

State of California

California Exposition & State Fair
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MEMORANDUM

Date: December 11, 2020

To: California Exposition and State Fair Board of Directors

Via: Rick Pickering, CEO and General Manager

From: Tom Martinez, Chief Deputy General Manager
California Exposition & State Fair

Subject: Request by County of Sacramento for an extension on the license agreement of the Pavilion and L-2 and L-3 at Cal Expo for the COVID-19 drive through testing through March 2020

Background

The COVID-19 Pandemic has reached its one year anniversary and continues to cause significant hardship for families, businesses and governments in the United States, and particularly here at home in California. Following the lead of health officials and in the spirit of shelter-in-place orders, major event facilities including Cal Expo reacted quickly to cancel events in an effort to help lessen the spread of COVID-19.

In accordance with the Governor's Executive Order N-33-20 and guidance from health officials, on April 24, 2020 the Cal Expo Board of Director's made the difficult decision to cancel the annual California State Fair. The State Fair was scheduled to take place July 17 – August 2, 2020. Phase Four of the Governor's reopening of the economy includes allowing some modified forms of event gatherings at an undisclosed point in the future. It is currently unclear at what point health officials will allow Cal Expo to host major events and what attendance will levels should be anticipated when major events do return.

Cal Expo relies solely on revenues from events and the annual State Fair to keep Cal Expo open and available for use by the public and by the State during emergencies. Revenues from events cover the payroll for State employees, all benefits and retirement

contributions for State employees, all insurances to protect the property and general liabilities, all utilities, all facility maintenance costs, Police and Security costs etc.

During emergencies in recent years, Cal Expo has supported the Governor's Office of Emergency Services, Cal Fire, the California Highway Patrol, FEMA, and as of June of 2020, the National Guard. With the annual fire season in full swing, Cal Expo is already coordinating with Cal Fire and Cal OES to support more emergency operations for the region and the State. As a key emergency support facility, Cal Expo receives no rent when activated by the State to assist in emergencies.

In recent months, Cal Expo has been an essential part of the State and Local government's emergency response to COVID-19. In concert with the State and County of Sacramento, Cal Expo is serving as a regional "COVID-19 Drive through Testing Facility" that is one of the largest in the State. Cal Expo is also home to Sacramento's Isolation Trailer Facility, which provides 63 trailers for COVID-19 use by the City and County of Sacramento. The State recently utilized Cal Expo to house National Guard troops during a temporary deployment in the City of Sacramento. Earlier this month we hosted the California Medical Associations' regional PPE distribution event for local Doctors.

Early on in the Pandemic, the county established a drive through testing facility at Cal Expo and has since tested over 50,000 people and is one of the highest volume COVID testing locations in the state. We did not brief the Board on the action before implementation because of the emergency and urgent need for testing. The original contract with the County of Sacramento was set to expire on September 30, 2020. On Wednesday, August 26, 2020, Governor Newsome announced a plan to double the State's testing capacity and to return test results faster by signing a contract with a major diagnostics company. Our effort has helped the region fulfill this testing plan. At our Board meeting on August 28, 2020, the Board voted to extend the contract date to December 31, 2020. We are currently in another COVID-19 surge and the number of cases will rise in the coming months because of Holiday gatherings. Once a vaccine becomes available for distribution the site could change to serve both testing and vaccination purposes.

Request

The County of Sacramento is requesting to extend their contract to lease the Pavilion, western end of L-2 and all of L-3 for the COVID-19 drive through testing facility to June 30, 2021. Along with this change they would like to switch to a mutually agreed upon flat rate for items unrelated to renting of the facilities. There is still a great need for testing and that need is going to rise in the next couple of months. Cal Expo continues to be the most successful and convenient location for the drive through testing in the Region.

Recommendation

Staff respectfully recommends to approve the extension of the lease of the Pavilion, western end of L-2 and all of L-3 and move towards an agree upon flat rate payment per month with the County of Sacramento for the COVID-19 drive through testing facility and to execute an appropriate amendment.