



## **Notice of Meeting**

California Exposition & State Fair  
Meeting of the Board of Directors  
To Be Held

**Friday, December 8, 2023, 9:00 a.m.**

**The Board will meet in closed session at 9:00 a.m.**

**Public Board Meeting will resume at 10:00 a.m.**

**In the Administration Building Boardroom at  
California Exposition and State Fair**

1600 Exposition Boulevard  
Sacramento, CA 95815

Che Salinas, Chair  
Hannah Gbeh, Vice Chair

Rima Barkett, Director  
Kim Craig, Director  
Sonney Chong, Director  
Jess Durfee, Director

David Mallel, Director  
Brian May, Director  
Willie Pelote, Director

Rex Hime, Honorary Director

### EX OFFICIO MEMBERS

Governor Gavin Newsom

Senator Angelique Ashby  
Senator Melissa Hurtado

Assembly Member Kevin McCarty  
Assembly Member Esmeralda Soria

**218 days to California State Fair (July 12-30, 2024)**

This notice is also available on the Internet at: [www.CalExpoStateFair.com](http://www.CalExpoStateFair.com)

## **Mission Statement**

The California Exposition & State Fair mission is to create a State Fair experience reflecting California including its industries, agriculture, and diversity of its people, traditions and trends shaping its future supported by year-round events.

## **Policy Statement**

The Board shall serve as the policy-making body for the California Exposition & State Fair and shall have full responsibility for the year-round management and operation of all facilities of the California Exposition & State Fair.

## **Public Comment**

Any member of the public wishing to address the Board on any matter listed for consideration on this agenda shall fill out a Speaker's Form and provide it to the Board's Recording Secretary. All speakers will be recognized by the Chair and be allowed a maximum of three minutes to address the Board at the time the agenda item is being considered by the Board.

If you wish to address the Board on a matter not listed on the agenda, you have that right. If you wish to exercise that right, please fill out a Speaker's Form and provide it to the Board's Recording Secretary. You will be allowed a maximum of three minutes to address the Board during the Public Comment item on the agenda.

## **AGENDA**

### **1. CALL TO ORDER – Public Meeting**

All matters noticed on this agenda, in any category, may be considered for action as listed. Any items not so noticed may not be considered. Items listed on this agenda may be considered in any order, at the discretion of the Chair.

### **2. ROLL CALL**

### **3. CLOSED SESSION**

- a. Pursuant to Government Code Section 11126(c)(7)(A) the Board will convene in closed session for the purposes of discussing matter of real property negotiations.
- b. Pursuant to Government Code Section 11126(a)(1), the Board will meet in closed session to discuss personnel matters related to the General Manager.

### **4. RESUME PUBLIC MEETING**

- a. Report out of Closed Session, if needed.

**5. PLEDGE OF ALLEGIANCE**

**6. INTRODUCTION OF GUESTS & STAFF**

**7. PRESENTATIONS**

**a. Staff Retiring:**

Marcia Shell	5/1978 - 12/2023
Mike Ward	9/1989 – 12/2023
Teresa Tillman	1/1991 – 12/2023

**b. Board Members Retiring:**

Rima Barkett	2012-2023
Jess Durfee	2016-2023
Hannah Gbeh	2021-2023
David Mallel	2012-2023

**8. PUBLIC COMMENT ON MATTERS NOT ON THE AGENDA**

In accordance with state law, the Board will not comment or otherwise consider Public Comment matters until and unless such item has been properly noticed for a future meeting.

**9. CONSENT AGENDA**

All items on the consent agenda are to be approved in one motion unless a Board Member requests a separate action on a specific item.

- a.** Approval of Board Meeting Minutes for October 27, 2023
- b.** Service Contracts/Purchase Orders Requiring Board Notification/Approval

**10. COMMITTEE REPORTS & RECOMMENDATIONS**

- a.** Finance & Audit Committee
  - i.** Rock & Brews

**11. NEW BUSINESS**

- a.** Review for Approval Proposed 2024 Cal Expo State Fair Meeting Dates

**12. OLD BUSINESS**

- a.** Future Fair Dates
- b.** Cannabis
- c.** Western Fairs Association
- d.** OVG 360 2023 Contract

**13. CORRESPONDENCE**

- a.** Letter from California Department of Food & Agriculture

**14. ELECTION OF OFFICERS**

- a. Nominations received at last public meeting on October 27, 2023:
  - 1. Chair – Willie Pelote
  - 2. Vice Chair – Kim Craig
  - 3. Nominations from the Floor
  - 4. Close Nominations
  - 5. Hold Election of 2024 Officers of the Board
- b. Office of Secretary-Treasurer/General Manager – Tom Martinez

**15. MATTERS OF INFORMATION**

- a. CEO Comments
- b. Directors Comments/Agenda Items for Future Meetings
- c. Next Board Meeting **TBD**
- d. Other, if any

**16. ADJOURNMENT**

Date of Notice: November 28, 2023

Pursuant to the Americans with Disabilities Act, individuals who, because of a disability, need special assistance to attend or participate in any Cal Expo Board, Committee or any Advisory meetings, or in connection with other Cal Expo Activities, may request assistance at the Cal Expo Administration Building Offices, 1600 Exposition Boulevard, or by calling 916-263-3247, during normal business hours. Requests should be made one week in advance whenever possible.



# CONSENT AGENDA

# **CALIFORNIA EXPOSITION & STATE FAIR**

Minutes of the Board of Directors Regular Meeting

Held Pursuant to Due Notice  
October 27, 2023

Clubhouse located in  
Miller Lite Racing Grandstands  
California Exposition & State Fair  
1600 Exposition Blvd.  
Sacramento, CA 95815

**Directors Present**

Director Che Salinas, Chair  
Director Hannah Gbeh, Vice Chair  
Director Kim Craig  
Director Sonney Chong  
Director Jess Durfee  
Director David Mallel  
Director Brian May  
Director Willie Pelote

**Directors Absent**

Director Rima Barkett

**Executive Staff Present**

Tom Martinez, Chief Executive Officer  
Marcia Shell, Deputy General Manger Expo Events  
Matt Cranford, Deputy General Manager  
Sue O'Brien, Recording Secretary

**Staff and Guests**

Sacramento County Supervisor Richard Desmond  
Diana Barrios, Accounting Manager  
Pat Conner, IT Manager  
Mitch Pryor, Chief of Plant  
Craig Walton, Chief of Police  
Alex Alcantar, Business Development  
Annie Donahey, Executive Staff  
Steve Dooner, California Dreamin  
Michael Beller, Arden Business Alliance  
Michael Seamans, Neighbor  
Nick Leisure, Hollywood North Film Studio Project  
Suzanne Fox, Project Consultant, Hollywood Film Studio Project  
Anthony Scurrah, Hollywood North Film Studio Project

**1. CALL TO ORDER – Public Meeting**

Chair Salinas called the public meeting to order at 1:31 p.m.

**2. ROLL CALL**

Roll call was taken and a quorum was present. Director Barkett was absent and asked to be excused.

**MOTION:**

Chair Salinas asked for a motion to excuse Director Barkett. Motion was moved by Director Pelote and seconded by Director Durfee. **All in favor, motion passes unanimously.**

**3. PLEDGE OF ALLEGIANCE**

Chair Salinas asked Director Chong to lead the Board and Staff in the Pledge of Allegiance.

**4. INTRODUCTION OF GUESTS & STAFF**

Chair Salinas asked the Deputy General Manager Shell introduced guests and staff that were in the audience.

**5. PUBLIC COMMENT**

In accordance with state law, the Board will not comment or otherwise consider Public Comment matters until and unless such item has been properly noticed for a future meeting.

Sacramento County Supervisor Richard Desmond – Supervisor Desmond shared his thoughts to the Board regarding the tiny homes. He stated that neither the County or the City of Sacramento have been informed on this project. It is not transparent. He told the Board that the County of Sacramento is going through the process to open a homeless center sometime next year in this area.

Michael Beller – Arden Business Alliance – Mr. Beller shared his frustration with the board regarding tiny homes and that the only announcement that has been shared about tiny homes at Cal Expo has been done by Mayor Steinberg. He would like to have more transparency.

Michael Seaman – Neighbor – shared the same concerns as Arden Business Alliance. He would like to know the impact on the neighbors and businesses and would like to see more transparency.

Steve Dooner – California Dreamin reported that Chucky Cheese is now part of the water park along with the Cheese Cake Factory. Steve also mentioned that he had a meeting with the Forrest Foundation

**6. CONSENT AGENDA**

All items on the consent agenda are to be approved in one motion unless a Board Members requests a separate action on a specific item.

- a. Approval of Board Meeting Minutes for September 22, 2023
- b. Approval of Committee Meeting Minutes for September 22, 2023
- c. Service Contracts/Purchase Orders Requiring Board Notification/Approval

**MOTION:**

Chair Salinas asked for a motion to adopt and approve the Consent Agenda. The motion was moved by Director Durfee and seconded by Director Mallel. Chair Salinas asked for a roll call vote: Director Craig, yes; Director Chong, yes; Director Durfee, yes; Director Mallel, yes; Director May, yes; Director Pelote, yes; Vice Chair Gbeh, yes; Chair Salinas, yes. **Motion carried, unanimously.**

**7. New Business**

- a. Presentation from the Hollywood North Film Studio Project  
Suzanne Fox, Project Manager for Hollywood North Film Studio Project presented to the Board of Directors their power point presentation for their information.

The Board Chair asked if there were any objections to taking item 9b out of order. Seeing none the CEO proceeded with item 9b.

**8. REPORT OUT OF ACTIONABLE ITEMS FROM BOARD'S STRATEGIC PLANNING SESSION**

- a. 2024 State Fair

- i. Future Fair Dates

Director Durfee made a motion to direct staff to develop future fair date options, encompassing the Memorial Day weekend, the July 4<sup>th</sup> holiday, or other dates as determined by Staff. The staff is further directed to investigate the feasibility and implications of each proposed date and present their findings and a recommended date option at the upcoming December Board Meeting. Vice Chair Gbeh seconded the motion. Discussion – None. Chair Salinas asked for a roll call vote: Director Craig, yes; Director Chong, yes; Director Durfee, yes; Director Mallel, yes; Director May, yes; Director Pelote, yes; Vice Chair Gbeh, yes; Chair Salinas, yes. **Motion carried, unanimously.**

- ii. State Fair Branding

Director Durfee made a motion to direct staff to have "Food Festival" removed from marketing concepts for State Fair. Director Craig seconded the motion. Discussion – None. Chair Salinas asked for a roll call vote: Director Craig, yes; Director Chong, yes; Director Durfee, yes; Director Mallel, yes; Director May, yes; Director Pelote, yes; Vice Chair Gbeh, yes; Chair Salinas, yes. **Motion carried, unanimously.**

iii. Cannabis

Director Durfee made a motion to direct staff to engage in collaborative discussions with industry stakeholders regarding the potential expansion of the Cannabis Competition and the inclusion of cannabis products for consumption at the California State Fair. Additionally, I propose that staff be directed to update the Cannabis Event policy guidelines to align and implement with the current state policies and guidelines established by the California State Legislation. Director Mallel seconded the motion. Discussion – None Chair Salinas asked for a roll call vote: Director Craig, yes; Director Chong, yes; Director Durfee, yes; Director Mallel, yes; Director May, yes; Director Pelote, yes; Vice Chair Gbeh, yes; Chair Salinas, yes. **Motion carried, unanimously.**

b. Year Around Events

i. Heart Health Park

After discussing Heart Health Park it was suggested that the board appoint a committee to look at the structure of the contract had in the past and align its terms and become favorable to Cal Expo. The Chair appointed Director Mallel and himself.

c. Cal Expo Financial Updates

d. Development of Strategic Direction

**9. MATTERS OF INFORMATION**

a. CEO Comments

b. Opening of Nominations of Board Officers

Nominations from the floor were Willie Pelote – Chair and Kim Craig – Vice Chair

c. Director Comments/Agenda Items for Future Meetings

d. Next Board Meeting **December 8, 2023 – Annual Board Meeting**

e. Other, if any

**10. ADJOURNMENT**

The Board of Directors meeting was adjourned at 2:35 p.m.

California Exposition & State Fair

**PURCHASE ORDERS**

October 24, 2023 to December 6, 2023  
From \$15,000 to \$99,999 (rounded) Requiring Notification

<b>Vendor/Merchant</b>	<b>Amount</b>
<b>EMMA, Inc.</b> <ul style="list-style-type: none"><li>• Newsletter subscription services</li><li>• Term: 1/1/2024 through 12/31/2025 (2 years)</li></ul>	<b>\$17,064</b>
<b>Roura Acquisitions, Inc.</b> <ul style="list-style-type: none"><li>• Waste management equipment/containers for cardboard</li></ul>	<b>\$26,046</b>
<b>Sable Computer Inc.</b> <ul style="list-style-type: none"><li>• 2023 firewalls and installation</li></ul>	<b>\$32,939</b>
<b>Capital Commercial Flooring, Inc.</b> <ul style="list-style-type: none"><li>• Flooring for Administration and Police Department Buildings</li></ul>	<b>\$43,475</b>

**PURCHASE ORDERS**

**\$100,000 and Over (rounded) Requiring Approval**  
October 24, 2023 to December 6, 2023

<b>Vendor/Merchant</b>	<b>Amount</b>
<b>Atlas Commercial Products dba EventStable</b> <ul style="list-style-type: none"><li>• Purchase of tables and chairs for events</li></ul>	<b>\$235,757</b>
<b>Trane, U.S. Inc.</b> <ul style="list-style-type: none"><li>• 16 Heat Pumps for HVAC Systems</li><li>• Fully reimbursable by CDFA</li></ul>	<b>\$849,980</b>



**SERVICE CONTRACTS**

**October 24, 2023 to December 6, 2023  
From \$15,000 to \$99,999 (rounded) Requiring Notification**

Contractor	Amount
<b>Rise Above Touring Inc.</b> <ul style="list-style-type: none"> <li>2024 SF Grounds Entertainment – The Drumheads</li> </ul>	<b>\$19,496</b>
<b>JTM Payroll Service, Inc.</b> <ul style="list-style-type: none"> <li>Heart Health Park: Payroll for IATSE stage hands</li> <li>Term: 9/20/2023 – 4/30/2024</li> </ul>	<b>\$40,000</b>
<b>DG Media Consulting</b> <ul style="list-style-type: none"> <li>2024 SF Press and Community Outreach Management</li> <li>Term: 1/1/2024 – 9/30/2024</li> </ul>	<b>\$84,000</b>

**SERVICE CONTRACTS**

**October 24, 2023 to December 6, 2023  
\$100,000 and Over (rounded) Requiring Approval**

Contractor	Amount
<b>Jakes Associates, Inc.</b> <ul style="list-style-type: none"> <li>State Fair Amusement Ride Safety Inspection services</li> <li>Term: 7/5/2024 through 8/3/2026 (3 years)</li> </ul>	<b>\$267,828</b> 2024: \$82,500 2025: \$89,100 2026: \$96,228 <i>pending DGS approval</i>
<b>Specialized Elevator Services Inc. dba Elevator Industries</b> <ul style="list-style-type: none"> <li>Elevator Maintenance and Repair Services</li> <li>Term: 1/1/2024 – 12/31/2028 (5 years)</li> </ul>	<b>\$382,688</b> \$76,537/yr. <i>pending DGS approval</i>
<b>TCS Turf</b> <ul style="list-style-type: none"> <li>Heart Health Park Turf Management services</li> <li>Term: 1/1/2024 through 12/13/2026 (3 years)</li> </ul>	<b>\$470,371</b> 2024: \$149,200 2025: \$157,860 2026: \$163,311 <i>pending DGS approval</i>
<b>ETIX, Inc.</b> <ul style="list-style-type: none"> <li>Ticketing Sales and Service for Cal Expo</li> <li>Term: 1/1/2024 through 12/31/2026 (3 years)</li> </ul>	<b>\$1,245,000</b> \$415,000/yr. <i>pending DGS approval</i>

**Upcoming Solicitations (estimated through December 2023)**

- Request for Proposal (RFP)**  
 Special Events Coordinator – Dec  
 Security Services (HHP) – Dec  
 Roving year-round Security – Dec

# COMMITTEE REPORTS & RECOMMENDATIONS

State of California

California Exposition & State Fair  
1600 Exposition Boulevard  
Sacramento, CA 95815  
Tel: (916) 263-3000

## MEMORANDUM

**Date:** November 18, 2023  
**To:** Board of Directors, Finance Committee Members  
California Exposition and State Fair  
**Via:** Tom Martinez, Chief Executive Officer  
California Exposition and State Fair  
**From:** Diana Barrios, Finance Manager  
**Subject:** Financial Reports- Finance Committee

### INTRODUCTION

Please find the attached 2024 Cal Expo Budget Proposal and 2024 State Fair Budget Proposal for your review and discussion at the Finance Committee meeting November 20, 2023 at 2:00 p.m. via Zoom.

The budget presented estimates actual revenues and expenditures to the end of the fiscal year 2023. These numbers are still under development and will be confirmed when we review Quarter 4 at our January 2024 Board of Directors meeting.

The budget proposals for 2024 were developed with feedback from managers. We received notification that Cal Expo was approved for the Specialty Crop Grant for 2024 in the amount of \$350,000, which you will see reflected in Grants (line 12). Cal Expo staff continues to work on closing projects related to FEMA grant funding from storm damage to parts of our facility in January 2023. The amount of grant funding from the storm damage remains uncertain as we are undergoing the process of project close outs and conducting repairs to some facilities.

To reduce costs from activities related to equipment rental, Cal Expo staff began conducting an analysis of Rent versus Purchase activities related to Expo Events, annual State Fair, and the Multi-Use Sports Field. There have been recent purchases of barricades, tables, chairs, and miscellaneous security measures which are reflected in the current year budget. As a reminder, Cal Expo was a benefactor of one-time funds in 2021. The funds used for the purchases are these one-time funds. This is reflected in the last line as "Transfers into General Fund" (line 42). It is expected the Rent versus

Purchase analysis will continue into the coming year; thus the 2024 Proposed budget illustrates similar transfer activity. Corresponding to the Rent versus Purchases actual purchases, you will note an increase in spending in Consulting & Professional Services (line 30).

Deferred Maintenance projects continue to be funded through in the Deferred Maintenance Account, which is a savings account. As the costs of projects funded are completed, staff tally the totals and a transfer is made from the Deferred Maintenance Account back into the General Checking Account to replenish the funds used from this account for deferred maintenance activities. The activity from the transfers is reflected in Transfers into General Fund (line 42). Corresponding to the Deferred Maintenance activities, you will note an increase in spending in Consulting & Professional Services (line 30).

<b>RECOMMENDATION</b>
-----------------------

Acknowledgement of the receipt of reports, discussion, edits, and direction to staff to move final reports to the next Board of Director's meeting on December 8, 2023.

**CALIFORNIA EXPOSITION & STATE FAIR**  
**\*\* Proposed 2024 BUDGET \*\***

Row	Column				E
	A	B	C	D	
W	2022 UNAUDITED ACTUALS	2023 ESTIMATED ACTUALS	2024 PROPOSED BUDGET	DIFFERENCE COL C - COL B	ASSUMPTIONS
	<b>Revenue</b>				
1	\$ 14,869,334	\$ 12,530,372	\$ 13,487,125	\$ 956,753	see PROPOSED STATE FAIR BUDGET for details
2	3,366,045	4,367,496	4,000,000	\$ (367,496)	
3	146,549	1,240,299	800,000	\$ (440,299)	Includes rents, F&B commissions, parking, admissions
4	150,000	150,000	150,000	\$ -	minimum guarantee to date
5	94,697	19,056	45,000	\$ 25,944	
6	828,311	578,662	765,000	\$ 186,338	
7	948,166	950,000	1,000,000	\$ 50,000	
8	599,022	3,000	100,000	\$ 97,000	New Contract with California Dreamin 2023
9	527,974	358,308	350,000	\$ (8,308)	minimum guarantee
10	6,009,539	20,161	20,000	\$ (161)	
11	2,175,980	1,689,391	1,615,213	\$ (74,179)	
12	37,870	159,762	375,000	\$ 215,238	FEMA and Specialty Crop Grant
13	58,424	132,783	150,000	\$ 17,217	
14	<b>\$ 29,811,911</b>	<b>\$ 22,199,290</b>	<b>\$ 22,857,338</b>	<b>\$ 658,048</b>	
15	<b>Personal Services</b>				
16	8,155,634	9,257,280	9,442,426	\$ 185,146	Increases due to recent negotiations, additional hires
17	3,083,787	3,729,054	3,803,635	\$ 74,581	Increases due to recent negotiations, additional hires
18	<b>\$ 11,239,422</b>	<b>\$ 12,986,334</b>	<b>\$ 13,246,061</b>	<b>\$ 259,727</b>	
19	<b>Operating Expenses</b>				
20	1,776,915	1,882,683	1,950,000	\$ 67,317	
21	948,817	998,664	900,000	\$ (98,664)	Reduction in revised budget with ad agency
22	124,328	137,913	140,000	\$ 2,087	
23	156,955	158,546	130,000	\$ (28,546)	
24	29,523	21,177	30,000	\$ 8,823	
25	946,159	1,149,919	1,500,000	\$ 350,081	Increase in Police Officer Liability Insurance
26	21,059	58,333	60,000	\$ 1,667	
27	2,956	15,861	20,000	\$ 4,139	
28	671,396	658,651	700,000	\$ 41,349	
29	1,406,026	1,472,717	1,546,353	\$ 73,636	
30	4,602,167	4,955,450	5,025,000	\$ 69,550	** see notes below
31	72,476	57,245	80,000	\$ 22,755	
32	33,046	83,381	100,000	\$ 16,619	
33	1,169,581	2,153,908	2,100,000	\$ (53,908)	Increase Big Name budget includes all back line services
34	49,178	74,916	80,000	\$ 5,084	
35	179,077	183,381	195,000	\$ 11,619	
36	524,101	680,420	681,124	\$ 704	Under review with DOF
37	7,718	148,681	100,000	\$ (48,681)	
38	<b>\$ 12,721,478</b>	<b>\$ 14,891,846</b>	<b>\$ 15,337,477</b>	<b>\$ 445,631</b>	
39	<b>\$ 23,960,900</b>	<b>\$ 27,878,180</b>	<b>\$ 28,583,538</b>	<b>\$ 705,358</b>	
40	<b>\$ 5,851,011</b>	<b>\$ (5,678,890)</b>	<b>\$ (5,726,200)</b>	<b>\$ (47,310)</b>	
41	2,680	652	-	\$ (652)	
42		2,314,707	3,000,000		*** see notes below
43	31,106	2,207	-	\$ (2,207)	
44	14,980		300,000	\$ 300,000	
45	269,963	223,813	400,000	\$ 176,187	
46	<b>\$ 5,537,642</b>	<b>\$ (3,589,551)</b>	<b>\$ (3,426,200)</b>	<b>\$ (521,942)</b>	

\*\* Raging Waters bought out of remainder of contract - November 1, 2022. New water park operator - August 1, 2023.

\*\*Cost shifting activities - one time purchases to reduce rental of equipment in future. One time purchases are being funded through grants and other one-time allocations from prior years. This line also contains expenses related to the operation of the Multi-Use Sports Complex. Increased spending for Monorail repairs/upgrades. Further, costs of doing business have increased post-covid, not many SB/DVBE vendors

\*\*\* Transfer of funds from Deferred Maintenance (DM) account to replenish funds used from General Fund for DM projects and equipment purchases to reduce rental of equipment activities.



**CALIFORNIA EXPOSITION & STATE FAIR  
STATE FAIR REVENUE**

\*\* Proposed 2024 BUDGET \*\*

R o w	Column	A		B		C		D		E		F
		STATE FAIR 2023 ACTUALS	PER CAPS Total Att 594,000	STATE FAIR 2024 ESTIMATE	PER CAPS Total Att 623,700	DIFFERENCE	ASSUMPTIONS					
1	Admissions	\$ 3,574,974	\$ 6.02	\$ 3,641,111	\$ 5.84	\$ 66,137	2% increase to total attendees					
2	Parking	1,432,859	2.41	1,572,078	2.52	139,219	10% increase					
3	Food & Beverage - Conc	1,376,168	2.32	1,661,723	2.66	285,555	21% increase due to increase in expected attendance					
4	Food & Beverage - OVG	624,138	1.05	748,966	1.21	124,828	20% increase for bars					
5	Commercial Exhibits	608,672		578,238		(30,434)	5% decrease in Commercial Exhibits					
6	Carnival	1,497,720	2.52	1,651,236	2.65	153,516	10% increase in carnival spending					
7	Carnival (Other Funds)	76,163		76,163		-						
8	Concert Seating (Gold Circle)	475,850		523,435		47,585	10% Increase in spending					
9	Concert Merchandise	14,053		14,053		-						
10	Monorail	124,771	0.21	124,771	0.21	-						
11	Pari-Mutuel	238,824		274,648		35,824	15% increase in wagering					
12	Racing Programs	15,419		20,045		4,626	30% increase for the 3rd weekend of racing					
13	Competitive Programs	54,296		57,011		2,715	5% increase in competitors					
14	Entry Fees	151,582		166,740		15,158	10% increase in participation					
15	Novelties	37,382		37,382		-						
16	RV Park	106,342		106,342		-						
17	Trailer Space	27,269		27,269		-						
18	Sponsorships	1,861,750		1,861,750		-						
19	Wine Ads	180,500		189,525		9,025	5% increase for 2024 participation/buys					
20	Sale of Champs	-		103,000		103,000	Return of Sale of Champs					
21	Miscellaneous	51,640		51,640		-	includes ATM commissions, other misc commissions					
	<b>TOTAL</b>	\$ 12,530,372	\$ 14.53	\$ 13,487,125	\$ 13.88	\$ 956,753						

State of California

California Exposition & State Fair  
1600 Exposition Boulevard  
Sacramento, CA 95815  
Tel: (916) 263-3010

## MEMORANDUM

**Date:** December 1, 2023  
**To:** Board of Directors, California Exposition & State Fair  
**Via:** Tom Martinez, Chief Executive Officer  
**From:** Marcia Shell, Deputy General Manager  
**Subject:** R & B of the Pacific, Inc.

### BACKGROUND

In March of 2017, Cal Expo executed a 20-year agreement with R & B of the Pacific to build, equip, operate, and maintain a restaurant and family entertainment center, formerly known as Paradise Island, on the Cal Expo grounds. R & B engaged their design team to begin the process for renovation of the facility, which was most recently contracted to Fright Planet, a Halloween haunted house. The project was delayed from the start due to the illness of one of the project managers. Subsequently, there were delays in refurbishments of the interior compounded by a delay in the issue of a building permit. In March of 2020, Governor Newsom ordered that Cal Expo was to be closed to public events to curb the spread of the Covid-19. This closure included the R & B facility. The R & B restaurant closed for 16 months and opened on July 19, 2021 with some restrictions.

### BACKGROUND

Scottlyn Hubbard, a guarantor of any obligation of the corporate debt of R & B, is requesting that the Board consider waiving all rents (and other amounts) owed for the sixteen-month period between Mar 12, 2020 and July 19, 2021. This amount is \$214,567.04. The basis for the request is that for sixteen months R & B was closed and unable to perform under the lease agreement. In the lease there is a Force Majeure clause that states:

Neither Party shall be liable to the other for any delay in or failure of performance, nor shall any such delay in or failure of performance constitute default, if such delay or failure is caused by "Force Majeure." As used in this section, "Force Majeure" is defined as follows: Acts of war and acts of God such as earthquakes, floods, and other natural disasters such that performance is impossible.

### STAFF RECOMMENDATION

Staff recommendation is to approve the request.





SERVING THOSE WHO ROCK

Date: September 30, 2023

From: Scottlynn Hubbard, R & B of the Pacific, Inc.

To: Tom Martinez, CEO, California Exposition & State Fair

Subject: Agreement No. L-2623

On March 12, 2020, Governor Gavin Newsom ordered Cal Expo – including our restaurant – closed to the public to curb the spread of the coronavirus. This order would remain in effect until (approximately) July 19, 2021, when we were finally allowed to open (with some restrictions). For the sixteen months, however, Rock & Brews was closed and thus unable to perform under the lease agreement, which brings us to the crux of this missive

Paragraph 22 of the Agreement No. L-2623 states:

**Force Majeure:** Neither Party shall be liable to the other for any delay in or failure of performance, nor shall any such delay in or failure of performance constitute default, if such delay or failure is caused by “Force Majeure.” As used in this section, “Force Majeure” is defined as follows: Acts of war and acts of God such as earthquakes, floods, and other natural disasters such that performance is impossible.

Rock & Brews believes the pandemic qualifies as a *force majeure* under that paragraph, as “there was such an insuperable interference occurring without the party's intervention as could not have been prevented by the exercise of prudence, diligence, and care.” *Pacific Vegetable Oil Corp. v. CST, Ltd.*, 29 Cal.2d 228, 238 (1946). Phrased somewhat differently, COVID-19 was unforeseeable, outside either of our control, and made performance under the agreement objectively impossible.

It is for those reasons that Rock & Brews respectfully requests that the Board consider waiving all rents (and other amounts) owed for the sixteen-month period between March 12, 2020 and July 19, 2021. Please feel free to contact me if you have any questions.

WORLD HEADQUARTERS

321 12th Street #200 • Manhattan Beach, CA 90266 Office: 310-545-9977 Toll Free: 844-ROC-BRWS

[WWW.ROCKANDBREWS.COM](http://WWW.ROCKANDBREWS.COM)

**NEW BUSINESS**

2024 DATES TO FOLLOW

**OLD BUSINESS**

a. FUTURE FAIR DATES

**MEMORANDUM**

**Date:** December 1, 2023  
**To:** Board of Directors  
California Exposition & State Fair  
**Via:** Tom Martinez, Chief Executive Officer  
**From:** Matt Cranford, Deputy General Manager  
**Subject:** Future Fair Dates

In late October, the Board convened to offer extended-term guidance to the staff, which included evaluating future fair dates and the possibility of a date change. The current State Fair dates are in July. This was a result of a date change in 2009, when the State Fair moved from late August to mid-July. Due to years of historic heat and its negative impact on fair attendees, the Board is reassessing the dates and what future options may be available for the Fair.

**CURRENT FAIR DATES**

The current date structure format for the California State Fair (CSF) designates its concluding weekend to coincide with the last complete weekend of July annually. This approach ensures that the Fair spans the entirety of the latter half of July. Although this period situates the CSF at the peak of summer, it coincides with what has become the hottest month of the year. Notably, in 2023, July set a global record for the highest temperatures. During this time, the Sacramento area endured 10 days of temperatures surpassing 100 degrees, with a particular weekend projected to experience daily temperatures of 112 degrees.

The State Fair represents the primary source of income for Cal Expo, with several significant revenue contributors within the Fair itself. The five leading sources of revenue, in descending order, are:

1. Admissions
2. Food and beverage concessions (inclusive of OVG operations)
3. Carnival
4. Sponsorships
5. Parking services

These sources collectively account for 75% of the Fair's total revenue. Additionally, operational aspects such as the preparation period for the State Fair were considered. This setup phase, spanning 4-5 weeks, encompasses the acceptance of competition entries, the construction of exhibits in Expo Center buildings A, B, C, and D, and the overall readiness of the site, particularly focusing on the electrical, water, and plumbing systems to handle the increased demand.

Horse racing, while not a major financial contributor to the CSF, has been a fundamental aspect of the fair's history and experience since its inception. The unique identity and sense of nostalgia tied to the CSF are deeply rooted in the tradition of the annual State Fair Race Meet,

featuring historic horses and jockeys. Although horse racing continues to provide entertainment and enjoyment for fairgoers, its financial returns, particularly from wagering, have been on a decline. The recent closure of Golden Gate Fields presents a significant challenge to the future of horse racing in Northern California. This issue, which has been critical since July 2023, remains a primary concern for the California Authority of Racing Fairs (CARF) and other county fairs that feature horse racing. During the evaluation of prospective dates for the California State Fair, the staff carefully considered the complexities each option entails. Horse Racing was acknowledged in this process but was not a determining factor due to its current uncertain status. The instability surrounding horse racing poses challenges in forecasting its impact on potential fair dates, especially considering the possibility of its discontinuation at fairs in the 2024-2025 time frame. However, more clarity on this issue is anticipated in the upcoming months.

In an effort to evaluate the viability of various date options for the California State Fair, a questionnaire was distributed among a range of pertinent stakeholders. These stakeholders encompass concert production and management companies, food vendors, carnival company, multiple Cal Expo Departments, and the Sacramento County Fair. Many of these vendors provided feedback regarding the impact of these dates on their ability to supply or service the annual California State Fair.

#### **FUTURE FAIR DATE OPTION 1**

The initial proposed dates for the fair included the Memorial Day Holiday Weekend, spanning late May and early June. A tentative schedule was set from May 23 to June 8, 2025, with a possibility of commencing a week earlier on May 16. The majority of the vendors have confirmed their ability to adapt to these earlier dates. A common preference among them is to conclude the fair on Memorial Day Monday. Notably, Butler Amusements has expressed their flexibility in adjusting to the May schedule and proposed a four-week duration for the fair, with potential closures on Mondays and Tuesdays. However, the feasibility of this extended period is yet to be evaluated by the staff. This time frame is advantageous due to the limited number of concurrent fairs, resulting in reduced competition. Nonetheless, this period also poses unique challenges that need to be considered.

The proposed dates of May and June for State Fair present several logistical and strategic challenges. These include the availability of labor, which primarily comprises students and school district employees who are generally accessible during the summer months. The initial phase of the fair may face staffing difficulties, with the objective to recruit these individuals once they are free from their academic year obligations.

Additionally, the fair's status as "The State Fair" within California is intrinsically linked to the outcomes of county fair competitions. For county fairs that occur after the State Fair, their winners can participate the following year. If we proceed with Option 1, most qualifiers would be from the *previous year's* county fairs. This could lead to complications, such as the inability of some qualifiers, like high school seniors, to participate if they are pursuing education outside of the state.



Furthermore, there is an emerging competitive dynamic with another Livestock Show, which is aspiring to become the premier Livestock show and sale in California. Adopting this change would enable them to attract all late summer livestock participants.

The May event schedule at Cal Expo is substantial, including the culmination of Watch & Wager, the Kentucky Derby, the Preakness, the Country in the Park country music concert at the racetrack, and the Sacramento County Fair. A critical analysis is required to evaluate the feasibility of shifting the State Fair to May, with a particular focus on the potential impact on horse racing activities. Furthermore, the concurrent hosting of Country in the Park and the Sacramento County Fair may present considerable operational challenges for the staff.

During their November meeting, the County Fair Board of Directors engaged in a detailed discussion about the implications of moving the State Fair to Memorial Weekend. A proposed solution involved shifting the County Fair to Mother's Day weekend. This suggestion, however, encounters several logistical limitations, especially the challenge of operating a carnival 1-2 weeks prior to the California State fair carnival, and the occupancy of the Pavilion, Building C, and D tent by the county fair. Implementing such changes would require a substantial turnaround of the grounds to accommodate the State Fair's adjustments. As a result, the County Fair must explore alternative dates to avoid scheduling conflicts and operational difficulties.

#### **FUTURE FAIR DATE OPTION 2**

The second proposed date option for the State Fair suggests a shift to a June and early July schedule, concluding on the Sunday following the 4th of July. This timing, which coincides with milder weather conditions and a major national holiday, could potentially attract local residents interested in staycations. However, feedback gathered from questionnaires highlights significant scheduling conflicts. A notable challenge is the pre-existing commitments of many vendors and concert production companies during this period, particularly with larger fairs such as the San Diego County Fair and the Alameda County Fair. While this change in date could potentially improve returns for vendors, it is important to note that these companies generate substantially higher revenues at other fairs due to specific economic factors and guest demographics.

Another critical issue with this proposed timeframe is the limited availability of security services around the 4th of July. The Sacramento County Sheriff's Office, which is integral to meeting our security needs, is heavily committed to mandatory overtime duties for Independence Day celebrations. This significantly reduces their capacity to provide adequate support for our event.

#### **FUTURE FAIR DATE OPTION 3**

Similarly, to Date Option 1, the consideration of Date Option 3, which incorporates Labor Day (Monday), has garnered diverse feedback from our vendors. A significant number of respondents expressed a preference for this period, aligning with the historical dates of the State Fair. This timeframe presents a strategic advantage due to the observed reduction in activities at California County Fairs, potentially enabling the State Fair to attract an expanded array of prominent concessionaires and vendors. However, it is noteworthy that this period was

previously discontinued due to issues related to high temperatures. Notably, concert production companies have communicated their willingness to adjust to a schedule that extends into late summer and early fall.

Transitioning to a late summer and early fall schedule introduces specific challenges, particularly concerning the availability of the labor force, which predominantly comprises college students and school staff. These groups are usually available during the traditional summer break but return to academic commitments by late summer. This shift could considerably impact staffing levels, especially in the latter part of the fair and during the peak closing weekend.

A pivotal aspect of this transition involves discussions with Butler Amusements. It is essential to determine their readiness to either reschedule or cancel two significant contracts to maintain their commitment to the California State Fair. A critical task for the staff is to ascertain Butler Amusements' decision and prepare a response. Should they be unable to adapt to this change, it would be imperative for the staff to find another capable and large-scale carnival company to meet the State Fair's requirements.

#### **STAFF RECOMMENDATION**

Recognizing horse racing's integral role in the fair industry and its longstanding association with the California State Fair, the staff recommends further investigation into the Fair Options for a May/Spring date or an August/Fall date (Options 1 and 3). This recommendation is based on the expectation that the resolution regarding horse racing's future in California, especially following the closure of Golden Gate Fields, will provide valuable insights for future date selection. This period also affords an opportunity to engage with alternative carnival providers in case Butler Amusements is unable to accommodate an August/September date shift.

Additionally, by deferring the decision, staff can adequately engage the community via an extensive guest survey to gather community feedback. This survey would aim to not only gather insight on the proposed date changes presented but also consider potential modifications to the State Fair's operational hours. While not the primary focus of this initiative and directive by the Board at the October board meeting, adjusting fair hours could have a favorable impact on operational costs, relevant to both current and proposed future fair dates.

**b. CANNABIS**

State of California

California Exposition & State Fair  
1600 Exposition Boulevard  
Sacramento, CA 95815  
Tel: (916) 263-3000  
E-mail: [tmartinez@calexpo.com](mailto:tmartinez@calexpo.com)

## MEMORANDUM

**Date:** December 6, 2023  
**To:** Board of Directors  
California Exposition and State Fair  
**From:** Tom Martinez, Chief Executive Officer  
California Exposition and State Fair  
**Subject:** Update-State Fair Cannabis Event Addendum

### INTRODUCTION

The California Exposition & State Fair mission is to create a State Fair experience reflective of California's industries, agriculture, and diversity of its people, traditions and trends shaping its future. The California State Fair Cannabis Awards is the first-ever state agency-sanctioned competition and awards program specifically for licensed cannabis. As with other State Fair competitions, one of our main goals is to educate State Fair attendees on agricultural products, industry standards, and to showcase the talent and achievements of the people of California. Historically, the State Fair utilizes its competitions to encourage farmers, cultivators, and producers to find the most efficient and best practices in their respective industries to create the best quality products. We hope the State Fair Cannabis Competition and Awards will encourage proper licensure for cultivars in California: proper product labeling, education for consumers of products, push back against the illicit market, and help foster a safer, cleaner product for cannabis consumers.

### LEGALIZATION OF CANNABIS IN CALIFORNIA

California voters first approved the use of cannabis in the State in 1996 through Proposition 215, the Compassionate Use Act (CUA), which legalized the use of medicinal Cannabis in California and left regulations to local governments. The medical cannabis industry became regulated by the State in 2015 when three bills in the legislature collectively established a comprehensive State regulatory framework for the licensing and enforcement of cultivation, manufacturing, retail sale, transportation, storage, delivery and testing of medicinal cannabis in California.

In 2016, California Proposition 64, the Adult Use of Marijuana Act (AUMA), was approved by voters and initiated as a State Statute. Proposition 64 allows adults aged



21 and over to possess and use cannabis for recreational purposes. It also allocates tax revenue created from the sale of cannabis, to be spent on drug research, treatment and enforcement, grants addressing marijuana and youth prevention programs, and preventing environmental damage from illegal cannabis cultivation. Californians were able to legally purchase cannabis on January 1, 2018 creating one of the largest legalized cannabis industries in the country. Cannabis is undoubtedly part of the California cultural landscape, as well as an emerging economic driver representing \$ 5.9 billion in annual sales, over \$1 billion in state taxes, \$300 million in local taxes, and has created an estimated 500,000 jobs.

Recreational Cannabis is legalized in 24 states, three U.S. territories, and D.C. Medicinal cannabis is legalized in 38 states and while it is not legal federally, there is are efforts to legalize cannabis at the federal level.

## CREATION OF THE COMPETITION

During all phases of the planning of these awards the appropriate regulatory agencies were aware of this inaugural competition and have remained supportive.

In 2019, Cal Expo entered a multi-year agreement with Cultivar Brands (Cultivar), a strategic cannabis marketing and events agency, to develop a cannabis competition program consistent with other CA State Fair commercial product competitions such as wine, cheese, olive oil and craft beer competitions. The Awards represent recognition, acceptance, and a celebration of our California cultivators, large and small.

Cal Expo and Cultivar contemplated on how best to approach the California cannabis industry to develop an agricultural awards program that serves the mission of the CA State Fair, while providing a platform for education and demystification of the cannabis plant for the “cannacurious” and mainstream audience. For the first year of the competition, it was decided that a science-based competition format would best serve these awards. The competition focuses on objective and quantitative chemical testing to evaluate submissions to determine cannabis of the highest-quality, purity, and craft. To that end, Cultivar partnered with the leading testing lab for the State of California - SC Labs to onboard licensed cultivators and facilitate the testing.

While cannabis competitions have focused on a subjective and qualitative process facilitated through a judging panel, we believe science separates the State Fair from the highly-subjective discussion of psychoactive effects and active consumption via a judging panel. The State Fair Awards are open to licensed and legal cultivators only, and the Divisions will mirror the Dept. of Cannabis Control license types; indoor, mixed light and outdoor/sun grown. It was further decided the Awards would focus on the chemistry of the raw flower only, and not venture into the myriad of products and form factors such as edibles, resins, dabs, beverages and many others.

In developing the competition, Cultivar discussed the opportunity with some of the brightest minds in California cannabis and the



response was overwhelmingly positive. This competition provides the opportunity of aligning with the State Fair, the creation of a communications platform to a mainstream audience and a program that honors the cannabis plant in its raw chemical component, purest form as an agricultural crop. The Awards quickly became about the whole plant, and all of its unique compounds. We recognize that this is a unique opportunity to educate, educate, educate.

### **CA STATE FAIR CANNABIS AWARDS**

The CA State Fair Cannabis Awards has created three Divisions (Indoor, Mixed Light, and Outdoor) and will recognize ten categories in each Division. SC Labs Phytofacts chemometric reports will measure abundance in seven terpene categories: ocimene, limonene, pinene, myrcene, caryophyllene, terpinolene, and a co-dominant terpene profile. Also measured will be the raw, acidic form of three cannabinoids: THCa, CBDa and CBGa. Altogether, these categories have been carefully selected to present a whole plant perspective and educate the audience as to the importance of terpenes and all unique cannabinoids.

According to Cultivar, like terpenes, cannabinoids are critical to whole plant education, and removing cannabinoids from the Awards solely to avoid a deeper conversation about THC is doing a disservice to the plant and the cannabis industry. By recognizing the cannabinoids in their raw, acidic form (THCa, CBDa, CBGa), the awards focus on the flower prior to further processing or decarboxylation, which unlock the psychoactive characteristics of the THC molecule. The psychoactive or intoxicating effects are not what's being evaluated for these Awards. The CA State Fair Cannabis Awards seek to educate on whole plant biology and the therapeutic properties present in all parts of the raw plant.

Over the past two years, the competition has received over 550 submissions representing some of the finest cannabis and cultivators throughout California.

### **CA STATE FAIR CANNABIS EXHIBIT**

As an additional educational component, for adults 21 and over, the California State Fair Cannabis Exhibit hosted an interactive and educational display that celebrates the history, culture, and pioneers of California cannabis. This exhibit provides an overview of its supply chain from seed to licensed retailer. The State Fair does not currently allow the consumption or sale of THC and this rule applied to the Cannabis Exhibit. Since agriculture and education is at the core of this exhibit, with a deep focus on genetics, cultivation techniques, and terroir and plant chemistry, there have been cannabis on display providing depictions of its growth cycle. It has been an educational experience where adult visitors will leave with more knowledge about cannabis and the California's Cannabis Industry. Cultivar even coordinated with the Department on Cannabis Control on the exhibit to ensure compliance with all regulations regarding having cannabis plants on site in the exhibit. The Department on Cannabis Control was onsite every day during the annual State Fair answering questions as well as being part of the exhibit.



## HISTORY OVERVIEW

- Cannabis has been legal in the State of California since 1996.
- Cal Expo formed a partnership with Cultivar Brands, Inc. to organize the California State Fair Cannabis Competition and Awards.
- The competition is open to licensed California growers only.
- The competition takes place in advance of the State Fair at S.C. Labs, a licensed testing facility.
- Awards are based solely on the phytofacts chemical report from S.C. Labs.
- Cal Expo's Code of Conduct currently does not allow the consumption or sale of cannabis during the State Fair.
- Entry to the Cannabis Exhibit is restricted to adults 21 and up.
- Detailed information online at: <http://www.castatefaircannabisawards.com>

## CHANGE IN CANNABIS LAW

In 2023, AB128 was signed into law and codified the Type 13 – cannabis event organizer license to the list of license classifications.

Currently, MAUCRSA authorizes the issuance of a state temporary event license to a licensee authorizing onsite cannabis sales to, and consumption by, persons 21 years of age or older at a county fair event, district agricultural association event, or at another venue expressly approved by a local jurisdiction, as specified.

## BOARD DIRECTION

On October 27<sup>th</sup>, 2023 at the annual Board Retreat, the Board of Directors directed staff to engage in collaborative discussions with industry stakeholders regarding the potential expansion of the Cannabis Competition and Exhibit and the inclusion of cannabis products for consumption at the 2024 California State Fair. Additionally, the Board directed staff to update the Cannabis Event policy guidelines to align and implement with the current state policies and guidelines established by the California State Legislation.

Staff has been in communication with competition consultants about the addition of cannabis products to the 2024 California State Fair Cannabis Competition and Exhibit. After receiving industry stakeholder input, there is a recommendation to add a "Fan Favorite" award ribbon so categories such as beverage and edibles may be recognized at The State Fair. The award winners would be crowdsourced in the lead up, and at the State Fair using an objective balloting method to be completed by attendees.



Furthermore, staff has updated the Cannabis Event policy guidelines and have posted it on the Cal Expo & California State Fair website for public comment. You can see the addendum here:

### **ADDENDUM – CANNABIS**

#### ***Original Policy***

The California Exposition & State Fair Board of Directors at their November 3, 2017, meeting, voted to NOT allow the sale or consumption of Cannabis during the Annual California State Fair. Additionally, the California Exposition & State Fair Board of Directors directed staff to develop policies and guidelines addressing the permitting/licensing of Cannabis events at Cal Expo for Medicinal and/or Adult use.

#### ***New Policy***

The California Exposition & State Fair Board of Directors at their December 8, 2023 meeting, voted to allow the sale and consumption of cannabis during the Annual California State Fair and also updated the policies and guidelines addressing the permitting/licensing of Cannabis events at Cal Expo for Medicinal and/or Adult use.

The following policies and guidelines are hereby incorporated into and made part of the Permit Agreement.

#### **Licenses, Permits and Approvals**

Promoter must possess all appropriate Cannabis licenses, permits and approvals required by the State of California, and other local agencies (required under State law) for an event at Cal Expo with specific dates of the event.

All Cannabis related events shall fully comply with California State laws.

#### **Policies**

Promoter is responsible to guarantee that all vendors at the event possess appropriate licenses, permits and approvals required by the State of California, County of Sacramento and City of Sacramento.

Promoter shall limit admissions, attendance and participation to persons 21 years of age and older.

Promoter shall adhere at all times to guidelines, conditions, event fact sheets, etc., established by the California Department of Cannabis Control.

Promoter understands that all “use & non-use Cannabis events” at Cal Expo will be considered a “hazardous activity” for insurance purposes. As such, these events require proof of insurance in an amount equal to, or greater than \$2,000,000.

Promoter shall submit a written event security plan to Cal Expo 30 days in advance of the event. Cal Expo at its sole discretion may require the Promoter to further enhance said security plan, at Promoters expense.

Promoter shall provide an event take down and cleanup plan to Cal Expo 30 days in advance of event. Promoter shall guarantee that after the event closes each day, all areas of the event, including parking lots, are free of any Cannabis or materials that may contain Cannabis.

Designated "consumption area(s)" shall be provided with dedicated security personnel. (Cal Expo will not provide State personnel to work in consumption area(s).)

Promoter of Cannabis event shall take measures to fence and screen designated Consumption area(s) so that persons outside of the area are unable to see in.

Promoter shall provide plan to limit the impacts of any Cannabis smoke that may leave the consumption area(s,) so as to minimize the possibility of a "contact high" for persons not in the consumption area(s.)

Promoter shall clearly place signage in the event that notes that Cannabis is listed on the Federal Schedule 1 of Controlled Substances.

Promoter shall ensure that "Free Samples" of cannabis are NOT distributed at the event.

The event layout shall take into consideration all other activities that are simultaneously taking place at Cal Expo during the event. At minimum, the event shall be located at an appropriate distance (as determined solely by Cal Expo) from any simultaneous event at Cal Expo not related to the permitted Cannabis event.

Promoter shall actively work to prevent the consumption of Cannabis in Cal Expo's parking lots.

In an effort to help educate event participants, Promoter shall provide a total of three (3) booth spaces (free of charge) for use by the California Department of Cannabis Control, California Department of Food and Agriculture, and other agencies as deemed appropriate by Cal Expo.

## **RECOMMENDATION**

Staff recommends that the Board of Directors approve new changes to policies approving cannabis sales and consumption in alignment with the changes to AB128 and guidance from the Department on Cannabis Control. In coordination with the California Department of Cannabis Control, the Cannabis Event Organizers will identify specific modalities of consumption that are supported by industry best practices as to not

negatively impact a State Fair experience reflective of California's industries, agriculture, and diversity of its people, traditions and trends shaping its future.

The identified modalities include non-inhalable products as well as inhalable products should an adjacent space next to the exhibit become available.

Additionally, staff recommends the approval a "Fan Favorite" award for product categories currently excluded from the Competition.

C. WESTERN FAIRS ASSOCIATION

**MEMORANDUM**

**Date:** December 1, 2023  
**To:** Board of Directors  
California Exposition & State Fair  
**Via:** Tom Martinez, Chief Executive Officer  
**From:** Matt Cranford, Chief Deputy General Manager  
**Subject:** Western Fairs Association (WFA) Report

In late October, the Board convened to offer extended-term guidance to the staff, which included scheduling a discussion regarding the renewal of memberships in Western Fairs Association (WFA) and California Fairs Alliance (CFA). Previously, the Board had deliberated on whether to withdraw from WFA, especially after the organization publicly opposed a budgetary priority during a prior legislative session. Following discussions with WFA's leadership, the Board decided to maintain the membership. However, subsequent to the 2023 WFA Conference, the Board is reassessing the California State Fair's affiliation with WFA and contemplating whether to continue the partnership or to pursue an independent direction.

**WESTERN FAIRS ASSOCIATION BACKGROUND**

Founded in 1922 and incorporated in 1945, Western Fairs Association (WFA) is a nonprofit trade association dedicated to serving the fair industry throughout the western United States and Canada. The association's primary purpose is to assist in maintaining the highest professional standards within the fair industry through a voluntary network of individuals and organizations. The primary objective of Western Fairs Association is to promote the prosperity of fairs through educational activities, training programs and legislative advocacy.

Western Fairs serves more than 800 members, representing fair-related businesses, fair management, fair board directors, festivals, and industry associations. This membership is represented by a member-elected board of directors that governs the activities and policies of the association under the terms of the association bylaws.

**CALIFORNIA FAIRS ALLIANCE BACKGROUND**

The California Fairs Alliance (CFA) is a subsidiary of Western Fairs Association, providing advocacy and resource development for the network of California fairs. The mission of the California Fairs Alliance is to represent the interests of California fairs with effective volunteer

leadership that influences key decision-makers through advocacy, education and communication.

#### **WFA & CFA CURRENT RELATIONSHIP**

California State Fair (CSF) has been a long-standing member and supporter of WFA and CFA, both operationally and financially. The operational support provided by CSF has included the use of building and outdoor space(s) for CA Fair-staff training, meetings, and receptions. This support has been ongoing through collaboration with the Western Fairs Association Annual Convention and the storage of equipment and supplies. The financial support provided by CSF has included payment of the annual membership dues, sponsorship of the annual convention, paying increased CFA dues when asked, and sponsoring other CFA/WFA events as requested.

Additionally, as a member of CFA, the CSF has historically been a leader in the advocacy for the CA Fair Network. Over the years, this advocacy has included lobbying for increased funding, horse racing, and on behalf of the various fair's stakeholders for issues that impact their operations (such as H2B visas or health department policy).

CSF staff have also played a role in leadership at WFA and CFA including participating as members of the Board of Directors for WFA, committee member for CFA, or volunteering in some capacity at the annual convention. Currently CEO Martinez, as Vice-Chair of the California Authority of Racing Fairs (CARF), is the CARF representative to CFA committee. For this position however, Chief Deputy General Manager Cranford has assumed the representative role on behalf of Mr. Martinez. Prior to joining CSF, Cranford was a director on the WFA Board as the CEO of the Stanislaus County Fair. With his transition to CSF at the beginning of 2023, there was an open seat that allowed him to continue serving as a director.

#### **Policy & Advocacy**

As an active and financially contributing member of WFA, the CSF acknowledges WFA's role in representing both CSF and Cal Expo in advocacy matters. As a member of the California Fairs Network (by association with the California Department of Food & Agriculture and all of the California county fairs), CSF is represented by WFA/CFA on items that may be beneficial to the county fairs, but a hindrance or not useful to CSF.

With this potential issue in mind, CEO Martinez sent an email on March, 10, 2023, to WFA Executive Director, Sarah Cummings, requesting that CFA and WFA not to engage or represent CSF on legislative matters in front of the California State Legislature.

#### **STAFF RECOMMENDATION**

Staff recommends to the Board of Directors that the current membership to CFA and WFA not be renewed for 2024.

d. OVG 360- 2023 CONTRACT



**MEMORANDUM**

**Date:** December 1, 2023  
**To:** Board of Directors  
California Exposition & State Fair  
**Via:** Tom Martinez, Chief Executive Officer  
**From:** Matt Cranford, Chief Deputy General Manager  
**Subject:** Oak View Group 360 – Facility Management

In 2022, Oak View Group (OVG) successfully completed a merger with Spectra, entailing two primary components: assuming responsibility as the master food and beverage concessionaire, and managing the Heart Health Park sports field facility. Subsequent to this merger, OVG Hospitality was established to fulfill the role of Master Food & Beverage Concessionaire. Concurrently, OVG360 was instituted as the facility management division within OVG, specifically overseeing Heart Health Park. This arrangement was formalized through an emergency Memorandum of Understanding (MOU), designating OVG360 as the entity responsible for the daily operational management of the sports field.

**OVG360 BACKGROUND**

OVG360, a division of Oak View Group, is a full-service venue management company that helps client-partners reimagine the sports, live entertainment, and convention industries for the betterment of the venue, employees, artists, athletes, and surrounding communities. With a portfolio of client-partners spanning arenas, stadiums, convention centers, performing arts centers, cultural institutions, and state fairs around the globe, OVG360 provides a set of services, resources and expertise designed to elevate every aspect of business that matters to venue operators. Service-oriented and driven by social responsibility, OVG360 helps facilities drive value through excellence and innovation in booking and content development, sustainable operations, public health, and public safety, and more.

OVG360 commenced its search for a facility General Manager in January and February, presenting multiple candidates for interviews with the Cal Expo Executive staff. This process enabled staff involvement in selecting a suitable candidate for sports field management. After several months, a decision was made, and the new general manager commenced duties in early April. Before filling this role, Rick Hontz of OVG worked on behalf of Cal Expo and OVG to negotiate an agreement with Sac Republic FC. Following weeks of negotiation, Rick was ready to have an agreement signed between Cal Expo and SRFC, with the contract term being the final point of contention. Cal Expo favored a one-year initial term, while SRFC insisted on a multi-year contract, leading to an impasse.

In the absence of a formal agreement between Cal Expo and SRFC, OVG continued managing the field, coordinating with SRFC for its requirements. Concurrently, Cal Expo engaged in ongoing negotiations with OVG360 regarding the emergency operating MOU. Certain business elements, such as a joint bank account and specific insurance language and billing, posed challenges. During this period, it became evident that Cal Expo could not settle any invoices or service fees related to OVG360 and Heart Health Park without a formal agreement. To mitigate this, OVG Hospitality stepped in to cover some of these expenses, subsequently back-billing Cal Expo. Outstanding payments owed to OVG360, which OVG Hospitality cannot settle, include the monthly retainer fee, business operating costs, and salaries for the general manager, event coordinator, and operations supervisor.

#### **OVG360 EMERGENCY USE MEMO OF UNDERSTANDING**

The current Emergency Memorandum of Understanding (MOU) is ready for execution but requires the board's approval. Once approved, this MOU will enable Cal Expo to pay OVG360 for the fees accrued over the past 12 months in managing Heart Health Park. The MOU under consideration includes a provision for a 1-year extension, potentially making it applicable through the year 2024.

#### **STAFF RECOMMENDATION**

Staff recommends that the current Emergency MOU between Cal Expo and OVG360 be approved for the 2023 year in order to provide payments as necessary to OVG360. Staff would further recommend that the board not approve the 2024 option at this time, but bring it back for further discussion at the January board meeting, in order to resolve their future at Cal Expo.

**CORRESPONDENCE**



CALIFORNIA DEPARTMENT OF  
FOOD & AGRICULTURE

Karen Ross, Secretary

November 3, 2023

F2023-06

TO: All Fairs  
SUBJECT: Proposition 12 Update for the 2024 Fair Season

As we all begin to prepare for the 2024 Fair Season, please keep in mind that [Proposition 12 \(2018\)](#) went into effect on January 1, 2022. Proposition 12 is the Farm Animal Confinement Initiative that requires that covered animals be housed in confinement systems that comply with specific minimum standards for freedom of movement, cage-free design, and minimum floor space, and identifies covered animals to include veal calves, breeding pigs, and egg-laying hens, as specified. As you might already be aware, the regulations and additional requirements went into effect on September 1, 2022, for certification, registration, accreditation, and inspection to implement the [Health and Safety Code \(HSC\) sections 25990-25994](#).

While self-certification of the farm where the breeding pig is kept was acceptable for the 2023 fair season, only third-party certifications will be permitted beginning with the 2024 fair season for fair pigs to be processed for resale. The CDFA Fairs and Expositions (F&E) Branch strongly recommends that all fairs request that their market hog exhibitors submit a third-party certification to ensure the pork meat from the show pig has access to a "resale" market. All pig breeders, regardless of age and farm size, in California and those outside of California selling market show pigs to California exhibitors, must be in compliance with Proposition 12.

To implement the law after the passing of Proposition 12 and to assist with the new regulations, the CDFA [Animal Care Program](#) (ACP) was formed within the Animal Health and Food Safety Services (AHFSS) Division. The ACP has also created many helpful outreach and educational materials for the various stakeholders which can be found on their website. Please take the time to watch and share the Proposition 12 Fairs and Exhibitions Guidance for 4-H and FFA [video](#) prepared by ACP. The video is extremely informational!

A list of third-party accredited [certifying agents](#) for Proposition 12 compliance can also be found on the ACP website. Currently, the CDFA AHFSS Division is the only governmental entity certifying agent and certifies at no cost to the producer. If a



F2023-06  
November 3, 2023  
Page 2

producer would like CDFA to certify their farm, they can contact the ACP at [AnimalCare@cdfa.ca.gov](mailto:AnimalCare@cdfa.ca.gov) to inquire about applying for certification. Please share this information with your fair's swine exhibitors as soon as possible to allow them enough time to find a Proposition 12 – compliant project pig for the 2024 fair season.

The F&E Branch appreciates your cooperation as we all transition to a Proposition 12 – compliant future. If you have any questions or concerns regarding Proposition 12 and how it may impact your fair, please contact [Mike Francesconi](#) at (916) 900-5365.

Respectfully,

A handwritten signature in blue ink that reads "Mike Francesconi". The signature is written in a cursive style.

Mike Francesconi  
Branch Chief

cc: Elizabeth Cox  
CDFA Animal Care Program Manager