



County of San Mateo

Inter-Departmental Correspondence

Department: COUNTY MANAGER

File #: 18-962

Board Meeting Date: 10/23/2018

Special Notice / Hearing: None
Vote Required: Majority

To: Honorable Board of Supervisors

From: John L. Maltbie, County Manager

Subject: Agreement Providing for Management of the San Mateo County Fair and the San Mateo County Event Center

RECOMMENDATION:

Adopt a resolution authorizing the President of the Board of Supervisors to execute an agreement with the San Mateo County Exposition and Fair Association providing for its continued operation of the San Mateo County Fair and San Mateo County Event Center, for the term of November 1, 2018, through December 31, 2025.

BACKGROUND:

Since 1938 through the present, the San Mateo County Fair and Exposition Association (SMCEC), a non-profit corporation has planned and put on the annual County Fair and manages the Event Center and its facilities. Throughout the year there are conference, expositions and shows taking place in buildings and facilities located at the Event Center.

DISCUSSION:

This agreement provides for the terms under which SMCEC operates and manages the County-owned land and buildings comprising the Event Center, including authorizing SMCEC to enter into contracts with third-party exhibitors and vendor to host conferences, expositions, shows and private events at the Event Center ("Agreement"). In accordance with applicable state statutes, SMCEC will continue to operate and manage the annual County Fair. The Agreement also governs SMCEC's management and operation of The Jockey Club, a satellite wagering facility located at the Event Center.

Although there is an agreement currently in place with SMCEC, it is scheduled to expire in June 2020, less than two years from now. In the current era, many shows and other events booked by SMCEC are for multiyear contracts, which allows for continuity and effective planning, and maximizes the use and revenue generation of the facilities. Because its own operating agreement expires in June 2020, SMCEC is unable to enter into agreements with exhibitors and other entities for shows scheduled beyond that date. The approaching expiration also creates anomalies in SMCEC's

accounting practices, as its depreciation schedule cannot, by policy, extend beyond the life of the current operating agreement.

The proposed contract has essentially the same material terms as the previous contract with the San Mateo County Fair and Exposition Association except for:

1. Increasing the insurance requirements from a \$5M per occurrence limit to a \$10M per occurrence limit for comprehensive general liability, adding some additional categories of insurance coverage and making technical modifications to Workers' Compensation coverage requirements;
2. Requiring the Association to maintain an unrestricted cash reserve of at least 15% of its annual operating budget; and
3. Establishing a new term of November 1, 2018 through December 31, 2025.

Approval of this Resolution contributes to the Shared Vision 2025 outcome of a Collaborative Community by helping to ensure active and responsible stewardship of the Event Center and County Fair.

The resolution and agreement have been reviewed and approved as to form by County Counsel.

FISCAL IMPACT:

There is no fiscal impact to the County.