditious manner, with a general guideline as follows:

- 1-hour response time in the event the facility is utilized for emergency response services
- 4-hour response time during key District-sponsored events like the San Diego County Fair
- 72-hour response time for general inquiries

### **Board Communications with Fair Management and Staff**

Board members follow the administrative chain of command in initiating communications on District business with any staff member. As a general rule, Board members should restrict their contacts with staff to communications with the CEO or designees. Exceptions include (i) ongoing project implementation or issue analysis that includes participation by both staff and Board members, (ii) forwarding media inquiries, and (iii) making return calls to staff.

### **Board Protocols for Communicating with the CEO**

Board members should convey to the CEO non-confidential information of relevance to the District, which they have obtained through their own interactions with community groups and officials.

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

**Policy 3.01: Board Composition and Officers**

Date Adopted/Last Revised: March 21, 2023/April 9, 2024/May 14, 2024

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

**Purpose**

The purpose of this policy is to outline the Board's organizational structure—including its composition and officers.

**Policy**

**Board Composition**

The Board is comprised of nine members, appointed by the Governor of California to serve staggered four-year terms. Board Members may serve more than one term and are reappointed at the discretion of the Governor.

**Board Officers**

Annually, the Board will elect up to three of its members to fill the officer positions as outlined in Article III of the 22<sup>nd</sup> DAA Bylaws. Per this Policy, elected Board Officers are authorized to conduct bank transactions on behalf of the 22<sup>nd</sup> DAA.

In addition, and in accordance with California law, the Board shall select a secretary, a manager, and a treasurer from among individuals that are not members of the Board. One person may be the secretary, manager, and treasurer and the Board may elect to delegate responsibilities vested in the Board to its officers or employees, including to the secretary, manager, and treasurer.

## **Board Chair Responsibilities**

The role of the Board Chair is to ensure the integrity of the Board's processes. In addition to the specific duties outlined in other areas of the Policies, the Board Chair has the following general responsibilities:

- a) The Board Chair is the manager of the Board's activities, ensuring that the Board of Directors and its members follow Board of Directors rules and policies as well as the provisions of the Bagley-Keene Open Meeting Act. Since the Board conducts business during public Board meetings, the Board Chair is responsible for ensuring that the Board's work is conducted efficiently and effectively. To that end:
  - o Meeting discussion content will include only those issues that clearly (according to Policy) belong to the Board to decide, consider, or to monitor.
  - o Information that is not for monitoring performance, educating the Board or aiding in the Board's decision-making processes will be avoided or minimized and always noted as such.
  - o Deliberation will be fair, open, thorough, timely, orderly, and kept to the point.
- b) The Board Chair will set the agenda for Board meetings with input from the other members of the Board and with the assistance of the CEO. The Board Chair will ensure that Board meetings are focused on matters of Board responsibility.
- c) The Board Chair is responsible for promoting the development of a Board work plan, complementary to the strategic plan and objectives of the organization.
- d) The Board Chair—without undermining the CEO's accountability to the full Board of Directors—will be the Board's primary liaison with the CEO, who is responsible for the execution of Board policies and directives, and for determining the means, organizational structure and management processes necessary to achieve the strategic objectives.
- e) The Board Chair is responsible for ensuring that conflict of interest issues and other conflicts or disputes are addressed sensitively and resolved constructively.
- f) The Board Chair, with the support and cooperation of the Board, is responsible for ensuring adequate communications and accountability to External Stakeholders.
- g) The Board Chair may sign, in conjunction with the CEO or any other officer of the 22<sup>nd</sup> DAA authorized by the Board, any deed, mortgages, bonds, contracts, or other instruments which the Board has authorized to be executed with the exception of cases where the signing and execution thereof shall be expressly delegated by the Board or by the Bylaws or by statute to some other officer or agent of the 22<sup>nd</sup> DAA.

- h) The Board Chair is the only Board Member authorized to speak for the 22<sup>nd</sup> DAA, unless this is specifically delegated by the Board Chair to another Board Member. The Board Chair will act as public and media spokesperson for the Board of Directors and 22<sup>nd</sup> DAA as required.

### **Board Vice Chair Responsibilities**

The Board Vice Chair will act on the Board Chair's behalf in the absence of the Board Chair or in the event of the Board Chair's inability or refusal to act. When acting in this capacity, the Board Vice Chair will have all the powers and responsibilities of the Board Chair. The Board Vice Chair will also take minutes at all closed session meetings when the CEO is not in attendance.

### **CEO Responsibilities**

The CEO will attend all meetings of the Board of Directors, unless excused by the Board. See Policy 5.03 (Delegation of Executive Authority) for additional details about the CEO's responsibilities.

### **Secretary Responsibilities**

The CEO will serve as the Secretary of the 22<sup>nd</sup> DAA in accordance with Article III, Section 6 of the Bylaws.

### **Treasurer Responsibilities**

The CEO will serve as the Treasurer of the 22<sup>nd</sup> DAA in accordance with Article III, Section 7 of the Bylaws.

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

## Policies

### **Policy 3.03: Board Member Code of Conduct**

Date Adopted/Last Revised: March 21, 2023

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

#### **Purpose**

Board Members are expected to conduct themselves in a manner that cultivates a spirit of cooperative decision-making, shared goals and collective ownership of decisions of the Board of Directors. In addition to the guidelines provided in the Organizational Values, Code of Ethics, and Conflicts of Interest policies, this policy outlines a specific Code of Conduct that applies to all Board Members.

#### **Policy**

The Board commits itself and each Board Member to professional and respectful conduct, including proper use of authority and appropriate decorum when acting as Board Members. Accordingly, Board Members are expected to embrace and support the following principles:

1. **Group Responsibility:** The Board of Directors will cultivate a sense of group responsibility. The Board may use the expertise of individual Board Members to enhance the Board's understanding of issues, but will not substitute such expertise for the collective judgment of the Board.
2. **Preparation and Participation:** Board Members are accountable for discharging their duties honestly and in good faith. Board Members shall exercise the degree of care, diligence and skill that a reasonably prudent person would use in similar circumstances.

- a. *Preparation:* Board Members will review agenda materials in advance of public Board meetings and committee meetings, and will participate productively in discussions.
- b. *Ethics Training:* All Board Members are required to participate in training regarding the Bagley-Keene Open Meeting Act, ethics, conflict of interest, public records requests and Board Policies. In addition, all Board Members must complete all trainings required by the State and California Department of Food & Agriculture in a timely manner. Training should take place as part of the initial onboarding process for new Board Members. In addition, all Board Members should review relevant material on an ongoing basis.

3. **Respect for Roles:** Board Members will not attempt to exercise individual authority over the 22<sup>nd</sup> DAA.

- a. *Interaction with CEO/Staff:* Board Members' interaction with the CEO or with staff should respect the appropriate reporting lines and recognize the lack of authority vested in individuals except when explicitly Board authorized (see Policy 5.02 CEO and Staff Accountability).
- b. *Interaction with Public:* Board Members' interaction with public, media or other entities must recognize this limitation and Board Members should not speak for the CEO, or speak for the Board except to communicate explicitly stated Board decisions (see Policy 4.09 Community Relations and Advocacy).
- c. *Board and CEO Relationship:* The CEO is accountable to the Board as a whole, and not to individual Board Members. Therefore, the relationship between the CEO and individual Board Members, including the Board Chair, is collegial, not hierarchical (see Policy 5.02 CEO and Staff Accountability).
- d. *Volunteering:* As the CEO is responsible for operational activities and results, individual Board Members who volunteer in operational capacities are subject to the direct supervision of the CEO or responsible staff person.
- e. *CEO/Employee Performance:* Except for participation in confidential Board deliberation related to the employment of the CEO (including but not limited to CEO performance evaluation (see Policy 5.05 CEO Performance Evaluation)), Board Members will not publicly express individual judgments of performance of employees or the CEO.
- f. *Board Assessment:* Board Members shall annually participate in an individual self-assessment and evaluation of overall board performance.

4. **Commitment to Board Decisions:** Board Members will support the legitimacy and authority of the final determination of the Board on any matter, irrespective of the Board Member's personal position on the issue.
5. **Event Attendance and Support:** In addition to attendance at Board meetings, Board Members are encouraged to attend the following 22<sup>nd</sup> DAA events and functions:
  - a. Opening Day of the annual San Diego County Fair
  - b. Awards presentations
  - c. Other special events as determined by the Board or requested by the CEO

Board will govern itself in a manner consistent with standards of excellence. Board Members that fail to meet the standards of the code of conduct may be subject to reporting to the Governor's Appointment Secretary.

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

## Policies

### Policy 3.02: Board Committees

Date Adopted/Last Revised: March 21, 2023

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

#### Purpose

In accordance with Bylaw Article IV, Section 6, the 22<sup>nd</sup> DAA recognizes that either the Board Chair or the Board of Directors can establish committees to assist in the work of the Board. The purpose of this policy is to outline the authority of the Board Chair to establish committees.

#### Policy

Within this structure, Board Committees have one essential role—to strengthen and support the work of the Board as a whole.

The Board of Directors must comply with all requirements of the Bagley-Keene Open Meeting Act in creating standing committees. The Board Chair may form standing committees to address long-term or continuing needs of the organization upon his or her discretion during a duly noticed meeting of the Board of Directors. A standing committee with more than two Board Members must comply with the requirements of the Bagley-Keene Open Meeting Act.

The Board Chair may also create time-limited ad hoc committees to oversee specific projects, tasks or initiatives. Each ad hoc committee may have between two and four members. Ad hoc committees with more than two members must comply with the requirements of the Bagley-Keene Opening Meeting Act. When the task of an ad hoc committee is completed or no longer relevant, the Board Chair should dissolve that committee through formal action at a properly noticed public meeting.

## **Procedure**

### **Committee Member Selection**

The Board Chair is responsible for selecting committee members. When selecting members, the Board Chair will consider the Board Member's knowledge and expertise, competencies and skills and personal interest in serving on the committee. In the interest of having committee members represent the community served by the committee, the Board Chair may also consider the diversity of each Board Member's personal experiences and backgrounds. Unless otherwise specified, the CEO or his/her staff designee will serve as a non-voting member of each committee.

### **Committee Member Resignation**

Committee members may resign from their committee positions or recommend replacement at any time by giving written notice of resignation to the Board Chair. The resignation is effective when notice is received, unless the notice specifies a later effective date. The acceptance of the resignation is not necessary to make it effective.

### **Committee Member Removal**

The Board Chair can remove and/or reassign committee members when, in the Board Chair's sole judgment, it would be in the best interest of the 22<sup>nd</sup> DAA.



## **2026 Board Committees**

As of February 1, 2026

To help advance shared organizational priorities, plan for the 22nd DAA's future needs, develop cohesive strategies, and better distribute oversight responsibilities among members, the Board Chair has reconfigured and reconstituted the committees consistent with Policy 3.02 to have one essential role — to strengthen and support the work of the Board as a whole.

The Committees as appointed by the Board Chair will be divided into three categories:

1. **Standing Committees**, which will be responsible for developing policies, oversight of current 22nd DAA operations, and short-term and near-term plans including the master site planning process.
2. **Ad Hoc Committees**, which will meet as needed to discuss specific Board matters as they arise.

All committees, including membership and charges, are listed on the following pages.

Per Bylaw Article IV, Section 6, and Policy 3.02, the Board Chair may make changes to assignments, the structure of committees, and committee charges at their discretion. Committees may also be delegated tasks by the Board Chair as a result of discussion at Board meetings.

Committees will confer and coordinate with the Chief Executive Officer and any staff the CEO deems appropriate and necessary to include in the discussions. Under Policy 3.02, the CEO, or their staff designee, will serve as a non-voting member of each committee.

These committee assignments become effective on February 1, 2026.

## **Standing Committees**

### **Executive Committee**

**Members:** Sam Nejabat (Chair) and Lisa Barkett

*Board Chair and Vice Chair*

#### **Committee Charges:**

- Provide input on the Board's work plan, schedule, and agenda.
- Ensure that the Board's work plan remains on track.
- Help plan the Board's strategic discussions, events, and trips.
- Consider and implement improvements for Board meetings.

### **Audit & Governance Committee**

**Members:** Joyce Rowland (Chair) and Phil Blair

#### **Committee Charges:**

- Develop recommendations for mitigating risks to the organization.
- Engage with auditing firms as necessary to ensure 22nd DAA's finances are audited in accordance with best practices and make recommendations to the Board.
- Develop and amend recommended policies for Board consideration.
- Guide the Board's annual self-assessment process, including:
  - The Board's progress in relation to the strategic plan.
  - The Board's performance as a body in terms of its capacity to function effectively and collaboratively.
  - The Board's strength of relationship/collaboration with the CEO and other members of the Executive Team.
  - Board Members' individual understanding and support of the organization's mission, values, and ethics, as well as Board-specific responsibilities.

### **DMTC Liaison Committee**

**Members:** Mark Arabo (Chair) and Lisa Barkett

#### **Committee Charges:**

- Meet with the Del Mar Thoroughbred Club (DMTC) on matters related to the horse racing industry and horse racing at the Del Mar Fairgrounds.
- Review financial and contract performance by DMTC.
- Report to the Board on the status of horse racing and making recommendations regarding matters pertaining to 22nd DAA's relationship with DMTC.

## **Emergency Preparedness Committee**

**Members:** Lisa Barkett (Chair) and Joyce Rowland

**Committee Charges:**

- As a potential evacuation site and major events venue, work with staff to develop, implement, and maintain comprehensive emergency plans and procedures to ensure the safety and security of all personnel, visitors, vendors, and facilities
- Provide oversight on emergency readiness, response coordination, and recovery planning for the Fairgrounds, annual fair, and DMTC racing events.
- Collaborate closely with public safety agencies, local jurisdictions, and community partners to enhance communication and preparedness.
- Maintain regulatory compliance.
- Promote continuous improvement through regular training, education, and evaluation.
- Minimize risk, strengthen resilience, and ensure the Fairgrounds remains a safe and trusted gathering place for the community.

## **Entertainment and Vendor Relations**

**Members:** Donna DeBerry (Chair) and Mark Arabo

**Committee Charges:**

- Provide oversight and direction on all entertainment, and vendor activities at the Del Mar Fairgrounds, including The Sound, DMTC racing events, and other year-round programming, and exclusive of the annual fair.
- Work to expand diverse entertainment offerings, ensure transparent and accessible business opportunities, and strengthen relationships with partners and vendors that align with the District's mission and values.
- Promote participation from veteran-owned, small, and minority-owned businesses, fostering inclusion within the Fairgrounds ecosystem.
- Guided by openness, fairness, and community benefit, help to maintain the Fairgrounds as a vibrant regional center for culture, commerce, and innovation.

## **Fair Operations Committee**

**Members:** Kathlyn Mead (Chair) and Frederick Schenk

**Committee Charges:**

- Review the operations of the San Diego County Fair.
- Provide feedback to the staff regarding Fair programming.
- Make recommendations to the Board regarding decisions pertaining to the Fair.

## **Finance Committee**

**Members:** Mark Arabo (Chair) and Michael Gelfand

**Committee Charges:**

- Review and monitor financial data and information pertaining to 22nd DAA.
- Review the CEO's proposed budget prior to presentation to the Board.
- Make recommendations to the Board regarding financial matters, including day-to-day land use decisions, to improve 22nd DAA's financial health.
- Develop and amend recommended financial policies for Board consideration.
- Review and recommend insurance policies and programs for board consideration.

## **Master Site Planning Committee**

**Members:** Sam Nejabat (Chair) and Mark Arabo

**Committee Charges:**

- Review and discuss the financial and economic feasibility of potential uses for District's properties within the context of the District's Purpose, Mission, Vision, Values, and strategic initiatives.
- Identify and assess various funding strategies that could be used to implement the Master Site Plan and make recommendations to the Board for consideration.
- Engage thought leaders, experts, and top minds in their fields to provide input in the master site planning process.
- Provide reports and recommendations to the Board regarding potential land uses that will allow the District to remain financially viable while serving as an economic engine for San Diego County.
- Consider the Guiding Principles, as adopted by the Board; the work of the Phase I and II committees; the public engagement process; and the District's mission, vision, purpose, and strategic initiatives.
- Make recommendations to the Board regarding objectives for the Master Site Plan international design competition framework.
- Establish criteria for a Request For Qualifications (RFQ) for a master site planning consultant.
- Review environmental requirements and regulations to determine the feasibility of uses on District property.
- Consider the potential impacts of climate change and sea-level rise, as well as any mitigating actions needed to support the Master Site Plan.
- Engage with relevant environmental thought leaders, experts, and top minds in the environmental field to determine long-term sustainability planning needs with potential uses in a future Master Site Plan.
- Review and discuss potential funding opportunities for environmental initiatives and mitigation required by a new Master Site Plan.

- Provide reports and recommendations to the Board on environmental considerations for the development of the Master Site Plan.
- Engage with the Technical Advisory Coalition (TAC) to provide information from the Board.
- Determine when and how the TAC's recommendations will be presented to the Board.

## **People & Culture Committee**

**Members:** Kathlyn Mead (Chair) and Donna DeBerry

**Committee Charges:**

- Building on 22nd DAA's purpose, mission, vision, and values, work with the Board and the CEO to recommend performance goals for the organization and the CEO.
- Discuss and review the CEO Performance Review process.
- Develop and recommend CEO Performance Review policies for Board consideration.
- Evaluate the effectiveness of the relationship with the CEO.
- Develop recommended orientation programs for newly appointed Board Members.
- Identify and recommend on-going development programs and opportunities for Board Members.
- Make recommendations to the Board regarding matters pertaining to District's hiring processes and workplace culture.

## **Regulatory & Governmental Affairs Committee**

**Members:** Michael Gelfand (Chair) and Joyce Rowland

**Committee Charges:**

- Serve as a sounding board for joint planning considerations with outside entities, such as city governments, regional planning bodies, state authorities, and others.
- Participate in discussions regarding the LOSSAN Rail Realignment project and the potential for affordable housing on-site, as needed.
- Meet with key regulatory and governmental officials in relevant jurisdictions, as needed.
- Provide reports and recommendations to the Board regarding governmental affairs efforts.
- Build awareness for the District's role in the community and among public officials.

## **Ad Hoc Committees**

### **Legal Committee**

**Members:** Frederick Schenk (Chair) and Joyce Rowland

#### **Committee Charges:**

- Confer with the Attorney General's office on legal matters pertaining to District.
- Recommend outside counsel to represent District in legal matters where the Office of the California Attorney General authorizes District use of outside counsel.
- Recommend legal steps to the Board in closed executive session.

### **Nominating Committee**

**Members:** Lisa Barkett (Chair) and Donna DeBerry

#### **Committee Charges:**

- Identify and recommend candidates for Board leadership positions and present to the Board for consideration.
- Identify potential candidates for the Governor's consideration for any vacant spots on the Board.

## 22nd DAA Board of Directors Meeting Dates – 2026

Meetings are typically held the **second Tuesday of the month at 9:30 a.m.**

Meeting dates and times are subject to change.

BOARD MEETING	MEETING NOTICE AND AGENDA POSTED	LAST DAY TO SUBMIT AGENDA ITEMS
January 13	January 2	December 12, 2025
February 10	January 30	January 23, 2026
March 10	February 27	February 20
April 14	April 3	March 20
May 12	May 1	April 24
<i>June (NO MEETING)</i>		
<i>July (NO MEETING)</i>		
August 11	July 31	July 24
September 8	August 28	August 21
October 13	October 2	September 25
*November 17	November 6	October 23
<i>December (NO MEETING)</i>		

June, July, and December meetings are held only if necessary

### Considerations:

- *January: Agenda developed during the holidays; posts the day after New Years Day*
- *September: Second Tuesday is the day after the Labor Day holiday*
- *\*November: typically held one week later due to intent of not holding a meeting in December*

# ITEM 9 – Contracts Executed per CEO Delegation of Authority

February 10, 2026

## Entertainment Contracts up to \$500,000

2026 San Diego County Fair Grandstand Entertainment Agreements				
Contract #	Entertainer / Agency	Summary / Genre	Performance Date	Amount
26-1002	Koe Wetzel LLC f/s/o Koe Wetzel	Country	6/12/2026	\$350,000.00
26-1005	Frias Entertainment f/s/o Los Tucanes de Tijuana	Regional Mexican	6/14/2026	\$200,000.00
26-1006	Christopher Comstock f/s/o Marshmello	EDM	6/19/2026	\$300,000.00
26-1007	Good Charlotte	Rock	6/20/2026	\$400,000.00

## Revenue Contracts Executed per Delegated Authority

2026 San Diego County Fair Concessions Agreements			
Contract #	Vendor	Main Menu Item	Commission Rate
26-1315	The Snax Shack	Candy	25%
26-1316	The Copper Kettle	Kettle Corn	25%
26-1317	The Copper Kettle	Kettle Corn	25%
26-1318	Alamo Amusements	Cotton Candy	25%
26-1319	Alamo Amusements	Funnel Cake	25%
26-1320	ARH Treats, LLC	Ice Cream	25%
26-1321	Australian Battered Potatoes LLC	Potatoes	25%
26-1322	BackyardBBQ Village	Agua Fresca	25%
26-1323	BackyardBBQ Village	Coffee	25%
26-1324	Brander Enterprises Inc.	Funnel Cake	25%
26-1325	Brander Enterprises Inc.	Donuts	25%
26-1326	C&C Concessions Inc.	BBQ	25%
26-1327	C&C Concessions Inc.	BBQ	25%
26-1328	Chan's concessions	Chinese Food	25%

## 2026 San Diego County Fair Concessions Agreements (continued)

Contract #	Vendor	Main Menu Item	Commission Rate
26-1329	Chicken Charlies Enterprises	Chicken	25%
26-1330	Chicken Charlies Enterprises	Chicken	25%
26-1331	Chicken Charlies Enterprises	Chicken	25%
26-1332	CK&A Concessions	Corn Dogs	25%
26-1333	D&D Country Fair Cinnamon rolls	Cinnamon Rolls	25%
26-1334	Dee's Concessions	Chicken	25%
26-1335	Family A Fair INC	Hot Dogs	25%
26-1336	Family A Fair INC	Ramen Tacos	25%
26-1337	Fernie's Concessions Inc.	Pizza	25%
26-1338	Fruit Caboose Inc.	Ice Cream	25%
26-1339	Fruit Caboose Inc.	Ice Cream	25%
26-1340	Fruit Caboose Inc.	Ice Cream	25%
26-1341	Fun Biz Concessions Inc.	Bacon	25%
26-1342	Fun Biz Concessions Inc.	Bacon	25%
26-1343	Fun Biz Concessions Inc.	Pizza	25%
26-1344	Fun Time Foods (Mom's Bake Shop)	Cookies	25%
26-1345	Fun Time Foods (Mom's Bake Shop)	Cookies	25%
26-1346	Hallak Sisters Inc.	Candy	25%
26-1347	HDS Fair Co. (Hot Dog on a Stick)	Corn Dogs	25%
26-1348	HDS Fair Co. (Hot Dog on a Stick)	Corn Dogs	25%
26-1349	Helm & Sons Amusements	Candy	25%
26-1350	Helm & Sons Amusements	Slushee	25%
26-1351	J&A Foods LLC	Cookies	25%
26-1352	J. Crutch LLC	Corn Dogs	25%
26-1353	J. Crutch LLC	Bloomin' Onion	25%
26-1354	JP's Old West Cinnamon Rolls	Cinnamon Rolls	25%
26-1355	Juicy's	BBQ	25%
26-1356	Juicy's	BBQ	25%
26-1357	Leap of Faith Adventures, Inc. (JK Dots)	Ice Cream	25%
26-1358	Leap of Faith Adventures, Inc. (JK Dots)	Ice Cream	25%
26-1360	Leavitt Family Trust dba Odyssey Foods, Inc.	Lemonade	25%
26-1361	Little T Concessions	Chicken	25%
26-1362	Little T Concessions	Watermelon	25%

## 2026 San Diego County Fair Concessions Agreements (continued)

Contract #	Vendor	Main Menu Item	Commission Rate
26-1363	Lopez Concessions, LLC	Funnel Cake	25%
26-1364	Lopez Concessions, LLC	Hot Dogs	25%
26-1365	Mad Mtn Concessions dba W&R Country Fair Cinnamon Rolls	Cinnamon Rolls	25%
26-1366	Maverick Concepts	Lemonade	25%
26-1367	Maverick Concepts	Lemonade	25%
26-1368	Maverick Concepts	Pupusa	25%
26-1370	Sonflower Productions	Marketplace	5%
26-1380	Melissa Cagle Concessions	Fudge	25%
26-1381	Nathalie Harrington DBA Western Delight	Soda	25%
26-1382	Ryan Needham Concessions	Ice Cream	25%
26-1383	Ryan Needham Concessions	Greek Food	25%
26-1384	Pacific Coast Concessions	Corn Dogs	25%
26-1385	Paradise Management LLC	Staff Food	12%
26-1386	PHD & ME	Pretzels	25%
26-1387	PHD & ME	Shave Ice	25%
26-1388	R & K Concessions, LLC	Burgers	25%
26-1389	Rafikiz Foodz	East African Food	25%
26-1390	Soto's Concessions DBA Alicia's Mexican Kitchen	Tacos	25%
26-1391	Soto's Concessions DBA Maddie's Crepes	Crepes	25%
26-1392	Stizzy Works LLC	Tacos	25%
26-1393	Stizzy Works LLC	Oysters	25%
26-1394	Stizzy Works LLC	Mac N Cheese	25%
26-1395	Timbo's Beef Jerky, Sticks, & Dill Pickles	Beef Jerky	25%
26-1396	Trinity Concessions	Funnel Cake	25%
26-1397	Unique Concessions	Freeze Dried Candy	25%
26-1398	Unique Concessions	Freeze Dried Candy	25%
26-1399	Unique Concessions	Freeze Dried Candy	25%
26-1400	Universal Kimdom dba Hawaiian Honey Cones	Ice Cream	25%
26-1401	B & J Concessions LLC	Beignets	25%
26-1402	Raspados Del Sur LLC	Churros	25%
26-1403	RCS Ray Cammack Shows	BBQ	25%
26-1404	Refreshed Enterprise	Licorice	25%

## 2026 San Diego County Fair Concessions Agreements (continued)

Contract #	Vendor	Main Menu Item	Commission Rate
26-1405	Rico's Manjares Mosita	Tacos	25%
26-1407	Robert Jackson Enterprises DBA Giant Fair Foods	Corn	25%
26-1408	Rock's Concessions	Boba	25%
26-1409	Rock's Concessions	Boba	25%
26-1410	SHN INC (Roxy's)	Artichoke	25%
26-1411	Vartanian Concessions Mgmt	Tasti Chips	25%
26-1412	Vartanian Concessions Mgmt	Dole Whip	25%
26-1413	Vartanian Concessions Mgmt	Dole Whip	25%
26-1414	West Coast Weenies Inc.	Corn Dogs	25%
26-1415	West Coast Weenies Inc.	Pizza	25%
26-1416	Odyssey Foods, Inc.	Candy	25%
26-1417	Odyssey Foods, Inc.	Lemonade	25%
26-1418	Odyssey Foods, Inc.	Strawberries	25%
26-1420	Pacific Coast Concessions	Acai	25%
26-1421	Paul's Products	Candy Apples	25%
26-1422	Melissa Cagle Concessions	Fudge	25%
26-1425	Pacific Coast Concessions	Strawberries	25%