



# State of the OC Fair & Event Center

During the budget process for 2022, a recommendation was made by the Board of Directors for the staff to provide a mid-year “State of the Fair” presentation for the Board and public.

The idea would be to mimic what many cities do with their State of the City address, and what the President does in the State of the Union address. A way to let the governing Board and the public know how we’re doing.

So today, I’m going to review a few key aspects of our overall business and provide you all with exactly that – how we’re doing.

Let’s start with our place within the fair industry.

# Our place within the fair industry

- #1 fair in California in 2021
- #7 fair in the U.S. in 2021
- Changing the paradigm
  - Attendance is no longer the measure
  - The right metrics: guest experience, resource management and neighbor relations
- Industry awards
  - WFA – 19 awards
  - IAFE – 6 awards
- How we give back
  - CFA Board of Directors
  - IAFE Committees
  - WFA Committees
  - Panelists, trainers, presenters



Let's face it, COVID wreaked havoc with the fair industry – many industries for that fact – and we're continuing to see the ripple effects. The cancelation of the 2020 OC Fair had a major impact on our operations and our financials. COVID also reshuffled the deck and created the opportunity for us to see many things through a different lens.

The OC Fair was #1 in California last year...and #7 in the U.S. But those rankings were based solely on attendance numbers. We're challenging the industry to think differently about how fairs are measured and what makes a "top" fair "top"?

We learned last year that bigger is not always better. Bigger is bigger...but better is better – and that's what we will continue to strive for.

We're now looking at the right metrics: How was the guest experience? Did we serve our community? Did we manage our resources properly? Were we good neighbors to the people and businesses surrounding us? And we're pushing the fair industry to join us in this paradigm shift.

We were honored by Western Fairs Association with 19 achievement awards for the 2021 OC Fair, and with six awards at the international level from the International Association of Fairs & Expositions.

We don't just receive from the fair industry; we give back too. Our staff members serve at a variety of levels within the fair industry on Boards like the California Fairs Alliance, committees through IAFE and WFA, and as panelists, workshop presenters and certification trainers.

Our place in the industry is enviable. We are viewed as successful, generous, innovative, and leaders – and that's what makes a top fair.

# Bringing our mission and vision into focus

- Orange County's town square- the safe place where the community gathers and finds value
- Creating equitable community access to agriculture, entertainment, cultural and educational experiences
- 2022-2024 Strategic Plan
  - Annual OC Fair
  - Year-Round Events Program
  - Educational Assets
  - Equestrian Center
  - Community Support
- 2022 Capital projects
  - 31 projects/purchases
    - 11 completed
    - 19 active
    - 1 on hold
- Master Site Plan in development



From September of 2021 through March of this year, the Board actively participated in a rigorous planning process which resulted in a new Mission and Vision, and a strategic plan focused on key initiatives for the annual OC Fair, our year-round events program, our education assets like Heroes Hall and Centennial Farm, the equestrian center and our community support programs.

You can find that plan on our web site, and staff is actively completing and working through each of the initiatives.

The 2022 operating plan included 31 capital projects and purchases – 11 have been completed to-date, 19 are active and one is on hold.

And, we'll be introducing our 10-Year Master Site Plan sometime in the Fall with a timeline, budget and funding plan.

But if you read the Strategic Plan in detail, there is one theme that stands out more than any other – **COMMUNITY.**

# Engaging the community

- Assistance during the pandemic
- Large animal evacuations
- Outside Boards and committees we serve on
  - Big Brother Big Sisters Workplace Mentors
  - Girl Scouts of OC
  - California Construction Authority
  - OC Sports Commission
  - South Coast Metro Alliance
  - Orange County Business Council
  - Costa Mesa Chamber of Commerce
  - Western Fairs Association
  - International Association of Fairs & Expositions
  - International Facility Management Association
  - Int'l Association of Venue Managers
  - State Rules Committee
- Board directed donation tickets
- Imaginology
- Centennial Farm
  - 91,180 school year visitors
  - 13 Garden Classes with 358 participants
  - 2,460.5 volunteer hours
- Heroes Hall
  - 12,093 visitors this year
  - Speakers series



We engage the community by supporting the community. We engage the community by giving back. We engage the community through our free educational assets.

During the pandemic, we partnered with Power of One Foundation to distribute emergency food to the community – some of that food from our own Centennial Farm. We provided a site for the City of Costa Mesa to host trailers for the vulnerable houseless population in Costa Mesa exposed to COVID. Thankfully, we never had to use them. We worked with the County to serve as a COVID testing site and a vaccination super POD. All while working hard to bring back our year-round events and the OC Fair. Remember the drive-in concerts and fair food drive-through events?

We were also activated multiple times as a large animal evacuation center during wildfires.

Many of us serve on Boards and committees outside the organization and the industry. (Read list)

Last year, we provided 2,500 fair admission ticket donations to the neediest in our community...and we're doubling that number this year so that those who would not otherwise be able to visit the OC Fair can attend.

We held Imaginology in-person for the first time in two years, providing a free opportunity for students, teachers and families to explore, discover and learn.

Our educational assets continue to provide opportunities for learning and understanding. Centennial Farm welcomed over 91,000 visitors this past school year, conducted 13 Garden Classes with 358 participants and logged over 2,400 volunteer hours from farm docents. Likewise, Heroes Hall has welcomed 12,093 visitors since the beginning of the year, which by the way is more than double the number for the same time period in 2019. And to-date Heroes Hall has hosted 6 events in our speakers series with one more scheduled in September. We're also planning for another Veterans Day celebration in November.

We've earned a place of respect within our community.

# New business development

- 23 new events in 2022
- 6 new sponsors
- 14 new merchants
  - 10 from Orange County
  - All from Southern California
- 4 new concessionaires
  - 2 from Orange County
  - All from California
- 2/3 of community entertainment acts from OC



The OC Fair & Event Center has continued to grow and evolve as we develop new business in responsible ways.

We have added 23 new events to our booking calendar for this year.

There are six new sponsors joining us for the 2022 OC Fair.

Part of our strategic plan included mining new business from Orange County.

We'll feature 14 new merchants at the fair this year – 10 of which are from Orange County; all of which are from Southern California.

We've added four new concessionaires to the fair this year – 2 are from Orange County; all are from California.

2/3 of the entertainers on our community stages this year are from Orange County.

# Transparency

- Board meeting materials
  - Committee Reports
  - Consent Calendar
- Live streaming of Board meetings
- Web site postings – video archives
- New board policies – developed in public
- Timely audits
- Responsiveness to the public



The State of the OC Fair & Event Center is – well transparent. As a public agency, we know it is not only important that we conduct business in a transparent manner, but it's something the public has a right to.

We introduced committee reports so the public is aware of what's happening between one Board meeting and the next. Our Consent Calendar is not just a check-the-box afterthought for the Board, but rather we've worked very hard to make sure – with very few exceptions – that Consent Calendar items are posted BEFORE the contract goes into effect, rather than in reverse.

We live stream our Board meetings so those in the public who are not able to attend in person can view the meeting on-line...and we post the videos of each Board meeting on our web site so the public can access them after the meeting as well.

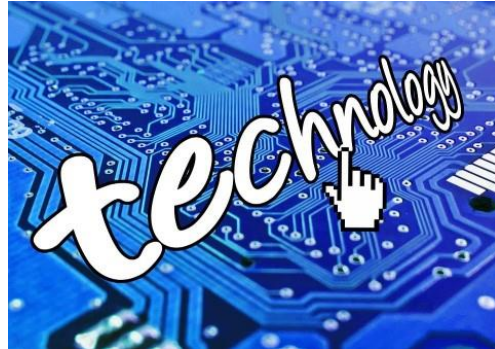
We introduced a new set of Board governance policies, all of which were finalized and approved during public Board meetings.

Our annual audits are now being done in a timely manner and shared in public Board meetings.

And, we've greatly reduced our response time to public records requests.

# Making technology work for us

- Zoom
- DocuSign
- Software upgrades
- WiFi upgrades
- Telework policy
- Fair planning tool
- Web site ADA tools
- Gate screening technology
- 3D CAD
- Canto digital asset management
- Zendesk customer service database



While we have a ways to go in being a premier technology hub, we are leading the industry in several ways. Zoom became our life during the pandemic – anything from simple 1:1 meetings, to full Board meetings. We introduced DocuSign to make remote execution of contracts and agreements faster and easier. We're not going back to paper!

Our Tech team has upgraded much of the software we use on a daily basis, and we continue our WiFi upgrade project, making internet access more streamlined not only for our employees, but the guests who use the property.

We developed a remote telework policy as a result of what we learned during the pandemic and at one point had 40 fully functional remote staff. And, many are continuing remote work on an intermittent basis.

One of our VERY SMART employees created an Excel-based fair planning tool which allows us to keep track of expenses on a real-time basis.

Our Communications Department did an amazing job of adding user tools to our web site so that it is now fully ADA compliant.

We introduced the new EVOLV weapons detection system at our fair entrance gates last year and will continue this year. We believe we may have been the first fair in the U.S. to utilize that technology.

And our inhouse CAD operator now has the capability of creating 3D CAD drawings and maps and we can't wait to introduce them as part of our Master Site Plan documents.

Canto is a digital asset management software program we use to organize our library of photos, graphic illustrations and other digital assets. And, brand new is Zendesk, a customer service database which will track customer service comments, issues and trends which will allow us to make improvements for our guests.



# Developing our workforce

- Retained staff during COVID shutdown
- Training
- Certifications
  - GBAC
- New hires
  - Staff Accountant
  - EQC Supervisor
- Promotions
  - Ag Education Director
  - Exhibits & Education Director



We believe we have the best team in the fair industry – a core staff of about 100 State civil service employees who remained determined and steadfast during the pandemic and continue to bring their best every day. As a result of their hard work to cut expenses and manage our resources during the pandemic, we did not have to lay off a single civil service employee!

We've completed training throughout the year in emergency preparedness, workplace harassment prevention, workplace safety, working remotely, etc. There is still much more to do in this area as we provide more resources for our staff to grow and develop.

Through the hard work of one of our inhouse teams, we did the work to become certified as a Star Facility from the Global Biorisk Advisory Council.

We're adding to our ranks with the recently Board approved additions for a Staff Accountant and an equestrian center supervisor.

And congratulations to Evy Young and Carol Singleton on their recent promotions to the Director level.

There is much more work to do to provide our staff with the training and support they need to continue delivering on the organization's mission, as we have plans to add more training and development opportunities.



# Our financial outlook

- Strong reserves
  - \$62.9 million in cash and cash equivalents
  - Will be used for Master Site Plan and property improvements
- Profitable OC Fair model with maintaining admission prices
  - \$22 million in net proceeds from 2021 OC Fair
- Favorable bottom line
  - Currently \$2.78 million favorable to budget
- Year-end projection
  - 5 months actuals/7 months budget = \$8.76 million net proceeds



And what about the state of our finances? They are strong with reserves of \$62.9 million which will be used as we execute our Master Site Plan and improve the property.

We learned so much from having to pivot during the pandemic – like how profitable the fair can be when we right-size it, manage our resources properly and create a fantastic guest experience. The \$22 million in net proceeds from the 2021 OC Fair proves that...and that's why we're sticking with the controlled attendance model.

At the end of May 2022, our bottom line to-date looks solid. We are currently \$2.78 million favorable to budget.

And, when we take 5 months of actual financial performance and add 7 months of budget numbers, the result is a year-end projection of \$8.76 million in net proceeds.

Our financial outlook is indeed solid. But we still have our challenges.

# Opportunities and Challenges

- Hiring
- Supply chain issues
- Shrinking margins
- Offering value
- Maintaining the guest experience
- Parking
- Storage



The OC Fair & Event Center is challenged with hiring staff, just like most companies out there. We will be ready for the OC Fair, but it will come with a lot of tough and challenging work on the part of our HR team and hiring supervisors.

Supply chain issues are affecting the cost of materials and delaying capital and major projects. There doesn't seem to be any relief on the horizon and we expect those challenges to continue.

With the rising rate of inflation and cost of goods and services, we are beginning to feel the pinch of shrinking margins. The challenge will be how to continue offering value to our guests, along with maintaining an excellent guest experience with these shrinking margins.

And, of course, parking and storage remain a challenge, but a new Master Site Plan will perhaps provide a new opportunity for solutions.

# The State of the OC Fair & Event Center



So, you ask, what is the State of the OC Fair & Event Center?

Well, I asked our staff this question. If you could sum up in one word – and one word only – the State of the OC Fair & Event Center, what would you say.

And here is what they said.

You can see the larger words represent multiple repeats of the same word.

So, from us to all of you, we say the State of the OC Fair & Event Center is RESILIENT, STRONG, SOLID AND OPTIMISTIC...and a bunch of other fun descriptions.