



Board of Directors Agenda Report

MEETING DATE: FEBRUARY 24, 2022 **ITEM NUMBER:** 8B

SUBJECT: Presentation of Board of Directors Governing Policy Update Recommendations from Governance Committee and Vote on Next Steps (*Policies 6.04 and 6.05*)

DATE: February 18, 2022

FROM: Governance Committee

PRESENTATION BY: Directors Cervantes and Rubalcava-Garcia

RECOMMENDATION

At the Board of Directors' discretion.

BACKGROUND

The Governance Committee of the Board of Directors is responsible for periodic review of the Board's governance policies and recommending updates and/or changes.

The committee is recommending the following for action:

1. Policy 6.04 (High Profile Event Policy) was approved in June 2016 and governs high profile events at OCFEC which have the potential to have a significant impact on the surrounding neighborhoods, or are complex in nature and may impede operational event execution including effective crowd control and public safety measures.

The current policy requires that OCFEC must have at least seven (7) business days' notice prior to the high profile event to adequately assess and plan the event and coordinate with all relevant internal operations functions and appropriate external partners.

Staff recommended to the Governance Committee to increase the notification requirement from at least seven (7) business days to at least ten (10) business days to allow for adequate assessment, planning, collaboration with outside agencies, staffing and execution of high profile events.

2. Policy 6.05 (Cannabis Event Policy) was approved in November 2018 and prohibits booking of cannabis-related events, or the inclusion of cannabis-related

products, sponsorships, activities, drug paraphernalia, marketing, advertising or promotion during events held at OC FEC.

While the policy does allow for the sale, promotion and display of products containing seeds derived from industrial hemp, it does not allow for the sale, promotion and display of CBD products.

The Governance Committee is recommending that the Board direct staff to research any changes in the factors considered by the Board in developing the Cannabis Event Policy in November 2018 and bring back information to the Board at a later date for discussion and consideration.

A copy of the High Profile Event Policy 6.04 and the Cannabis Event Policy 6.05 are attached.

32nd District Agricultural Association
Board Policies

Board Policy 6.04: High Profile Event Policy

Date Adopted/Last Revised: June, 2016

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

Purpose

This policy governs High Profile Events at the OC Fair & Event Center (OCFEC). A High Profile Event is defined as an event that meets one or more of the following criteria, as determined by OCFEC in its sole and absolute discretion:

- The event has the potential to have a significant impact on the surrounding neighborhoods, including but not limited to noise, lighting, traffic congestion, and public safety.
- The complex nature of the event may impede operational event execution including, without limitation, effective crowd control and public safety measures.

Policy

In order to allow the OCFEC adequate time to assess and plan for High Profile events, the following policy will be implemented:

1. OCFEC must have at least ~~seven (7)~~ ten (10) business days' notice prior to the High Profile Event to adequately assess and plan the event, and coordinate with all relevant internal operations functions and appropriate external partners. The assessment process will include the same considerations as with all other events, including:
 - a. Available space – Is the desired space available without negatively impacting other users/uses of the property?
 - b. Available dates – Is the desired date(s) available without negatively impacting other users/uses of the property?
 - c. Scope of High Profile Event– Can the event be supported by available infrastructure and operational resources, and is it within the mission and values of OCFEC?
 - d. Competing events – Does the event compete with a similar or like event within the date range designated in the Competing Events Policy?

- e. Safety concerns – Are there any safety risks and liabilities that may be caused by the event? If so, are such risks manageable?
 - f. Renter experience – What is the event experience desired by Renter?
 - g. Venue references – What is the past experience of the Renter’s event at other venues?
 - h. Bank and financial institutions references – provide three current references.
 - i. Provide three venue references in which renter has held previous events and if possible, references for events similar in size and scope to current event being considered by OCFEC.
 - j. High Profile Event business plan – What is the Renter’s proposed business plan for the event?
 - k. Financial return to OCFEC – What is the proposed net financial gain from the event?
- 2. Before an OCFEC contract for a High Profile Event is executed, OCFEC staff and CEO, along with Renter’s representative(s) if applicable, will meet with area stakeholders including, but not limited to, the Chair and Vice-Chair of the OCFEC Board of Directors, the City of Costa Mesa, the Costa Mesa Police Department, Cal Fire, the OC Sheriff’s Department, Orange Coast College, Vanguard University, and the Newport Mesa School District to discuss and assess the potential impact on the surrounding neighborhoods.
 - 3. The Renter is required to pay 100% of the estimated event expenses, including the facility rental, in advance via certified check or wire transfer.
 - 4. A security plan for the High Profile Event will be developed by OCFEC staff in conjunction with area law enforcement. The Renter must approve the security plan, agree and pay in advance the full costs associated with this plan to all appropriate agencies involved in providing services to the event, including OCFEC. Satisfactory payment arrangements must be made directly with the security/third party vendor before an OCFEC contract will be executed.
 - 5. The Renter is required to provide an additional payment in the form of a minimum deposit of 50% of the total estimated event expenses to cover any additional costs that may be incurred as a result of the event. A certified check or credit card is required for this deposit and must be submitted 24 hours prior to the start of the event. If a credit card is presented as payment for this deposit, 50% of the total estimated costs will be charged to the credit card 24 hours prior to the start of the event. Within five business days of the conclusion of the event, OCFEC staff will present the Renter with a final event expense invoice and refund any overages.

6. The Renter may not issue tickets, vouchers or passes to the event (whether paid or complimentary) in excess of the State Fire Marshal's maximum capacity for the venue.
7. Due to the nature of High Profile events and the potential risk for OCFEC and surrounding areas, the Renter must provide a certificate of insurance for an amount not less than \$2 million in general liability coverage per occurrence. Upon concluding a risk assessment, OCFEC in its sole and absolute discretion reserves the right to increase the general liability coverage in an amount determined over the \$2 million minimum requirement.
8. Once the High Profile Event contract is signed, OCFEC will immediately begin communicating through a variety of channels to the public, stakeholders and surrounding neighbors regarding the event.

32nd District Agricultural Association
Board Policies

Board Policy 6.05: Cannabis Event Policy

Date Adopted/Last Revised: November 15, 2018

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

Policy

The 32nd District Agricultural Association (OC Fair & Event Center) does not book cannabis-related events at the OC Fair & Event Center for several reasons, including without limitation, the City of Costa Mesa's Marijuana Ordinance and the OC Fair & Event Center's close proximity to schools, parks, day care centers and other areas where minors gather. This policy also extends to existing events which are prohibited from including cannabis products or activities, cannabis-related products or activities or drug paraphernalia during events held at the OC Fair & Event Center. The OC Fair & Event Center does not permit any sponsor, vendor or exhibitor to include in any marketing, advertising or information for an event held at the OC Fair & Event Center, any promotion, information or advertisement from cannabis dispensaries or third-parties that sell or promote cannabis-related products or drug paraphernalia. Event sponsors, vendors and/or exhibitors may not distribute, sell or promote cannabis products, cannabis-related products or drug paraphernalia during any event at the OC Fair & Event Center.

Notwithstanding the foregoing, the OC Fair & Event Center permits the sale, promotion and display of products containing seeds derived from industrial hemp or industrial hemp seed oil or hemp seed oil derived from industrial hemp, consistent with California law.