



# County of San Mateo

## Inter-Departmental Correspondence

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**Department:** COUNTY EXECUTIVE

**File #:** 22-981

Board Meeting Date: 12/13/2022

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**Special Notice / Hearing:** None  
**Vote Required:** Majority

**To:** Honorable Board of Supervisors  
**From:** Michael P. Callagy, County Executive  
**Subject:** Approval of MOU with the San Mateo County Exposition and Fair Association for Financial Contribution to Specified Improvement Projects

**RECOMMENDATION:**

Adopt a resolution authorizing the County Executive, or designee, to execute a memorandum of understanding with the San Mateo County Exposition and Fair Association, and any other appropriate documentation, to effectuate the transfer of \$2,000,000 to the Association's Capital Improvement Fund to be used for specified Event Center Improvement Projects.

**BACKGROUND:**

The County of San Mateo ("County") is the owner of the San Mateo County Event Center ("Event Center"), in the City of San Mateo, which is used for conferences, conventions and expositions. The Event Center is managed by a non-profit organization, the San Mateo County Exposition and Fair Association ("Association"), pursuant to the "Agreement Providing for Management of the San Mateo County Fair and the San Mateo County Event Center" ("Event Center Management Agreement"), dated August 12, 2008, various forms of which have been in place since 1984.

The Event Center Management Agreement contains provisions governing the use, maintenance, and improvement of the Event Center. Specifically, Section 9 confirms that the County has ownership and control of all the Event Center property, and that the County and the Association will jointly perform major maintenance and capital improvements of all Event Center buildings and grounds. Where the County elects to undertake major maintenance or capital improvements to its Event Center property, the Association is responsible for the administration and supervision of those projects.

The County and the Association have collaborated in the past on needed improvements to Event Center facilities, including the County's provision of approximately \$2,900,000.00 to fund repaving of the East parking lot surfaces in 2017.

Capital investment is needed to upgrade the property, expand business opportunities, and improve emergency response capabilities. The Association will also continue to source grant opportunities to improve the facility. Most recently, it was announced that \$35 million through the California Strategic Growth Council would be available for community centers, fairgrounds, non-profits, and other

community organizations that are designated as Community Resilience Centers by their local authorities. This designation is required for all grant applications. The Event Center has indicated that it will continue to demonstrate itself as a Community Resilience Center.

### **DISCUSSION:**

The Association has identified three deferred capital projects for which it seeks the County's financial support in an aggregate amount of \$2,000,000.00.

First, the Association has entered into an agreement with the California Construction Authority ("CCA") to complete a project to replace the heater at Fiesta Hall (the "Fiesta Hall Project"), one of the buildings located at the Event Center. The replacement of the heater will ensure that the building continues to be suitable for hosting corporate events, conventions, youth sports events, and other trade and public shows as well as for serving as an emergency response center, generating economic impact for San Mateo County. The Association is seeking a contribution from the County in an amount not to exceed Seven Hundred Thousand Dollars and Zero Cents (\$700,000.00) for reasonable costs incurred in connection with the Fiesta Hall Project and has agreed to cover any additional costs above that amount.

Second, the Association seeks to fund a project to install solar canopies in the main guest parking lot which includes relocation of current RV power, water, and sewer hookup locations under solar canopies, offering upgraded and out-of-sightline power, water, and sewer hookups along with additional parking and EV charging stations (the "Solar Canopies Project"). The Solar Canopies Project would allow the Association to host more conventions and conferences while accommodating sports, trade, and consumer shows, directly increasing its capacity to host multiple events concurrently. This project would also enhance emergency preparedness in case of a disaster and would generate revenues for the Association to pay for new improvements in the future.

The Association has engaged CCA to assist with competitive bidding to retain a contractor for the Solar Canopies Project. The budget to complete the project totals \$4,740,901.10. The Association seeks a contribution from the County in the amount of One Million Dollars and Zero Cents (\$1,000,000.00) for reasonable costs incurred in connection with the Solar Canopies Project. The Association will match this investment with an additional \$2,000,000.00 of its reserve funds.

Third, the Association seeks to fund a project to make internet and Wi-Fi capability upgrades to offer state-of-the-art Wi-Fi systems at the Event Center (the "Wi-Fi Upgrades Project"). These improvements will provide current and future business clients and conventions with the necessary broadband and Wi-Fi to execute their events. These upgrades will also be critical for emergency response purposes. The Association seeks a contribution from the County in an amount not to exceed Three Hundred Thousand Dollars and Zero Cents (\$300,000.00) for reasonable costs incurred in connection with the Wi-Fi Upgrades Project. The Association will match this commitment with \$200,000.00 of its reserve funds.

Improving the Event Center is in the interest of the County, which owns the property, to ensure its continued suitability for conference, conventions, and expositions. Investment in these Event Center projects also improves emergency resilience for our communities, improves sustainability through solar investment, and generates additional revenue that can be used to maintain and improve the property.

These projects are within the scope of Section 9 of the Event Center Management Agreement, and thus will be administered and supervised by the Association. To that end, the Association, at its own

expense and following a competitive procurement process, has entered into an Individual Project Agreement with the CCA to perform work for the Fiesta Hall Project. The work is expected to be completed by April 27, 2023. The Association has also retained the CCA to assist with developing and managing the competitive bidding process for the Solar Canopies Project. The Association has agreed to use competitive procurement in connection with the Wi-Fi Upgrades Project as well.

The County Executive seeks approval from the Board of Supervisors to execute a memorandum of understanding (MOU), and any other documentation as may be necessary or advisable, with the Association to effectuate the transfer of a total of \$2,000,000.00 for these projects which funds shall be deposited in the Association's Capital Improvement Fund, which is maintained by the County's treasury.

Under the MOU, the County shall have the right to direct the Association to exercise its contractual right to access and examine its selected contractor's records and documents to determine compliance with relevant Federal, State, and local statutes, rules and regulations, and this Agreement, and to evaluate the quality, appropriateness and timeliness of services performed by the selected contractor. The MOU also provides that any amount not expended for the Project, including any interest earned, will be returned to the County within 15 business days of the date the Association completes the projects.

The County Attorney's Office has reviewed and approved the accompanying resolution and MOU as to form.

**FISCAL IMPACT:**

The funds committed by this action total \$2,000,000.00 and will be drawn from the County General Fund at 100% Net County Cost.