



**Board of Directors Meeting
June 27, 2019**

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 silence your cell phones

The Mission of OCFEC is...

Celebration of Orange County's
Communities, Interests, Agriculture
and Heritage

(with results justifying resources expended)



6. CEO's Operational Announcements & Updates







INDEPENDENCE DAY COMMUNITY CELEBRATION

CELEBRATE SAFELY
www.costamesaca.gov



MOXY ANNE
LIVE MUSIC

TIJUANA DOGS
LIVE MUSIC

July 3

5-11 p.m.

OC Fair & Event Center
88 Fair Drive, Costa Mesa

FREE ENTRY, ACTIVITIES & SHOW

CONTESTS
FOR ALL AGES

Bring your own picnic, lawn chairs, and blanket and create a memorable day as we celebrate our nation's independence! Food and drinks will be available for purchase. Glass containers and bottles are prohibited. No hard-sided coolers or outside alcohol permitted.

9 P.M. PYROTECHNICS SHOW

Free Parking | Heroes Hall Veterans Museum | Live Music | Bounce House
Centennial Farm | Activities | Community Booths & more!



THE TRIANGLE
restaurants & entertainment

KA
Keller/Anderle LLP
BUSINESS TRIAL LAWYERS

EVERETT
DOREY LLP

ONE METRO WEST
a ROSE EQUITIES COMMUNITY
Owner-Builders Since 1949



C.J. SEGERSTROM
& SONS

J & M
JONES & MAYER

STEELWAVE



For the One Month Ended May 31, 2019

| | <u>Actual</u> | <u>Budget</u> | <u>Variance Favorable (Unfavorable)</u> |
|------------------------|---------------------|-----------------------|---|
| Revenue | \$ 1,369,606 | \$ 1,336,347 | \$ 33,259 |
| Expenses | <u>\$ 2,265,065</u> | <u>\$ 2,881,354</u> | <u>\$ 616,289</u> |
| Net Proceeds (Deficit) | <u>\$ (895,459)</u> | <u>\$ (1,545,007)</u> | <u>\$ 649,548</u> |

For the Five Months Ended May 31, 2019

| | <u>Actual</u> | <u>Budget</u> | <u>Variance Favorable (Unfavorable)</u> |
|----------------------------|-----------------------|-----------------------|---|
| YTD Revenue | \$ 5,805,246 | \$ 5,458,308 | \$ 346,938 |
| YTD Expenses | <u>\$10,610,478</u> | <u>\$11,726,853</u> | <u>\$ 1,116,375</u> |
| YTD Net Proceeds (Deficit) | <u>\$ (4,805,232)</u> | <u>\$ (6,268,545)</u> | <u>\$ 1,463,313</u> |

Cash and Cash Equivalents

| | <u>May 31, 2019</u> | <u>May 31, 2018</u> |
|---------------------------------|----------------------|----------------------|
| Cash on Hand | \$ 2,765,320 | \$ 2,148,534 |
| Investments | <u>\$ 51,555,536</u> | <u>\$ 45,467,932</u> |
| Total Cash and Cash Equivalents | <u>\$ 54,320,856</u> | <u>\$ 47,616,466</u> |
| Year over Year Increase | <u>\$ 6,704,390</u> | |
| % Increase | <u>14%</u> | |



7. Matters of Public Comment

Speakers are requested to sign in prior to the start of the meeting and are limited to three minutes. 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 a docket item.

Comments will be accepted on Agenda items during the meeting. 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.



8. Minutes

- A. Board Meeting held April 25, 2019
Action Item



9. Consent Calendar: (Policy Reference: 4.3.4)

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.



9A. Committee/Ad Hoc Committee/Liaison Reports

INFORMATION ITEM:

To assure compliance with the Bagley-Keene 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. Heroes Hall Veterans Foundation Board (Director La Belle, Chair; Vice Chair Cervantes)
- ii. Centennial Farm Foundation (Vice Chair Cervantes, Committee Chair)
- iii. Financial Monitoring Committee (Director Pham, Committee Chair; Director Mouet)
- iv. Legislative Monitoring Committee (Director Aitken; Committee Chair; Chair Ruiz)
- v. Tenant Liaison Committee (Director Pham, Committee Chair; Vice Chair Cervantes)
- vi. Board of Directors Governing Policy Manual Review Ad Hoc Committee (Director Meyer, Committee Chair; Director Bagneris)
- vii. Safety & Security Committee (Chair Ruiz, Committee Chair; Vice Chair Cervantes)
- viii. Master Site Plan Ad Hoc Committee (Director Aitken, Committee Chair; Director Rubalcava-Garcia)
- ix. Buildings and Maintenance Committee (Director Aitken, Committee Chair; Director Rubalcava-Garcia)
- x. Audit Ad Hoc Committee (Director Rubalcava-Garcia, Committee Chair; Meyer Director)



9D. Consideration of and Vote on Construction Budget for the A-4M Skyhawk Project & Provide Staff Direction on Next Steps

California Construction Authority (CCA) bid the A-4M Skyhawk project, and on Wednesday, June 5, 2019, we received one qualified bid from JRH Construction Company, Inc. The bid is above budget, so we were unable to proceed without approval of the full Board of Directors. The schedule has been reviewed with the Contractor. Even with the delay in awarding the bid, JRH is still confident of a project completion date of November 9, 2019. It is unlikely much work, if any, can be accomplished during the 2019 OC Fair.

The committee (Vice Chair Cervantes and Director LaBelle) has reviewed all the information and the following options:





Option #1- At the discretion of the Board of Directors, approve the budget and full scope of work, direct staff to work with CCA to see if a reduction in their fees is possible for this project and direct staff to identify opportunities for fundraising.

| | |
|--------------------------------------|------------------|
| Base bid received by contractor = | \$450,878 |
| Alternative #1 for artificial turf = | \$ 80,000 |
| Additional expenses: | |
| CCA consultant LOU = | \$ 47,791 |
| Benches/Planters = | \$ 32,000 |
| CCA construction LOU = | \$ 53,500 |
| Contingency = | <u>\$ 32,000</u> |
| Total expenses = | <u>\$696,169</u> |
| Less original funds approved; | |
| OCFEC capital budget = | \$100,000 |
| County of Orange contribution = | <u>\$206,000</u> |
| Total funds approved = | <u>\$306,000</u> |



Option #2 - At the discretion of the Board of Directors, approve the budget and scope of work without alternative #1, direct staff to work with CCA to see if a reduction in their fees is possible for this project and direct staff to identify opportunities for fundraising.

| | |
|-----------------------------------|------------------|
| Base bid received by contractor = | \$450,878 |
| Additional expenses: | |
| CCA consultant LOU = | \$ 47,791 |
| Benches/Planters = | \$ 32,000 |
| CCA construction LOU = | \$ 45,100 |
| Contingency = | <u>\$ 24,000</u> |
| Total expenses = | <u>\$599,769</u> |
| Less original funds approved: | |
| OCFEC capital budget = | \$100,000 |
| County of Orange contribution = | <u>\$206,000</u> |
| Total funds approved = | <u>\$306,000</u> |
| Budget Shortfall = | <u>\$293,769</u> |



9D. Consideration of and Vote on Construction Budget for the A-4M Skyhawk Project & Provide Staff Direction on Next Steps

Staff and CCA, along with the contractor, would once again carry out value engineering in an effort to reduce the budget. In proceeding with option #2, the Board of Directors would be approving an additional \$293,769 to this capital project budget. There is money inside this budget to make good the sod in the surrounding area. The District could carry funds in a future budget to complete artificial turf at a later date, however likely at a higher cost.

The cost difference between **option #1** and **option #2** = \$ **96,400**



Option #3 - At the discretion of the Board of Directors, direct staff to not award this bid.

Staff would find a sub-contractor to move the A-4M Skyhawk to OCFEC property for storage prior to the deadline agreed to in the MOU with the cost to be determined which could be higher than in the submitted bid. Safe storage of the aircraft should also be strongly considered with this option.

In re-writing the construction proposal and re-bidding, the District may not get a qualified bidder and the costs could be higher going back out to market.

In this case, the project could not be completed by November 9, 2019

The overall budget would be reviewed again as there are costs that the District would incur a second time, including consultant fees, CCA fees and mobilization costs.



A new unveiling date would be determined.



9D. Consideration of and Vote on Construction Budget for the A-4M Skyhawk Project & Provide Staff Direction on Next Steps

RECOMMENDATION:

At the Board of Directors' discretion, provide staff direction on the A-4M Skyhawk project and budget.



9B. Consideration of and Vote on Spectra at the Orange County Market Place Proposal Requesting OCFEC Financial Support for a New Business Model to Drive Business to the Orange County Market Place

Spectra has diligently worked on operational improvements along with new marketing and advertising strategies, since taking over ownership in 2016.

Despite Spectra's renewed efforts, the growth of the Orange County Market Place has yet to yield the results planned. Spectra is projecting continued decline in revenue and an increase in expenses, which is expected to result in significant losses. The current model is not sustainable.



9B. Consideration of and Vote on Spectra at the Orange County Market Place Proposal Requesting OCFEC Financial Support for a New Business Model to Drive Business to the Orange County Market Place

OC Fair & Event Center executives and Spectra executives have been working through a new plan for the future of the Orange County Market Place.

On Thursday, June 13, 2019 the OC Fair Board of Directors Tenant Liaison Committee met with OC Fair & Event Center executive management and Spectra executive management to review the presentation and plan.

The Spectra team will now present their proposal for the Board of Directors' consideration.





SPECTRA AT THE ORANGE COUNTY MARKET PLACE

*Status Update
&
Plans For The Future*



BACKGROUND

- Spectra took over the Tel Phil lease with the OC Fair & Event Center
- Management change made in October, 2017
- Marketing efforts made since inception have been robust and have included:
 - Coordinated Media Buys
 - Digital/Social Media Campaign
 - Grassroots Efforts with Local Small Businesses
 - Local Community Outreach
 - Small Business Development Center Partnership
 - New Vendor Outreach Recruitment Program
 - Special Events



FINANCIALS – 2017 to 2018 (Full Year)

- Revenue declined 10.58%
- Losses increased 322% (From \$221K to -\$937K)
- Paid attendance decreased 30.21%
- Free attendance increased 1.42%
- Attendance revenue decreased 35% (From \$455K to \$296K)
- Vendor count decreased 19.85%
- Vendor revenue decreased 6.41% (From \$1.831K to \$1,713K)
- Rent increased from 42.61% of revenue to 50.04% of revenue



Financials (Jan – Apr 2018) compared to (Jan – Apr 2019)

- Revenue declined 17.38%
- Paid attendance decreased 19.87%
- Losses increased 50.05% (From \$213K to -\$320K)
- Free attendance increased 2.08%
- Attendance revenue decreased 20.3% (From \$108K to \$86K)
- Vendor count decreased 26.33%
- Vendor revenue decreased 11.41% (From \$610K to \$541K)
- % Rent increased from 45.05% of revenue to 56.83% of revenue do to lower Gross revenues

Financial Data

Orange County Marketplace

Analysis of Sales, Profits, Rent, Attendance & Vendor Counts

| | 2017 | 2018 | Delta | % | 2018 (Jan - Apr) | 2019 (Jan - Apr) | Delta | % |
|------------------------------|--------------|--------------|--------------|---------|---------------------|---------------------|-----------|---------|
| Total Sales | \$ 4,286,794 | \$ 3,833,366 | \$ (453,429) | -10.58% | \$1,394,771 | 1,152,368 | (242,403) | -17.38% |
| Profit/Loss | \$ (221,836) | \$ (937,034) | \$ (715,198) | 322.40% | (213,284) | (320,031) | (106,747) | 50.05% |
| Rent | \$ 1,826,487 | \$ 1,918,146 | \$ 91,659 | 5.02% | \$ 628,322 | 654,867 | 26,545 | 4.22% |
| Rent as a % of Sales | 42.61% | 50.04% | | | 45.05% | 56.83% | | |
| Paid Attendance | 198,280 | 138,372 | \$ (59,908) | -30.21% | 53,733 | 43,057 | (10,676) | -19.87% |
| Free Attendance | 142,627 | 207,385 | \$ 64,758 | 45.40% | 207,286 | 211,598 | 4,312 | 2.08% |
| Attendance | 340,907 | 345,757 | \$ 4,850 | 1.42% | 261,019 | 254,655 | (6,364) | -2.44% |
| Admission Income | 455,432 | 295,877 | \$ (159,555) | -35.03% | 108,785 | 86,698 | (22,087) | -20.30% |
| Income Per Paid Attn | \$2.30 | \$2.14 | -\$0.16 | -6.91% | \$2.02 | \$2.01 | -\$0.01 | -0.54% |
| Monthly Vendor Counts | 2,175 | 1,907 | -268 | -12.32% | 656 | 568 | -88 | -13.41% |
| Daily Vendor Counts | 7,268 | 5,662 | -1,606 | -22.10% | 2,086 | 1,452 | -634 | -30.39% |
| Total Vendor Counts | 9,443 | 7,569 | -1,874 | -19.85% | 2,742 | 2,020 | -722 | -26.33% |
| Vendor Income | \$1,831,146 | \$1,713,842 | -\$117,304 | -6.41% | \$610,395 | \$540,751 | -\$69,644 | -11.41% |
| Income per Vendor | \$193.92 | \$226.43 | \$32.51 | 16.77% | \$222.61 | \$267.70 | \$45.09 | 20.25% |

HISTORIC AND PROJECTED

OC Marketplace P & L Analysis:

| | 2016 (9 months) | 2017 (Calendar) | 2018 (Calendar) | 2019 Projected | Notes |
|--|---------------------|------------------------|------------------------|------------------------|--|
| Food P & L: | | | | | |
| F & B Sales | \$ 1,374,119 | \$ 1,977,909 | \$ 1,794,971 | \$ 1,628,952 | Assumes same sales decline as prior year |
| Cost of Sales: | \$ (348,026) | 25.33% \$ (459,939) | 23.25% \$ (432,268) | 24.08% \$ (376,009) | Assumes ytd run rate |
| Payroll & Fringe: | \$ (395,340) | 28.77% \$ (604,889) | 30.58% \$ (645,511) | 35.96% \$ (535,738) | Assumes ytd run rate |
| Variable Expenses: | \$ (172,952) | 12.59% \$ (199,477) | 10.09% \$ (152,874) | 8.52% \$ (138,234) | Assumes ytd run rate |
| Rent: | \$ (561,876) | 40.89% \$ (781,396) | 39.51% \$ (847,146) | 47.20% \$ (892,146) | Assumes increase in rent |
| Depreciation: | \$ (7,030) | \$ (46,829) | \$ (93,696) | \$ (93,696) | |
| Other Income: | \$ - | \$ 134 | \$ 1,879 | \$ 1,879 | |
| Profit/Loss (F & B): | \$ (111,105) | \$ (114,488) | \$ (374,645) | \$ (404,992) | |
| Facility P & L: | | | | | |
| Admissions & Booth Rental Sales: | \$ 3,753,595 | \$ 2,286,578 | \$ 2,009,719 | \$ 1,766,382 | Assumes same sales decline as prior year |
| Payroll & Fringe: | \$ (1,386,506) | -36.94% \$ (892,501) | -39.03% \$ (953,163) | -47.43% \$ (750,161) | Assumes ytd run rate |
| Variable Expenses: | \$ (1,039,147) | -27.68% \$ (478,508) | -20.93% \$ (574,742) | -28.60% \$ (529,571) | Assumes ytd run rate |
| Rent: | \$ (1,551,781) | -41.34% \$ (1,045,091) | -45.71% \$ (1,071,000) | -53.29% \$ (1,126,000) | Assumes increase in rent |
| Depreciation: | \$ 262 | 0.01% \$ - | 0.00% \$ - | 0.00% \$ - | |
| Other Income: | \$ 39,639 | \$ 22,173 | \$ 26,797 | \$ 26,797 | |
| Profit/Loss (Facility): | \$ (183,939) | \$ (107,349) | \$ (562,389) | \$ (612,552) | |
| Total Sales & Other Income: | \$ 5,167,353 | \$ 4,286,794 | \$ 3,833,366 | \$ 3,424,010 | |
| Total Profit/Loss: | \$ (295,043) | \$ (221,836) | \$ (937,034) | \$ (1,017,545) | |
| Revenue Decline: | | \$ (880,559) | \$ (453,429) | \$ (409,355) | |
| | | | -17.04% | -10.58% | -10.68% |
| Rent Payments: | \$ 2,113,657 | \$ 1,826,487 | \$ 1,918,146 | \$ 2,018,146 | |
| Rent as a % of Sales | 40.90% | 42.61% | 50.04% | | |
| Total Payroll & Fringe | \$ 1,781,846 | \$ 1,497,390 | \$ 1,598,674 | | |
| Total Payroll as a % of Sales | 34.48% | 34.93% | 41.70% | | |

WHERE DO WE GO FROM HERE ?

- We need to increase both vendor counts and attendance – “which came first, the chicken or the egg?”
- Traditional marketing efforts are not making an impact
- While overall attendance has grown as a result of marketing, paid admission is down and free admission is up, this has resulted in less money being spent on F & B and with our vendors
- Significant cost cutting measures has not resulted in controlling losses which continue to grow, unless Gross revenue increases the Market Place is not sustainable
- We need a plan to “re-invent the Market Place”, bring more paying customers this, will in turn create more opportunities for vendors, which will increase the overall vendor count

THE PLAN !

- Spectra is proposing a partnership approach to solving the problem
- \$600K diverted from rent (now paid to OCFEC) to a marketing fund to be spent with R-Entertainment to oversee and manage all marketing programs, drive awareness, patrons and eventually net revenue
- \$500K of the \$600K rent diversion to be spent (as approved by OC Fair & Event Center) to promote the OCMP and to create a series of events that will energize the OCMP by driving new customers, revenues and reinforcing the fifty-year legacy of the Market Place
- \$100K of the \$600K rent diversion to be spent on marketing personnel from R-Entertainment dedicated to the OC Market Place
- R-Entertainment is a proven industry leader in creating turn-key entertainment solutions for clients
- 100% of all net profits generated at the OCMP annually will be paid to the OC Fair & Event Center, until all rent diversion amounts has been re-paid. Spectra will share 50% of all profits generated at the OCMP as additional rent to OCFEC after rent diversion has been recovered

R - ENTERTAINMENT

- R Entertainment is an award winning experiential marketing and business development company. R Entertainment builds integrated, effective and measurable event marketing programs where all marketing activities are pursued. Whether the goal is building awareness for our client, generating revenues for a specific program, energizing educational programs, strengthening communities through nonprofit rev shares, our team will provide turn-key management and resources for the events as well as continually create new events that will drive new customers and revenues to the Market Place.

Producing 200 dates a year...

USA TODAY Martha Stewart Wine & Food Experience Tour

The National Taco Festival

Children's Educational Festivals with public television stations utilizing a STEAM Approach

Kentucky Derby Fillies & Lilies Party

Super Bowl event

PGA Waste Management Phoenix Open

Arizona Diamondbacks *Evening on the Diamond*

The Good Life Festivals by Shea Homes



2019 Event Opportunities

Mission: To create a series of events that will energize the Orange County market by driving new customers, revenues and reinforcing the fifty-year legacy of the marketplace. The strategy is to deliver events that target segments/demos in the marketplace with curated programs that will be executed by R Entertainment. These events will be heavily marketed via all platforms from radio & TV partners, Facebook, Instagram and databases from sponsors and partners.

OC Overland Expo - Join us at Overland Expo WEST for the world's most unique event for do-it-yourself adventure travel enthusiasts, with hundreds of session-hours of classes for 4-wheel-drive and adventure motorcycling, inspirational programs, the Overland Film Festival, round-table discussions, demonstrations, food, and a large expo featuring over 300 vendors of adventure travel equipment, camping gear, bikes, vehicles, and services.



Orange County KidsFest - The OC KidsFest offers activities for kids of all ages like the TNT Slam Dunk Show, BMX/Skateboard Half Pipe Show, a dinosaur encounter where kids can interact with dinosaurs and participate in a fossil digging challenge, game trucks, inflatables, carnival rides, electric animal rides, a Bookman's Entertainment Area and more! Get ready for a full-day of entertainment hosted by Funergy which includes games, dancing and an interactive show with celebrity guests from Disney, Nickelodeon, etc. Want to personally meet and ask questions with Disney Channel Star's from 11am-12pm, we have that. VIP ticket available too, along with your entry pass to the KidsFest!



OC Ninja Warriors - It started out in Japan, designed to be the toughest obstacle course on the planet. Now, American Ninja Warrior is a nationwide phenomenon which has become an entire sport. Competitors train year round, gyms build their own obstacle replicas, and a training community has formed. Ninja Warrior, while it may seem like a cliché cartoon show, is actually a competition with a rich background history and is now a worldwide phenomenon. In 1997 Tokyo Japan, the most difficult obstacle course on the face of the earth was born entitled Sasuke. Since then, the competition has become a worldwide phenomenon with several spin-offs including American Ninja Warrior and Sasuke Malaysia. Everyday gas station managers, fishermen, and plumbers have gone on to become national heroes throughout Tokyo and are among the elite athletes that train year round for the competition (sometimes quitting their job).



OC Taco Festival - A General Admission ticket provides access to taco-topia. Inside the event, you'll find about 50 restaurants dishing out \$3 tacos and bars and beverage stations serving margaritas, beer, water, and soda. Tokens are used throughout the festival - purchase them to use for tacos, drinks, and other items.

Highlights include:

- Lucha Libre Wrestling
- VIP Area
- Main Bar Experiences
- Live Music Stage
- Interactive Photo Booths
- Hot Chile Pepper Eating Contest
- Crunchy Taco Eating Contests
- Taco Award Presentation
- People's Choice Voting at Contest Check-in Booth
- The Legendary Tequila Expo
- Chihuahua Beauty Pageant
- Margarita Masters Mixology Expo
- Kid's Zone



R ENTERTAINMENT



OC Street Eats Food Truck Festival - Over 55 food trucks will sell all types of food, with EVERY menu including a \$2 sample. Once inside the festival, you can use cash or credit cards at all bars and most food trucks. The event will include live bands, games, eating contests, local vendor marketplace, kid's zone, cooking classes, and more. Yes, you can hit up a food truck round up any night of the week, but none offer the entertainment, sheer variety of trucks, and fun filled weekend festival atmosphere of the OC Street Eats Food Truck Fest.



OC Bike Week - Orange County's Harley-Davidson Dealers deliver a roaring event with the OC Bikefest to the site of the OC Marketplace. The FREE event welcomes riders, spectators and enthusiasts to explore the world of motorcycles, clothing, gear, design and much more. The dealerships present a roaring spectacle of food, music and good times! Traditional Bike Week events deliver over 1.4 million consumer impressions, 7,500 motorcycles, over 15,000 attendees, over 2,500 demo rides and selling over \$100k in sales at the event, the only "Ride-Thru" Bar in the region, a thriving vendor village, demo rides from all top manufactures, tasty food trucks and beverages and of course, top notch music!



R ENTERTAINMENT



November 2019

Veterans Honor Walk - Calling all Veterans! We want to thank all of the men and women who have served this great country. Please allow us to honor you for your service and sacrifice for our freedom. Southern California is home to over 2.2 million Veterans and of those, about a half a million of them live within the OC Marketplace vicinity. We propose a Civilian 5k and a Veteran 5k (active duty or retired military) as well as a Veteran Honor Walk. All runners and walkers are invited to participate, with a special honor to veterans with specially designed racing bibs for both veterans and active duty military entrants. Each participant will receive a voucher for a post-race meal including mostaccioli, salad and breadsticks. Proceeds will benefit local Veterans groups. Awards will be for Overall - Civilian and Military (Top 5 in 5 year age groups). Registration will be \$25 for Civilians and \$22 for Military. Dinner will be provided to the first 100 veterans plus one guest



Additional Event Opportunities:

- VW Air Cooled Car Show
- RV Shows
- Slide Across America
- So Cal Car Shows
- Ski/Skate Expo & Sales
- Seasonal Sales
- Sports Fans Memorabilia Expo
- Radio Station Promotions & Concerts
- America's Got Talent Street Performers
- Farm to Table Dinners / Pop Up Restaurants
- And of course, the 50th Anniversary Celebration



Local Community Outreach

Grassroots Efforts with Local Small Businesses



Recover Local Involvement



Small Business Development Center Partnership

FUTURE PROJECTIONS

Estimated Impact of Orange County Market Place Marketing Plan

| | 2019 <i>(Partial Year)</i> | 2020 | 2021 | 2022 | 2023 |
|---|-------------------------------|---------------------|-----------------------|-----------------------|-----------------------|
| Estimated # of new "unique" paid attendees coming to events | 35,000 | 50,000 | 125,000 | 150,000 | 175,000 |
| Estimated net profit generated from new events (Direct Revenue - Direct Expenses) | \$35,000 | \$50,000 | \$125,000 | \$150,000 | \$175,000 |
| Estimated # of new event attendees who return to Market Place once (Assumes 30%) | 10,500 | 15,000 | 37,500 | 45,000 | 52,500 |
| Estimated # of new event attendees who return to Market Place twice (Assumes 20%) | 7,000 | 10,000 | 25,000 | 30,000 | 35,000 |
| Estimated # of new event attendees who return to the Market Place four times (Assumes 10%) | 3,500 | 5,000 | 12,500 | 15,000 | 17,500 |
| Market Place admission from new attendees (Assumes \$2.14 per person based on 2018 actual) | \$44,940 | \$64,200 | \$160,500 | \$192,600 | \$224,700 |
| Estimated F & B impact of new attendees (Profit margin based on current margin of 35.54% & \$5.80 per cap) | \$43,288 | \$61,840 | \$154,599 | \$185,519 | \$216,439 |
| Estimated # of new vendor days based on increased attendance (Assumes 30%, 35%, 40% growth per year) | 9,840 | 10,218 | 10,597 | 10,597 | 10,597 |
| Increased vendor count over 2018 actual | 2,271 | 2,649 | 3,028 | 3,028 | 3,028 |
| Vendor Income per vendor (Assumes \$267 per vendor based on current run rate thru April) | \$606,277 | \$707,323 | \$808,369 | \$808,369 | \$808,369 |
| Total net impact of marketing efforts | \$729,504.62 | \$883,362.65 | \$1,248,468.20 | \$1,336,488.00 | \$1,424,507.80 |
| Projected losses without plan - (refer to appendix document) BENCHMARK (assumes losses grow at 8.5% per year) | \$ (1,017,545) | \$ (1,104,036) | \$ (1,197,879) | \$ (1,299,699) | \$ (1,410,173) |
| Current marketing spend without plan | \$150,000 | \$150,000 | \$150,000 | \$150,000 | \$150,000 |
| Rent diversion (Assumes all \$600K is spent each year) | \$600,000 | \$600,000 | \$600,000 | \$600,000 | \$600,000 |
| Projected profits with plan | \$461,960 | \$529,327 | \$800,589 | \$786,789 | \$764,335 |
| Amount paid to OC Fair & Events Center (Rent diversion re-payment) | \$461,960 | \$529,327 | \$600,000 | \$600,000 | \$600,000 |
| Shortfall in rent paid to OC Fair & Events Center due to rent diversion | -\$138,040 | -\$70,673 | \$0 | \$0 | \$0 |
| Amount paid to OC Fair & Events Center for prior year rent shortfall payments | \$0 | \$0 | \$200,589 | \$8,124 | \$0 |
| Additional amount paid to OC Fair & Events Center (50% of profits above rent diversion) | \$0 | \$0 | \$0 | \$97,457 | \$82,167 |
| Total amount of rent diversion re-payment | | | | | \$3,000,000 |
| Total amount of additional rent above contracted terms | | | | | \$179,624 |



SPECTRA AT THE ORANGE
COUNTY MARKET PLACE

Future Is Now

9B. Consideration of and Vote on Spectra at the Orange County Market Place Proposal Requesting OCFEC Financial Support for a New Business Model to Drive Business to the Orange County Market Place

RECOMMENDATION:

At the Board of Directors' discretion, approve staff to work with Spectra and execute the Orange County Market Place operational and financial plan.

- \$100k for marketing and promotion
- \$500k for event production

The allocated funds would come out of the rent revenue paid annually to OCFEC by Spectra for the Market Place, and this budget will be reviewed and approved by the Board of Directors annually through the budgeting process.



9C. Consideration of and Vote to Provide Financial Support to the Pacific Symphony for Producing “Hail to the Heroes,” a Celebratory Concert Honoring Veterans and Active-Duty Personnel, Featuring Lee Greenwood

It has been a goal of John Forsyte, President of the Pacific Symphony, and their long time conductor, Carl St.Clair, to host a celebratory concert honoring veterans and active-duty personnel, featuring the Pacific Symphony and an “A-list” artist. Through their perseverance and dedication, “Hail to the Heroes” will become a reality. On Sunday, September 8, 2019, the Pacific Symphony will join Lee Greenwood, country music icon whose hits include “God Bless the USA,” on stage at the Pacific Amphitheatre for the “Hail to the Heroes” concert. The community is invited to join those who serve and have served our country for a day of music, celebration and remembrance. Prior to the concert, guests can enjoy picnicking, family activities and veterans’ celebrations on Plaza Pacifica, as well as tours of Heroes Hall Veterans Museum.



9C. Consideration of and Vote to Provide Financial Support to the Pacific Symphony for Producing “Hail to the Heroes,” a Celebratory Concert Honoring Veterans and Active-Duty Personnel, Featuring Lee Greenwood

As part of this community celebration, complimentary concert tickets for active-duty military, veterans and first responders will be made available. To help underwrite this community celebration, the Pacific Symphony is seeking partners to provide financial support. John Forsyte, President of the Pacific Symphony, on behalf of the Pacific Symphony and its Board of Directors, is asking for the 32nd DAA to join them by making a financial contribution to this event.



To honor those
who are serving...

To salute those
who defended America's ideals...

And to remember those
who never returned...



Pacific Symphony and the OC Fair & Event Center
present

"HAIL TO THE HEROES"

A day of music, celebration and remembrance



SUNDAY, SEPT. 8

PACIFIC AMPHITHEATRE AT OC FAIR AND EVENT CENTER

GATES OPEN AT 5 P.M.

CONCERT AT 7:30 P.M.



Complimentary
tickets for
active-duty
military and
veterans

"HAIL TO THE HEROES"

ACTIVITIES INCLUDE:

A celebratory concert honoring veterans and active-duty personnel, featuring the 84 musicians of Pacific Symphony:

- Symphonic grandeur accompanying stories of heroism from Orange County veterans.
- A headline artist with heart-warming tribute songs.
- The uplifting voices of Pacific Choral.
- Patriotic tunes, Armed Forces marches and themes from military-inspired films.



A community celebration of veterans and active-duty servicemen and servicewomen:

- Food and drink, picnicking, family activities and veterans' celebrations on Plaza Pacifica



Pre-show tours of Heroes Hall veterans museum, featuring the special exhibition "Victory From Within: The American Prisoner of War Experience":

- See the immense capacity of the human spirit to overcome adversity and find hope in the darkest of spaces.

PacificSymphony.org



9C. Consideration of and Vote to Provide Financial Support to the Pacific Symphony for Producing “Hail to the Heroes,” a Celebratory Concert Honoring Veterans and Active-Duty Personnel, Featuring Lee Greenwood

RECOMMENDATION:

At the Board of Directors’ discretion



9E. Consideration of and Vote Regarding 2020 Operating and Capital Budget

Director Doug La Belle requested a discussion regarding the 2020 Operating and Capital Budget.

RECOMMENDATION:

At the Board of Directors' discretion.



9F. Consideration of and Vote on Board Policy Regarding Staff and/or Board of Directors' Public Responses to Hate Crimes and Acts of Discrimination Committed on District Property

Director Andreas Meyer requested a discussion on Board policy regarding staff and/or Board of Directors' public responses to hate crimes and acts of discrimination committed on District property.

RECOMMENDATION:

At the Board of Directors' discretion.



9G. Update on Diversity and Inclusion Training for District Staff

At the request of Director Meyer, staff was asked to provide an overview of the District's Diversity and Inclusion training.

- The State of California requires all state employees, at a supervisor and above classification, to complete a two hour “Discrimination, Harassment and Bullying” training session every two years. The training materials used to fulfill this requirement are an online training module provided by Society of Human Resource Management (SHRM). Upon completion of this online training, a certificate is provided to the trainee validating his/her participation, and certificates are included in each employee's personnel file.
- New this year, California law requires that all line staff complete a one hour anti-discrimination, harassment and bullying training session before the end of 2019. Staff will ensure this training is completed as required by law.



9G. Update on Diversity and Inclusion Training for District Staff

- All employees – both seasonal and civil service - are provided a copy of the District’s employee Handbook as part of the new hire orientation and onboarding process. This Employee Handbook covers in detail the topics of “Discrimination, Harassment and Bullying, including how to report any suspected incidents, and emphasizes a zero tolerance policy. All employees are required to sign a document acknowledging that they have read and understand the policy.
- All employees - both seasonal and civil service are required as part of the new hire orientation onboarding process to watch the HR orientation video. This video covers the topics of “Discrimination, Harassment and Bullying.”
- The 2019 OC Fair seasonal staff orientation training has been expanded to include new training content covering the topics of “Discrimination, Harassment and Bullying.” These training sessions are mandatory and will be conducted in three large group sessions for all seasonal staff as well as civil service staff. The new orientation material referencing the “Discrimination, Harassment and Bullying” training is attached.



9G. Update on Diversity and Inclusion Training for District Staff

As part of the 2020 Operating Budget, staff will be requesting additional training and travel funds for HR staff to attend new training programs being developed and offered by the Society for Human Resource Management (SHRM) and/or other reputable training resources to continue to ensure the District is providing the most up-to-date and relevant information to employees.





2019 OC Fair Orientation





FUN makes us ONE
Where all are welcome at the OC Fair





FUN makes us ONE

HALLO CIAO ALO
HOLA ΠΡΑΙΒΕΤ
Nǐ Hǎo اَبْحَا
你好
SALVE OI
BONJOUR HELLO
SELAM SALUT



ACRES OF FUN



FUN makes us ONE

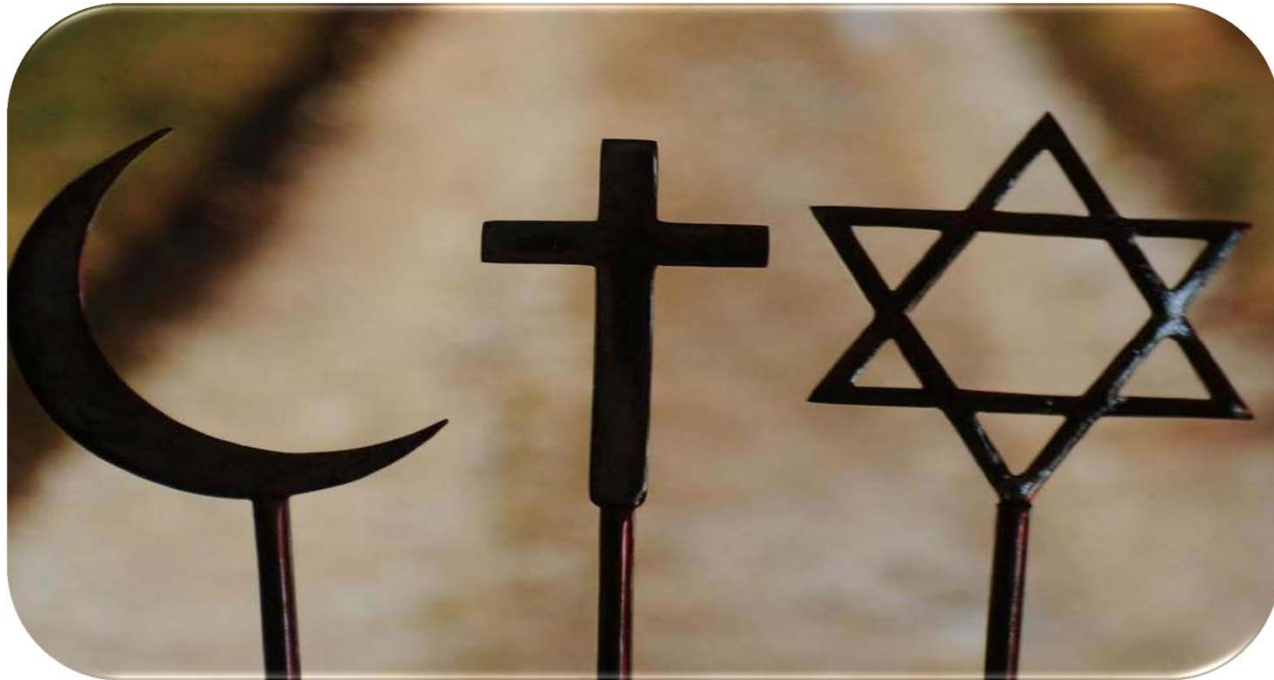


ACRES OF FUN





FUN makes us ONE





FUN makes us ONE

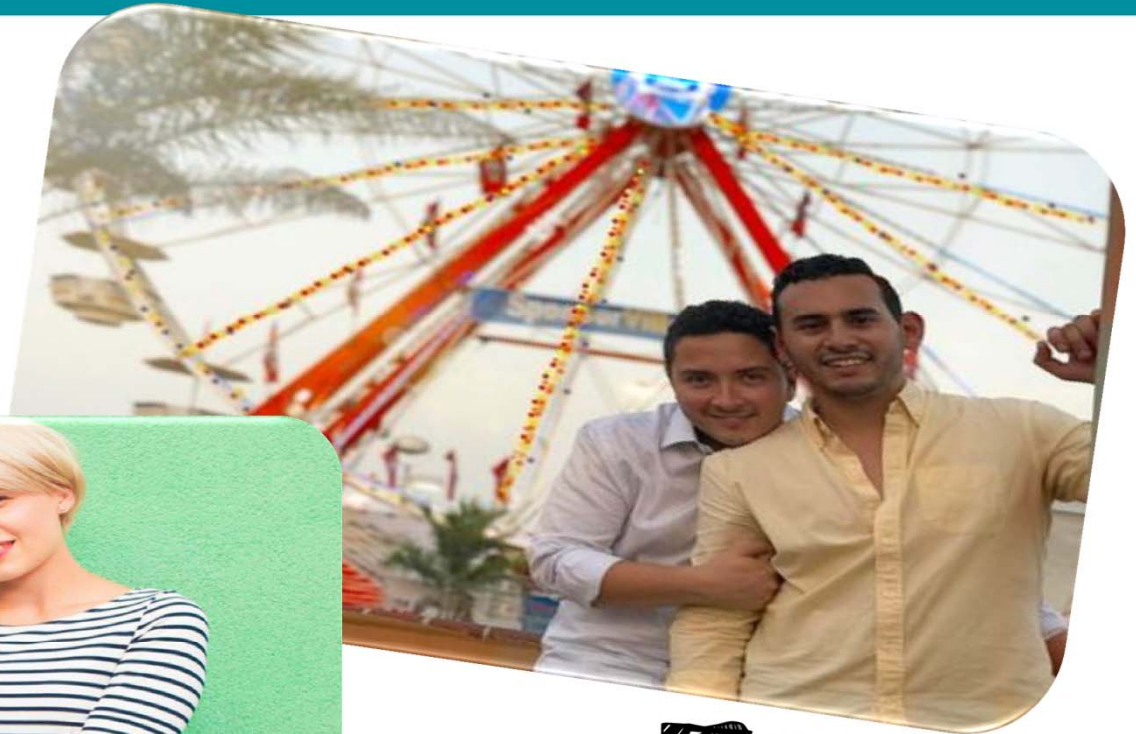


ACRES OF FUN





FUN makes us ONE



ACRES OF FUN





FUN makes us ONE



ACRES OF FUN





ALL are welcome...



...because FUN makes us ONE!

ACRES OF FUN



9G. Update on Diversity and Inclusion Training for District Staff

RECOMMENDATION:

At the Board of Directors' discretion.



9H. Update on Diversity and Inclusion Training for Contracted Fair Security

At the request of Director Meyer, staff was asked to provide an overview of the District's diversity and inclusion training for contracted fair security. Security during the annual OC Fair is provided by two groups: in house and contract security personnel.

The District's standard contract agreements all contain State mandated non-discrimination language. (See attached non-discrimination clause example).

In preparation for the annual OC Fair, security department leadership holds several pre-operation meetings with supervisory personnel from the contracted security agency to review operational details and any pertinent rules or regulations.

In addition, during these meetings, security staff reviews with supervisory personnel the District's policy regarding workplace harassment and discrimination.

RECOMMENDATION:

At the Board of Directors' discretion.



9I. Consideration of and Vote to Cancel the August Board of Directors Meeting

The 2019 OC Fair ends on Sunday, August 11, 2019. If an August Board meeting were to be held, the Board members and staff would essentially have only eight working days after the close of the fair to prepare for the meeting, after hosting the fair for 23 days. Cancelling the August Board meeting would allow Board members and staff to take some time off prior to the beginning of the fall school session, and for staff to focus on fair move-out and set-up for the fall event season.

If any significant items would arise, the Board of Directors always has the option to conduct a meeting with ten (10) days public notice.

RECOMMENDATION:

At the Board of Directors' discretion.



9J. Staff Presentation of the 2019 OC Fair

INFORMATION:

Staff will present highlights of the upcoming 2019 OC Fair.



OCFAIR
ACRES OF FUN

JULY 12-AUG 11, 2019



OCFAIR.COM

We 

 **CFAIR**

Favorite Food



New This Year



*Avocado Toast
Ten Pound Buns*



*Puffy Tacos
Papi's Puffy Tacos*



*Green Acres Fire Burger
Grant Burgers*

Grazing for Savings

\$7.19

\$8.19

\$9.19



Kinder to the Environment



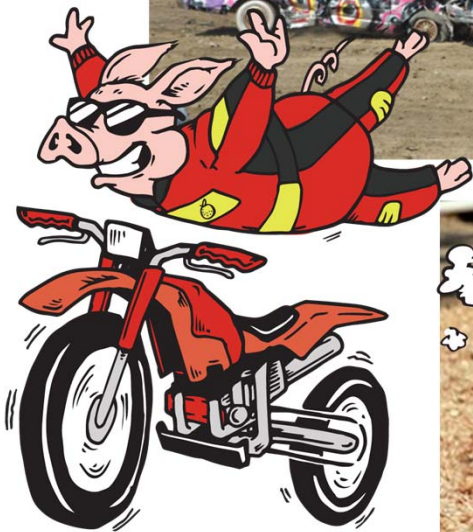
Favorite Rides & Games



Introducing “Titan”



Favorite Attraction



Working Sheep & Dog Show



Favorite Entertainment



Heading for a Sell Out



July 24



July 25



July 26



July 27



July 28

Favorite Exhibits



Celebrating CA Agriculture



Orange Grove



Avocado Pit

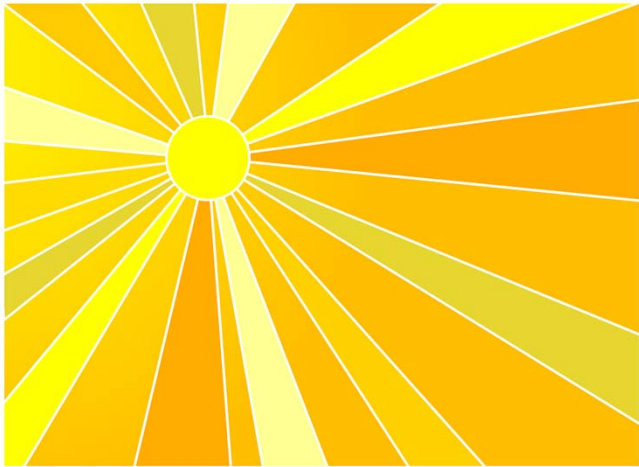


Strawberry Patch



Beef Corral

Aces of Fun



Featured Artist - Narsiso Martinez



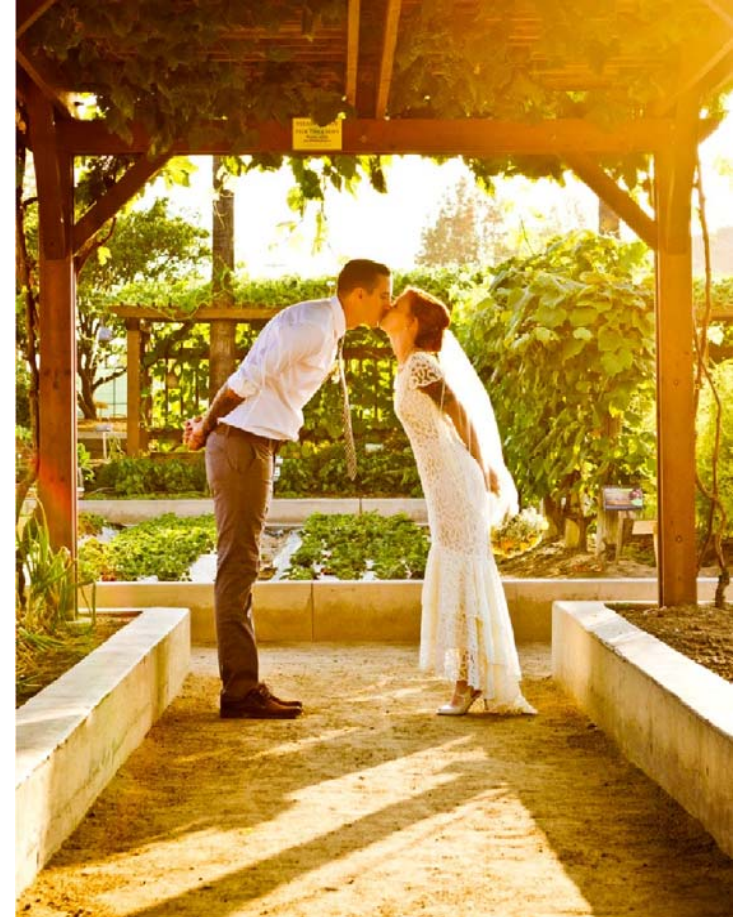
Favorite Animals



New Babies



“Love is in the Fair”



Community Flag Raising

New Time!
2:30pm



Promotions

Free 'Til Three

\$2 Rides and Games

\$3 Taste of Fair Food

Best Deal Ever!

Sunday Funday

We Care Wednesdays

OC Fair Express

Kids Day

SALUTE TO HEROES

\$35 Unlimited Ride Wristband

Seniors Day

Community Give-Backs



**Friends
of the
Fair**



What Else is New?



Sunday, July 28



ACRES OF FUN

 **OC FAIR**



July 12-August 11, 2019

Open Wednesday-Sunday

10. Closed Session

- A. Pending Litigation – The Board will meet in closed session to consult with legal counsel regarding the following pending litigation. [Gov. Code section 11126(e).]
- i. To confer with and receive advice from legal counsel regarding potential litigation involving the 32nd District Agricultural Association. Based on existing facts and circumstances, the Board of Directors will decide whether to initiate litigation. (Govt. Code, § 11126, subd. (e).)
 - ii. To confer with and receive advice from legal counsel regarding potential litigation involving the 32nd District Agricultural Association. Based on existing facts and circumstances, there is significant exposure to litigation against the 32nd District Agricultural Association. (Govt. Code, § 11126, subd. (e).)



11. Board of Directors' Matters of Information

Next Board Meeting

August 22, 2019





OC Fair & Event Center – Costa Mesa, California