



COUNTY OF SONOMA

575 ADMINISTRATION
DRIVE, ROOM 102A
SANTA ROSA, CA 95403

SUMMARY REPORT

Agenda Date: 9/28/2021

To: Board of Supervisors

Department or Agency Name(s): County Administrator's Office

Staff Name and Phone Number: Michelle Arellano, 707-565-3776

Vote Requirement: Majority

Supervisorial District(s): Countywide

Title:

Sonoma County Fair and Exposition, Inc. 5-Year Agreement

Recommended Action:

Authorize the Chair to execute a five-year agreement ending on September 30, 2026 with the Sonoma County Fair and Exposition, Inc. (SCF) to conduct the annual County Fair and manage the County fairgrounds.

Executive Summary:

The item requests the Board of Supervisor's approval and execution of a five-year agreement with the Sonoma County Fair and Exposition (SCF), to conduct the County Fair and act as an agent of the County to manage, use, possess, and operate the Fair and Fairgrounds. Pursuant to Government Code section 25905, the Board of Supervisors is authorized to contract with a non-profit corporation or association for conducting an agricultural fair, as agent of the County for a period not exceeding five years. The Board has contracted with the Sonoma County Fair and Exposition, Inc. under these terms since 1955.

Discussion:

Pursuant to Government Code 25905, the Board of Supervisors contracts with Sonoma County Fair and Exposition, Inc. to operate the Sonoma County Fairgrounds. In 2015 the Board approved a five-year agreement with the SCF with a term ending on September 30, 2020. Prior to the expiration of the agreement, staff had begun working with the SCF on renewal of the agreement however negotiations were delayed due to the COVID-19 and LNU Lightning Complex Fire emergencies. To allow staff more time to continue to work with the SCF on the new five-year agreement, the Board approved an interim one-year agreement between the County and the SCF on September 22, 2020. The interim agreement expires on September 30, 2021.

Over the past several months, staff has worked closely with the SCF, County Counsel, General Services, Risk Management, and the Auditor-Controller-Treasurer Tax Collector on recommended changes. The proposed Agreement is attached (Attachment A - original with revisions in track changes, Attachment B - final agreement).

The following is a summary of significant changes to the Agreement for the new term, as permitted by the established government code:

Term

This Agreement provides for Annual Fair and fairgrounds management services for a period of five years commencing October 1, 2021.

SCF Authority to Enter into Contracts

The proposed Agreement includes a provision providing the County the right to cancel or terminate Use and Lease Agreements entered into by SCF, in the event the SCF and County Agreement expires or is terminated. This provision is consistent with the subordination clause required to be included in long term Goods, Services, and other contracts that exceed the term of the SCF and County Agreement.

County Emergency Uses

This new provision provides that the County may reserve the right to use the Fairgrounds property for emergency response activities in the event of a declared emergency (GC Section 8558). Recognizing the critical function, the Fairgrounds serves supporting emergency and disaster responses and, in consequence, precluding SCF from conducting normal Fairgrounds operations, County shall compensate SCF for certain expenses associated with emergency uses. This includes reimbursing SCF for staff costs and operational expenses associated with County's emergency response activities and use of the property. In the event the County's emergency use extends longer than thirty (30) days, Fair may request reimbursement for the cost of operations in proportion to facilities occupied by County.

In addition, the County shall not be liable to any third party due to event cancellation resulting from County emergency use, and SCF is required to include provisions in all of its contracts that enable the SCF to cancel events without liability to licensees, lessees, vendors, or contractors. The provision also provides that County or SCF may require third-party organizations using the Fairgrounds for emergency response purposes enter into agreements and preserves that all revenue shall be payable to the SCF.

SCF Authority to Create Debt

SCF shall be required to obtain Board of Supervisors written approval prior to creation of any debt obligations. This provision provides the Board an opportunity to review and consent to creation of debt, taking into account that all debts and obligations lawfully incurred by SCF are the debts and obligations of the County.

In the event of a declared emergency, the County Administrator serving in the capacity of Director of Emergency Services, shall have authority to approve the creation of any debt by SCF related to the emergency event, which shall be presented to the Board of Supervisors for ratification at the earliest opportunity.

Preparation of Budget

SCF shall present its proposed capital improvement budget to the General Services Department as part of the annual budget process.

Effect of Expiration Without Termination Notice

In the event a new agreement between County and the SCF is not executed by the term expiration date, the Agreement shall continue in full force and effect until either (1) SCF or the County issue a written termination

notice or (2) a new agreement is made effective.

The Sonoma County Fair Board approved the proposed Agreement with the County at their meeting on September 14, 2021.

Prior Board Actions:

9/22/20: Board approved an Interim Agreement with the Sonoma County Fair and Exposition, Inc. with the term ending September 30, 2021.

12/8/15: Board approved a five-year agreement with the Sonoma County Fair and Exposition, Inc.

FISCAL SUMMARY

Narrative Explanation of Fiscal Impacts:

Fiscal impacts resulting from the County's use of the fairgrounds property for emergency response activities will depend on how many times the County exercises its rights over the term of the Agreement, including duration of use required by the County. Reimbursement to SCF for associated costs incurred will be funded by the Disaster Fund established for each emergency event. The County will request reimbursement from Cal-OES/FEMA for eligible expenses.

Narrative Explanation of Staffing Impacts (If Required):

None

Attachments:

- A. Proposed Agreement between County and Fair with revisions (redline)
- B. Agreement between County and Fair (clean)

Related Items "On File" with the Clerk of the Board:

None