



## Board of Directors Meeting

### September 28, 2023

Good morning.

The meeting will begin just after 9:30 a.m. For members of the public on Zoom – for Public Comment, please use the chat function to communicate to the meeting secretary to indicate which agenda items you would like to speak to.

Please keep your device on mute until called upon to speak.

If using the Zoom dial-in option, use \*6 to mute and un-mute your phone.

*Please take notice that this public meeting of the 32nd District Agricultural Association, a California state institution, is being recorded using video recording equipment. Please also take notice that the 32nd District Agricultural Association will release video recordings of its public meetings where required under California law.*

**Please keep your device on mute**



**Gary Kutscher**  
Director, OC Marathon  
and OC Fair 5K Fun Run



# The Mission of OCFEC is...

**Creating equitable community access to  
agriculture, entertainment, cultural and  
educational experiences**



### 3. Pledge of Allegiance



## 4. Roll Call

### **Board of Directors**

Chair Newton Pham

Vice Chair Nick Kovacevich

Director Doug La Belle

Director Natalie Rubalcava-Garcia

Director Robert Ruiz

Director Barbara Bagneris

Director Tanya Bilezikjian

Director Dimetria Jackson



## 5. Minutes

### **A. Board meeting held June 22, 2023**

#### Action Item



## 6. Matters of Public Comment

Public comment is allowed on issues NOT on the current agenda. However, 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 an agenda item. Speakers are requested to sign in prior to the start of the meeting and are limited to three minutes.

Comments will be accepted on all other agenda items at the time each item is listed on the agenda. Speakers wishing to address the Board on items on the agenda are requested to sign in prior to the start of the meeting and identify the agenda item(s) on which you desire to address the Board. Speakers are limited to three minutes.



## 7. Consent Calendar

All matters listed under 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 by category in the order listed below. 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.



# 8A. 2023 OC Fair Wrap-Up Presentation

## **INFORMATION ITEM:**

Staff will provide a wrap-up presentation of the 2023 OC Fair.





# HAPPY TOGETHER™

JULY 14 - AUG 13, 2023





# Fair by the Numbers

1,048,171

13

4.30/4.19/3.62

# Media/Social Media Coverage

- 20 press releases
- 1700 editorial mentions
- Ad Value Equivalent = \$34.5M
- New social media followers:
  - 15,190 – Instagram
  - 3,365 - Facebook



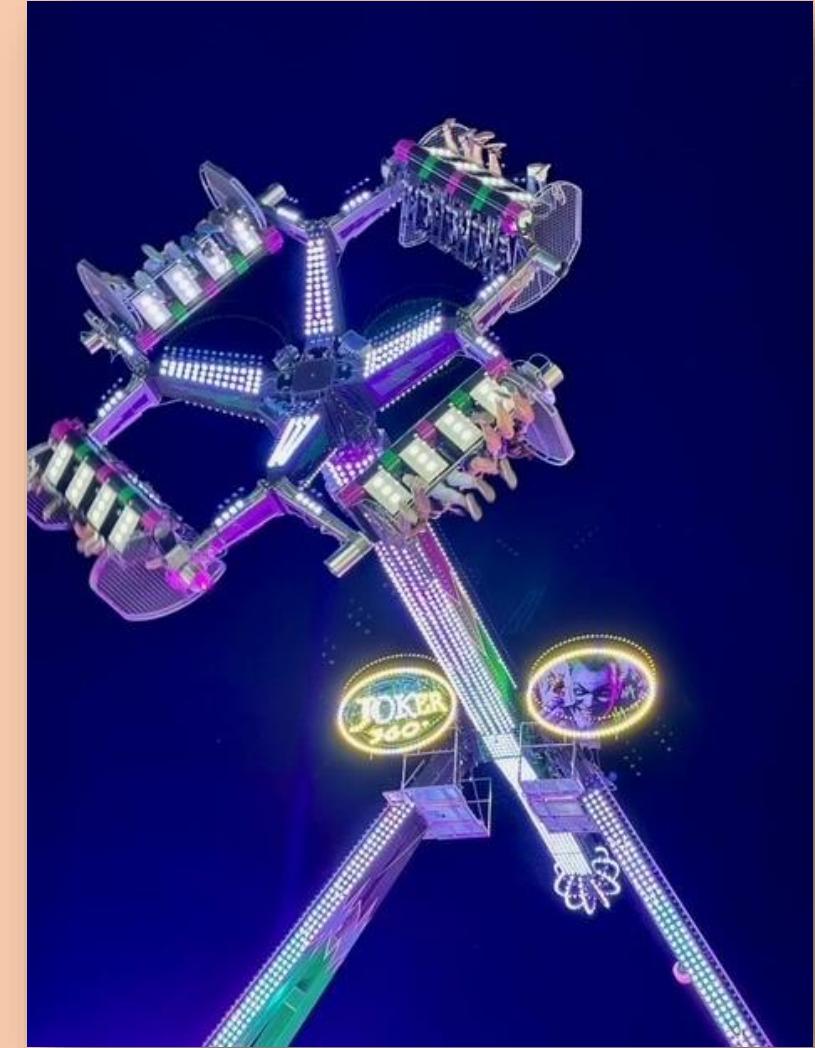
# Fabulous Food & Shopping



# All About Exhibits



# outRageous Rides



# Engaging Entertainment



**PACIFIC**  
AMPHITHEATRE  
40th Anniversary 1983 - 2023  
Costa Mesa, California

# Amazing Animals



# VIP Visitors



# Special Events

- Chicano Heritage Month
- Serenity Walk ribbon cutting
- Best in Show awards ceremony



# How Did We Do?

	<b>2023 OC Fair (Preliminary Unaudited)</b>	<b>2022 OC Fair</b>	<b>2021 OC Fair</b>
Revenue	<b>\$44,910,674</b>	<b>\$43,731,592</b>	<b>\$35,246,118</b>
- Labor Expenses	<b>-\$5,657,356</b>	<b>-\$4,935,373</b>	<b>-\$4,469,342</b>
- Non Labor Expenses	<b>-\$16,418,587</b>	<b>-\$13,809,798</b>	<b>-\$8,739,592</b>
<b>Net Proceeds</b>	<b>\$22,834,731</b>	<b>\$24,986,421</b>	<b>\$22,037,184</b>



# HAPPY TOGETHER™

JULY 14 - AUG 13, 2023



## 8C. Presentation of Updated Financial Projections for Self-Management Model of Equestrian Center and Vote on Next Steps

In June 2021, with a recommendation from the Facilities Committee, the Board directed staff to take over management and operation of the equestrian center in order to fully understand actual revenue and operational expenses. The agreement with the operator at the time was set to expire on December 31, 2022, and District staff was directed to assume management and operation on January 1, 2023.

The 2023 budget for the equestrian center included a projected net loss of \$1,332,919. Staff has been providing the Financial Monitoring and Audit Committee and Board financial reports for the equestrian center on a monthly basis throughout the year. Careful monitoring and recording of actual revenue and expenses has closed the gap to a net loss of \$697,462 as of August 31, 2023.

At the April and May 2023 Board meetings, the Financial Monitoring and Audit Committee expressed concern about the continued losses reported for the equestrian center. Staff was directed by the Board to take an additional look at the equestrian center financials and provide input on options to improve the financial position. For the Board's discussion, staff presented four (4) financial scenarios based on the current self-operation model utilized at the equestrian center.



## 8C. Presentation of Updated Financial Projections for Self-Management Model of Equestrian Center and Vote on Next Steps

The Board agreed that Scenario #3 had the best bottom-line outcome and directed staff to continue refining the model with the goal of further reducing the projected year-end net loss of \$477,444.

### Scenario #3

- Assumed stall cleaning, feeding and arena maintenance services carried out by the contractor would be brought in-house and completed by OCFEC staff
- Assumed maximum rental capacity
- Utilized existing rental rates charged by EQC on June 1<sup>st</sup>

In the time following the June Board of Directors meeting, staff has hosted two listening sessions with equestrian center users who spoke at the June meeting about ideas they had for streamlining operations. In addition, staff has continued to research actual revenue and expenses to refine the numbers presented for Scenario #3 in June.



## 8C. Presentation of Updated Financial Projections for Self-Management Model of Equestrian Center and Vote on Next Steps

Staff is presenting two refined options from the original Scenario #3:

### **Scenario #3 assumes:**

- maximum capacity for all stalls, offices, lockers and trailers at existing rates
- one-time initial set-up costs for needed equipment
- all expenses (labor and non-labor) are calculated based on current costs

At full capacity and not factoring in the one-time cost for equipment, Scenario #3 would result in a net loss of \$227,805. To at least break even, current rental rates would have to be increased by 16% without covering one-time costs, or 20.2% covering one-time costs amortized over a five-year period.



## 8C. Presentation of Updated Financial Projections for Self-Management Model of Equestrian Center and Vote on Next Steps

### **Scenario #4 assumes:**

- current occupancy for all stalls, offices, lockers and trailers at existing rates (about 63% occupancy)
- One-time initial set-up costs for needed equipment
- All expenses (labor and non-labor) calculated based on current costs

At current occupancy and not factoring in the one-time cost for equipment, Scenario #4 would result in a net loss of \$632,648. To at least break even, current rental rates would have to be increased by 71.6% without covering one-time costs, or 78.3% covering one-time costs amortized over a five-year period.

Neither of the options address much needed capital improvements.

### **RECOMMENDATION:**

At the Board's discretion. In addition, the Board should provide direction to staff on the 2024 equestrian center budget.



## 8B. Presentation of 30% Design Concepts and Initial Estimate for Administration Building Addition and Vote on Whether or Not to Approve

The existing building is 14,153 square feet and the new expansion will add approximately 16,600 square feet.

Staff will make a presentation to the Board which includes the 30% conceptual designs with the following elements:

1. Background and inspiration for the design concepts
2. Introduction of a “sister” addition for the expansion which will create a cohesive Architectural presentation
3. A site plan for the finished building, including unique features
4. A conceptual floor plan for the existing building with a list of needed improvements
5. Elevation views
6. A perspective rendering of the new expansion
7. Project estimate



*DRAFT*  
**LPA**

OCFEC ADMIN ADDITION  
**CONCEPTUAL DESIGN**

09/13/2023

## HISTORY OF ORANGE COUNTY

Before Orange County was founded in 1889, the land served as Rancho San Joaquin, a cattle ranch owned by Jose Antonio Andres Sepulveda. Later, the land would be reused as vineyards and eventually orange groves, owned by a series of farmers and ranchers.

Though these farmlands have eventually been masterplanned into our developed community, our farming heritage has not been forgotten.



## AGRARIAN ROOTS OF OC FAIR

The county's first fair was held in 1890 shortly after Orange County incorporated under a coalition of local landowners. Early fairs were dedicated to agricultural exhibits, livestock exhibitions, and horse races.

The location of the fair moved through multiple venues, eventually landing at it's current location when the Santa Ana Army Air Base was purchased by the State of California in 1949, and a parcel relegated to permanent fairgrounds.



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LPA



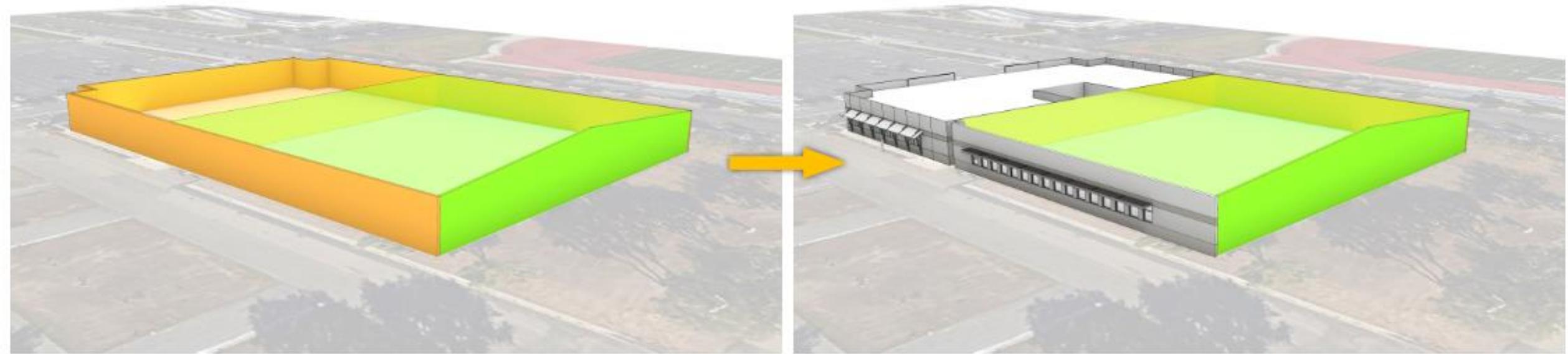
## ADMIN ADDITION - A SISTER BUILDING

The Addition to the existing Administration Building (2009) will be a 'sister building', influenced by the existing appearance of cement plaster exterior walls, metal siding, and adheared stone veneer. Strong datums carry around the width of the building.

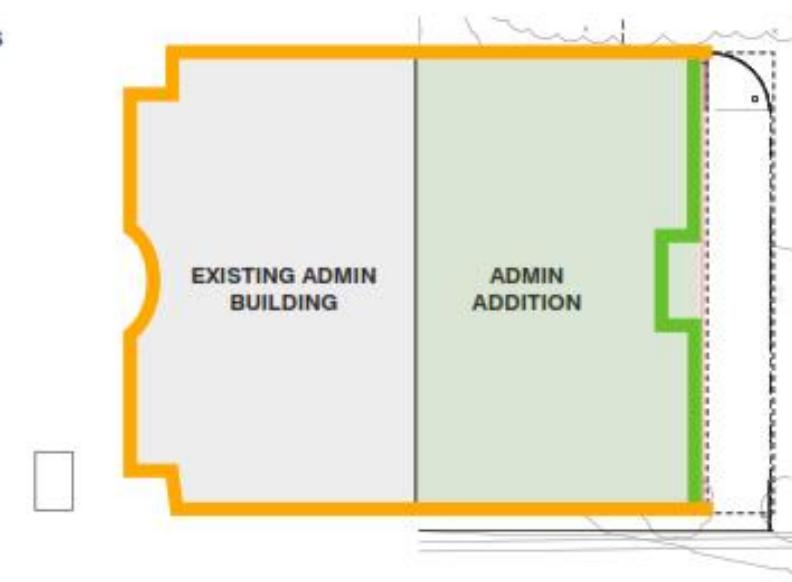
The Administration Addition will respect the design of the existing structure to create a cohesive whole for all occupants to enjoy equally. In addition to this, the Addition will carry architectural influences that pay homage to the agrarian history of the Orange County Fair.



## EXTERIOR EXPRESSION



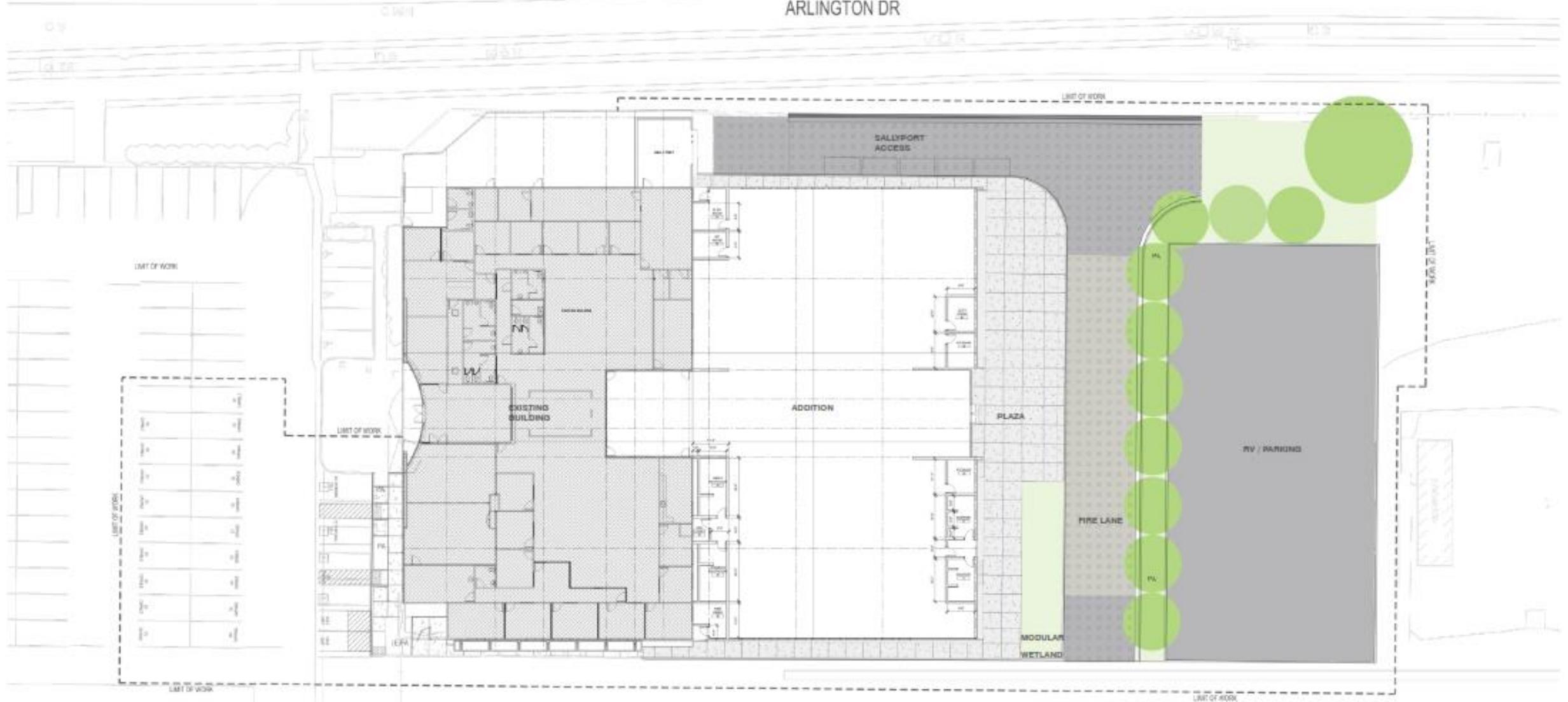
■ 'SISTER' BUILDING  
INFLUENCE  
■ AGRARIAN ROOTS  
INFLUENCE



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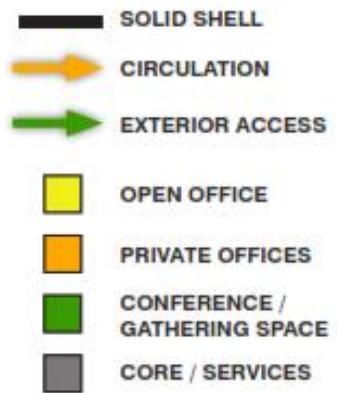
## SITE PLAN

ARLINGTON



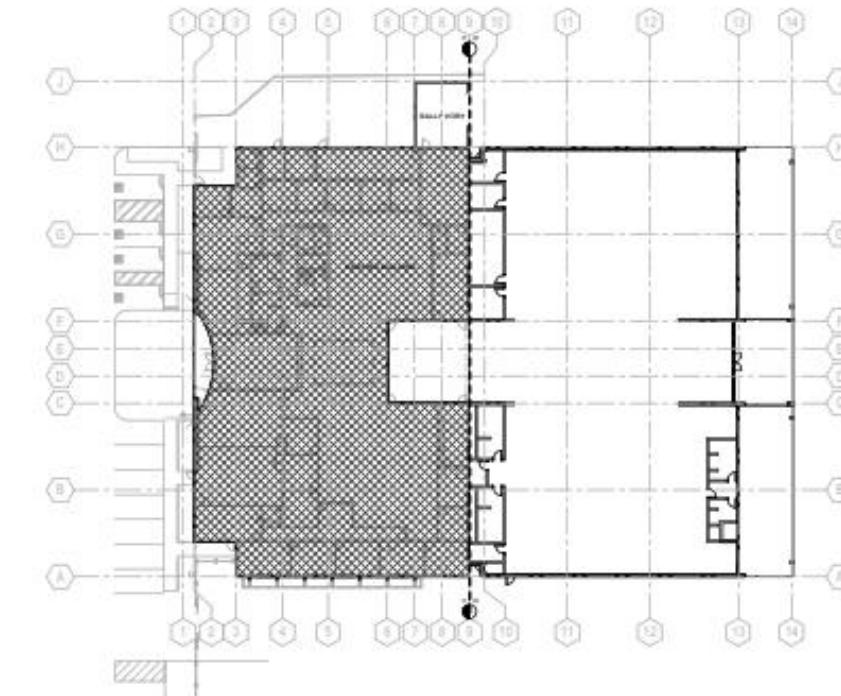
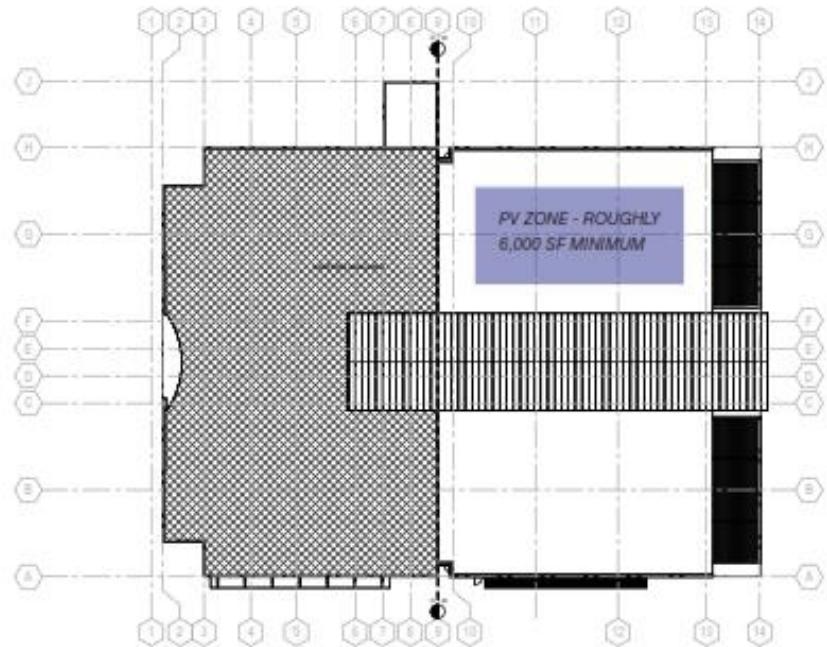
# DRAFT

## CONCEPTUAL FLOORPLAN



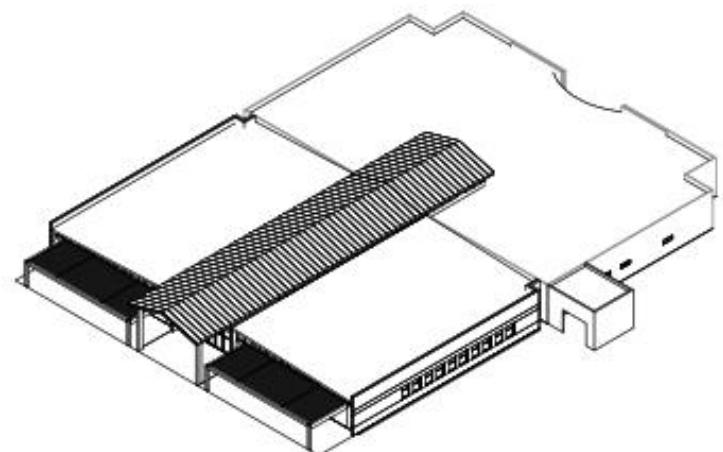
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## OVERALL PLANS

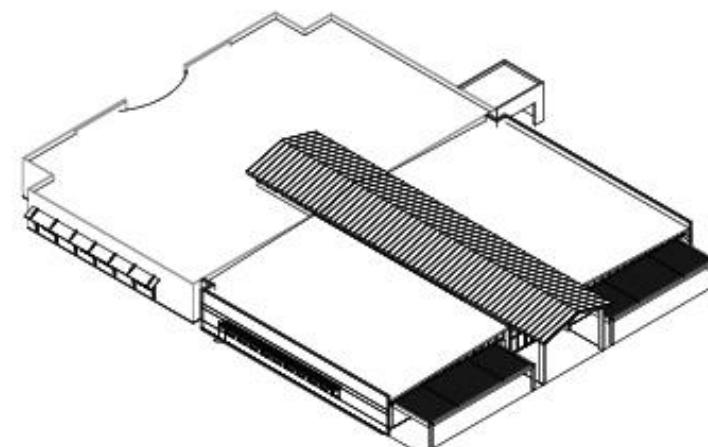


OVERALL ROOF PLAN 14

OVERALL FIRST FLOOR PLAN 02



NORTHEAST AXON VIEW 13



SOUTHEAST AXON VIEW 01

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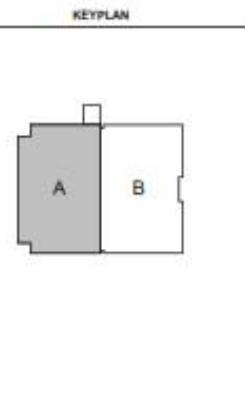
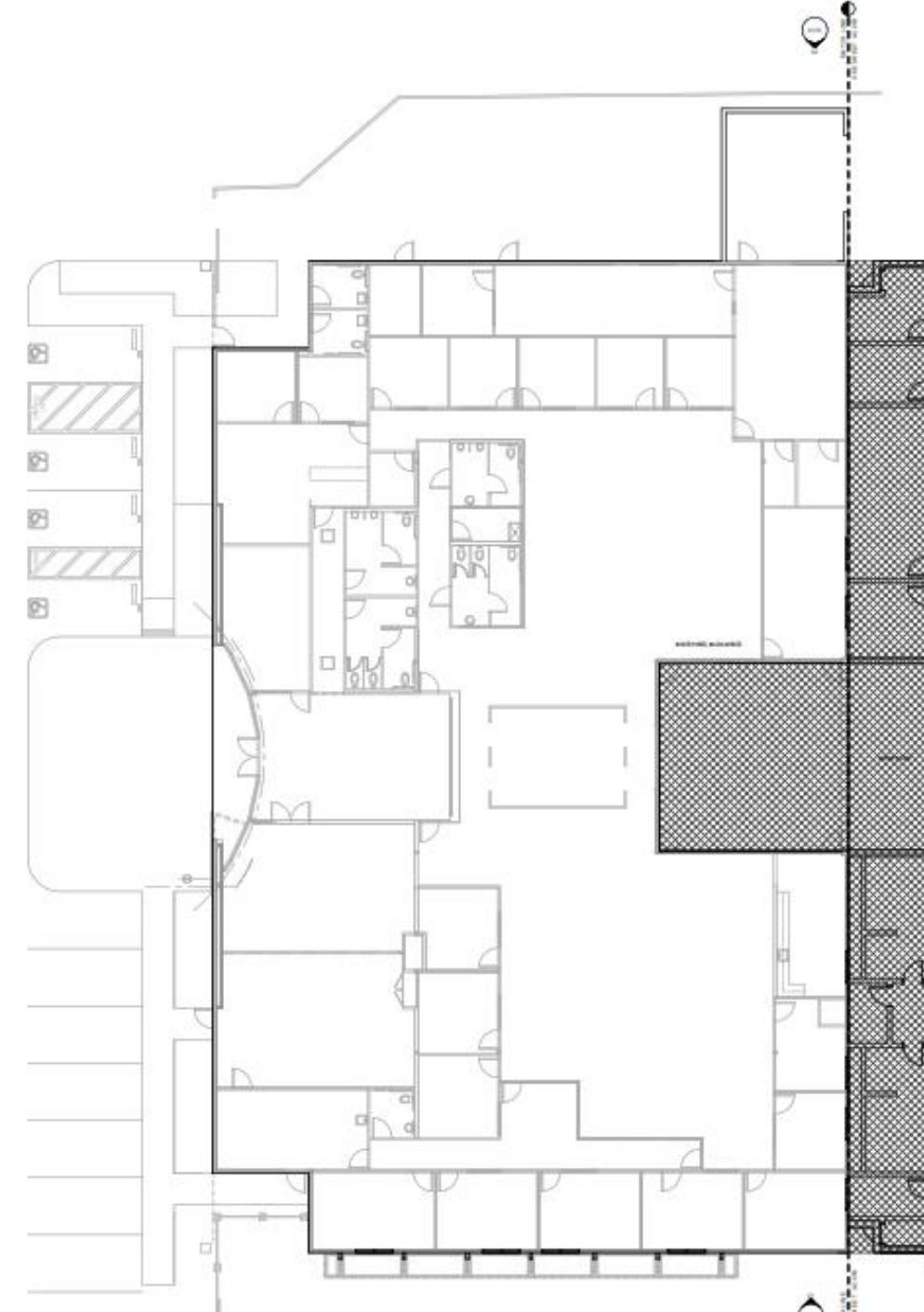
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09/13/2023 - OCFEC ADMIN ADDITION

## EXISTING BUILDING PLAN

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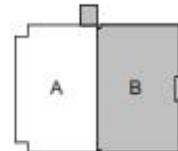
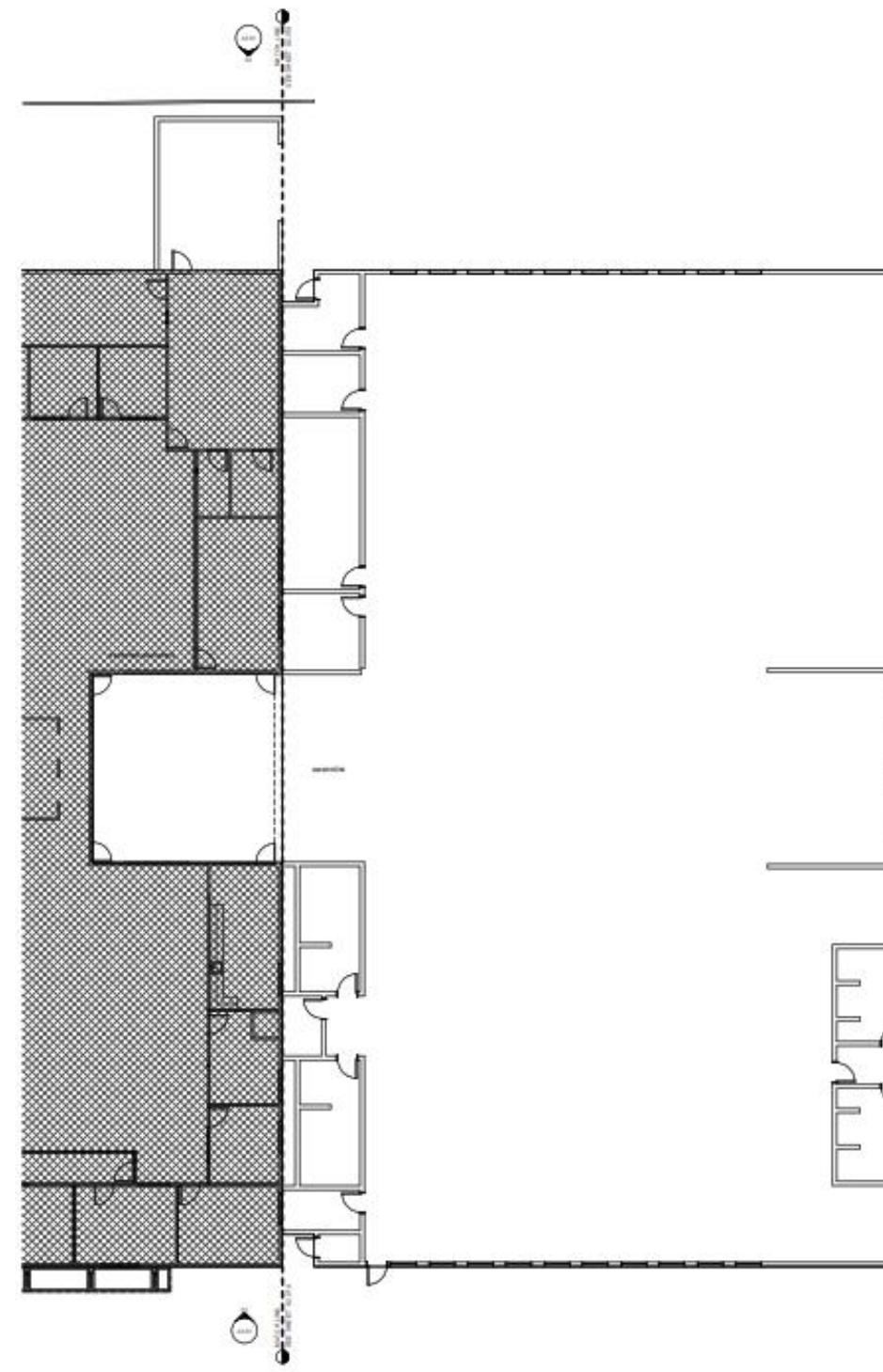
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## ADDITION PLAN

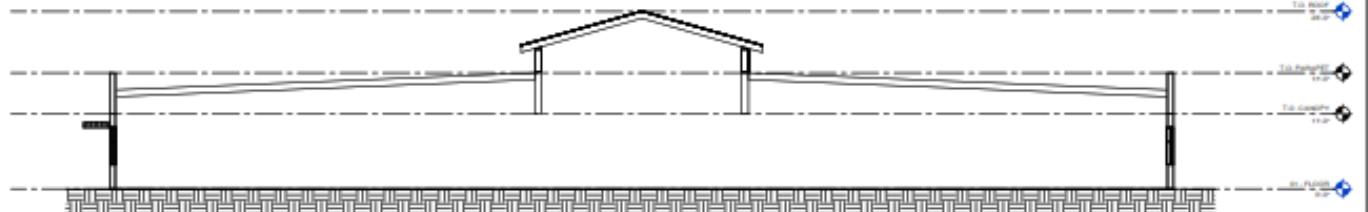
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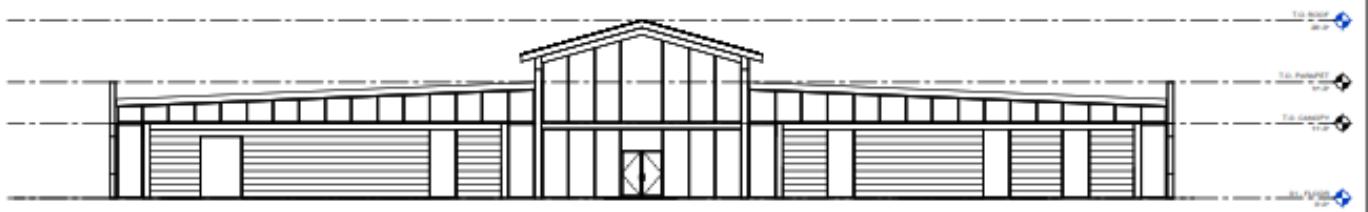


09/13/2023 - OCFEC ADMIN ADDITION

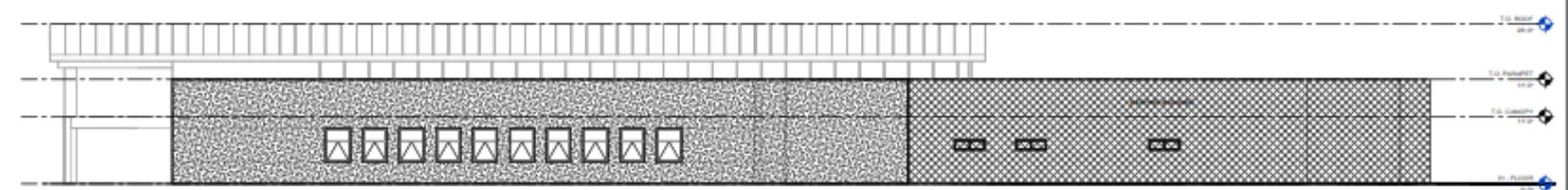
## ADDITION ELEVATIONS



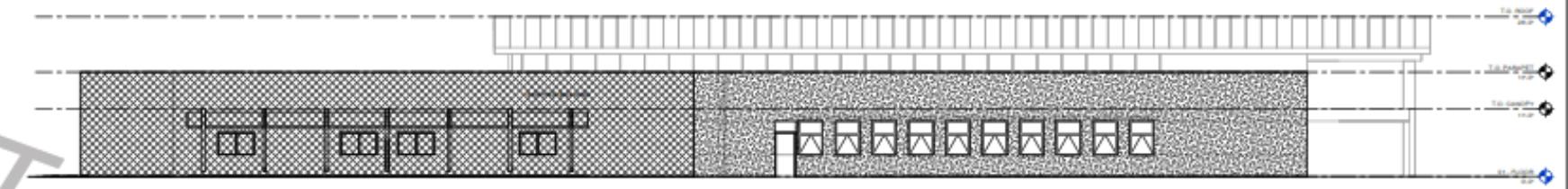
SECTION 04



EAST ELEVATION 03



NORTH ELEVATION 02



SOUTH ELEVATION 01

## EXTERIOR ELEVATION LEGEND

	Perforated and/or Punched Metal (Reinforced Plastic) (Pn-R)
	Compressed Cell Panel, Standard (Pn-V)
	Exterior Composite Panels, wood look (Pn-H)
	East West Insulation
	Aluminum/Perforated Metal (Reinforced Plastic) (Pn-A)
	Smart Glass

## EXTERIOR ELEVATIONS GENERAL NOTES

1. All elevations are 10'-0" high.

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LPA

## PERSPECTIVE VIEW

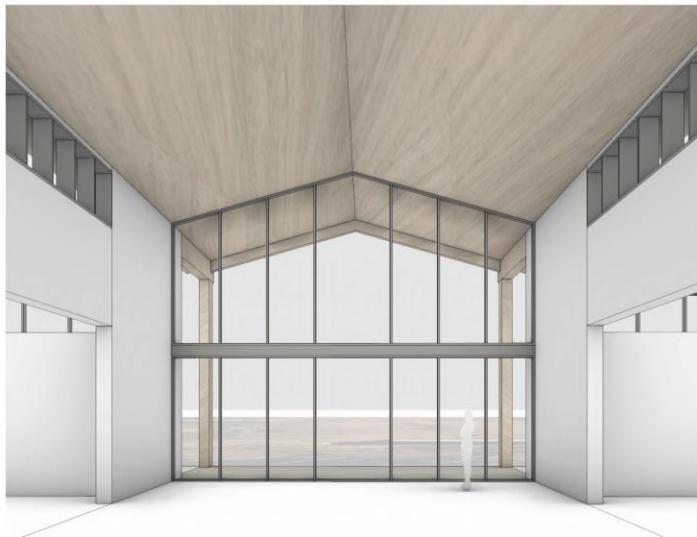


## PERSPECTIVE VIEW



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LPA

## PERSPECTIVE VIEW



## PERSPECTIVE RENDERING



## 8B. Presentation of 30% Design Concepts and Initial Estimate for Administration Building Addition and Vote on Whether or Not to Approve

### Project Milestones (subject to change):

- September 2023 – 30% design complete
- October/November 2023 – 60% design complete
- December 2023 – 90% design complete
- December 2023/January 2024 – advertise construction bidding
- January/February 2024 – construction notice to proceed
- January/February 2025 – construction complete
- February/March 2025 – project close-out and turn over



## 8B. Presentation of 30% Design Concepts and Initial Estimate for Administration Building Addition and Vote on Whether or Not to Approve

Following is a break-down of the probable costs:

New Administration Building Expansion	16,600 SF	\$17,602,308	
Soft cost allowance (A&E fees, permits, inspections, FF&E, Tech, CCA costs/fees, commissioning, insurance, owner contingency		\$6,741,045	
			<b>\$24,343,353</b>
Existing Building Improvements	14,153 SF	\$4,377,000	
Rent to relocate employees during construction		\$600,000	
Moving costs		\$50,000	
Added FF&E for existing building		\$400,000	
			<b>\$5,427,000</b>
<b>Total Probable Costs:</b>			<b>\$29,770,353</b>

### RECOMMENDATION:

The Facilities Committee, along with staff, recommend approval of the additional \$5 million needed to move forward, and approval of the 30% conceptual designs as presented.



## 8D. Review of Legislative Representative Bid Proposals and Vote on Whether or Not to Approve Proposed Award

In March 2016, the 32nd District Agricultural Association (District) entered into a contract for legislative representation services with Gonsalves & Sons as a result of a competitive bid process for a term of three (3) years with two (2) one-year options to renew at a cost of \$60,000 per year.

During the term of the contract, Joe A. Gonsalves & Son provided regular reports to staff on pending legislations that could potentially impact District operations. In addition, the firm was helpful in setting up in-person meetings with Sacramento elected officials who represent Orange County and with staff from the Department of General Services.

When the contract expired on February 28, 2021 staff recommended not pursuing a new contract for legislative representation services citing budgetary concerns coming out of the pandemic, as well as legislative services already available to the District as part of the organization's membership in the California Fairs Alliance (CFA).

Director La Belle requested that funding for a continuation of the service be included in the 2023 budget which was approved by the Board for an amount not to exceed \$2,500 per month (\$30,000 per year).



## **8D. Review of Legislative Representative Bid Proposals and Vote on Whether or Not to Approve Proposed Award**

In July 2023, the District released an Invitation for Bid (IFB) to a robust list of registered legislative firms. The IFB included the same minimum qualifications as when the District first sought such services in 2016. The District received three (3) bids. All three (3) firms met the minimum qualifications in the IFB. Two firms bid the maximum amount of \$2,500 per month and one firm bid \$2,000 per month.

Per California State contracting rules, the lowest bidder was selected and a Notice of Proposed Award was issued on August 25, 2023. The winning bidder is California Advocacy LLC.

At the request of Director La Belle, the three (3) bids were attached to the staff report posted:

1. Todd Priest & Associates
2. Joe A. Gonsalves & Son
3. California Advocacy

### **RECOMMENDATION:**

The Board of Directors can either vote to approve the proposed award of contract with California Advocacy, LLC or vote not to award the contract. If the Board votes not to award the contract, the bid process must be thrown out and started over again.



## 8E. Vote on Whether or Not to Approve Agreement with National Naval Aviation Museum for the A-4M Skyhawk

On September 27, 2019, the Navy A4-M Skyhawk aircraft which is on loan to the County of Orange was moved from County facilities to Heroes Hall at the OC Fair & Event Center. Prior to the move, on May 1, 2019, the 32nd District Agricultural Association (District) entered into a Memorandum of Understanding (MOU) agreement with the County as approved by the National Naval Aviation Museum to accept a sub-loan of the aircraft.

The County's agreement with the National Naval Aviation Museum is set to expire on December 31, 2023. Staff was approached by Orange County CEO, Frank Kim, with a request that the District enter into an agreement directly with the National Naval Aviation Museum, eliminating the County from the middle.

If approved, the agreement will be signed by the District CEO and the District will assume the loan of the aircraft for a term of five (5) years beginning October 1, 2023 with possible extensions every five (5) years (agreement attached to the staff report)..



## 8E. Vote on Whether or Not to Approve Agreement with National Naval Aviation Museum for the A-4M Skyhawk

There is no fiscal impact to the District for the loan of the A-4M Skyhawk and the District will be bound by the same display and maintenance requirements as with the previous MOU with the County of Orange.

### **RECOMMENDATION:**

Staff recommends approval by the Board of Directors for entering into an agreement with the National Naval Aviation Museum for the A-4M Skyhawk.



## **8F. Consideration and Vote on Whether or Not to Approve Staff Recommendation to Increase CEO Authority to Execute Talent Guarantees to \$600,000**

Board Policy 4.05.02 (Contracting and Signature Authority) authorizes the CEO contract signature authority to execute talent guarantees of \$400,000 or less. Since the policy was last amended in October 2020, headline talent at the Pacific Amphitheatre has become increasingly more expensive. For example:

<b>Performance</b>	<b>Past \$</b>	<b>Present/Future \$</b>
B-52's	2019 - \$104,000	2023 - \$450,000 (quoted)
Dwight Yoakam	2021 - \$100,000	2023 - \$150,000
The Go-Go's	2016 - \$125,000	2024 - \$300,000 (quoted)
Styx	2019 - \$100,000	2023 - \$150,000
Pat Benatar	2022 - \$100,000	2024 - \$200,000 (quoted)

The policy requires any performance contracts over \$400,000 must be approved by the Board prior to executing. This could create a timing challenge if staff has to wait for the next scheduled Board meeting for approval of a show over \$400,000, and could mean the difference between signing the performer and missing the opportunity.



## **8F. Consideration and Vote on Whether or Not to Approve Staff Recommendation to Increase CEO Authority to Execute Talent Guarantees to \$600,000**

Staff has an incredible track record of success with the summer concert series in the Pacific Amphitheatre. During the 2023 summer concert series, Pacific Amphitheatre broke all records for ticket revenue posting over \$5.7M in ticket sales. And 2023 was the second highest year for number to tickets sold to Pacific Amphitheatre shows. The strategy of working within a set budget to offer affordable shows that resonate with the public has resulted in tremendous success for the Pacific Amphitheatre for years. However, it has become increasingly more challenging to attract talent within budget and compete with other area performance venues.

Staff is requesting an amendment to Board Policy 4.05.02 to increase the CEO's contract signature authority to execute talent guarantees to \$600,000 or less. This will allow the organization to better compete for top talent without having to seek Board approval prior to executing a contract, while still holding true to our successful model.

### **RECOMMENDATION:**

Staff recommends Board approval of the amendment to Board Policy 4.05.02 to increase the CEO's contract signature authority to execute talent guarantees to \$600,000 or less.



## 8G. Appointment of Chair and Vice Chair Nominating Committee

### **INFORMATION ITEM:**

The Board Chair will appoint a two-person task force to deliberate and make a recommendation for Officers of the Board for the upcoming year.

The Nominating Task Force will present its nominations at the October 26, 2023 meeting of the Board of Directors.



# 8H. Committee/Ad Hoc Committee/Liaison Reports

## INFORMATION ITEM:

To assure compliance with the Bagley-Keene Open Meeting Act, Committee reports are only for the purpose of the Committee chair, Ad Hoc Committee members or Liaison to provide a verbal update. Should the Board want to discuss any Committee work item not already on the agenda; those would need to be agendized for a future Board meeting.

- i. Leadership Committee** (Chair Pham, Committee Chair; Vice Chair Kovacevich)
- ii. Financial Monitoring and Audit Committee** (Vice Chair Kovacevich, Committee Chair; Director Bagneris)
- iii. Facilities Committee** (Director Ruiz, Committee Chair; Director La Belle)
- iv. Governance Committee** (Director Rubalcava-Garcia, Committee Chair)
- v. Community Affairs Committee** (Director Bagneris, Committee Chair; Chair Pham)
- vi. Entertainment and Business Development Committee** (Director Rubalcava-Garcia, Committee Chair)



# August 2023 Financials

	Actual	Budget	Variance Favorable (Unfavorable)
August 2023 Revenue	\$22,735,803	\$23,089,559	(\$ 353,756)
August 2023 Expenses	<u>\$13,267,764</u>	<u>\$13,132,115</u>	<u>(\$ 135,649)</u>
August 2023 Net Proceeds/(Loss)	<u>\$ 9,468,039</u>	<u>\$ 9,957,444</u>	<u>(\$ 489,405)</u>
YTD Net Proceeds/(Loss)	<u>\$ 13,738,834</u>	<u>\$ 11,231,682</u>	<u>\$ 2,507,152</u>



# Cash and Cash Equivalents

	<u>August 31, 2023</u>	<u>August 31, 2022</u>
Cash on Hand	\$11,416,094	\$ 9,081,762
Investments	<u>\$72,982,873</u>	<u>\$71,152,315</u>
Total Cash and Cash Equivalents	<u>\$84,398,967</u>	<u>\$80,234,077</u>
Year over Year Increase	<u>\$ 4,164,890</u>	
Year over Year % Increase	5.2%	



# Equestrian Center (Dept. 25)

## August 2023 Financials

	Actual	Budget	Variance Favorable (Unfavorable)
August 2023 Revenue	\$ 93,003	\$ 117,422	(\$ 24,419)
August 2023 Expenses	<u>\$ 186,503</u>	<u>\$ 225,176</u>	<u>\$ 38,672</u>
August 2023 Net Proceeds/(Loss)	<u>(\$ 93,501)</u>	<u>(\$ 107,754)</u>	<u>\$ 14,253</u>
YTD Net Proceeds/(Loss)	<u>(\$ 698,486)</u>	<u>(\$ 899,904)</u>	<u>\$201,418</u>



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- v. Community Affairs Committee** (Director Bagneris, Committee Chair; Chair Pham)
- vi. Entertainment and Business Development Committee** (Director Rubalcava-Garcia, Committee Chair)





# NATIONAL HISPANIC HERITAGE MONTH

*Sept. 15 - Oct. 15*



Video Clip

# 8H. Committee/Ad Hoc Committee/Liaison Reports

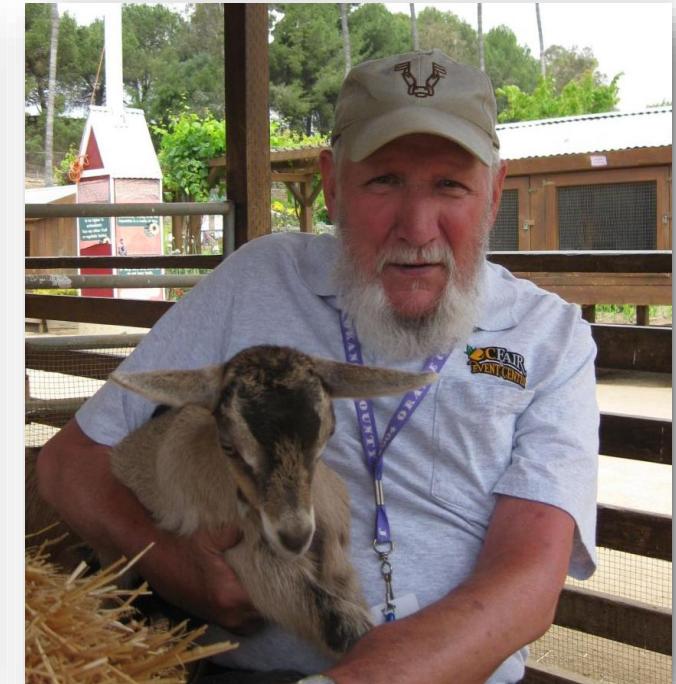
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- v. Community Affairs Committee** (Director Bagneris, Committee Chair; Chair Pham)
- vi. Entertainment and Business Development Committee** (Director Rubalcava-Garcia, Committee Chair)



# 10. CEO's Operational Announcements & Updates



DECEMBER 2023						
Sun	Mon	Tue	Wed	Thu	Fri	Sat
26	27	28	29	30	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						

# EVENTS UPDATE



Sept 29 – Oct 31



Sept 30



Oct 5 - 15



Oct 8



Oct 13 - 15



Oct 14 - 15



Oct 14



Oct 21



# EVENTS UPDATE



**FARMERS  
MARKET**

Thursdays

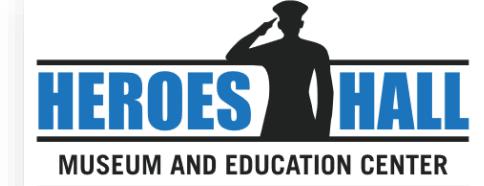




Sept 30  
Handspun Magic  
Basics of Yarn Spinning  
**SOLD OUT**



Oct 21  
Mediterranean Apricot &  
Date Chutney

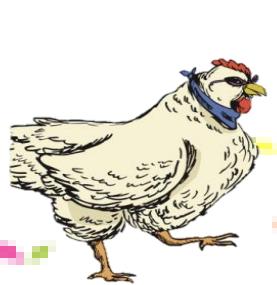


**VALOR  
& VIRTUE**  
JEWISH AMERICAN  
MEDAL OF HONOR RECIPIENTS

Oct 5 – Exhibit opens  
Oct 8 - Opening reception

# HAPPY BIRTHDAY!

## DIRECTOR RUIZ



# 11. Board of Directors Matters of Information

Next Board Meeting

October 26, 2023

