



County of San Mateo

Inter-Departmental Correspondence

Department: COUNTY EXECUTIVE
File #: 23-771

Board Meeting Date: 9/26/2023

Special Notice / Hearing: None
Vote Required: Majority

To: Honorable Board of Supervisors
From: Michael Callagy, County Executive
Subject: Reinstatement and Amendment 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 an agreement to reinstate and amend a Memorandum of Understanding with the San Mateo County Exposition and Fair Association relating to Specified Event Center Improvement Projects and to extend the term to June 30, 2024 and to execute any other appropriate documentation as may be necessary or advisable to effectuate the transfer of \$2,000,000 to the Association for the specified Event Center 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 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. 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:

On December 13, 2022, with this Board's approval, the County and the Association entered into a Memorandum Of Understanding Relating to Specified Event Center Improvement Projects (the "MOU"). Pursuant to that MOU, the County agreed to provide financial support for three deferred capital projects at the Event Center in an aggregate amount of \$2,000,000.00.

The capital projects to be funded under the MOU are projects to (a) replace the heater at Fiesta Hall (the "Fiesta Hall Project"), one of the buildings located at the Event Center for an amount not to exceed \$700,000; (b) 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") for an amount not to exceed \$1,000,000; and (c) 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") for an amount not to exceed \$300,000.

The Board approved the financial contribution under the MOU in part because 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.

Although work on the three capital projects is not yet complete and the Association is continuing to incur associated expenses, the MOU has terminated pursuant to Section 5, which provides that the term of the MOU was from December 1, 2022 through and including June 30, 2023.

In order to continue to fund the work on these critical projects under the terms and conditions of the MOU, the County Executive seeks approval from the Board to execute an agreement to reinstate the MOU and rescind its termination so that the MOU shall be in full force and effect as if never terminated and to amend to extend the term through June 30, 2024.

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

EQUITY IMPACT STATEMENT:

Providing functional, safe, and healthy facilities for visitors to the Event Center to use and enjoy is an investment in San Mateo County's residents. Supporting the Event Center to remain a Community Resilience Center will ensure the ability for the County to locally support residents who experience negative impacts from a disaster or emergency. Reducing greenhouse gas emissions through the installation of green infrastructure for power generation and charging electric vehicles will contribute to overall positive health outcomes by reducing air pollution exposure for the estimated 42,029 people who live in the ten Census Tracts closest to the Event Center.

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.